

Provincial Treasury

ANNUAL PERFORMANCE PLAN

2009/10 to 2011/12



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To obtain additional copies of this document please contact:

Western Cape Provincial Treasury
Directorate Financial Management
Private Bag X9165
4 Dorp Street
CAPE TOWN
Tel.: (021) 483-5613
Fax: (021) 483-4558
e-mail: Gtombey@pgwc.gov.za

Om addisionele afskrifte van hierdie dokument te bekom tree in verbinding met:

Wes-Kaapse Provinsiale Tesourie
Direktoraat Finansiële Bestuur
Privaatsak X9165
Dorpstraat 4
KAAPSTAD
Tel.: (021) 483-5613
Faks: (021) 483-4558
e-mail: Gtombey@pgwc.gov.za

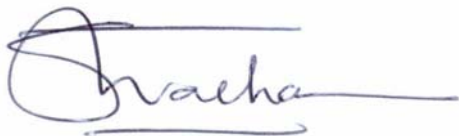
Iikopi zolu xwebhu ungazifumana nokuqhagamshelana ne:

Western Cape Provincial Treasury
Directorate Financial Management
Private Bag X9165
4 Dorp Street
CAPE TOWN
Umnxeba: (021) 483-5613
Ifaksi: (021) 483-54558
e-mail: Gtombey@pgwc.gov.za

Foreword

It has and will probably always be a difficult task in government departments that operate without a profit motive to prove to the public or citizens that their taxes are well spent. In the case of a private company, eg. listed on the stock exchange, the shareholders will watch out for losses and profits and growth in their investments, and sell shares if they are not happy with the company's performance. Unfortunately this is not the case in government and the public or citizens cannot follow this easy route. The Provincial Treasury's contributions in comparison with a private company is more difficult to measure as it has a vast number of responsibilities that directly and indirectly influence other provincial departments, entities and municipalities within the Western Cape. It is therefore important that a quality Annual Performance Plan (APP) be completed for the Provincial Treasury that reflects what is to be achieved in a realistic manner and to demonstrate to the public or citizens what service delivery can be achieved.

Since 2006/07 the Provincial Treasury has made special efforts to improve on its APP. These endeavours were not only driven by the fact that all departments will have to define their measurable objectives more accurately in future for auditing purposes, but also the inherent drive within the Provincial Treasury to produce a document that reflects a clear picture of what we intend doing over the next three years, but with special emphasis on the new financial year. During 2008/09 special efforts were also put in place to monitor and write up our quarterly progress, all-in-all to provide greater transparency on the activities and goals of the Provincial Treasury.



Garth Strachan
Minister of Finance, Economic Development and Tourism

Date: 24 February 2009

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Abbreviations

Abet:	Adult Basic Education and Training
AC:	Audit Committee
ACFS:	Annual Consolidated Financial Statements
ADP:	Accelerated Development Programme
AFR:	Asset Financing Reserve
AG:	Auditor-General
AO:	Accounting Officer
APP	Annual Performance Plan
ASGISA	Accelerate and Shared Growth Initiative of SA
ASB:	Accounting Standards Board
BAS:	Basic Accounting System
BBBEE:	Broad Based Black Economic Empowerment
BEE:	Black Economic Empowerment
BER:	Bureau for Economic Research
BI	Business Intelligence
BIF:	Business Insight Folder
BPO:	Business Process Outsourcing
BS	Budget Statement
CASIDRA:	Cape Agency for Sustainable Development in Rural Areas
CeI:	Centre for e-Innovation
CFO:	Chief Financial Officer
CG:	Conditional grant
CIDB:	Construction Industry Development Programme
CPD:	Corporation for Public Deposits
DBC:	Departmental Bid Committee
DBSA:	Development Bank of Southern Africa
DLGH	Department of Local Government and Housing
DORA:	Division of Revenue Act
DPWT:	Department of Public Works and Transport
EA	Economic Analysis
EDU:	Economic Development Unit
EEP	Employment Equity Plan
EOC:	Employer of Choice
EPS:	Electronic Purchasing System
EPWP:	Expanded Public Works Programme
ERA	Enterprise Risk Assessor
FET:	Further Education Training
FETC:	Further Education and Training Certificate
FMIP	Financial Management Improvement Plan
FMS:	Financial Management System
GAMAP:	Generally Accepted Municipal Accounting Practice
GDPR:	Gross Domestic Product per Region

GEPF:	Government Employees Pension Fund
GIAMA:	Government-wide Immovable Asset Management Act
GRAP:	Generally Recognised Accounting Practice
HDI:	Historically Disadvantaged Individual
HOT:	Head Official Treasury
HR:	Human Resource
HRD:	Human Resource Development
HRDS:	Human Resource Development Strategy
HRM	Human Resource Management
HSRC:	Human Sciences Research Council
IA:	Internal Audit
ICS:	Improvement in Conditions of Service
ICT:	Information Communication Technology
IDIP:	Infrastructure Delivery Improvement Programme
IDP:	Infrastructure Delivery Plan
IDP:	Integrated Development Plans
IDP:	Individual Development Plans
IE:	iKapa Elihlumayo
IFMS:	Integrated Financial Management System
IGCC:	Intergovernmental Cash Co-ordination
IIA:	Institute for Internal Auditors
IMFO:	Institute of Municipal Finance Offices
IMLC:	Institutional Management and Labour Committee
IPMU:	Infrastructure Programme Management Unit
IT:	Information Technology
IYM:	In-Year Monitoring
LED	Local Economic Development
LG	Local Government
LG MTEC	Local Government – Medium Term Expenditure Committee
LOGIS:	Logistical Information System
MEC:	Member of Executive Council
MEDS:	Micro Economic Development Strategy
MEDSAS:	Medical Stores Administration System
MFMA:	Municipal Finance Management Act, 2003 (Act 56 of 2003)
MLO	Media Liaison Officer
MPSA:	Minister of Public Service and Administration
MSP:	Master Systems Plan
MTBPS:	Medium Term Budget Policy Statement
MTEC	Medium Term Expenditure Committee
MTEF:	Medium Term Expenditure Framework
MTFF:	Medium Term Fiscal Framework
MTREF	Medium Term Revenue Expenditure Framework
NMIR:	National Minimum Information Requirements
NT:	National Treasury
NTR:	National Treasury Regulations
PDC:	Provincial Development Council
PERSAL:	Personnel and Salary Administration System
PER&O:	Provincial Economic Review and Outlook

PES:	Provincial Equitable Share
PFMA:	Public Finance Management Act, 1999 (Act 1 of 1999)
PGDS:	Provincial Growth and Development Strategy
PGWC:	Provincial Government Western Cape
PMDS:	Performance Management Development System
PMF:	Performance Management Frameworks
PMI	Performance Measure Indicator
PMU:	Programme Management Unit
PPP:	Public Private Partnership
PPPFA	Preferential Procurement Policy Framework Act
PPSC:	Provincial Portfolio Steering Committee
PSCBC:	Public Service Commission Bargaining Council
PSDF:	Provincial Spatial Development Framework
PT:	Provincial Treasury
PTM:	Provincial Treasury Management
PTF	Provincial Treasury Forum
QPR	Quarterly Performance Report
REAL:	Revenue, Expenditure, Assets, and Liabilities
RFP:	Request for Proposal
RFQ:	Request for price Quotations
SAQA	South African Qualification Authority
SARS:	South African Revenue Services
SCM:	Supply Chain Management
SCoA:	Standard Chart of Accounts
SCOF:	Standing Committee on Finance
SCOPA	Standing Committee on Public Accounts
SDBIP	Service Delivery Budget Implementation Plan
SDR:	Service Delivery Review
SEP	Socio-Economic Profile
SER:	Socio-economic Review
SETA:	Sector Education and Training Authority
SIP	Strategic Infrastructure Plan
SITA:	State Information Technology Agency
SME:	Small and Medium Enterprises
SMME:	Small Medium and Micro Enterprise
SMS:	Senior Management Service
SPMS:	Staff Performance Management System
TCF:	Technical Committee on Finance
TCO:	Total Cost of Ownership
TELKOM:	Telecommunication
TMM:	Treasury Management Meeting
TQM:	Total Quality Management
URS:	User Requirement Statement
WCED:	Western Cape Education Department
WCGRB:	Western Cape Gambling and Racing Board
WC-MTBPS:	Western Cape Medium Term Budget Policy Statement
WCSD:	Western Cape Supplier Database
WSP:	Workplace Skills Plan

Overview and Strategic Plan Updates

1. Overview

The key deliverables for 2009/10 that were compiled for the Provincial Treasury are:

- A credible medium term fiscal framework supported by robust socio-economic analyses, leading to responsive and sustainable budgets to promote shared growth and development.
- Proper recording of all financial transactions, promoting substantive compliance with financial management norms and standards, effective provincial risk management and high value internal audit services.
- Fostering prudent management of the built environment, physical and financial assets, financial systems and liabilities.
- Improved in-year expenditure management practices, analysis and improvement of intergovernmental financial management systems, municipal oversight and capacity building.

The main challenges that have been partially addressed within the Treasury over the last two years were and will remain challenges for 2009/10 are:

- To build sufficient capacity to become and stay an employer of choice in a competitive market for scarce skills, and with the overall goal in mind to systematically and measurably promote financial governance is the Western Cape Province. In this regard it is important to take note of the already substantive reduction in the vacancy rate, even with the growth in Internal Audit from over 30 per cent to lower than 23 per cent in the last quarter of the 2008/09 financial year.

- Greater interaction with departments and municipalities to ensure that Treasury's role of creating a more positive impact becomes more significant. This is an ongoing process and reality is that successes attained in any given year cannot automatically be carried over to the next year. Every new financial year has its own challenges and only dedicated and focussed action of all the units in Treasury will ensure success.
- The tight fiscal envelope has reduced flexibility, re emphasising the further need for greater cooperation of all units within Treasury to ensure our contributions to better financial governance are continuously improved so that we can attain our key deliverables as set out earlier.

2. Strategic plan update analysis

The 2005/06 annual reporting period saw the Office of the Auditor-General starting with performance audits based on information contained in provincial departments' Annual Performance Plans. The Auditor-General South Africa has adopted a phasing in approach for this compliance measure in terms of section 13 of the Public Audit Act, 2004 (Act 25 of 2004). This was necessary to allow time for appropriate standards to be developed and to promote an environment conducive for such audits to be conducted. From a governance perspective, it was also necessary to achieve a better quality product and this Annual Performance Plan (APP) strives to accomplish this objective.

During 2008/09 special quarterly performance sessions were held with unit managers to set benchmarks for future annual reports, as well as the next generation of APPs. Departments must not compile strategic plans and APPs merely for the sake of compliance but rather realistic APPs that are a true reflection of what is to be achieved in the coming financial years. Such a realistic and measurable APP should feed into proper quarterly reports that measure progress in each consecutive year, ultimately feeding into annual reports that can stand the test of proper internal and external audits, but more importantly, scrutiny by the Legislature as the representative shareholder of the broader public that we serve.

Programme and sub-programme performance targets

1. Programme 1: Administration

The aim of this programme is to conduct strategic management and overall administration of the Provincial Treasury.

The programme structure is as follows:

Office of the Minister

To render secretarial, administrative and office support services.

Management Services

To render strategic support, coordination and communication services.

Corporate Services (Human Resource Management)

To provide human resource management and development support.

Financial Management (Office of the CFO)

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

a. Specified policies, priorities and strategic objectives

The strategic objectives are specified under the various sub-programmes.

b. Progress analysis

The filling of vacant posts in the office of the head of the department should assist in reaching a higher-level administrative performance for the Provincial Treasury in the coming financial year. Once this has been achieved the transformation process that formally commenced four years ago will be attained. Special human resource management interventions were again initiated in order to train managers and staff to cope with an ever-changing environment and the demands that have to be met within the government sector.

c. Analysis of constraints and measures planned to overcome them

As was previously the case, good service delivery to all the programmes has been and will remain a priority for the support programme under Programme 1. Great strides have been made to meet employment equity targets with the vacancy rate expected to decrease to less than 23 per cent by end of March 2009, which in turn should have a positive effect on service delivery to all departments and municipalities.

d. Description of planned quality improvement measures

On the Financial Management side, improved control measures have been implemented within several areas to improve service delivery and reporting within the Provincial Treasury. Several circulars to improve budget control, in-year monitoring (IYM), non-financial performance reporting, payments control, risk management and for auxiliary services have already been compiled and distributed to Provincial Treasury staff during 2008/09. The intention is to build on this basis during the coming financial year where new areas of service delivery are developed such as the electronic tracking and filing system.

Human Resources plans to implement a reconfigured organisational structure to achieve the Provincial Treasury's strategic objectives that have been developed to improve the management of its human capital and to continue to attract and retain talented employees. Initiatives have already commenced with the inclusion of people management in the performance agreements of all managers, as well as the compilation of career and competency profiles for the Provincial Treasury. In addition, a partnership with the Provincial Banker and the Department of Education has been formed to attract and retain talent.

1.1 Sub-programme 1.1: Office of the Minister

1.1.1 Specified policies, priorities and strategic objectives

The optimisation of the services rendered by the office to assist the Minister in enhancing his mandate, broadening the economic base of the Province through its fiscal policies, reducing economic and social inequalities and redirecting resources and opportunities to that part of the population that needs it most.

Strategic goal 1: To render secretarial, administrative and office support services.

Strategic objectives

1. Effective and efficient office support services to the Executive Authority ensuring full integration with departmental activities and requirements.
2. Effective communication in line with the portfolio responsibilities of the Executive Authority.

1.1.2 Progress analysis

Greater co-ordination and integration of the Minister's office with the other three sub-programmes of Programme 1 should ensure higher-level support and functional results. The appointment of the media liaison officer (MLO) assisted in improving the Minister's public image.

1.1.3 Analysis of constraints and measures planned to overcome them

The day-to-day running of the office has been strengthened and regularly reviewed to achieve proper functional and co-ordinated arrangements for the department.

1.1.4 Description of planned quality improvement measures

Defining the roles of the different staff members within the office, upgrading the level of general administrative and document management services and reducing the turnaround time of documents submitted to the Minister.

1.2 Sub-programme 1.2: Management Services

1.2.1 Specified policies, priorities and strategic objectives

The development, consolidation, coordination, evaluation and maintenance of generally effective internal and external communication strategies and information management that will be evolved over time in pursuit of the Provincial Treasury's overall priorities and strategic goals.

Strategic goal 2: To render strategic support, coordination and communication services.

Strategic objective

1. Efficient coordination and setting of standards for management support services.
2. Effective communication services.

1.2.2 Progress analysis

The communication and information management function was fully established during the 2008/09 financial year. A head of the office and a language practitioner were appointed in the 2008/09 financial year.

1.2.3 Analysis of constraints and measures planned to overcome them

The biggest constraint still remains finding a suitable candidate for the post of Chief Director: Corporate Services. This appointment should greatly assist with the driving and co-ordination of activities within the programme and the department.

1.2.4 Description of planned quality improvement measures

With the appointment of the Chief Director: Corporate Services in 2009/10, there should be better synergy and co-ordination to provide a higher level of support services to the Provincial Treasury.

1.3 Sub-programme 1.3: Corporate Services (HRM)

1.3.1 Specified policies, priorities and strategic objectives

The following priorities have been identified:

- To build high-level skills and competencies to deal with the changing environment and function.
- To implement quality and process improvement measures.
- To develop, implement and maintain clear human resource performance measures and standards.
- To facilitate structured reviews and implement decisions in this regard.
- To implement measures to improve and optimise recruitment processes.
- To develop and implement measures to attract and retain scarce skills.
- To implement measures to address and manage audit and risk reviews.
- To develop strategies to improve cohesion and a shared corporate culture.
- To develop a strategy to improve employee health and wellness in the workplace.

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

Strategic objective

1. To attract, acquire and retain a desired employee profile in alignment with the Provincial Treasury business objectives.
2. Optimal delivery of human resource administration contributing to the Provincial Treasury maintaining a level 3 plus auditable organisation.
3. Promotion and maintenance of a learning organisation in order to produce a competent workforce.
4. A transformed culture for the Provincial Treasury by creating an environment of optimum employee performance in relation to the Treasury's strategic objectives.

1.3.2 Progress analysis

In the past year there has been a significant shift from transactional human resources to strategic partnering with business in the Provincial Treasury.

In order to transform the organisational culture, the Provincial Treasury has adopted strategies that, amongst others, address the development of leaders, the retention of employees as well as the management of performance. Strategies to pursue the achievement of these imperatives included the following:

- The implementation of cultural interventions for middle and senior managers and the development of a Talent Management Framework.
- The implementation of an Internship Programme that resulted in the permanent appointment of 19 interns.
- The allocation of bursaries to six full-time students.
- The continuation of the Accelerated Development Programme for the advancement of women at middle management level.

The high priority attached to addressing these development areas will be perpetuated over the next three years.

To demonstrate that the Provincial Treasury is a caring employer, an Employee Wellness Policy and Strategy is being developed and will be implemented over the next three years. It will include employee health and wellness programmes to empower and equip managers with soft skills to effectively manage employees.

1.3.3 Analysis of constraints and measures planned to overcome them

The major challenges that Human Resources experienced are:

- A high attrition and vacancy rate.
- Evaluation and return on investment of targeted training.
- The achievement of employment equity targets.
- Attracting women in management positions and people with disabilities.
- Cultural environment.
- Impact assessment of interventions.

Measures to overcome challenges:

- The continuation of the implementation of cultural and related interventions.
- The development and implementation of a Talent Management Framework.
- The development and implementation of an evaluation process for training as well as to determine return on investment.
- The implementation of affirmative action measures according to the Employment Equity Plan.
- Targeted training for fast-tracking women in management positions.
- Employing a service provider for recruiting people with disabilities.
- Development of a strategy for pre- and post-training assessments.

1.3.4 Description of planned quality improvement measures

The directorate will employ best-practice models to create an environment conducive to transforming the current culture pervading the organisation, thereby maintaining and retaining competencies associated with a dynamic team. All activities to meet this end will be underpinned by a human rights approach. The Batho Pele principles and several external service providers have been contracted with specialised fields of expertise that will improve change management and take the management of soft issues to a higher level.

1.4 Sub-programme 1.4: Financial Management

1.4.1 Specified policies, priorities and strategic objectives

The following priorities have been identified:

- Realistic budgeting within prescribed limits and available funds.
- Maintaining proper management of ledgers that reflect accurate information to be taken up in the Annual Financial Statements.
- Improved accounts control and contractual administration.
- Provide and develop supply chain management (SCM) databases for stock, IT equipment, stores and assets and for broad-based black economic empowerment purposes.
- Identify risk management strategies and improve internal control management.
- Implementing an electronic file tracking and control system.
- Accommodation planning for offices and working areas conducive to productive service delivery.

Strategic goal 4: To deliver financial management advisory services and to make limited provision and maintenance of accommodation needs.

Strategic objectives

1. Responsive and credible budget composition and delivery.
2. Full and accurate reflection of all financial transactions.
3. Level 3 auditable supply chain management services.
4. Effective internal control measures and risk management.
5. Effective auxiliary and specialised support services.

1.4.2 Progress analysis

During 2008/09 the monthly IYM monitoring included human resource management (HRM) participation to improve monitoring of staff expenditure and vacancy rates, which led to more accurate projections and also a reduction in the vacancy rate in 2008/09. An external service provider was appointed to assist with the development of the Performance Management Frameworks (PMF) that should create an audit trail for Quarterly Performance Reports (QPR) and Annual Performance Plans (APP) in future years.

Sessions were scheduled on a quarterly basis where all programme managers and their sub-programme managers met with the Accounting Officer (AO) to discuss the progress of each of the four QPRs. The same process will be followed in future to ensure that QPR information forms a functional base and can be integrated into future APPs.

The deputy director for the financial accounting unit was appointed in 2008/09. Financial accounting has improved the management of debtors and ledger accounts, with suspense accounts now being cleared monthly. The Provincial Treasury also submitted the 2007/08 Annual Report, including Annual Financial Statements, on time and received a clean audit report for a third time in succession.

The supply chain management unit also improved its service delivery by ensuring that proper stocktaking and reconciliations of asset management were in place for a third year and that all assets were bar-coded in 2008/09. In future this would mean that when electronic stocktaking is implemented, this will greatly assist with stocktaking and ensure high-level controls to reconcile all assets with the LOGIS system.

A concerted effort was made between the supply chain management and financial accounting units to perform ongoing BAS and LOGIS commitment reconciliations in 2008/09.

The appointment of an assistant manager for risk management relieved some of the workload pressures that was experienced by this unit. All directorates assessed their risks and good progress was made to identify risks in all the components. This will form the basis for the internal audit component to finalise their audit plans for the department in 2009/10.

Document control received attention with the completion of the file plan, which was implemented and aligned to an electronic file tracking and control system in 2008/09. The system should be fully implemented during the first half of 2009/10 and will contribute to better records management and document control tracking. Furthermore, it will also ensure a more user-friendly records management system to train staff who are currently not using any system. The improved fleet management tools and controls instituted in 2007/08 were successfully maintained during 2008/09.

The Information Resource Centre is functioning well and was relocated to work under the auspices of the office of the head of department in the latter part of 2008/09.

1.4.3 Analysis of constraints and measures planned to overcome them

A tighter fiscal framework over the new Medium Term Expenditure Framework (MTEF) will require more sophisticated financial management measures and managers will be compelled to participate more actively in the IYM process. Coupled to this is the assistance needed by the programme managers to drive the QPR process so that the four QPR's can culminate in a high standard report feeding into future APP's and Annual Reports.

The biggest constraint within the risk management section is to find suitably qualified staff to fill the two vacant posts. The identification of risks remains a challenge as all managers should incorporate risks with their normal work activities. Compliance procedures used when performing inspections by internal control assists in ensuring that internal and external audits are followed up.

The following corrective measures will be put in place:

- Budget planning control measures will be sharpened in the Provincial Treasury to remain within the legislative expenditure targets. The quarterly discussions on the QPR between the managers and the head of department should culminate in a more functional QPR process to ensure that the four QPR session's information can be integrated into future APP's.
- Procurement and acquisition procedures are to be reviewed to ensure expenditure is controlled within the legislative mandates and recorded correctly on the transversal systems.
- A project was implemented to list and identify risks on all key outcomes within the department under the auspices of the AO in 2008/09. The success of this venture was determined by the senior managers' ability to realistically identify their own risks within their spheres of work and integrate this process into their day-to-day activities and normal workflow.

1.4.4 Description of planned quality improvement measures

Continued focus will be placed on skills development to ensure a higher level of professional support and to achieve the set objectives.

Improved communication and interaction within the team and with all clients is the key to a better functioning component. Greater information sharing will be encouraged.

Mechanisms and processes will be instituted to attain a properly costed budget.

The development of Performance Management Frameworks (PMF) will be used for both the supply chain unit and for auxiliary services to measure their performance.

The electronic system for document tracking and control will be fully implemented during 2009/10.

Financial management will streamline processes to ensure the effective and efficient use of scarce resources and continued compliance to prescripts.

Table 1.1: Programme 1: Administration

Sub-programme 1.1: Office of the Minister		Strategic Goal 1: To render secretarial, administrative and office support services.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. Effective and efficient office support services to the Executive Authority ensuring full integration with departmental activities and requirements.	1.1 Functioning and good integration of the Ministry with Provincial Treasury; Department of Economic Development and Tourism; Parliamentary Services; and Cabinet Services.	Turnaround time on all documents submitted to the office and correspondence addressed to the Minister.	2 working days	2 working days	3 working days	3 working days	3 working days	3 working days
	1.2 Planning and coordination of the Minister's responsibility with regard to events relating to the output of Provincial Treasury.	Tabling of the Budget and the MTBPS.	Revised PMI	Revised PMI	Revised PMI	MTBPS tabled in November and Budget in March	MTBPS tabled in November and Budget in March	MTBPS tabled in November and Budget in March
	1.3 Coordination of events and scheduling of resources to meet the demands of the Minister's diary.	Number of meetings with Provincial Treasury Number of meetings with the Department of Economic Development & Tourism, Wesgro and CTRU.	Revised PMI	Revised PMI	Revised PMI	48 48	48 48	48 48
2. Effective communication in line with the portfolio responsibilities of the Executive Authority.	2.1 Coordination and interaction between Departments and Media Liaison Officer/ Service provider.	Number of engagements with the media.	New PMI	New PMI	New PMI	60	60	60

Sub-programme 1.1: Office of the Minister		Strategic Goal 1: To render secretarial, administrative and office support services.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
2. Effective communication in line with the portfolio responsibilities of the Executive Authority. <i>(Continued)</i>	2.2 Advocacy of the Ministry's strategies and vision.	Number of road shows and imbizos.	Revised PMI	Revised PMI	Revised PMI	36	36	36
Sub-programme 1.2: Management Services		Strategic Goal 2: To render strategic support, coordination and communication service.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. Efficient coordination and setting of standards for management support services.	1.1 Treasury events calendar that smoothes out the work processes throughout the year.	Refinement of the current Treasury calendar to achieve an even flow of work processes.	None	Limited	Refined Treasury calendar	Maintain and update accurately	Maintain and update accurately	Maintain and update accurately
	1.2 A set of systems and standards that determines both turnaround and quality of responses with respect to incoming communication.	Develop and implement a set of standards determining turnaround and quality of responses.	None	None	None	Implement systems and standards	Maintain and increase standard indicators	Maintain and increase standard indicators
	1.3 Effective Information Resource Centre.	Development and implementation of the centre's utilisation.	None	Limited	Limited	Develop methods to increase the use	Develop methods to keep readers interested	Maintain the high usage of the centre
2. Effective communication services.	2.1 An integrated communication strategy that utilises the available printed, verbal and e-media effectively.	Develop and implement an integrated communications strategy.	None	None	None	Integrated Communications Strategy	Implement the Communications Strategy	Maintain the implemented strategy

Sub-programme 1.3: Corporate Services		Strategic Goal 3: To provide human resource management and development support.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. To attract, acquire and retain a desired employee profile in alignment with Provincial Treasury business objectives.	1.1 Implement developed mechanisms for attracting, acquiring and retaining the desired employees.	Increasing the scarce skill recruitment pool with grade 11's and external graduates as external bursars and interns.	None	None	6 external bursaries	20 external bursaries	20 external bursaries	20 external bursaries
		Development and implementation of a Retention Policy including succession planning	23 interns	39 interns	41 interns	41 interns	41 interns	41 interns
		Development and implementation of a Retention Policy including succession planning.	None	None	Develop a Retention Policy	Develop and implement a Retention Policy	Impact assessment and analysis of findings.	Policy and programme to be reviewed for relevancy.
2. Optimal delivery of human resource administration contributing to Provincial Treasury maintaining a level 3 plus auditable organisation.	2.1 Effective and efficient human resource administration.	Career pathing process developed and implemented.	None	None	None	Develop and implement a process	Impact assessment and analysis of findings.	Process to be reviewed for relevancy.
		Finalisation of reconfiguration.	None	Phase 1 commenced	Phase 1 and 2 finalised	Commence phase 3	Finalise phase 3	Assessment of establishment
		Accurate and complete reconciliation between Persal and fixed establishment.	Revised PMI	Revised PMI	Reconciliation completed	Maintaining and reconcile quarterly	Maintaining and reconcile quarterly	Maintaining and reconcile quarterly

Sub-programme 1.3: Corporate Services		Strategic Goal 3: To provide human resource management and development support.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
3. Promotion and maintenance of a learning organisation in order to produce a competent workforce.	3.1 To implement the comprehensive learning and development system.	Efficient recruitment and appointment process.	Revised PMI	Revised PMI	Revised PMI	Implementation of the recruitment policy in line with the Talent Management Framework	Maintain, review and update if relevant	Maintain, review and update if relevant
		Refine and finalise all current and new training and development policies (QMS).	None	None	Refinement of current Quality Management System 50% completed.	Re-accreditation of PT as workplace training provider by August 2009.	Ongoing refinement of current Quality Management System 80% completed.	Ongoing refinement of current Quality Management System 100% completed.
4. A transformed culture for Provincial Treasury creating an environment of optimum employee performance in relation to Treasury's strategic objectives.	4.1 Establish diverse and integrated workforce.	An effective training programme that takes account of IDPs and the Treasury calendar.	Revised PMI	Revised PMI	Development of training programme	Implementation of training programme by July 2009.	Maintain, review and update if relevant	Maintain, review and update if relevant
		Impact assessment of cultural and related interventions and further remedial actions.	New PMI	New PMI	Impact assessment completed	Identification and implementation of suitable interventions	Continue roll-out of cultural and relevant interventions	Conduct an assessment on the impact of cultural interventions
		Develop and implement an Employee Wellness Policy and Strategy.	New PMI	New PMI	Development of Policy and Strategy	Continued development of Policy and Strategy	Implementation of Policy and Strategy	Review and refinement of Policy and Strategy

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management, advisory services and to make limited provision and maintenance of accommodation needs.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. Responsive and credible budget composition and delivery.	1.1 Efficient and effective planning and budget management.	Delivery of an APP in line with Treasury's business objectives for the year.	APP tabled	APP tabled	APP tabled	APP tabled	APP tabled	APP tabled
		A properly costed budget that is attainable.	Revised PMI	Revised PMI	Revised PMI	85% costed budget	95% costed budget	100% costed budget
		A monitoring and reporting system in place that tracks expenditure, revenue and service delivery.	None	None	Limited	Monitoring and reporting system developed	Monitoring and reporting system refined and maintained	Monitoring and reporting system maintained
2. Full and accurate reflection of all financial transactions.	2.1 A mechanism and system in place that enables all financial transactions to be correctly captured and properly dealt with.	Fully functional payment system that enables payment within 30 days.	Revised PMI	Payment system developed	Payment system implemented	Payment system maintained	Payment system maintained	Payment system maintained
		Monitoring and assessment system that will allow all accounts to be cleared or dealt with on a quarterly basis.	Revised PMI	Revised PMI	Revised PMI	Monitoring and assessment system developed	Monitoring and assessment system refined and maintained	Monitoring and assessment system maintained
		Unqualified audit report.	Unqualified audit report	Unqualified audit report	Unqualified audit report	Unqualified audit report	Unqualified audit report	Unqualified audit report
3. Level 3 auditable supply chain management services.	3.1 Fully functional, comprehensive and up to date AO SCM system.	Update and complete current AO SCM system.	Not completed	Not completed	70% completed	Fully operational system	Fully operational system	Fully operational system
		Compliance to legislation, prescripts, AO SCM system and delegations.	65%	75%	85%	Full compliance	Full compliance	Full compliance
	3.2 Fully functional asset management system.	An up to date Asset Register that balances with LOGIS.	Stock take for the year completed	Stock take for the year completed	Stock take for the year completed	Asset register completed	Asset register completed	Asset register completed

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management, advisory services and to make limited provision and maintenance of accommodation needs.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
4. Effective internal control measures and risk management.	4.1 Effective risk management system that real time identifies and catalogues risks.	Annual risk assessment and cataloguing of risks.	Revised PMI	Revised PMI	Revised PMI	17 risk assessments	17 risk assessments	17 risk assessments
		Quarterly risk management assessments and feedback.	Revised PMI	Revised PMI	4 reports	4 reports	4 reports	4 reports
	4.2 Effective internal control mechanism.	Identification and follow-up on internal and external audits.	10 follow-ups	12 follow-ups	14 follow-ups	20 follow ups	Depending on internal and external audits	Depending on internal and external audits
		Identification of gaps in the control system and the initiation of remedial steps.	Revised PMI	Revised PMI	6 months to comply	1 report every 3 months	2 months to comply	1 month to comply
5. Effective auxiliary and specialised support services.	5.1 Fully functional approved filing system for document flow and document control.	Full tracking and location of all documents i.e. hardcopy or e-copy.	None	None	80% completed	Fully functional tracking and location filing system	Fully functional tracking and location filing system	Fully functional tracking and location filing system
	5.2 Responsive and well controlled auxiliary services.	Proper fleet control.	70% operational	80% operational	90% operational	Fully operational fleet control	Fully operational fleet control	Fully operational fleet control
		Well controlled telecommunication system.	60%	65%	75%	Full compliance to updated telephone and data card policies	Full compliance to updated telephone and data card policies	Full compliance to updated telephone and data card policies
		Supportive reprographic and other services.	60%	65%	75%	90% Operational	100% Operational	100% Operational

1.5 Reconciliation of budget with plan

Table 1.2: Programme 1: Administration budget by sub-programme (R'000)

Programme 1: Administration								
Sub-programme	Year - 2 2006/07 (actual)	Year - 1 2007/08 (actual)	Base year 2008/09 (estimate)	Average annual change (%)	Year 1 2009/10 (budget)	Year 2 2010/11 (MTEF projection)	Year 3 2011/12 (MTEF projection)	Average annual change (%)
Office of the Minister	2 774	3 312	3 972	19.66%	3 411	4 012	4 327	12.63%
Management Services	2 029	2 566	2 567	12.48%	3 440	3 832	4 218	10.73%
Corporate Services	8 928	13 371	14 530	27.57%	13 547	14 433	15 316	6.33%
Financial Management	14 993	14 198	17 963	9.46%	16 181	16 719	17 831	4.97%
Total	28 724	33 447	38 032	16.57%	36 579	38 996	41 692	6.76%

The average annual increase of 16.5 per cent for the financial years 2006/07 to 2008/09 is mainly attributable to the increase in expenditure under HRM of 27.6 per cent. This is related to the increased expenditure on recruitment, staff events and the centralisation of the training as well as the budget provision made for the Provincial Treasury's internship programme (excluding Internal Audit) from 2007/08 onwards and benchmarking certain post levels as from 2008/09. Furthermore, inflation adjustments over the MTEF are the main causes for the average increase of 6.8 per cent. The exception is Management Services, for which the provision of a Chief Director: Corporate Services is made for from 2009/10 onwards.

2. Programme 2: Sustainable Resource Management

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

Programme Support

To provide management and administrative support.

Fiscal Policy

The sub-programme provides guidance on the effective and efficient development of revenue streams by contributing to the improvement of the systems of provincial and local governments that enhance provincial and municipal revenue and financing adequacy, resulting in improved service delivery. It furthermore assesses the ability of provincial and local governments to finance their service delivery obligations.

Budget Management

Element: Provincial Government

This sub-programme is responsible for researching, analysing and informing on socio-economic indicators at provincial government level and their relation to the Provincial Growth and Development Plan (iGDS). The programme is furthermore responsible for informing on provincial priorities and recommending financial resource allocation, which effectively contributes to accelerated and shared economic growth in the Province. To close the accountability loop, it reviews the efficacy of departmental spending and performance.

The Budget Management (provincial government) sub-programme is responsible for the annual publication of the Provincial Economic Review and Outlook (PER&O), bi-annual economic reviews, medium term budget policy statements and the budget overview.

Budget Management

Element: Local Government

This sub-programme provides guidance and oversees the local government budget process and is tasked with researching, analysing and informing on the socio-economic indicators at local government level and their relation to municipal Integrated Development Plans and Spatial Development Frameworks. As part of its responsibility the unit identifies the sources, potential and constraints for enhanced economic growth and development. It also develops assessment frameworks and tools to examine the degree to which municipal budgets respond to socio-economic realities. This unit coordinates the local government Medium Term Expenditure Committee (MTEC) processes and is responsible for the publication of socio-economic profiles for local government.

Public Finance

The sub-programme ensures efficient budget implementation in provincial departments and municipalities. It is divided into three directorates, i.e. one that is responsible for provincial departments and public entities and the two other directorates that are responsible for the 30 municipalities in the Province. The two directorates (group 1: mainly coastal municipalities and group 2: mainly non-coastal municipalities) that are responsible for local government finance issues have been designed to more accurately reflect the economic growth potential, spatial revenue and expenditure characteristics per municipality that would require a more tailored approach to manage the implementation of municipal budgets.

Both the provincial and local government finance units are responsible to respectively drive the implementation of the Public Finance (PFMA) and Municipal Finance Management Acts (MFMA), more specifically to ensure sustainable and credible provincial and local budgets (departments, municipalities and entities). This includes the development of effective in-year revenue and expenditure monitoring systems, budgets that are realistic and based on secured funding as well as budgets (revenue and expenditure) that are implemented in an efficient manner targeted at policies that positively address the socio-economic challenges in the Province. Provincial Government Finance also oversees the Western Cape Gambling and Racing Board.

a. Specified policies, priorities and strategic objectives

Overall, the programme is responsible to ensure a credible medium-term fiscal framework supported by robust socio-economic analyses, leading to responsive and sustainable budgets that promote shared growth and development. In addition, on the implementation side, the programme needs to ensure budget credibility and that improved in-year management practices are in place for efficient implementation of budgets for both provincial and local government. This will be achieved through the fostering of collaborative efforts to create synergy and integration within and between the different sub-programmes.

The programme's effort will be focussed on improved allocation effectiveness that is based on a solid understanding of the socio-economic realities coupled with greater efficiency and collaborative efforts across the two spheres in delivering frontline services.

Fiscal Policy

Subsequent to the recruitment of suitably qualified staff, this unit will focus on providing input pending the review of the national fiscal transfer system to Provinces, and eventually also to municipalities. This will provide a research platform to maximise and expand on the provincial and municipal own revenue sources which includes analysing the efficiency of the collection and administrative systems as well as reviewing the adequacy and appropriateness of the current gambling tax regime.

Budget Management (provincial government)

This unit conducts socio-economic research within the provincial and national context and analyses and renders policy advice to a number of stakeholders in the Western Cape. In addition, it determines and analyses key economic variables, and their interrelation and relevance to the budget as well as the potential for growth and development.

The 2008 Western Cape Medium Term Budget Policy Statement (WC-MTBPS) sets out the fiscal policy direction for the 2009 Medium Term Expenditure Framework (MTEF) in line with strategic objectives contained in the iKapa Growth and Development Strategy (iKapa GDS) and the national drive towards accelerated shared growth.

The 2009 Budget Overview and Estimates of Expenditure are centred on the further development of key objectives around the following themes: education, skills development and decent work opportunities; food security, quality and accessible health services; poverty, agrarian and the urban/rural divide, infrastructure investment; fiscal prudence; and corporate governance.

The component will focus on the alignment of expenditure responsibilities as well as monitoring and reporting on the delivery of the outputs through the quarterly performance reporting system, specifically designed to improve the quality of life in the Province.

Budget Management (local government)

This sub-programme will focus on strengthening the LG MTEC processes and consolidate existing collaborative and consultative processes between line departments and municipalities. Furthermore, attention will be on improving the quality and responsiveness to socio-economic realities of municipal budgets and implementation plans.

To support the envisioned socio-economic ideals, this unit will collaborate with municipalities and other stakeholders to improve and disaggregate socio-economic data at municipal and eventually ward level.

Public Finance

The key focus of provincial and local government public finance units will be, through increased effectiveness of the in-year financial monitoring systems, to ensure efficient budget management and budget implementation in provincial departments and municipalities. These will hopefully be achieved through efficiency initiatives aimed at improving the provincial and local government interface through the LG MTEC processes, improved and more robust budget analysis (on item level) and engagements through the provincial MTEC processes. This means a tighter focus on improving budget credibility and sustainability, relative efficiency and value for money assessments, especially in provincial departments and improving the interface and collaboration with other units in the Provincial Treasury for greater impact.

The units envisage getting to grips with what departments and municipalities are doing and how budgets are implemented by improving the analysis and assessments of spend and revenue collection on both SCoA and item levels, hopefully to free up resources that could be redirected or better targeted towards frontline services, ultimately leading to improved service delivery.

b. Progress analysis

Fiscal Policy

The unit managed to finalise preparatory work in collaboration with the Technical Committee on Finance (TCF) and the FFC for the fiscal framework review of the provincial equitable share formula and conditional grant transfers. The analyses of the socio-economic incidence/impact assessment of cross-provincial motor vehicle licensing practices and the impact thereof on the licence fee collection in the Western Cape was completed and shared with all other provinces.

Budget Management (provincial government)

This sub-programme has made progress in ensuring that the budgets of departments are more sustainable and responsive to the socio-economic challenges.

This unit has identified collaborative initiatives between departments, attempts to reduce funding and policy overlaps. Recommended resources to clearly articulate collaborative plans only are made available in the Adjustments Budget, reducing overlapping services to the public and enabling improved service delivery. This sub-programme has made progress in attaining some of its strategic objectives:

The unit analysed the socio-economic environment at provincial level through its annual publication, i.e. the Provincial Economic Review and Outlook (PER&O) and tabled a socio-economic responsive Medium Term Budget Policy Statement and Provincial Budget.

Budget Management (local government)

This sub-programme has assisted the re-energising of a number of forums to ensure improved integration and synergy in planning and budgeting between municipal and provincial government.

It also embarked on the process of data mining and the writing of district profiles together with municipal employees of the Eden municipal district, representing all local municipalities, Statistics South Africa and a number of provincial departments.

The sub-programme has made progress in attaining its strategic objectives. These include the analyses of the socio-economic environment at municipal level through its pilot annual publication, i.e. the Socio-Economic Review of Local Government (SEP-LG) for the Eden district. Furthermore, the unit has developed partnerships with the relevant stakeholders for improved collaboration and research.

Public Finance

On the provincial government side, during the last financial year, this sub-programme managed the implementation of the new Standard Chart of Accounts ensuring data integrity throughout the process of in-year expenditure and revenue monitoring systems. The unit commenced with some expenditure analysis and value for money assessments by identifying so-called 'bells and whistle' departmental expenditure with the aim to improve efficiency in

spending as well as to free up further resources for spending on frontline services. The unit has gazetted the budget allocations for all schools and hospitals contributing to further transparency of the budget process. Furthermore, in a search for enhanced efficiency and ultimately budget credibility, a more rigorous assessment of the Annual Budget 2009 (both expenditure and revenue) contributed towards ensuring that the distribution of budget allocations within votes is aligned with policy priorities and that the budget is technically sound.

On the local government side, the unit developed and ensured an improved and collaborative all-inclusive monthly assessment and consolidated in-year-monitoring report and quarterly publishing of financial information of municipalities. The unit ensured improved LG MTEC 3 assessment reports that contributed to ensuring sustainability and credibility of revenue and expenditure budgets of municipalities. Quarterly visits to municipalities, ensuring efficient budget implementation and to provide support and advice on MFMA-related matters, continued within the unit. Work around government-municipality debt management for the City of Cape Town were strengthened and rolled out to district municipalities.

c. Analysis of constraints and measures planned to overcome them

Capacity constraints are experienced throughout the Sustainable Resource Management Programme, ranging from limited analytical and technical capacity to assess impact of budgetary policy and spend, high vacancy rates, limited collaboration (both internal and external) and some inter and intradepartmental silos within the programme and the Provincial Treasury as a whole. Constraints per component are discussed in more detail below.

d. Description of planned quality improvement measures

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

- Recruit suitably qualified and trained staff across the programme to progressively reduce the vacancy rate in each sub-programme.
- Improve the allocation efficiency capacity that is backed by sound socio-economic data including the monitoring of and reporting on output information aligned to provincial and national priorities.
- Improve the assessment capacity of budgets to ensure sustainable revenue and credible expenditure budgets in provincial and local governments including efficiency and value for money assessments in departments.
- Improve coordination, collaboration and synergy across the two spheres, clusters, sub-programmes and programmes to improve the impact and spread of the budget.
- Improve analytical capacity within the programme and extend it to the offices of chief financial officers in provincial departments and municipalities.
- Improve relationships between the Provincial Treasury, departments and municipalities through engagements and intergovernmental structures.

The following priorities will be pursued by means of a sub-programme:

Fiscal Policy

The recruitment of suitably qualified and trained staff for this unit has been the greatest challenge to overcome. For the 2008/09 financial year, the unit had no staff and mainly relied on external service providers, which is not a sustainable solution, as well the services of staff within the provincial government finance unit

Budget Management (provincial government)

The unit endeavours to provide useful socio-economic analyses and policy advice which includes determining and analysing key economic variables and their interrelation and relevance to the budget as well as the potential for growth and development.

The unit also strives to improve the monitoring of and reporting on output information aligned to provincial and national priorities. The unit needs to improve coordination and synergy across clusters to improve the impact and spread of the budget.

Budget Management (local government)

Strengthening existing local government processes especially around collaboration of the line department with municipalities and improving the overall quality of municipal budget implementation.

Public Finance

The following priorities will be pursued in respect of both provincial and local government finance:

- Improve the effectiveness and usage of the in-year revenue and expenditure reporting system within the budget and associated processes, including the efficiency and value for money assessments on a number of spending items in departments and to an extent in municipalities.
- Improve the analytical ability and capacity to assess credibility and sustainability of budgets including the improvement of data integrity during budget implementation.
- Strengthen stakeholder relationships, insight and understanding of budgets and core business of departments and municipalities.
- Strengthen existing provincial and local government budget assessment processes including improved collaboration within and across programmes.

2.1 Sub-programme 2.1: Programme Support

2.1.1 Specified policies, priorities and strategic objectives

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

Strategic objective

1. Leadership and administrative support services to ensure the effective delivery and operation of the programme.

Programme Support

To provide management and administrative support.

2.2 Sub-programme 2.2: Fiscal Policy

2.2.1 Specified policies, priorities and strategic objectives

Strategic goal 5: To provide for the effective and efficient development of revenue streams.

Strategic objective

1. Enhancing provincial and municipal revenue and financing adequacy.

2.2.2 Progress analysis

The recruitment of suitably qualified and trained staff for this unit has been the greatest challenge to overcome. For the 2008/09 financial year, the unit had no staff and mainly relied on external service providers as well the services of staff within the provincial government finance unit.

The unit managed to finalise preparatory work, in collaboration with the Technical Committee on Finance (TCF) and the FFC for the fiscal framework review of the provincial equitable share formula and conditional grant transfers. The analyses of the socio-economic incidence/impact assessment of cross-provincial motor vehicle licensing practices and the impact thereof on the licence fee collection in the Western Cape was completed and shared with all other provinces.

2.2.3 Analysis of constraints and measures planned to overcome them

The recruitment of suitably qualified and trained staff that will be able to assess and provide advice on the improvement of revenue adequacy, mechanisms and systems that would assist provincial and local governments to finance its service delivery obligations. As an alternative, the qualification requirements for the various posts may have to be re-considered. The availability of seasoned researchers with experience in the field of fiscal policy may be challenging.

2.2.4 Description of planned quality improvement measures

The unit endeavours to forge partnerships, within Programme 2 and across the Provincial Treasury, provincial departments, municipalities and research institutions which will:

- Implement a targeted yet aggressive recruitment strategy aimed at recruiting individuals with the required skills and knowledge base.
- Broaden ownership of revenue collection and management across key partners, ensuring a deepening and expansion of the revenue base.
- Raise awareness of the paradigm shift in respect of financing for development and the need to generate innovative financing solutions, contributing towards growth and development in the Province.
- Leverage technical expertise and capacity through a broader research network base, extending and deepening the unit's output reach and transferring the knowledge base and skills into the public sector.
- Strengthen and deepen the internal and external partnership centering on improved linkages.

2.3 Sub-programme 2.3: Budget Management

2.3.1 Element: Provincial Government Budgets

2.3.1.1 Specified policies, priorities and strategic objectives

The unit plays a key role in promoting effective and economical use of financial resources. The policy role of the unit is focused on determining and promoting effective policies to further the priorities of the provincial government, as captured in iKapa GDS. The two main outputs are the Main Budget (inclusive of the Budget Overview and the, Estimates of Expenditure) and the WC-MTBPS.

Strategic goal 6: To promote effective financial resource allocation in provincial departments.

Strategic objectives:

1. Socio economic responsive provincial budgets.

2.3.1.2 Progress analysis

With regards to provincial departments, the component has actively engaged with departments to promote and support collaborative initiatives within and between provincial clusters. The unit has also deepened its analysis and support to provincial departments and facilitated and co-ordinated various improvements in the budget process and performance reporting.

2.3.1.3 Analysis of constraints and measures planned to overcome them

Challenges exist in assisting departments to improve the quality of performance information in various budgetary documents. It is recognised that the quality of performance information has evolved over the last financial year and the Provincial Treasury continues to actively support various departments to improve the quality of the reporting and monitoring of the non-financial information.

2.3.1.4 Description of planned quality improvement measures

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

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

2.3.2 Element: Local Government Budgets

2.3.2.1 Specified policies, priorities and strategic objectives

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

The local government unit is chiefly concerned with the policy alignment of municipal and provincial priorities and in turn alignment to the budget. The unit also plays a monitoring and evaluation role with regard to municipal budget and service delivery implementation performance. The main outputs from this unit are the LG MTEC 3 assessments and SDBIP mid-year report assessments.

Strategic goal 7: To promote effective financial resource allocation in municipalities.

Strategic objectives

1. Socio-economic responsive municipal budgets.

2.3.2.2 Progress analysis

On the local government side, the unit created forums to stimulate and ensure collaboration between the provincial departments and local authorities. These actions started during the previous financial year and were intensified in some districts and have now been institutionalised in others.

The unit commenced with the process of data mining with the Eden district as a pilot. This would be refined and rolled out to other districts in the coming years.

2.3.2.3 Analysis of constraints and measures planned to overcome them

The unit is using internal capacity to do the data mining together with the Eden district. This will become a challenge over the MTEF period. The end result will be a well-capacitated unit that will be able to do in-house assessment of socio-economic data and write municipal district profiles.

Challenges for the coming period relate to improving the quality of IDPs, SDBIPs and their linkages with municipal budgets, as well as the linkages between municipal budgets and the iKapa Provincial Growth Development Strategy (PGDS) priorities.

A further challenge for local government is to ensure continuity of the existing local government bilateral between departments and municipalities and monitoring these structures to ensure joint planning and synergy to improve service delivery. Another challenge will be to assist departments to improve performance information in various budgetary documents and to link up with other role players in order to establish the linkages between provincial departmental outputs and planned outcomes for the Western Cape.

It is recognised that collection of performance information is evolutionary and in this regard the Provincial Treasury has embarked on processes to ensure the incremental improvement in the collection of and reporting on performance information on the MTEF.

2.3.2.4 Description of planned quality improvement measures

The development of socio-economic responsive budgets that in reality do improve the quality of lives of South Africans, and in particular those living in the Western Cape, is the ultimate objective of the budget management units. Municipal ownership of process- related data collection and factors that ensure consideration when budgetary decisions are made are paramount. In this regard capacity development programmes are undertaken to ensure that internal capacity as well as capacity within municipal areas and departments is built.

2.4 Sub-programme: Public Finance

2.4.1 Element: Provincial Government Finance

2.4.1.1 Specified policies, priorities and strategic objectives

Strategic goal 8: To ensure efficient budget management in provincial departments.

Strategic objectives

1. Sustainable and credible provincial budgets.
2. Provide policy advice, effective technical and strategic support and a change agent service to provincial departments.

2.4.1.2 Progress analysis

The 2008/09 financial year has seen the implementation of the new Standard Chart of Accounts. This unit engaged closely with the National Treasury with regard to data integrity of in-year expenditure and revenue monitoring systems, which resulted in a data integrity pilot project in the fourth quarter of the financial year. The aim is to identify and rectify all misclassification of expenditure and revenue. Expenditure analysis has commenced with identifying 'bells and whistles' departmental expenditure with the aim to improve efficiency spend. For the first time, the unit has gazetted the budget allocations for all schools and hospitals thereby contributing to further transparency of the budget process.

In a search for enhanced efficiency and ultimately budget credibility, a more rigorous assessment of the Annual Budget 2009 (both expenditure and revenue) contributed towards ensuring that the distribution of budget allocations within votes is aligned with policy priorities and that the budget is technically sound.

2.4.1.3 Analysis of constraints and measures planned to overcome them

Greater efficiency, budget credibility and achieving value for money spend remains challenging. Limited skills and knowledge levels in financial matters are constraining factors in acquiring appropriately experienced and skilled persons for vacant positions.

There has been an extensive drive to fill all posts in the unit in line with the reconfigured structure. The unit has advertised the final round of vacant posts with the aim of being almost fully capacitated by the first quarter of the 2009/10 financial year. Standard operating procedures and practices will be developed to ensure that the quality of the unit's outputs are maintained and improved over time.

For 2009/10 the focus and analysis will be deepened and extended beyond expenditure items such as transfer payments and consultants. The unit will initiate processes to ensure greater efficiency and collaboration within and across departments, value for money and that impact assessments at key departments are done in an endeavour to free up resources that could be targeted at frontline services.

2.4.1.4 Description of planned quality improvement measures

The following quality improvement measures are planned:

- Improving the effectiveness and usage of the in-year revenue and expenditure reporting system within the budget and associated processes, including efficiency and value for money assessments on a number of spending items in departments.
- Improving the analytical ability and capacity to assess credibility and sustainability of provincial budgets.
- Improving data integrity of the budget implementation with regard to the SCoA expenditure items.
- Systematic development of a rating tool with regard to the expenditure and revenue management of provincial policy implementation.
- Strengthening insight and understanding the core business of departments through relationship building and site visits.
- Building of an internal analytical (numerical and written) skills base and teamwork ethos.

2.4.2 Element: Local Government Finance

2.4.2.1 Specified policies, priorities and strategic objectives

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

Strategic objectives

1. Sustainable and credible municipal budgets.
2. Develop intradepartmental, intraprovincial, interprovincial government co-ordinating structures and systems.
3. Provide policy advice, effective technical and strategic support and a change agent service to municipalities.

2.4.2.2 Progress analysis

The unit aims to assist with revenue enhancement, which includes the development and implementation of strategies and programmes to ensure revenue optimisation and investigation into alternative revenue streams. It furthermore aims to assist with the analysis of the credibility and financial health of the budgets of municipalities and the assessment and development of measures and systems that will detect early warning signs of potential financial risk. Lastly, it aims to accurately monitor the implementation of municipal budgets, including their expenditure and revenue collection.

2.4.2.3 Analysis of constraints and measures planned to overcome them

The unit is in the final stages of the recruitment process which would see filling of all vacant posts by suitably qualified officials and the roll out of the Local Government: Municipal Financial Management Act, 2003 (Act 56 of 2003) (MFMA) and the additional responsibilities to be assigned in terms thereof as well as the development of associated functions as outlined in the MFMA Operational Plan. In an attempt to overcome the limited understanding of municipal business processes, staff members will be deployed to municipalities for training and development in such processes.

2.4.2.4 Description of planned quality improvement measures

Appoint and train suitably qualified candidates and ensure proper procedure and process mapping of all activities within the directorates. This includes the deployment of staff members to municipalities, building of an internal analytical (numerical and written) skills base and teamwork ethos.

The following quality improvement measures are planned to:

- Improve the analytical ability to assess credibility and sustainability of municipal budgets.
- Improve the effectiveness and usage of the in-year revenue and expenditure reporting system within the budget and associated processes.
- Improve human capital capacity development within the directorates and municipalities.
- Strengthen stakeholder relationships and co-ordination through intergovernmental relations, structures and site visits.
- Maintain and improve the database on municipal information, including the usage and credibility.

Table 2.1: Programme 2: Sustainable Resource Management

Sub-programme 2.1: Programme Support		Generic Strategic Goal: To provide management and administrative support to the programme.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. Leadership and administrative support services to ensure the effective delivery and operation of the programme.	1.1 A well lead and coordinated programme that delivers on its objectives with good public governance standards within set timeframes.	Establishment and implementation of a delivery programme for the programme that ties in with the overall PT calendar for the year.	Revised PMI	Revised PMI	Revised PMI	Delivery programme developed and implemented	Maintain, review and update if relevant	Maintain, review and update if relevant
		Establishment of a culture of communication and transparency.	Revised PMI	Revised PMI	Revised PMI	Monthly interactive meetings with staff and support services	Implementation of PT communication strategy by means of monthly meeting	Maintaining of PT communication strategy by means of monthly meeting
		Establishment of a culture of service excellence.	Revised PMI	Revised PMI	Revised PMI	2 Internal survey and corrective actions	2 Internal survey and corrective actions	2 Internal survey and corrective actions
Sub-programme 2.2: Fiscal Policy		Strategic Goal 5: To provide for the effective and efficient development of revenue streams.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. Enhancing Provincial and Municipal revenue and financing adequacy.	1.1 Review of the National fiscal transfer system to Provinces.	New revised fiscal transfer system.	Limited updates	Limited updates	Preparatory work and appointment of researchers	Research and input into new provincial fiscal framework	Implementation new provincial fiscal framework	Refinement of new provincial fiscal framework

Sub-programme 2.2: Fiscal Policy		Strategic Goal 5: To provide for the effective and efficient development of revenue streams.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. Enhancing Provincial and Municipal revenue and financing adequacy. <i>(Continued)</i>	1.2 Maximising Provincial own revenue sources.	Research into additional revenue sources for provincial governments.	Fuel levy researched	Fuel levy researched and approved by NT	Tourism related taxes researched and motor vehicle license impact researched	Refinement and updating of current research initiatives	Implementation of research initiatives	Refinement of research initiatives
	1.3 Maximising Own Municipal revenue sources.	Determined revenue base per Municipality.	Limited assessments	Limited assessments	Assessments as part of LGMTEC process	Database of revenue base per Municipality	Development of an enhancement strategy	Implementation of research initiatives/enhancement strategy
	1.4 Reviewed collection and forecasting revenue models.	Efficient collecting and forecasting models, especially in municipalities.	None	Limited, in concert with National Treasury	Limited, in concert with National Treasury	Conceptualising, planning and terms of reference	Models finalised and pilot	Models further refined and implemented
	1.5 Maximising gambling revenue.	Review of the Metro Casino exclusivity licence gambling tax regime and tax rates.	None	None	Planning, research and consultation	Legislature approval and implementation	Implement new tax regime	Possible refinement
Sub-programme 2.3: Budget management 2.3.1: Provincial Government Budgets		Strategic Goal 6: To promote effective financial resource allocation in provincial departments						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. Socio-economic responsive budgets.	1.1 Analyse, inform and report on socio economic indicators at provincial government level.	Publication of the Annual Provincial Economic Review and Outlook (PER&O).	PER&O published in March 2006	PER&O 2007 published in June 2007	PER&O 2008 published in November 2008	PER&O 2009 to be published in August 2009	PER&O 2010 to be published in August 2010	PER&O 2011 to be published in August 2011

Sub-programme 2.3: Budget management 2.3.1: Provincial Government Budgets		Strategic Goal 6: To promote effective financial resource allocation in provincial departments						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. Socio-economic responsive budgets. (Continued)	1.1 Analyse, inform and report on socio economic indicators at provincial government level. (Continued)	Publication of Economic Reviews.	None	None	None	Publication of two economic reviews	Publication of two economic reviews	Publication of two economic reviews
	1.2 Determine provincial priorities and recommend financial resource allocation, which effectively contributes to, accelerated and shared economic growth in the province.	Tabling of a Socio-economic responsive WC-Medium Term Budget Policy Statement and Budget.	Tabled WC MTBPS in November and Budget in March	Tabled WC MTBPS in November and Budget in March	Tabled WC MTBPS in November and Budget in February	Table MTBPS in November and Budget in March	Table WC MTBPS in November and Budget in March	Table WC MTBPS in November and Budget in March
	1.3 Review efficacy of departmental spending and performance	Evaluate Annual Performance Plans, Quarterly Performance Reports and Annual reports in terms of a developed Impact Assessment Framework.	12 Annual Performance Plans 48 Quarterly Performance Reports 12 Annual Reports assessed and provide feedback	12 Annual Performance Plans 48 Quarterly Performance Reports 12 Annual Reports assessed and provide feedback	12 Annual Performance Plans 48 Quarterly Performance Reports 12 Annual Reports assessed and provide feedback	12 Annual Performance Plans 48 Quarterly Performance Reports 12 Annual Reports assessed and provide feedback	12 Annual Performance Plans 48 Quarterly Performance Reports 12 Annual Reports assessed and provide feedback	12 Annual Performance Plans 48 Quarterly Performance Reports 12 Annual Reports assessed and provide feedback

Sub-programme 2.3: Budget management 2.3.2: Local Government Budgets		Strategic Goal 7: To promote effective financial resource allocation. in municipalities.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. Socio-economic responsive budgets.	1.1 Analyse, inform and report on socio economic indicators at local government level.	Publication of the Annual Socio Economic Review of Local Government (SEPLG).	November 2006	June 2007	Published 1 SEPLG in March 2009	Publish a district SEP-LG for Eden and Cape Winelands in November 2009	2 District SEPLGs published in November 2010	2 District SEPLGs published in November 2011
	1.2 Determine the sources, potential and constraints for enhanced growth and development.	Recommend budget and structural responses and deal with constraints of enhanced growth and development through participation in various IGR forums.	None	None	None	4 Quarterly BIF meetings, LGMTECs and IGR	4 Quarterly BIF meetings, LGMTECs and IGR	4 Quarterly BIF meetings, LGMTECs and IGR
	1.3 Review efficacy of municipal spending and performance.	Evaluate IDPs, SDBIP, Mid Year Assessments and Annual reports in terms of a developed Impact Assessment Framework.	30 IDP, SDBIP, Mid Year Assessment and Annual Reports and provide feedback	30 IDP, SDBIP, Mid Year Assessment and Annual Reports and provide feedback	30 IDP, SDBIP, Mid Year Assessment and Annual Reports and provide feedback	30 IDP, SDBIP, Mid Year Assessment and Annual Reports and provide feedback	30 IDP, SDBIP, Mid Year Assessment and Annual Reports and provide feedback	30 IDP, SDBIP, Mid Year Assessment and Annual Reports and provide feedback

Sub-programme 2.4: Public Finance 2.4.1: Provincial Government Finance		Strategic Goal 8: To ensure efficient budget management in provincial departments.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. Sustainable and credible provincial budgets.	1.1 Develop effectiveness of in-year expenditure monitoring systems towards attaining a level 3 plus auditable organisation.	Systematic development and application of a rating instrument that measures efficiency, least cost, financial prudence and fiscal discipline.	None	None	None	Assessment Measurement tool.	Implementation and refinement	Implementation and possible further refinement
		Number of IYM reports and Cabinet submissions.	13 Monthly IYM reports and 4 Cabinet submissions	13 Monthly IYM reports and 4 Cabinet submissions	13 Monthly IYM reports and 4 Cabinet submissions	13 Monthly IYM reports and 4 Cabinet submissions	13 Monthly IYM reports and 4 Cabinet submissions	13 Monthly IYM reports and 4 Cabinet submissions
	1.2 Policy driven Revenues and Expenditures.	Systematic development and application of a rating instrument.	None	None	None	Assessment Measurement tool linked into QPRs.	Implementation and refinement	Implementation and possible further refinement
		Number of MTEC assessments.	13 MTEC 1 and 13 MTEC 2 reports	13 MTEC 1 and 13 MTEC 2 reports	13 MTEC 1 and 13 MTEC 2 reports	13 MTEC 1 and 13 MTEC 2 reports	13 MTEC 1 and 13 MTEC 2 reports	13 MTEC 1 and 13 MTEC 2 reports
	1.3. Data integrity.	Development and roll-out of a methodology to test and improve the integrity of the data.	None	None	None	Rating instrument.	Implementation and refinement	Implementation and refinement
	1.4 Efficiency analysis and intervention on selected expenditure items.	Number of efficiency analysis reports as part of IYM process.	None	2 reports	4 reports	13 quarterly reports	13 quarterly reports	13 quarterly reports
1.5 Budget is based on previous expenditure and revenue trends that are based on secured funding.	Development of a tool that unambiguously assesses sustainability and credibility.	None	None	None	Assessment tool assessing costing structures and spending to purpose	Implementation and refinement inclusive of zero base budgeting	Zero base budgeting system implementation and refinement	

Sub-programme 2.4: Public Finance 2.4.1: Provincial Government Finance		Strategic Goal 8: To ensure efficient budget management in provincial departments.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. Sustainable and credible provincial budgets. <i>(Continued)</i>	1.6 Monitoring and oversight over the WCGRB to promote good governance and optimise revenue.	Systematic implementation measurement tool measuring implementation of Gambling Board Act.	None	None	None	Measurement tool assessing implementation and compliance and costing structure.	Implementation and refinement	Implementation and possible further refinement
2. Provide policy advice, effective technical and strategic support and a change agent service to provincial departments.	2.1 Expenditure in line with PFMA and supporting legislation.	Systematic implementation measurement tool.	None	None	None	Measurement tool.	Implementation and refinement	Implementation and possible further refinement

Sub-programme 2.4: Public Finance 2.4.2 & 3: Local Government Finance (Groups 1 and 2)		Strategic Goal 9: To ensure efficient budget management in municipalities and to facilitate local government with financing its service delivery obligations in the group 1 (mainly coastal) and group 2 (mainly non-coastal) municipalities.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. Sustainable and credible municipal budgets.	1.1 Develop effectiveness of in-year expenditure monitoring systems towards attaining a level 3 plus auditable organisation.	Systematic development and application of a rating instrument that measures efficiency, least cost, financial prudence and fiscal discipline.	None	None	None	Assessment Measurement tool.	Implementation and refinement	Implementation and possible further refinement
		Number of IYM reports and Cabinet submissions.	30 Monthly IYM reports and 4 Cabinet submissions	30 Monthly IYM reports and 4 Cabinet submissions	30 Monthly IYM reports and 4 Cabinet submissions	30 Monthly IYM reports and 4 Cabinet submissions	30 Monthly IYM reports and 4 Cabinet submissions	30 Monthly IYM reports and 4 Cabinet submissions

Sub-programme 2.4: Public Finance 2.4.2 & 3: Local Government Finance (Groups 1 and 2)		Strategic Goal 9: To ensure efficient budget management in municipalities and to facilitate local government with financing its service delivery obligations in the group 1 (mainly coastal) and group 2 (mainly non-coastal) municipalities.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. Sustainable and credible municipal budgets. <i>(Continued)</i>	1.2 Policy driven Revenues and Expenditures.	Systematic development and application of a rating instrument.	None	None	None	Assessment measurement tool linked into LGMTEC processes.	Implementation and refinement	Implementation and possible further refinement
	1.3 Data integrity.	Development and roll-out of a methodology to test and improve the integrity of the data.	None	None	None	A developed methodology.	Implementation and refinement	Implementation and refinement
	1.4 Budget assessments testing sustainability and credibility.	Number of sustainable and credible municipal budget assessments.	30 LGMTEC 3 Assessment reports	30 LGMTEC 3 Assessment reports	30 LGMTEC 3 Assessment reports	30 LGMTEC 3 Assessment reports	30 LGMTEC 3 Assessment reports	30 LGMTEC 3 Assessment reports
	1.5 Budget is based on previous expenditure and revenue trends that are based on secured funding.	Development of a tool that unambiguously assesses sustainability and credibility.	None	None	None	Assessment tool assessing costing structures and spending to purpose	Implementation and refinement inclusive of zero base budgeting	Zero base budgeting system implementation and refinement
2. Develop intra Department, intra provincial; inter provincial and government co-ordinating structures and systems.	2.1 Efficient coordination of MFMA issues.	System/Mechanism in place that measure the efficacy of coordination activities.	Revised PMI	Revised PMI	Revised PMI	Develop and pilot a MFMA implementation tool-kit	Implement MFMA implementation tool-kit	Further refinement to MFMA implementation tool-kit
3. Provide policy advice, effective technical and strategic support and a change agent service to municipalities.	3.1 Expenditure in line with MFMA and supporting legislation	Systematic implementation measurement tool.	None	None	None	Measurement tool.	Implementation and refinement	Implementation and possible further refinement

2.9 Reconciliation of budget with plan

Table 2.2: Programme 2: Sustainable Resource Management budget by sub-programme (R'000)

Programme 2: Sustainable Resource Management								
Sub-programme	Year - 2 2006/07 (actual)	Year - 1 2007/08 (actual)	Base year 2008/09 (estimate)	Average annual change (%)	Year 1 2009/10 (budget)	Year 2 2010/11 (MTEF projection)	Year 3 2011/12 (MTEF projection)	Average annual change (%)
Programme Support:	1 742	1 475	1 726	-0.46%	2 878	3 041	3 366	8.15%
Fiscal Policy	1 163	230	621	-26.93%	1 813	2 079	2 289	12.36%
Budget Management	9 746	10 478	9 769	-0.12%	12 372	13 111	13 999	6.37%
Provincial Government Budgets					8 537	9 049	9 663	6.39%
Local Government Budgets					3 835	4 062	4 336	6.33%
Public Finance	8 681	9 357	10 575	10.37%	16 532	17 311	18 642	6.19%
Provincial Government Finance	4 553	3 432	3 286	-15.08%	5 336	5 581	5 992	5.97%
Local Government Finance: Group 1	4 128	5 925	7 289	32.88%	6 431	6 742	7 276	6.37%
Local Government Finance: Group 2					4 765	4 988	5 374	6.20%
Total	21 332	21 540	22 691	3.14%	33 595	35 542	38 296	6.77%

The slow average annual increase of 3.1 per cent for the financial years 2006/07 to 2008/09 was due to the skills shortage to fill the vacant posts. For the same period the average annual increase of 32.9 per cent in Local Government Finance was to cater for the staff complement to handle the implementation of the MFMA. Fiscal Policy also decreases by an annual average of 26.9 per cent, which is due to less research work undertaken by consultants. The increase of R11.149 million from 2008/09 to 2009/10 is due to an increased staff component and research work to be undertaken by consultants and the local government tender that will provide for the training of municipalities. Over the MTEF the average annual increase of 6.8% caters for the inflation adjustment.

3. Programme 3: Asset and Liabilities Management

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

The programme structure is as follows:

Programme Support

To provide management and administrative support.

Asset Management

Moveable Asset Management

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

Immovable Asset Management

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

Liabilities Management

Borrowing

To facilitate the effective and efficient management of liabilities.

Financial Asset Management

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

Supporting and Interlinked Financial Systems

To provide for the supervision and management of existing financial systems and the transition to the IFMS, enhancing compliance with the PFMA and other relevant legislation.

a. Specified policies, priorities and strategic objectives

The programme's strategic objectives mainly involve facilitating the optimisation of provincial asset management and obtaining full value from the Province's physical assets.

This includes:

- Effective and efficient programme evaluation of immovable assets, including technical, strategic support and training to provincial departments and municipalities where applicable.

- Monitoring compliance with the legislative, regulatory and policy frameworks for supply chain and moveable asset management for provincial departments and municipalities and provide responsive interventions to such assessments.
- Providing strategic leadership and support and development of guidelines to ensure effective and efficient supply chain management of goods, services and immovable assets.
- Building the necessary capacity in the Provincial Treasury for public private partnership (PPP) assessments and to facilitate and provide developmental technical assistance and support to departments and municipalities on all projects.
- Establishing the necessary structures to service loans and guarantees and implementing policies for effective management of assets and liabilities. This includes providing technical and strategic support to provincial departments and municipalities.
- Providing for the effective and efficient management and implementation of existing financial systems, management of State Information and Technology Agency (SITA) costs and the transition to the Integrated Financial Management System (IFMS), improving compliance with the Public Finance Management Act (PFMA) and other relevant legislation.

b. Progress analysis

Asset management encompasses both movable assets (goods and services), previously known as supply chain management (SCM), immovable assets and financial assets.

The movable assets unit was responsible for performing further SCM compliance assessments in provincial departments and municipalities. This meant engaging municipalities on the implementation of SCM, developing Provincial Treasury Instructions for SCM and facilitating the arrangements of transversal contracts. It furthermore includes the implementation of asset management requirements within the Province, providing strategic interventions on SCM and assistance and guidance to provincial departments and municipalities.

The immovable assets unit coordinated discussions with the respective MECs and heads of departments for Education, Public Works and the Provincial Treasury on infrastructure and related issues. These meetings were scheduled periodically during 2008/09. The directorate supported and monitored the improved efficiency and effectiveness of the Infrastructure Delivery Improvement Programme (IDIP).

During the 2008/09 financial year the PPP unit facilitated and provided assistance, advice, guidance and support to departments during the various stages of the PPP processes. The unit also held numerous meetings with the Department of Education on the possibility of constructing schools via PPP initiatives.

Financial asset management is responsible for the management and control of the Provincial Revenue Fund, ensuring all departmental bank accounts remain minimally cash-positive on a daily basis and optimising on interest revenue derived from prudent investments with financial banking institutions.

During 2008/09, the financial systems unit was responsible for the re-implementation of BAS at 13 votes due to the Standard Chart of Accounts (SCoA) toning project, and rendered user support and training to 7 000 core and non-core users.

In the 2008/09 financial year all the directorates in this chief directorate played an integral part in linking with other units in aligning and meeting the objectives of the Provincial Treasury's mandate, namely monitoring and evaluation, good governance, assistance and guidance and giving effect to a budget process that seeks to address the department's credibility and responsiveness to the budget process. This was achieved through the PGMTEC, LGMTEC, IYMs and Financial Governance Review and Outlook processes.

c. Analysis of constraints and measures planned to overcome them

Capacitating SCM units of provincial departments and municipalities with appropriately skilled persons remains a challenge facing the movable assets unit. Ongoing support, guidance and facilitation of accredited ad hoc courses to address inefficiencies continue to be a part of the provincial drive to assist departments with continued compliance with the PFMA and municipalities with the implementation of the MFMA. This unit will continue to provide assistance, guidance and advice to provincial departments and municipalities for the 2009/10 financial year.

The time consuming process of awarding contracts together with the inadequacy of feasibility studies are major concerns for the immovable assets unit. Existing procedures will need to be assessed to identify systemic problems. Alignment to the Infrastructure Development Improvement Programme (IDIP) is also necessary. Improving intergovernmental relations to foster better provincial service delivery initiatives, poses a huge challenge.

The credibility of departmental cash projections is a major constraint faced by the financial asset management unit. To address this constraint the sub-programme ensures on a continuous basis that departments are guided by previous expenditure trends, outstanding commitments and new projects, etc. when compiling their annual projections.

The supporting and interlinked financial systems unit remains confronted with the lack of skills and competencies of users utilising the online systems of BAS and PERSAL, the limited capacity of the network to accommodate high volumes of data and the availability of appropriate staff and funds to implement LOGIS at the remaining sites. This unit will provide continuous training during 2009/10, re-training and assistance where necessary, and monitor on a daily basis the network in conjunction with the Centre for e-Innovation and SITA. Pre-implementation assessments and management meetings of further LOGIS sites will also be held to identify and address shortcomings.

d. Description of planned quality improvement measures

Determination of best procurement practices, gap analysis and design of steps to close any gaps to elevate SCM processes within provincial departments to level 4 auditable status. Better integration with other assurance providers, e.g. internal audit, systems, public finance and the auditor-general SA to achieve better focus on the constituent parts of supply chain processes and therefore more efficient utilization of scarce skills. Furthermore, the reconfiguration and strengthening of the movable asset unit to better serve its additional responsibilities with respect to departments and municipalities to extract better value for money results from SCM practices within these. Targeted recruitment and development strategies are also envisaged to further capacitate the unit.

The roll out of the Infrastructure Delivery Improvement Programme (IDIP) – Phase II and monitoring thereof will be the main contributing factor for quality improvement measures, and that includes early identification and remedying of systemic problems and inappropriate projects and expenditures.

Continuous fostering and exchange of ideas on PPPs with key role players, should, contribute to push the PPP business model forward as a sustainable alternative to the current infrastructure delivery practice. Alternatively, to utilise the same principles to co-initiate and co-manage together with the department of Transport and Public Works, a number of mooted mega-projects within the infrastructure environment, notably the Somerset site and CBD office accommodation redevelopment to improve fixed asset returns and long-term utilisation.

Bridging finance, if required through liabilities management could be obtained with relative ease from the Corporation for Public Deposits (CPD) with a much lower interest rate than at other financial institutions. The lowering of the existing 2% deviation between the funding and the actual expenditure flowing through departmental bank accounts will further enhance cash flow management.

Supporting and interlinked financial systems will continuously pursue the daily monitoring of the various transversal systems to ensure functionality, availability, smooth and timeous interfacing of various sub-systems, proper maintenance and acceptable uptime of the networks with appropriate action to address problems where necessary.

3.1 Sub-programme 3.1: Programme Support

3.1.1 Specified policies, priorities and strategic objectives

Generic Strategic goal: To provide management and administrative support.

Strategic objective

1. Leadership and administrative support services to ensure the effective delivery and operation of the programme.

3.1.2 Progress analysis

The sub-programme makes provision for a post of Deputy Director-General and a Chief Director.

3.2 Sub-programme 3.2: Asset Management

3.2.1 Element: Movable Asset Management

3.2.1.1 Specified policies, priorities and strategic objectives

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

Strategic objective

1. A value-based supply chain management and moveable asset management system that facilitates good governance and effectively responds to socio-economic requirements and enhances service delivery.

3.2.1.2 Progress analysis

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

During the 2008/09 financial year the sub-programme was responsible for:

- Assisting provincial departments and municipalities in improving the efficiency of their SCM activities through facilitating and arranging SAMDI/National Treasury training, facilitating the asset management/SCM forums, providing guidance through opinions, one-on-one engagements, planned interventions and policy development and implementation.
- Developing and promoting BBBEE and supplier development by providing a platform to engage with small businesses at the Small Business Week and capacitating SMMEs participating in supplier open days in municipal districts in order to empower rural and developing businesses that are far removed from the CBD.
- Performing SCM compliance assessments in 12 provincial departments and five municipalities and undertaking interventions to address critical/deficient areas as emanated from the compliance assessment process for both provincial departments and municipalities.

Main challenges facing the sub-programme include the following:

- Minimising compliance lapses, imprudent procurement practices and procurement-related costs and enabling departments and municipalities to procure in a cost-efficient and effective manner.
- Developing skilful and diligent SCM practitioners at provincial and local spheres of government.
- Monitoring the adherence of departments and municipalities to established SCM norms and standards.
- Facilitating and implementing a provincial BEE strategy and a strategic sourcing business model that will contribute to best value for money in view of the fact of certain constraints in giving effect to the requirements of the enabling legislation as a result of national processes not being finalised.
- High attrition rate and the development of new staff.
- Difficulty in attracting the requisite talent due to post levels being set at an inappropriate level.
- Additional requirements and requests that emanate from internal units, standing committees, MEC for Finance, executing authorities, municipal councils and departments and municipalities
- Realignment and linkages with other units that have added pressure to meet tight deadlines

3.2.1.3 Analysis of constraints and measures planned to overcome them

Despite a concerted effort to reduce the turnaround time in filling vacant posts attempts at recruitment have proved to be challenging. The current post levels target a skills pool at the operational level within provincial departments that is aimed at levels 5-8. It has become evident that the posts required in the unit require a level of strategic and analytical skill that may not be sourced from the market that the posts are targeted at.

In a further attempt to review and alleviate the current challenges experienced in filling vacant posts, a work study investigation has been initiated. The posts are further being benchmarked against those of other provinces. It is anticipated that this will address the current post levels of the unit.

To alleviate some of the added pressure in meeting the unit's goals and objectives, given the unit's high attrition rate and the ability to attract the required talent pool, the directorate has utilised the internship programme to hone talent as well as using the programme as a stepping stone for possible recruitment. This has proven to be successful in the 2007/08 financial year, in that two of the interns were recruited into the unit. In the 2008/09 financial year three interns were inducted into the programme with the expectation of similar results.

Since the additional focus on the supply chain management processes by all spheres of government, especially in respect of compliance with the regulatory framework as well as emphasis on safeguarding against fraud, corruption and collusion within SCM processes, has increased the influx of ad hoc requests from standing committees, the MEC for Finance and the Executive to investigate departmental and municipal SCM processes. This has added to the unit's workload as well as the demand for a particular type of skill. In an attempt to empower and develop capacity within the unit, officials have been given the responsibility to represent particular departments and municipal districts. This has addressed some of the pressures to some extent, although the additional workload does predispose officials to be spread rather thinly across competencies in order for the unit to meet its goals and objectives.

It must further be noted that the current staff complement in the directorate will not suffice to satisfactorily achieve both the provincial and local government objectives. However, the unit endeavours to timeously fill all existing vacancies in the 2009/10 financial year.

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

3.2.1.4 Description of planned quality improvement measures

The reconfiguration of this unit, which was adopted in the latter part of 2007/08 and followed through into the 2008/09 financial year, focused on the deepening of monitoring compliance on SCM and asset management. Posts were subsequently reconfigured to support provincial departments and municipalities in the development of SCM capacity thereby creating the necessary impetus towards increased SCM compliance. The proposed structure provides for a greater spread of responsibilities, targeting specialised skills pools and maintaining efficiency and effectiveness within this unit. It also entailed promoting integration between the different sections of the unit and improving linkages within the component and the Provincial Treasury as a whole.

The following quality improvement measures are envisaged:

- Establishing internal capacity to render strategic support and training, drive best practices in the SCM units and facilitating the training of officials from provincial departments and municipalities in SCM principles, guidelines and prescripts.
- Implementing monitoring/compliance procedures to address non-compliance with minimum norms and standards.
- Introducing a mechanism to adequately address concerns from the public with regard to the awarding of bids.
- Assisting in the development of a provincial PPPFA/BBBEE policy in the promotion of a supplier development programme.
- Establishing a SCM complaints unit within the Provincial Treasury.
- Implementing and refining a capability assessment model to better ascertain the degree of supply chain management and moveable asset management compliance and proficiency throughout the Province.
- Developing and implementing a supply chain cycle assessment model that feeds in good governance practices.

3.2.2 Element: Immovable Asset Management

3.2.2.1 Specified policies, priorities and strategic objectives

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

Strategic objective

1. Prudent built-environment business principles and processes for effective infrastructure delivery aligned to socio-economic imperatives contributing to optimal utilisation of government immovable assets.

3.2.2.2 Progress analysis

The objective of the Infrastructure Delivery Improvement Programme (IDIP), an initiative of the National Treasury, is to realise improved effectiveness and efficiency of the delivery of public sector infrastructure. To measure the effectiveness and efficiency, the IDIP monitoring and review system (efficiency, effectiveness and risk tool) was introduced in the third quarter of 2008 to facilitate effective reporting on the progress to the IDIP programme unit (PMU). The results of the reports clearly highlighted weaknesses on programme management, an area the technical assistance team is currently focussing on.

Closer analysis of infrastructure projects and collaboration with departments within the Provincial domain have resulted in reprioritisation of such, inclusive of possible improved co-operation and sharing of resources across the provincial and local government spheres.

The promulgation of the Government Immovable Asset Management Act, (GIAMA) aims to achieve effective and efficient managing of fixed assets. The unit intends, in collaboration with the Department of Transport and Public Works, to:

- Facilitate refinement processes on improved quality and flow of infrastructure projects, streamlining advisory services through better technical assistance.
- Provide technical assistance to facilitate optimal investment decisions that are coordinated in meeting the client's accommodation needs and to support national and provincial strategies and policies.
- Analyse and advise on cost-effective, value enhancing and socially just decisions in respect of property management.

The gradual increase in Public Private Partnerships (PPPs) suggests that the public and private sectors are now working more closely together in the provision of services and infrastructure. The pursuance of PPPs is an initiative necessary to address the socio-economic imperatives and infrastructure backlogs, contributing to enhanced service delivery in the Province.

During the 2008/09 financial year this unit was responsible for:

- Endeavouring to provide a means by which effective PPP flow can be co-ordinated within the Province.
- Facilitating knowledge and information exchange across the provincial departments in the Western Cape and public entities by maintaining close working relationships with the procuring department across the full range of PPP procurement activity.
- Building the full range of functional and developmental technical skills necessary to take over all PPP functional and assessment-related responsibilities from the National Treasury in the near future.
- Facilitating a municipal PPP training workshop in the Province.

Main challenges facing the unit include:

- Improving inter-governmental processes for project planning and project approval in provincial departments and local government (municipalities).
- Reducing unit cost of infrastructure project outputs.
- Filling of vacant posts internally, developing skills and creating institutional memory.
- Improving the unit's efficiency and effectiveness.
- Improving staff assessment quality/productivity and internal cultural orientation.
- Aligning infrastructure plans with the Provincial Growth and Development Strategy (PGDS), and the integrated development plans of municipalities.
- Getting the balance right between efficiency and equity-enhancing infrastructure investment.
- Adopting effective measures to improve financial and project planning and reporting by provincial departments on infrastructure delivery.
- Retaining the capacity and skills required for PPP monitoring and evaluation.
- Facilitating training for provincial departments and municipalities.

- Facilitating and promoting developmental issues in conjunction with relevant role players for new PPP opportunities.
- Expanding the PPP unit to cater for the additional responsibilities of the municipalities.

3.2.2.3 Analysis of constraints and measures planned to overcome them

Immovable Assets

The programme management unit (PMU) suggested that Provincial Treasury should strengthen its capacity to be able to adequately assess Departmental Infrastructure Plans (IP) and Integrated Development Plans (IDP) of municipalities. The PMU further pointed out that infrastructure projects in the past have experienced frequent delays and cost overruns, illustrating the lack of capacity to identify and assist with the planning, programming and execution of projects. As a result, the shortage of adequately skilled infrastructure professionals is affecting quality infrastructure delivery.

To overcome these constraints, a development strategy in conjunction with the National Treasury has been developed to build up the existing human resource pool and upgrading the skills set through urgent measures to enhance training capacity. Further measures would include the services of Short Term Technical Assistance (STTA) to transfer skills during assessment of IPs and IDPs.

Public Private Partnerships (PPP)

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

3.2.2.4 Description of planned quality improvement measures

Immovable Assets

- Full roll-out, as far as possible, of all the IDIP principles and good governance practices to the three major infrastructure departments (Transport and Public Works; Health and Education) and to at least three municipalities.
- Quarterly effectiveness and efficiency reports to measure the quality of implementing the different Infrastructure Improvement Plans (IDIP) and initiation of timely remedial steps where necessary.
- Completion of User Asset Management Plans (U-AMPs) by user departments and consolidation of a Custodian Asset Management Plan (C-AMP) by public works to achieve effective and efficient management of immovable assets.
- Aligning infrastructure projects to the alignment model to achieve improved cost projections.
- Integrated approached with other units to fast track synergies between various plans in respect of infrastructure delivery.

Public Private Partnerships (PPP)

- To engage in all current provincial PPP projects, broaden the knowledge of the PPP concept and build capacity through practical exposure.
- Foster the exchange of ideas and the growth of PPP knowledge through conferences, workshop, seminars and meetings across international, national and provincial networks.
- Actively engage with the National Treasury PPP unit, provincial departments, municipalities and private sector specialists for purposes of skills transfer and development of best practices.
- Market PPP externally to promote the involvement of the private sector.
- Engage in discussions with core departments and municipalities on problem areas around PPP projects to dispel fears and reluctance and to share experiences.
- Monitor completed PPP projects on actual performance against budget to determine value for money and affordability aspects.

3.3 Sub-programme 3.3: Liabilities Management

3.3.1 Specified policies, priorities and strategic objectives

Strategic goal 12: To facilitate the effective and efficient management of liabilities.

Strategic objective

1. Cash flow management that maximises investment returns and that matches or exceeds revenue and expenditure flows.

3.3.2 Progress analysis

This sub-programme is responsible for the management and control of the Provincial Revenue Fund that consists of the Provincial Exchequer Account and 14 departmental banking accounts known as Paymaster General Accounts, including the Provincial Parliament. Each provincial department has a Paymaster General Account, which is funded on a daily basis from the Provincial Exchequer Account in terms of daily cash flow inputs from the various departments.

During the past financial year, the group of banking accounts remained cash positive. Capital and interest were repaid on maturities. A variance between transfers and actual expenditure of less than 1 per cent was maintained.

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

The current bank tender was awarded to Nedbank on 15 December 2006 and came into effect from 1 April 2007.

In terms of the MFMA, a database of primary banking account details, contact names and details of each municipality was established and it is envisaged that this sub-programme will play an integral role in the cash flow management of municipalities in the future.

3.3.3 Analysis of constraints and measures planned to overcome them

The major challenge facing this sub-programme is to ensure that departments not only submit annual credible projections of cash-coupled expenditure, but remain within these projections. Although a daunting task, departments will be encouraged to utilise previous expenditure trends, outstanding commitments and new projects when compiling and submitting their annual cash flow projections.

Another challenge is to ensure that bank accounts within the provincial departments remain minimally cash positive on a daily basis, which ensures that no overdrawn situation occurs at any time.

Remedial measures will include the daily monitoring of projections versus actual drawings to ensure that this remains within an acceptable level of less than 1 per cent.

Municipal cash management reporting still has some way to go as regards full reporting and analysis, but this is being dealt with personal follow-ups to municipalities to improve on their cash management.

3.3.4 Description of planned quality improvement measures

The following quality improvement measures are envisaged:

- To further enhance cash flow management, the current deviation between the funding and the actual expenditure is decreased to less than 1 per cent.
- The possible limitation of PERSAL supplementary runs from four to two per month, which will further enhance cash flow management.
- Payments in general will be executed in terms of a payment schedule issued by the Provincial Treasury in co-operation with departments.
- A revision of the current methodologies and practices are due to be reviewed in the course of the 2009/10 financial year, inclusive of a capacity analysis to be launched at both the provincial and municipal spheres together with possible remedial actions that would require to be taken.

3.4 Sub-programme 3.4: Supporting and Interlinked Financial Systems

3.4.1 Specified policies, priorities and strategic objectives

Strategic goal 13: To provide for the supervision and management of existing financial systems and the transition to the IFMS enhancing compliance with the PFMA and other relevant legislation.

Strategic objective

1. A professionally implemented and managed secure financial system, responsive to user functionality and information requirements, conforming to changing accounting and good governance requirements.

3.4.2 Progress analysis

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

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

During the 2008/09 financial year-end the Provincial Treasury ensured that an average uptime of 98,6% on the three major systems was maintained.

There is an expectation that the first two modules of the new Integrated Financial Management System (IFMS), namely the Human Resources and Supply Chain components, might be ready for roll-out in 2009/10.

Technical Support and Training

Training

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

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

A skills gap analysis was performed by the Provincial Treasury of all system users in order to identify their training needs, for priority training interventions. This is due to be taken to a higher level in 2009/10.

During the 2008/09 financial year, 1 597 system users attended various training modules that were presented and 81% obtained a pass rate of 81.5% or higher and qualified for certificates.

Helpdesk (user support)

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

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

During the 2008/09 financial year the Provincial Treasury received in excess of 22 000 calls. Most of them were resolved to the satisfaction of the system users.

3.4.3 Analysis of constraints and measures planned to overcome them

The main risk with regard to the utilisation of the online systems (BAS, LOGIS and PERSAL) is the lack of skills and competencies. This will be addressed on a continuous basis by means of training, retraining, assistance and workplace analysis. Additional to this is the limited capacity of the network to accommodate the high volume of data, especially during month and year-end. This will be addressed by the daily monitoring of the network in co-operation with the Centre for e-Innovation, and SITA and, where required, the upgrade of infrastructure.

3.4.4 Description of planned quality improvement measures

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

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

- The daily monitoring of the systems to ensure that all exceptions are cleared timeously. Further monitoring to make certain that the available functionalities (e.g. electronic transfers, online enquiry and debtors) are utilised to their maximum potential to ensure that the interfacing of various sub-systems (LOGIS, PERSAL, TELKOM, MEDSAS and official banker) occur properly five days a week and that access control and profiles are maintained.
- To make certain that the networks (national/provincial) are maintained and, where applicable, upgraded to accommodate the high volume of data and ensure an acceptable reaction time.
- Ensure the availability of skilled and capacitated staff that has access to the latest technology in order to render a professional service to system users.
- Continuous updating of training material with the latest improvements and prescripts.
- Integration between LOGIS (inclusive of BAS) system applications and primarily the accounting and moveable asset units to improve management and accountability of moveable assets in departments.
- Accelerated training interventions to address training needs of users as identified during the skills gap analysis.
- Possible implementation of one or both of the early two modules of the IFMS.

Table 3.1: Programme 3: Asset and Liabilities Management

Sub-programme 3.1: Programme Support		Generic Strategic Goal: To provide management and administrative support to the programme.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. Leadership and administrative support services to ensure the effective delivery and operation of the programme.	1.1 A well lead and coordinated programme that delivers on its objectives with good public governance standards within set timeframes.	Establishment and implementation of a delivery programme for the programme that ties in with the overall PT calendar for the year.	Revised PMI	Revised PMI	Revised PMI	Delivery programme developed and implemented	Maintain, review and update if relevant	Maintain, review and update if relevant
		Establishment of a culture of communication and transparency.	Revised PMI	Revised PMI	Revised PMI	Monthly interactive meetings with staff and support services	Implementation of PT communication strategy by means of monthly meeting	Maintaining of PT communication strategy by means of monthly meeting
		Establishment of a culture of service excellence.	Revised PMI	Revised PMI	Revised PMI	2 Internal survey and corrective actions	2 Internal survey and corrective actions	2 Internal survey and corrective actions

Sub-programme 3.2: Asset Management 3.2.1: Moveable Asset Management		Strategic Goal 10: To determine policy, to drive, assess and assist departments and municipalities in the attainment of effective and efficient management of moveable assets.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. A Value based Supply Chain Management system and Moveable Asset Management system that facilitates good governance and that effectively responds to socio-economic requirements and enhances service delivery.	1.1 A Supply Chain Management system (processes, practice and cycle) capability assessment model that catalogues institutions and indicates appropriate remedial steps and progress over time in terms of best practice requirements.	Implementation and refinement of a management process and practice capability assessment model throughout the Province.	None	Draft Model	Model in place for SCM	Refined Capability assessment model and intervention plan	Refinement	Refinement
			None	None	5 interventions	5 interventions	6 interventions	7 interventions
			17 SCM Assessments	17 SCM Assessments	17 SCM Assessments	20 SCM Assessments	20 SCM Assessments	20 SCM Assessments
		Development and Implementation of a Supply Chain Cycle assessment model that feeds in good governance practices.	None	None	None	SCM Assessment Model that promotes good governance practice 12 assessments	12 assessments	12 assessments

Sub-programme 3.2: Asset Management 3.2.1: Moveable Asset Management		Strategic Goal 10: To determine policy, to drive, assess and assist departments and municipalities in the attainment of effective and efficient management of moveable assets.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. A Value based Supply Chain Management system and Moveable Asset Management system that facilitates good governance and that effectively responds to socio-economic requirements and enhances service delivery. <i>(Continued)</i>	1.2 A Moveable Asset Management system capability assessment model that catalogues institutions and indicates appropriate remedial steps and progress over time in terms of best practice requirements.	Implementation and refinement of a management capability model throughout the Province.	None	None	12 assessments	Implement model and do 12 assessments	12 assessments	12 assessments
			None	None	3 Interventions	3 Interventions	3 Interventions	3 Interventions
	1.3 A Supply Chain Management System that promotes socio-economic service delivery.	Develop and implement a BBBEE/SMME supplier development programme in consultation with other stakeholders.	None	None	None	BBBEE/ Supplier Development Programme inclusive of policy, legislative and market research	Programme in place	Monitoring of Programme
1.4 Maintenance of a competent Moveable Asset Unit.	Develop and implement an internal capacitation plan.	None	None	None	Development and implementation of an internal capacitation plan	Implementation of capacitation plan.	Implementation of capacitation plan.	

Sub-programme 3.2: Asset Management 3.2.2: Immovable Asset Management		Strategic Goal 11: To determine policy, to drive, assess and assist departments and municipalities in the effective and efficient management of immovable assets and sustainable public private partnership projects.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. Prudent built-environment business principles and processes for effective infrastructure delivery aligned to socio-economic imperatives contributing to optimal utilisation of government immovable assets.	1.1 Formalisation and inculcation of good business principles and processes into the built-environment delivery system.	Infrastructure Planning processes and procedures compliant to Infrastructure Development Improvement Programme(IDIP).	Revised PMI	Revised PMI	Revised PMI	Education: 70% Public works: 70% Health: 60%	Education: 85% Public works: 85% Health: 75%	Education: 100% Public works: 100% Health: 100%
		Infrastructure Expenditure Reports of Education, Public Works and Health are compliant to Division of Revenue Act (DORA).	100%	100%	100%	100%	100%	100%
	1.2 Promote the infrastructure Delivery Improvement Programme (IDIP)/principles in municipalities.	Number of municipalities IDIP programme/principles promoted.	Revised PMI	Revised PMI	Revised PMI	3 municipalities	3 municipalities	3 municipalities
	1.3 User Asset Management Plans compliant to GIAMA guidelines.	Monitor compliance of Departmental User Asset Management Plans, in terms of GIAMA guidelines, in collaboration with Public Works.	New PMI	New PMI	New PMI	Identification of 3 departments	3 departments	6 departments

Sub-programme 3.2: Asset Management 3.2.2: Immovable Asset Management		Strategic Goal 11: To determine policy, to drive, assess and assist departments and municipalities in the effective and efficient management of immovable assets and sustainable public private partnership projects.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. Prudent built-environment business principles and processes for effective infrastructure delivery aligned to socio-economic imperatives contributing to optimal utilisation of government immovable assets. <i>(Continued)</i>	1.4 Facilitate and promote, support and develop sustainable Mega Projects in the Province.	In collaboration with Transport & Public Works, develop sustainable Mega Projects in the Province.	None	None	None	2 new	2 existing	2 existing 1 new
	1.5 Facilitate and provide developmental technical assistance and support to departments, municipalities and entities on all PPP projects in progress.	Development and implementation of an assessment and remedial action model.	New PMI	New PMI	New PMI	Model development	Refinement	Refinement
Sub-programme 3.3: Liabilities Management		Strategic Goal 12: To facilitate the effective and efficient management of liabilities.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. Cash flow management that maximises investment returns and that matches or exceeds revenue and expenditure flows.	1.1 Relevant policies for effective management of assets and liabilities.	Development of a good practice model for management of financial assets in municipalities that is in compliance with legislative requirements.	None	None	None	Development and distribution by 31 March 2010	Maintain policy	Maintain policy
		Competent Financial Asset Management unit internally and promotion of same across the Province.	None	13 Provincial Departments and limited Municipalities	13 Provincial Departments and 30 Municipalities	Development and implementation of an evaluation and capacitation plan	Refinement	Refinement

Sub-programme 3.3: Liabilities Management		Strategic Goal 12: To facilitate the effective and efficient management of liabilities.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. Cash flow management that maximises investment returns and that matches or exceeds revenue and expenditure flows. (Continued)	1.2 A Provincial Revenue Fund performance (inclusive of the Asset Finance Reserve) that maximises returns from investments and cash flow management.	Refinement of cash management withdrawals and close link with expenditure commitments and revenue flows in Provincial departments.	Revised PMI	Prime rate minus 3.5% on investments and a variance of less than 1% between actual transfers and projected expenditure	Prime rate minus 3.5% on investments and a variance of less than 1% between actual transfers and projected expenditure	Revised cash management model that incorporates latest best practice.	Refinement	Refinement
	1.3 A sound loan book in municipalities.	Effective technical, strategic support and training to municipalities where applicable.	Revised PMI	Revised PMI	None	30 Municipalities	30 Municipalities	30 Municipalities
	1.4 Improvement of cash management and reporting by municipalities.	Assessments of the IYM cash flows submitted by municipalities to improve cash flow management and reporting.	Revised PMI	6 Municipalities	20 Municipalities	20 Municipalities assessed in terms of latest IYM criteria	20 Municipalities assessed in terms of refined IYM criteria	20 Municipalities assessed in terms of refined IYM criteria

Sub-programme 3.4: Supporting and Interlinked Financial Systems		Strategic Goal 13: To provide for the oversight and management of existing financial systems and the transition to the Integrated Financial Management System enhancing compliance with the (PFMA) and other relevant legislation.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. A professionally implemented and managed secure financial system, responsive to user functionality and information requirements, conforming to changing accounting and good governance requirements.	1.1 A well documented system with risks mitigated, providing timely and credible information and run by trained staff.	The development and implementation of a risk management framework to assess security and veracity of data.	None	None	None	100% completed and implementation by 31 March 2010	Maintain policy	Maintain policy
		Development and implementation of a financial operational model that enforces good governance practices.	None	None	None	100% completion and implementation by 31 March 2010.	Maintain policy	Maintain policy
		Provision of timely and appropriate data and management information.	None	None	None	Development and phased implementation of a (Business Intelligence) BI tool by 31 March 2010.	Maintain tool	Maintain tool
		A fully operational helpdesk	24 hours turn around time on queries received	Less than 24 hours turn around time on queries received	Less than 24 hours turn around time on queries received	Within 24 hours turn around time on queries received	Within 24 hours turn around time on queries received	Within 24 hours turn around time on queries received
		Competent System unit internally and trained users within provincial departments.	None	1 769 officials with a 81% pass rate	1 597 officials with a 81.5% pass rate	Development and implementation of an evaluation and capacitation plan	Refinement	Refinement
	1.2 A system that adapts to meet changing user requirements, accounting and governance standards.	Timely identification of new system requirements and arrangement for systems adaptation.	None	Roll out within two weeks after release	Roll out within two weeks after release	Roll out within two weeks after release	Roll out within two weeks after release	Roll out within two weeks after release

3.7 Reconciliation of budget with plan

Table 3.2: Programme 3: Asset and Liabilities Management budget by sub-programme (R'000)

Programme 3: Assets and Liabilities Management								
Sub-programme	Year - 2 2006/07 (actual)	Year - 1 2007/08 (actual)	Base year 2008/09 (estimate)	Average annual change (%)	Year 1 2009/10 (budget)	Year 2 2010/11 (MTEF projection)	Year 3 2011/12 (MTEF projection)	Average annual change (%)
Programme Support	898	961	813	-4.85%	1 846	2 002	2 202	9.22%
Asset Management	7 582	7 542	8 711	7.19%	11 115	11 982	12 793	7.28%
Movable Asset Management	4 923	4 746	5 350	4.25%	6 689	7 295	7 771	7.78%
Immovable Asset Management	2 659	2 796	3 361	12.43%	4 426	4 687	5 022	6.52%
Liabilities Management	1 048	1 465	1 675	26.42%	2 154	2 349	2 500	7.73%
Supporting and Interlinked Financial Systems	42 009	11 739	11 078	-48.65%	12 205	12 821	13 529	5.28%
Total	51 537	21 707	22 277	-34.25%	27 320	29 154	31 024	6.56%

The average annual decrease of 34.2 per cent for the financial years 2006/07 to 2008/09 was due to the decentralisation of SITA costs to the provincial departments who will be responsible for their own costs that was under Supporting and Interlinked Financial Systems. The increase of R5.043 million from 2008/09 to 2009/10 is the result of the strengthening of the monitoring and evaluation of municipal infrastructure and supply chain management and the inclusion of a Deputy Director General under Programme Support who will be responsible for this programme and Programme 4: Financial Governance, which will be situated in Programme Support, results in the increase. Over the MTEF the average annual increase of 6.6 per cent caters for the inflation adjustment.

4. Programme 4: Financial Governance

This programme promotes financial management improvement, accountability and efficiency within the provincial departments and municipalities. It consists of five sub-programmes namely, Programme Support, Local Government Accounting, Provincial Government Accounting, Norms and Standards, Risk Management and Provincial Internal Audit.

a. Specified policies, priorities and strategic objectives

In aligning its daily operations and activities with the achievement of the iKapa Elihlumayo, Growth and Development Strategy (IE GDS) this programme has identified the following priorities:

1. To ensure the effective and efficient utilisation and development of financial governance resources to meet IE objectives.
2. To ensure the development and improvement of norms and standards and where necessary enforce compliance.
3. To identify and disseminate transversal financial governance issues to external and internal role players in order to ensure effective oversight.
4. To facilitate and create an enabling work environment within financial governance conducive to the achievement of its objectives through the capacitating of staff with the necessary resources and skills.

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

Programme Support

Provide management and administrative support to the programme.

Local Government Accounting

Ensure the development of accounting practices within local government that will promote effective and efficient capturing of REAL movements/ accountability and contribute towards attaining level 3 and higher auditable organisations.

Provincial Government Accounting

Ensure the development of accounting practices within provincial government that will promote effective and efficient capturing of REAL movements/ accountability and contribute towards attaining level 3 and higher auditable organisations.

Norms and Standards

Develop, implement and monitor compliance with corporate governance norms and standards within provincial and local government.

Risk Management

Develop, implement and monitor compliance with corporate governance norms and standards within provincial and local government.

Provincial Internal Audit

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

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

b. Progress analysis

Local Government Accounting

Local Government Accounting Services continued to assist municipalities to improve financial accounting and reporting by ensuring that municipalities are afforded training and workshops to convert from the Institute of Municipal Finance Offices (IMFO) to GRAP/GAMAP and to comply fully with GRAP standards. The financial management capability of municipalities was improved by assessing Annual Financial Statements and addressing weaknesses that were raised in Auditor-General's reports.

Provincial Government Accounting

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

Norms and Standards

A Provincial Treasury action plan was compiled based on the analysis of all the reports of the Auditor-General, management letters and overarching issues raised in the respective internal audit reports. The purpose of the action plan was to identify transversal issues that require remedial steps, either by issuing additional Provincial Treasury Instructions, and further Practice Notes addressing transversal accounting systems shortcomings and identifying skills assessments and training. The action plan highlights the findings, the responsible departments, the interventions required by the Provincial Treasury and departments, and actions to be taken. The Good Governance Framework has been approved by Cabinet and is being implemented in four departments.

Risk Management

Departmental risk management staff was trained in basic risk management tools and techniques to enable departments to advance the implementation of risk management. A policy decision was taken to standardise internal audit and risk management software to a product named ERA (Enterprise Risk Assessor). A new contract for the ERA client server solution was finalised and migration from file-based solution to client server solution is in progress.

Provincial Internal Audit

During the 2008/2009 financial year the shared internal audit unit in the Provincial Treasury provided internal audit services to all departments except the Departments of Health and Education. Internal audit services were decentralised to the Departments of Health and Education on 1 April 2008 with the overall responsibility for methodology and quality assurance remaining in the Provincial Treasury.

The delivery of internal audit services was internalised during the 2008/2009 financial year, with a decreasing reliance on the external service provider with whom a co-sourced agreement existed. This contract came to an end on 14 December 2008 and the capacity in the internal audit unit is sufficient to sustain the coverage that was achieved by the external service provider.

The provincial internal audit unit was 60 per cent capacitated as at 31 December 2008, excluding the 17 interns that form part of the establishment.

The execution of the approved Internal Audit Operational Plans has also improved considerably.

c. Analysis of constraints and measures planned to overcome them

The attrition rate of senior managers and officials within financial governance remains high, which places the burden on the remaining staff to meet objectives. It is therefore imperative that vacant posts are filled and a stable environment created within which identified objectives can be achieved. The most significant constraints identified per sub-programme are:

Local Government Accounting

The evolving accounting standards applied by municipalities and their entities in terms of the Municipal Finance Management Act (MFMA), imposes constraints within municipalities to technically apply and report on GRAP/GAMAP standards. Training interventions are taking place to establish and maintain accounting competencies in municipalities and their entities.

Provincial Government Accounting

The major risks facing departments in the transition from the current modified cash basis of accounting to the accrual basis of accounting in terms of GRAP are the inadequacies of the current accounting systems to support this transition. The National Treasury over the last few years has been developing the Integrated Financial Management System to support accrual accounting.

Norms and Standards

The evolving governance processes within provincial government necessitated the reconfiguration of Norms and Standards and Risk Management, to form Corporate Governance. This organisational change resulted in some uncertainty amongst staff which is being addressed by management interventions.

The unit experienced a high attrition rate which was addressed by the appointment of five new staff members.

Risk Management

The evolving governance processes within provincial government necessitated the reconfiguration of Norms and Standards and Risk Management, to form Corporate Governance. Owing to internal audit and risk practitioners being drawn from the same pool and the attractive packages offered in the private sector, sourcing appropriately qualified and experienced risk management practitioners remains a big challenge. The successful implementation of the governance framework and its effectiveness is dependent on support from Executive Authorities and their Accounting Officers.

Provincial Internal Audit

One of the major challenges to this unit is to make sure that internal audit coverage is consistent with the risk profile of a department, and this is being addressed in the development of our internal audit methodology.

Internal audit's activities must add value to the organisation and result in improved processes and compliance. To support and guide this, a detailed quality assurance programme and client relationship programme will be developed.

Retaining of the staff in the internal audit unit is a constant concern, even though we achieved stability in the previous financial year. This is addressed by growing and developing staff members, implementing a training plan and the successful roll-out of the internship programme.

d. Description of planned quality improvement measures

Accounting Services

Refer to paragraph 4.2.4.

Norms and Standards

Refer to paragraph 4.3.4.

Risk Management

Refer to paragraph 4.4.4.

Provincial Internal Audit

Refer to paragraph 4.5.4.

4.1 Sub-programme 4.1: Programme Support

4.1.1 Specified policies, priorities and strategic objectives

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

Strategic objective

1. Leadership and administrative support services to ensure the effective delivery and operation of the programme.

4.1.2 Progress analysis

This sub-programme supports the Chief Director: Financial Governance who is responsible for Directorates: Provincial Government Accounting Services, Local Government Accounting Services and Corporate Governance. It excludes support services to sub-programme 4.5 Internal Audit.

4.2 Sub-programme 4.2.: Accounting Services

4.2.1 Element: Local Government Accounting

4.2.1.1 Specified policies, priorities and strategic objectives

Strategic goal 14: Ensure the development of accounting practises within local government that will promote effective and efficient capturing of REAL movements/accountability and contribute towards attaining level 3 and higher auditable organisations.

Strategic objective

1. To establish a sound and dynamic financial accounting framework to promote accountability, transparency and good governance.

4.2.1.2 Progress analysis

This sub-programme is a key link between the National Treasury and financial accounting teams of municipalities and their entities to develop and implement sound accounting practices to ensure that financial reporting is in line with predetermined accounting standards.

An appraisal of the existing services and performance covering the 2008/09 financial year highlighted the following key areas:

- Continuous assessment of GRAP Conversion Plans, the Business Insight Folder (BIF), Auditor-General reports and Annual Financial Statements of municipalities.
- Prescribed Annual Financial Statement specimen for municipalities rolled out.
- Municipal Accounting Review Working Paper 2008 compiled and distributed.
- Financial Health Assessment Review of municipalities compiled.
- Facilitation of relevant training interventions and various fora.

4.2.1.3 Analysis of constraints and measures planned to overcome them

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

4.2.1.4 Description of planned quality improvement measures

The following are planned quality improvement measures:

- The GRAP/GAMAP standards implemented and complied by municipalities and their entities.
- Continuous relationship building with municipalities, Office of the Auditor General of SA, the National Treasury and the Accounting Standards Board.
- On-going training aimed at achieving competent accounting units internally and across municipalities.

4.2.2 Element: Provincial Government Accounting

4.2.2.1 Specified policies, priorities and strategic objectives

Strategic goal 15: Ensure the development of accounting practises within provincial government that will promote effective and efficient capturing of REAL movements/accountability and contribute towards attaining level 3 and higher auditable organisations.

Strategic objective

1. To establish a sound and dynamic financial accounting framework to promote accountability, transparency and good governance.

4.2.2.2 Progress Analysis

This sub-programme is a key link between the National Treasury and financial accounting teams of provincial departments and their entities to develop and implement sound accounting practices to ensure that financial reporting is in line with predetermined accounting standards.

An appraisal of the existing services and performance covering the 2008/09 financial year highlighted the following key areas:

- Consolidated Annual Financial Statements compiled and tabled as prescribed.
- Assessment of IYM, BIF, Auditor-General reports and the Annual Financial Statements of departments and their entities.
- Prescribed Annual Financial Statement formats for departments, public entities, trading entities and the Provincial Revenue Fund rolled out.
- Financial Governance Review and Outlook 2008 compiled and tabled.
- Financial governance assessment for departments and their entities compiled.
- Facilitation of relevant training interventions and various fora.

4.2.2.3 Analysis of constraints and measures planned to overcome them

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

4.2.2.4 Description of planned quality improvement measures

The following are planned quality improvement measures:

- The GRAP standards implemented and complied with by public entities.
- Continuous relationship building with departments, entities, Office of the Auditor-General, the National Treasury and the Accounting Standards Board.
- On-going training aimed at achieving competent accounting units internally and across departments and their entities.

4.3 Sub-programme 4.3: Norms and Standards

4.3.1 Specified policies, priorities and strategic objectives

Strategic goal 16: To develop, implement and monitor compliance with corporate governance norms and standards within local and provincial government.

Strategic objective

1. Development and implementation of a value-driven good governance system that can deliver in terms of international best practice governance models in partnership with other units in the Treasury.

4.3.2 Progress analysis

This sub-programme is responsible for ensuring that norms and standards within the financial legislative framework are developed and monitored for compliance in local and provincial government.

An appraisal of the existing services and performance covering the 2008/09 financial year highlighted the following key areas:

- Transversal issues as contained in the Auditor-General reports for departments, municipalities and their entities identified and remedial steps implemented through the Financial Management Improvement Plan (FMIP).
- Financial management capability level assessment conducted for departments and their entities.
- Annual reporting process facilitated for departments, municipalities and their entities.
- Provincial Treasury Instructions reviewed and updated to improve financial governance within departments and their entities.

4.3.3 Analysis of constraints and measures planned to overcome them

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

4.3.4 Description of planned quality improvement measures

The following are planned quality improvement measures:

- Developing appropriate assessment criteria in order to analyse and comment on the quality and appropriateness of the content of Annual Reports of departments, municipalities and entities.
- Develop and implement an accountability and oversight framework to enhance good corporate governance.
- Roll-out of the corporate governance framework to a further four selected departments.

- Continuous relationship building with departments, municipalities, entities, Office of the Auditor-General and the National Treasury.
- On-going training aimed at achieving good corporate governance internally and across departments, municipalities and entities.

4.4 Sub-programme 4.4: Risk Management

4.4.1 Specified policies, priorities and strategic objectives

Strategic goal 17: To develop, implement and monitor compliance with corporate governance norms and standards within local and provincial government.

Strategic objective

1. Development and implementation of a value-driven good governance system that can deliver in terms of international best practice governance models in partnership with other units in the Treasury.

4.4.2 Progress analysis

The mandate for this sub-programme is to facilitate the establishment of enterprise risk management capacity and promote good governance principles in provincial and local government. To achieve this, the unit has to create streamlined processes within departments, municipalities and entities that generate executive decision-making information on an integrated basis and ensure that internal controls are aligned to mitigate key risks.

An appraisal of the existing services and performance covering the 2008/09 financial year highlighted the following key areas:

- The Risk Management Framework approved by Cabinet was rolled out to departments as a policy document for implementation.
- Comprehensive training provided to departmental risk personnel on the Risk Management Framework and related tools and techniques.
- A Governance Framework was approved by Cabinet as a policy document.
- A continuous governance awareness programme and training rolled out to all departments.
- Active member of the National Risk Management Forum.

4.4.3 Analysis of constraints and measures planned to overcome them

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

4.4.4 Description of planned quality improvement measures

This newly established unit aims to ensure that provincial government governs and manages its risks appropriately, aligns its day-to-day operations with strategic objectives and maintains a corporate memory thereof. The following are planned quality improvement measures:

- To continue to drive the implementation of both the enterprise risk management and governance roll-out plans.
- To build working relations with Accounting Officers and identified governance champions in each department.
- Close cooperation and co-ordination between all provincial government assurance providers to capitalise on synergies.
- Continue with the training of junior, middle and senior management on the concepts of both risk management and principles of corporate governance.
- Review the effectiveness of the assessment tool to maximise relevance.

4.5 Sub-programme 4.5: Provincial Internal Audit

4.5.1 Specified policies, priorities and strategic objectives

The sub-programme: Provincial Internal Audit endeavours to add value to provincial government by assisting departments to achieve their strategic goals and objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, internal controls and governance processes.

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

Strategic objectives

1. To render an effective risk-based internal audit (IA) and consulting service that will contribute towards a well-controlled and efficient service delivery environment.
2. To assist the Audit Committees in the discharge of their responsibilities.

4.5.2 Progress analysis

An evaluation of existing services and performance covering the 2008/09 financial year highlighted the following key areas:

- During the 2008/2009 financial year the shared internal audit unit in the Provincial Treasury provided internal audit services to all departments except the Departments of Health and Education. Internal audit services were decentralised to the Departments of Health and Education on 1 April 2008 with the overall responsibility for methodology and quality assurance remaining in the Provincial Treasury. This resulted in 21 of the 92 posts being transferred to these departments.
- The various Audit Committees approved the plans for all 13 departments in the Province, and the execution of the plans has significantly improved. Sixty percent of the total number of audit areas included in the respective plans of the departments serviced by the shared unit were finalised by 31 December 2008.
- On 31 December 2008 the provincial internal audit unit was sixty percent capacitated, excluding the 17 interns that form part of the establishment. This enabled the unit to successfully take over delivery from the external service provider when the contract expired on 14 December 2008.
- The unit successfully coordinated the operation of the various Audit Committees, and the Chief Audit Executive was instrumental in the approval of the establishment of a Provincial Shared Audit Committee to deal with transversal matters.

4.5.3 Analysis of constraints and measures planned to overcome them

One of the major challenges experienced by this unit is to plan the activities of a specific year in line with the risk areas of a specific department, taking the evolving role of internal audit into account. To address this the unit is in the process of developing a tailored methodology that will assist it in considering a wide array of aspects during the planning process to ensure that all coverage is aligned to the objectives, risks and needs of a specific department.

The activities of the internal unit must add value to the organisation and result in improved processes and compliance. To support and guide this, a detailed quality assurance programme will be developed that will look at all aspects of quality improvement and will measure client satisfaction. A client relationship programme will therefore underpin the principles of improved service delivery.

Retaining the staff in the internal audit unit is a constant concern, even though stability was achieved in the previous financial year. This problem is addressed by growing and developing staff members in accordance with individual needs. The appointment of a suitable number of managers will assist in proper guidance and supervision of staff members, and will contribute to the development of skills and experience. The successful roll-out of the internship programme will also contribute to the retaining of staff in the long term.

4.5.4 Description of planned quality improvement measures

The following quality improvement measures are envisaged:

- Developing a suitable methodology which would be in line with the standards set by the Institute of Internal Auditors, and would enable the appropriate coverage of internal audit work.
- Developing a quality assurance and client satisfaction programme and implementing resulting improvements.
- Continuing the development of individual staff members to ensure that they are adequately skilled to perform their duties.

Table 4.1: Programme 4: Financial Governance

Sub-programme 4.1: Programme Support		Generic Strategic Goal: To provide management and administrative support to the programme.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. Leadership and administrative support services to ensure the effective delivery and operation of the programme.	1.1 A well lead and coordinated programme that delivers on its objectives with good public governance standards within set timeframes.	Establishment and implementation of a delivery programme for the programme that ties in with the overall PT calendar for the year.	Revised PMI	Revised PMI	Revised PMI	Delivery programme developed and implemented	Maintain, review and update if relevant	Maintain, review and update if relevant
		Establishment of a culture of communication and transparency.	Revised PMI	Revised PMI	Revised PMI	Monthly interactive meetings with staff and support services	Implementation of PT communication strategy by means of monthly meeting	Maintaining of PT communication strategy by means of monthly meeting
		Establishment of a culture of service excellence.	Revised PMI	Revised PMI	Revised PMI	2 Internal survey and corrective actions	2 Internal survey and corrective actions	2 Internal survey and corrective actions

Sub-programme 4.2: Accounting Services 4.2.1 Local Government Accounting		Strategic Goal 14: Ensure the development of accounting practices within Local Government that will promote effective and efficient capturing of REAL movements/accountability and contribute towards attaining level 3 and higher auditable organisations.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. To establish a sound and dynamic financial accounting framework to promote accountability, transparency and good governance.	1.1 Full compliance with accounting reforms extracting accountability and transparency.	Latest Accounting policy framework rolled out for accurate and complete implementation by municipalities to improve financial reporting.	9 of the 30 municipalities with unqualified Audit Reports for 2005/06	11 of the 30 municipalities with unqualified Audit Reports for 2006/07	22 of the 30 municipalities with unqualified Audit Reports for 2007/08	23 of the 30 municipalities with unqualified Audit Reports for 2008/09	24 of the 30 municipalities with unqualified Audit Reports for 2009/2010	24 of the 30 municipalities with unqualified Audit Reports for 2010/2011
		Latest Accounting policy framework rolled out for accurate and complete implementation by municipal entities to improve financial reporting.	3 of the 5 municipal entities with unqualified Audit Reports for 2005/06	3 of the 5 municipal entities with unqualified Audit Reports for 2006/07	3 of the 5 municipal entities with unqualified Audit Reports for 2007/08	4 of the 5 municipal entities with unqualified Audit Reports for 2008/09	5 of the 5 municipal entities with unqualified Audit Reports for 2009/2010	5 of the 5 municipal entities with unqualified Audit Reports for 2010/2011
	1.2 To establish an accounting platform that both measures and promotes good governance.	Compile an Accounting Review working paper for municipalities to improve financial management.	21 February 2007	20 February 2008	28 February 2009	31 December 2009	31 December 2010	31 December 2011
		Compile a Financial Health Assessment report to feed into the LGMTEC process.	30 April 2006	30 April 2007	30 April 2008	30 April 2009	30 April 2010	30 April 2011

Sub-programme 4.2: Accounting Services 4.2.1 Local Government Accounting		Strategic Goal 14: Ensure the development of accounting practices within Local Government that will promote effective and efficient capturing of REAL movements/accountability and contribute towards attaining level 3 and higher auditable organisations.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. To establish a sound and dynamic financial accounting framework to promote accountability, transparency and good governance. <i>(Continued)</i>		Establishment and maintenance of a competent accounting unit internally and promotion of same across municipalities and their entities.	New PMI	New PMI	New PMI	Training on GRAP Standards/ASB Workshops – 31 March 2010	Training on GRAP Standards/ASB Workshops – 31 March 2011	Sessions on practical application & improvements in GRAP Standards/ASB Workshops – 31 March 2012

Sub-programme 4.2: Accounting Services 4.2.2: Provincial Government Accounting		Strategic Goal 15: Ensure the development of accounting practices within Provincial Government that will promote effective and efficient capturing of REAL movements/accountability and contribute towards attaining level 3 and higher auditable organisation						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. To establish a sound and dynamic financial accounting framework to promote accountability, transparency and good governance.	1.1 Full compliance with accounting reforms extracting accountability and transparency.	Latest Accounting policy framework rolled out for accurate and complete implementation by departments to improve financial reporting.	9 of the 13 Votes with unqualified Audit Reports for 2005/06	9 of the 13 Votes with unqualified Audit Reports for 2006/07	12 of the 13 Votes with Audit Reports for 2007/08	13 Votes Unqualified Audit Reports for 2008/09	13 Votes Unqualified Audit Reports for 2009/10	13 Votes Unqualified Audit Reports for 2010/11
		Latest Accounting policy framework rolled out for accurate and complete implementation by entities to improve financial reporting.	11 of the entities 14 with unqualified Audit Reports	9 of the entities 14 with unqualified Audit Reports for 2006/07	9 of the entities 14 with unqualified Audit Reports for 2007/08	14 Entities Unqualified Audit Reports for 2008/09	14 Entities Unqualified Audit Reports for 2009/10	14 Entities Unqualified Audit Reports for 2010/11
		Compile the ACFS of Provincial Revenue Fund, departments and entities to reflect the consolidated financial performance and position of the Provincial Government.	Tabled 31 October 2006	Tabled 31 January 2008	Tabled 31 October 2008	Tabled 31 October 2009	Tabled 31 October 2010	Tabled 31 October 2011

Sub-programme 4.2: Accounting Services 4.2.2: Provincial Government Accounting		Strategic Goal 15: Ensure the development of accounting practices within Provincial Government that will promote effective and efficient capturing of REAL movements/accountability and contribute towards attaining level 3 and higher auditable organisation						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. To establish a sound and dynamic financial accounting framework to promote accountability, transparency and good governance. <i>(Continued)</i>	1.2 To establish an accounting platform that both measures and promotes good governance.	Compile and publish the Financial Governance Review and Outlook for departments and entities to provide an assessment of financial governance in the Province.	Tabled 30 November 2006	Tabled 31 March 2008	Tabled December 2008	Tabled 30 November 2009	Tabled 30 November 2010	Tabled 30 November 2011
	1.2 To establish an accounting platform that both measures and promotes good governance.	Compile a Financial Health Assessment report to feed into the PGMTEC process.	PMI Revised	PMI Revised	PMI Revised	30 September 2009	30 September 2010	30 September 2011
		Establishment and maintenance of a competent accounting unit internally and promotion of same across departments and entities.	PMI Revised	PMI Revised	PMI Revised	31 March 2010	31 March 2011	31 March 2012

Sub-programme 4.3: Norms and Standards		Strategic Goal 16: To develop, implement and monitor compliance with corporate governance norms and standards within local and provincial government.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. Development and implementation of a value-driven good governance system that can deliver in terms of international best practice governance models in partnership with other units in Treasury.	1.1 An accountability framework to enhance and assess good corporate governance.	Develop and implement an accountability framework to enhance and assess good corporate governance	New PMI	New PMI	New PMI	Framework develop and completed – 31 March 2010	4 departments, 3 entities and 10 municipalities	8 departments, 6 entities and 15 municipalities
		Develop a framework that provides transparency and accountability criteria.	New PMI	New PMI	New PMI	Develop framework	12 departments, 9 entities, 18 municipalities	12 departments, 10 entities, 20 municipalities
		Assess Annual Reports that are compliant to NT guidelines	None	Limited	4 departments, 3 entities, 10 municipalities	8 departments, 6 entities, 15 municipalities	12 departments, 9 entities, 18 municipalities	12 departments, 10 entities, 20 municipalities
		Oversight of Financial Management Improvement Program in PT, departments, entities and municipalities.	New PMI	31 March 2008	31 March 2009	31 March 2010	31 March 2011	31 March 2012
		Ensuring the existence of an appropriate and dynamic provincial financial legislative framework.	100% w.r.t. proposed provincial financial legislation and assess 4 existing legislation for relevance and inconsistency	100% w.r.t. proposed provincial financial legislation and assess 3 existing legislation for relevance and inconsistency	100% w.r.t. proposed provincial financial legislation and assess 1 existing legislation for relevance and inconsistency	100% w.r.t. proposed provincial financial legislation and assess 1 existing legislation for relevance and inconsistency	100% w.r.t. proposed provincial financial legislation and assess 1 existing legislation for relevance and inconsistency	100% w.r.t. proposed provincial financial legislation and assess 1 existing legislation for relevance and inconsistency

Sub-programme 4.3: Norms and Standards		Strategic Goal 16: To develop, implement and monitor compliance with corporate governance norms and standards within local and provincial government.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. Development and implementation of a value-driven good governance system that can deliver in terms of international best practice governance models in partnership with other units in Treasury. <i>(continued)</i>	1.1 An accountability framework to enhance and assess good corporate governance. <i>(continued)</i>	Establishment and maintenance of a competent Corporate Governance unit internally and promotion of competent risk and internal control units across departments and public entities.	New PMI	New PMI	New PMI	17 CG staff trained and ERM interventions in 4 departments and 3 entities,	8 departments, 6 entities, 10 municipalities	12 departments, 9 entities, 20 municipalities
	1.2 Transformed International Best Practice Governance Models for application in the Province to assess and improve corporate governance performance.	Identification of applicable international best practice governance models relating to areas of the governance universe and their transformation for use in the Province.	New PMI	New PMI	New PMI	4 areas of governance universe researched	4 guidance documents implemented 4 areas of governance universe researched	4 guidance documents implemented 4 areas of governance universe researched
		Development of a framework of Norms and Standards to assess and improve the degree of corporate governance delivery performance.	New PMI	New PMI	New PMI	31 March 2010	4 departments, 3 entities, 10 municipalities	8 departments, 6 entities, 15 municipalities
	1.3 A set of governance values that are embedded in the day-to-day operations of government.	Establishment and refinement of a set of governance values and embedding it in the day-to-day operations of government taking into account other initiatives.	New PMI	New PMI	New PMI	4 Departments	4 departments, 3 entities, 10 municipalities	8 departments, 6 entities, 15 municipalities
	1.4 Integrated governance improvement processes across Treasury.	Development and implementation of a clear framework for integrated governance improvement processes across Treasury.	New PMI	New PMI	New PMI	31 March 2010	4 directorates in PT	4 directorates in PT

Sub-programme 4.4: Risk Management		Strategic Goal 17: To develop, implement and monitor compliance with corporate governance norms and standards within local and provincial government.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. Development and implementation of a value-driven good governance system that can deliver in terms of international best practice governance models in partnership with other units in Treasury.	1.1 An Enterprise Risk Management framework that allows accurate identification and measurement of risks and the implementation of appropriate mitigating steps.	Development and implementation of effective enterprise risk management steps and procedures across departments, municipalities and entities.	Revised PMI	Revised PMI	Revised PMI	12 departments and 3 entities	12 departments, 6 entities, 10 municipalities	12 departments, 6 entities, 10 municipalities
		Quarterly risk assessments that comply to ERM norms and standards for the year within departments, municipalities and entities.	Revised PMI	Revised PMI	8 departments complied	12 departments and 3 entities	12 departments, 6 entities, 10 municipalities	12 departments, 6 entities, 10 municipalities
	1.2 A set of risk management values that are embedded in the day-to-day operations of government.	Establishment of a culture of risk management within the day-to-day operations of government.	New PMI	New PMI	New PMI	12 Departments - 31 March 2010	12 departments, 3 entities and 10 municipalities	12 departments, 3 entities and 10 municipalities

Sub-programme 4.5: Provincial Internal Audit		Strategic Goal 18: Work performed to evaluate the effectiveness of risk management control and governance processes in departments and to assist municipalities and public entities in the development and implementation of effective internal audit functions.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. To render an effective risk based internal audit (IA) and consulting service that will contribute towards a well controlled and efficient service delivery environment.	1.1 Develop and implement internal audit plans which are aligned to the organisational risks, needs and objectives.	Developing a mechanism that allows for the interrogation and cataloguing of the risks informing the IA Plans.	Limited	Limited	Limited	Updated Internal Audit methodology containing mechanism	Completed	Completed
		Internal audit plans consisting of high-risk auditable areas that will enhance efficiency and value for money.	Limited	Limited	Limited	80% of available audit hours allocated to high risk areas	80% of available audit hours allocated to high risk areas	80% of available audit hours allocated to high risk areas
		Approved plans by audit committees and bought into by management.	13 votes	13 votes and 4 Public Entities	13 votes and 5 Public Entities	13 votes and 7 Public Entities	13 votes and 7 Public Entities	13 votes and 7 Public Entities
		Reports issued in line with an approved quarterly project plan.	Limited	Limited	All reports for areas included in operational plans	95% completed	95% completed	95% completed
		Percentage of critical and significant recommendations implemented.	Limited	All critical and significant findings followed-up	All critical and significant findings followed-up	50% of critical and significant findings implemented	50% of critical and significant findings implemented	50% of critical and significant findings implemented

Sub-programme 4.5: Provincial Internal Audit		Strategic Goal 18: Work performed to evaluate the effectiveness of risk management control and governance processes in departments and to assist municipalities and public entities in the development and implementation of effective internal audit functions.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. To render an effective risk based internal audit (IA) and consulting service that will contribute towards a well-controlled and efficient service delivery environment <i>(Continued)</i>	1.1 Develop and implement internal audit plans which are aligned to the organisational risks, needs and objectives. <i>(Continued)</i>	Quarterly progress reports to audit committees	4 progress reports	2 progress reports	4 progress reports	4 progress reports	4 progress reports	4 progress reports
	1.2 Sustain and enhance capacity within the shared audit service.	Continuous development through training interventions in accordance with IA training plan.	Limited	Limited	2 formal training interventions per staff member	Minimum of 40 hours of technical IA training per person for the year	Minimum of 40 hours of technical IA training per person for the year	Minimum of 40 hours of technical IA training per person for the year
		Continuous performance management.	Limited	Limited	Limited	100 % Sign off of Performance Agreements and Bi-annual reviews	100 % Sign off of Performance Agreements and Bi-annual reviews	100 % Sign off of Performance Agreements and Bi-annual reviews
	1.3 Promote and maintain effective client relationships.	A client relationship management strategy.	None	None	None	30 April 2009	Completed	Completed
	1.4 Achieve compliance to IIA standards throughout the Province.	An approved internal audit quality assurance programme for all departments and selected entities.	Limited	Limited	Limited	Approved programme	Completed	Completed

Sub-programme 4.5: Provincial Internal Audit		Strategic Goal 18: Work performed to evaluate the effectiveness of risk management control and governance processes in departments and to assist municipalities and public entities in the development and implementation of effective internal audit functions.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2006/07	Actual 2007/08	2008/09 Estimate	2009/10 Budget	2010/11 Target	2011/12 Target
1. To render an effective risk based internal audit (IA) and consulting service that will contribute towards a well-controlled and efficient service delivery environment. (Continued)	1.5 Integrate assurance efforts to optimise resource utilisation and impact	Quarterly interventions/ interactions with assurance providers that redirects audit plans and other interventions for synergistic impact.	Limited	Limited	Limited	4	4	4
	1.6 Provide internal audit advisory services to local government and public entities	Quarterly contact sessions	None	None	Limited	4	4	4
		Response time to address requests received	None	None	None	10 business days	10 business days	10 business days
2. To assist the Audit Committees in the discharge of their responsibilities.	2.1 Provide effective and efficient secretariat service to provincial audit committees.	Number of audit committee meetings effectively convened.	Limited	Limited	4 meetings per audit committee	4 meetings per audit committee	4 meetings per audit committee	4 meetings per audit committee
	2.2 Facilitate capacity building within audit committees.	Training interventions with audit committee members.	Limited	Limited	2 training interventions with audit committee members	2 training interventions with audit committee members	2 training interventions with audit committee members	2 training interventions with audit committee members

4.6 Reconciliation of budget with plan

Table 4.2: Programme 4: Financial Governance budget by sub-programme (R'000)

Programme 4: Financial Governance								
Sub-programme	Year - 2 2006/07 (actual)	Year - 1 2007/08 (actual)	Base year 2008/09 (estimate)	Average annual change (%)	Year 1 2009/10 (budget)	Year 2 2010/11 (MTEF projection)	Year 3 2011/12 (MTEF projection)	Average annual change (%)
Programme Support	1 169	1 037	1 501	13.31%	1 308	1 422	1 516	7.66%
Accounting Services	3 735	3 806	5 243	18.48%	7 407	7 813	8 682	8.27%
Provincial Government Accounting					4 181	4 395	5 020	9.58%
Local Government Accounting					3 226	3 418	3 662	6.54%
Norms and Standards	3 118	3 551	3 520	6.25%	5 489	5 727	6 210	6.37%
Risk Management	2 926	2 091	2 366	-10.08%	2 445	2 571	2 753	6.11%
Provincial Internal Audit	21 395	27 945	25 265	8.67%	20 539	21 626	23 253	6.40%
Sub-programme Support					6 989	7 484	7 968	6.77%
G&A Cluster					4 466	4 648	5 031	6.14%
Economic Cluster					5 421	5 648	6 134	6.37%
Social Cluster					3 663	3 846	4 120	6.05%
Total	32 343	38 430	37 895	8.24%	37 188	39 159	42 414	6.80%

The average annual increase of 8.2 per cent over the financial years 2006/07 to 2008/09 was mainly due to the build up of the internal audit capacity as well as the increase in capacity to monitor and evaluate the financial governance in municipalities. The decrease of R0.805 million from 2008/09 to 2009/10 is due to the contract of the co-sourced service provider for internal audit that ended in December 2008. More reliance will be placed on the staff employed by the department to perform the audits, which is cheaper than using the co-sourced service provider. Over the MTEF the average annual increase of 6.8 per cent caters for the inflation adjustment.

5. Capital investment, maintenance and asset management plan

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

6. Medium-term receipts

6.1 Summary of receipts

The following sources of funding are used for the Vote:

Table 6.1: Summary of receipts: Provincial Treasury

Receipts R'000	Audited 2006/07	Audited 2007/08	Revised estimate 2008/09	Medium-term estimate		
				2009/10	2010/11	2011/12
Treasury funding						
Equitable share	(8 441)	(15 916)	8 328	18 326	26 495	37 070
Financing	(49 033)					
Own receipts (Provincial Treasury)	(149 923)	(251 252)	(251 252)	(251 252)	(273 041)	(273 041)
Total Treasury funding	(207 397)	(267 168)	121 895	134 682	142 851	153 426

6.2 Departmental receipts collection

Table 6.2: Departmental receipts collection: Provincial Treasury

Receipts R'000	Audited 2006/07	Audited 2007/08	Revised estimate 2008/09	Medium-term estimate		
				2009/10	2010/11	2011/12
Tax receipts	275 984	324 591	310 801	333 817	334 346	334 346
Sales of goods and services other than capital assets	1 207	1 297	1 022	1 022	1 022	1 022
Transfers received		65	1	1	1	1
Fines, penalties and forfeits	215	139				
Interest, dividends and rent on land	54 125	47 128	52 947	53 980	53 980	53 980
Sales of capital assets						
Financial transactions in assets and liabilities	9 802	9 072	48	48	48	48
Total departmental receipts	341 333	382 292	364 819	388 868	389 397	389 397

6.3 Conditional grants

Not applicable

6.4 Donor funding

Not applicable

7. Co-ordination, co-operation and outsourcing plans

7.1 Interdepartmental linkages

Not applicable.

7.2 Local government linkages

Although the Provincial Treasury accepts its responsibilities in terms of the MFMA, it is not foreseen that the Provincial Treasury will enter into service delivery agreements with local authorities in the near future.

7.3 Public entities

Table 7.1: Details of public entity

Name of public entity	Main purpose of public entity	Transfers from the departmental budget		
		2009/10 MTEF R'000	2010/11 MTEF R'000	2011/12 MTEF R'000
Western Cape Gambling and Racing Board	To control all gambling, racing and activities incidental thereto in the Province.	0	0	0

The Western Cape Gambling and Racing Board's own revenue has since 2004/05 increased to such a level that it has become self sufficient with the introduction of limited gambling machines that have become fully operative since the start of the 2005/06 financial year.

7.4 Public, private partnerships, outsourcing etc.

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

8. Financial Management

8.1 Strategies to address audit queries

Every audit informal query received from the Auditor-General is forwarded to the internal control section within the office of the CFO where it is registered in an audit-register specifically drawn up for this purpose. It is then marked out to the applicable component with a request to present a written answer to the query at a specific date. A system of reminders is in place to ensure that the due dates are met. An informal answer is then forwarded to the Auditor-General and the necessary inscriptions made in the audit register and copies thereof kept on file specifically opened for this purpose. It should be noted that no informal queries for 2006/07 and 2007/08 have become formal queries and that no audit queries are outstanding for the said period. During 2009/10 the Auditor-General SA (AGSA) will intensify its focus on performance auditing for 2008/09. Specific guidance on how the audits are to be undertaken will be provided to the relevant senior managers by the CFO in liaison with the AGSA.

8.2 Implementation of PFMA and MFMA

Financial staff previously underwent training on the content of the PFMA, the National Treasury Regulations and the Provincial Treasury Instructions. Further training has been given to selected officials on the various requirements of the MFMA.

Apart from a variety of monthly reports the Treasury is moving away from a nominal approach to a normative approach in order to capture the spirit of the PFMA. It has embarked on a process of restructuring that began in 2002/03. In 2007/08 a process of reconfiguration was instituted to realign the department to the demands of good fiscal governance and those imposed by the PFMA and MFMA collectively. This process is envisaged to be finalised in 2009/10.

The latter has also required the adoption of different and more sophisticated analytical capacity and associated work streams, better internal communication and stronger team work. Normative progress reports are submitted to the Provincial Treasury on a quarterly basis.

Annual Performance Plan of Year- One

Programme 1:Administration

Sub-programme 1.1: Office of the Minister		Strategic Goal 1: To render secretarial, administrative and office support services.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Effective and efficient office support services to the Executive Authority ensuring full integration with departmental activities and requirements.	1.1 Functioning and good integration of the Ministry with Provincial Treasury; Department of Economic Development and Tourism; Parliamentary Services; and Cabinet Services.	Turnaround time on all documents submitted to the office and correspondence addressed to the Minister.	2 working days	3 working days	3 working days	3 working days	3 working days	3 working days	3 working days
	1.2 Planning and coordination of the Minister's responsibility with regard to events relating to the output of Provincial Treasury.	Tabling of the Budget and the MTBPS.	Revised PMI	Revised PMI	MTBPS tabled in November and Budget in March	No target	No target	MTBPS tabled	Budget tabled

Sub-programme 1.1: Office of the Minister		Strategic Goal 1: To render secretarial, administrative and office support services.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Effective and efficient office support services to the Executive Authority ensuring full integration with departmental activities and requirements. (Continued)	1.3 Coordination of events and scheduling of resources to meet the demands of the Minister's diary.	Number of meetings with Provincial Treasury	Revised PMI	Revised PMI	48	12	12	12	12
		Number of meetings with the Department of Economic Development & Tourism, Wesgro and CTRU.			48	12	12	12	12
2. Effective communication in line with the portfolio responsibilities of the Executive Authority.	2.1 Coordination and interaction between Departments and Media Liaison Officer/Service provider.	Number of engagements with the media.	New PMI	New PMI	60	15	15	15	15
	2.2 Advocacy of the Ministry's strategies and vision	Number of road shows and imbizos	Revised PMI	Revised PMI	36	9	9	9	9

Sub-programme 1.2: Management Services		Strategic Goal 2: To render strategic support, co-ordination and communication services.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Efficient coordination and setting of standards for management support services.	1.1 Treasury events calendar that smoothes out the work processes throughout the year.	Refinement of the current Treasury calendar to achieve an even flow of work processes.	Limited	Refined Treasury calendar	Maintain and update accurately	Identify areas to be defined	Develop method of refinement	Refine the identified areas	Test and roll-out
	1.2 A set of systems and standards that determines both turnaround and quality of responses with respect to incoming communication.	Develop and implement a set of standards determining turnaround and quality of responses.	None	None	Implement systems and standards	Development	Implementation and testing	Roll-out	Maintenance
	1.3 Effective Information Resource Centre	Development and implementation of the centre's utilization	Limited	Limited	Develop methods to increase the use	Research and identify methods to increase usage	Implement and test the methods	Evaluate the increase in usage	Maintenance
2. Effective communication services.	2.1 An integrated communication strategy that utilises the available printed, verbal and e-media effectively.	Develop and implement an integrated communications strategy.	None	None	Integrated Communications strategy	Initiate research	Development	Implementation and testing	Evaluate

Sub-programme 1.3: Corporate Services		Strategic Goal 3: To provide human resource management and development support.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. To attract, acquire and retain a desired employee profile in alignment with Provincial Treasury business objectives.	1.1 Implement developed mechanisms for attracting, acquiring and retaining the desired employees.	Increasing the scarce skill recruitment pool with grade 11's and external graduates as external bursars and interns.	None	6 external bursaries	20 external bursaries	Promote and implement essay writing competition at all schools	Advertise external bursaries	Evaluate applications for bursaries and essays.	20 external bursaries granted
		Development and implementation of a Retention Policy including succession planning	39 interns	41 interns	41 interns	41 interns appointed	No Target	Identify the need for interns in 2010/11	Advertise and recruit interns.
		Development and implementation of a Retention Policy including succession planning	None	Develop a Retention Policy	Develop and implement a Retention Policy	Develop-policy	Finalise and implement policy.	Implement policy.	Commence impact assessment.
2. Optimal delivery of human resource administration contributing to Provincial Treasury maintaining a level 3 plus auditable organisation.	2.1 Effective and efficient human resource administration.	Career pathing process developed and implemented.	None	None	Develop and implement a process	Develop process	Finalise and implement process.	Implement process.	Commence impact assessment.
		Finalisation of reconfiguration.	Phase 1 commenced	Phase 1 and 2 finalised	Commence phase 3	No Target	No Target	Prepare documentation to increase the establishment	Submit documentation for approval
		Accurate and complete reconciliation between Persal and fixed establishment.	Revised PMI	Reconciliation completed	Maintaining and reconcile quarterly	Maintaining and reconcile quarterly	Maintaining and reconcile quarterly	Maintaining and reconcile quarterly	Maintaining and reconcile quarterly

Sub-programme 1.3: Corporate Services		Strategic Goal 3: To provide human resource management and development support.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3. Promotion and maintenance of a learning organisation in order to produce a competent workforce	3.1 To implement the comprehensive learning and development system.	Efficient recruitment and appointment process.	Revised PMI	Revised PMI	Implementation of the recruitment policy in line with the Talent Management Framework	Develop policy	Finalise and implement policy.	Implement policy.	Review for relevancy.
		Refine and finalise all current and new training and development policies (QMS).	None	Refinement of current Quality Management System 50% completed	Re-accreditation of PT as workplace training provider by August 2009	Refinement of Quality Management System	Accreditation of workplace concluded	Implementation, communication and refinement of QMS continues	Implementation, communication and refinement of QMS continues
4. A transformed culture for Provincial Treasury creating an environment of optimum employee performance in relation to Treasury's strategic objectives.	4.1 Establish diverse and integrated workforce.	An effective training programme that takes account of IDPs and the Treasury calendar.	Revised PMI	Development of training programme	Implementation of training programme by July 2009	Research and scoping commenced	Training programme developed.	Implementation of programme.	Implementation of programme continues.
		Impact assessment of cultural and related interventions and further remedial actions.	New PMI	Impact assessment completed	Identification and implementation of suitable interventions	Organisational culture impact assessment completed.	Identification and implementation of interventions	Implementation of suitable interventions continues	Monitor appropriateness of intervention.
		Develop and implement an Employee Wellness Policy and Strategy	New PMI	Development of Policy and Strategy.	Continued development of Policy and Strategy	Research for the development of policy and strategy.	Research continues	Policy and strategy developed	Policy and strategy implemented.

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management and advisory services to make limited provision and maintenance of accommodation needs.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Responsive and credible budget composition and delivery.	1. Efficient and effective planning and budget management.	Delivery of an APP in line with Treasury's business objectives for the year.	APP tabled	APP tabled	APP tabled	Planning of APP	Review APP and finalise 1 st draft	Finalise 2 nd draft	APP tabled
		A properly costed budget that is attainable.	Revised PMI	Revised PMI	85% costed budget	Identify the expenditure items on the 80:20 principle	Establish what drives the expenditure items	Refine and include in the 2 nd draft budget	85% costed budget tabled
		A monitoring and reporting system in place that tracks expenditure, revenue and service delivery.	None	Limited	Monitoring and reporting system developed	Analyse and develop system	Implement and test system	Refine system	System in place
2. Full and accurate reflection of all financial transactions.	2. A mechanism and system in place that enables all financial transactions to be correctly captured and properly dealt with.	Fully functional payment system that enables payment within 30 days.	Payment system developed	Payment system implemented	Payment system maintained	Revise payment system	Implement revised payment system	Maintain the payment system	Maintain the payment system
		Monitoring and assessment system that will allow all accounts to be cleared or dealt with on a quarterly basis.	Revised PMI	Revised PMI	Monitoring and assessment system developed	Analyse and develop system	Implement and refine system	System in place	Maintain system
		Unqualified audit report	Unqualified audit report	Unqualified audit report	Unqualified audit report	2008/09 AFS submit to AG	Unqualified AFS taken up in 2008/09 Annual Report	Completed	Preparation for 2009/10 AFS

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management and advisory services to make limited provision and maintenance of accommodation needs.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3. Level 3 auditable supply chain management services.	3.1 Fully functional, comprehensive and up to date AO SCM system.	Update and complete current AO SCM system.	Not completed	70% completed	Fully operational system	Finalise system	Training on system completed	Streamline system	Fully operational system
		Compliance to legislation, prescripts, AO SCM system and delegations.	75%	85%	Full compliance	Develop PMF to measure compliance	70% compliance	85% compliance	Full compliance
	3.2 Fully functional asset management system.	An up to date Asset Register that balances with LOGIS.	Stock take for the year completed	Stock take for the year completed	Asset register completed	Reconcile 2008/09 asset registers	Mid-year stock take completed	Reconcile mid year stock take	Asset register completed
4. Effective internal control measures and risk management.	4.1 Effective risk management system that real time identifies and catalogues risks.	Annual risk assessment and cataloguing of risks.	Revised PMI	Revised PMI	17 risk assessments	4 risk assessments	4 risk assessments	5 risk assessments	4 risk assessments
		Quarterly risk management assessments and feedback.	Revised PMI	4 reports	4 reports	1 report	1 report	1 report	1 report
	4.2 Effective internal control mechanism.	Identification and follow-up on internal and external audits.	12 follow-ups	14 follow-ups	20 follow ups	5 follow up inspections	5 follow up inspections	5 follow up inspections	5 follow up inspections
		Identification of gaps in the control system and the initiation of remedial steps.	Revised PMI	6 months to comply	1 report every 3 months	1 report	1 report	1 report	1 report
5. Effective auxiliary and specialised support services.	5.1 Fully functional approved filing system for document flow and document control.	Full tracking and location of all documents i.e. hardcopy or e-copy.	None	80% completed	Fully functional tracking and location filing system	Implement tracking and location filing system	Bring other 50% components on board	Align and finalise tracking and location filing system	Fully functional tracking and location filing system

Sub-programme 1.4: Financial Management		Strategic Goal 4: To deliver financial management and advisory services to make limited provision and maintenance of accommodation needs.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
5. Effective auxiliary and specialised support services. <i>(Continued)</i>	5.2 Responsive and well controlled auxiliary services.	Proper fleet control.	80% operational	90% operational	Fully operational fleet control	Reviewing control measures	Implementing updated control measures	Streamline control system	Fully operational fleet control
		Well-controlled telecommunication system.	65%	75%	Full compliance to updated telephone and data card policies	Update and distribute policies	Implement updated policies	Ensure compliance to the updated policies	Full compliance to updated policies
		Supportive reprographic and other services.	65%	75%	90% Operational	Develop PMF to measure % compliance.	80% compliance	85% compliance	90% compliance

Programme 2:Sustainable Resource Management

Sub-programme 2.1: Programme Support		Generic Strategic Goal: To provide management and administrative support to the programme.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Leadership and administrative support services to ensure the effective delivery and operation of the programme.	1. A well lead and coordinated programme that delivers on its objectives with good public governance standards within set timeframes.	Establishment and implementation of a delivery programme for the programme that ties in with the overall PT calendar for the year.	Revised PMI	Revised PMI	Delivery programme developed and implemented	Development	Pilot and testing if it ties in with the PT calendar	Implemented	Maintain
		Establishment of a culture of communication and transparency	Revised PMI	Revised PMI	Monthly interactive meetings with staff and support services	Monthly interactive meetings	Monthly interactive meetings	Monthly interactive meetings	Monthly interactive meetings
		Establishment of a culture of service excellence.	Revised PMI	Revised PMI	2 Internal survey and corrective actions	Internal survey	Corrective actions	Corrective actions	Follow-up internal survey
Sub-programme 2.2: Fiscal Policy		Strategic Goal 5: To provide for the effective and efficient development of revenue streams.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Enhancing Provincial and Municipal revenue and financing adequacy.	1.1 Review of the National fiscal transfer system to Provinces.	New revised fiscal transfer system.	Limited updates	Preparatory work and appointment of researchers	Research and input into new provincial fiscal framework	Recruitment of staff and building liaison with NT and FFC	Continuation of research initiated	Continuation of research initiated	Research finalised and input into NT processes

Sub-programme 2.2: Fiscal Policy		Strategic Goal 5: To provide for the effective and efficient development of revenue streams.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Enhancing Provincial and Municipal revenue and financing adequacy. <i>(Continued)</i>	1.2 Maximising Provincial own revenue sources.	Research into additional revenue sources for provincial governments.	Fuel levy researched and approved by NT	Tourism related taxes researched and motor vehicle license impact researched	Refinement and updating of current research initiatives	Recruitment of staff. Refine and update the tourism levy report and sharing MV research with the other 8 Provinces.	Submit reports to the MEC	Further refinements and update of the reports	Refine and update the reports
	1.3 Maximising Own Municipal revenue sources.	Determined revenue base per Municipality.	Limited assessments	Assessments as part of LGMTEC process	Database of revenue base per Municipality	Recruitment of staff	Commence with research	Continuation of research	Continuation of research
	1.4 Reviewed collection and forecasting revenue models.	Efficient collecting and forecasting models, especially in municipalities.	Limited, in concert with National Treasury	Limited, in concert with National Treasury	Conceptualising, planning and terms of reference	Planning and conceptualisation	Terms of reference and development	Pilot and testing	Roll out
	1.5 Maximising gambling revenue.	Review of the Metro Casino exclusivity licence gambling tax regime and tax rates.	None	Planning, research and consultation	Legislature approval and implementation	Recruitment of staff	Commence with research	Continuation of research	Finalisation and implementation of research findings

Sub-programme 2.3: Budget Management 2.3.1: Provincial Government Budgets		Strategic Goal 6: To promote effective financial resource allocation in provincial departments.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Socio-economic responsive budgets.	1.1 Analyse, inform and report on socio economic indicators at provincial government level.	Publication of the Annual Provincial Economic Review and Outlook (PER&O).	PER&O 2007 published in June 2007	PER&O 2008 published in November 2008	PER&O 2009 to be published in August 2009	Planning and preparatory work	PER&O published	Planning and preparatory work for PER&O 2010	Planning and preparatory work for PER&O 2010
		Publication of Economic Reviews	None	None	Publication of two economic reviews	Preparatory work	July publication	Preparatory work	March Publication
	1.2 Determine provincial priorities and recommend financial resource allocation, which effectively contributes to, accelerated and shared economic growth in the province.	Tabling of a Socio-economic responsive WC-Medium Term Budget Policy Statement and Budget.	Tabled WC MTBPS in November and Budget in March	Tabled WC MTBPS in November and Budget in February	Table MTBPS in November and Budget in March	Planning and preparatory work	Submit and assess draft budget	WC-MTBPS 2010-2013 tabled	Budget 2010 tabled.

Sub-programme 2.3: Budget Management 2.3.1: Provincial Government Budgets		Strategic Goal 6: To promote effective financial resource allocation in provincial departments.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Socio-economic responsive budgets. <i>(Continued)</i>	1.3 Review efficacy of departmental spending and performance.	Evaluate Annual Performance Plans, Quarterly Performance Reports and Annual reports in terms of a developed Impact Assessment Framework.	12 Annual Performance Plans 48 Quarterly Performance Reports 12 Annual Reports assessed and provide feedback	12 Annual Performance Plans 48 Quarterly Performance Reports 12 Annual Reports assessed and provide feedback	12 Annual Performance Plans 48 Quarterly Performance Reports 12 Annual Reports assessed and provide feedback	12 Annual Performance Plans and 12 Quarterly Performance Reports and provide feedback	12 Quarterly Performance Reports and provide feedback	12 Quarterly Performance Reports and 12 Annual Reports assessed and provide feedback	12 Quarterly Performance Reports and provide feedback

Sub-programme 2.3: Budget Management 2.3.2: Local Government Budgets		Strategic Goal 7: To promote effective financial resource allocation in municipalities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Socio-economic responsive budgets.	1.1 Analyse, inform and report on socio economic indicators at local government level.	Publication of the Annual Socio Economic Review of Local Government (SEPLG).	June 2007	Publish 1 in March 2009	Publish a district SEP-LG for Eden and Cape Winelands in November 2009	Planning and preparatory work	Planning and preparatory work	2 District socio economic profiles (SEP-LG) published	Planning and preparatory work for district socio economic profiles (SEP-LG) 2010

Sub-programme 2.3: Budget Management 2.3.2: Local Government Budgets		Strategic Goal 7: To promote effective financial resource allocation in municipalities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Socio-economic responsive budgets. <i>(Continued)</i>	1.2 Determine the sources, potential and constraints for enhanced growth and development.	Recommend budget and structural responses and deal with constraints of enhanced growth and development through participation in various IGR forums.	None	None	4 Quarterly BIF meetings, LGMTECs and IGR	1 Quarterly BIF meeting and LGMTEC 3	1 Quarterly BIF meeting and LGMTEC 3 finalisation and reporting	1 Quarterly BIF meetings and LGMTEC 1	1 Quarterly BIF meeting and LGMTEC 2
	1.3 Review efficacy of municipal spending and performance.	Evaluate IDPs, SDBIP, Mid Year Assessments and Annual reports in terms of a developed Impact Assessment Framework.	30 IDP, SDBIP, Mid Year Assessment and Annual Reports and provide feedback	30 IDP, SDBIP, Mid Year Assessment and Annual Reports and provide feedback	30 IDP, SDBIP, Mid Year Assessment and Annual Reports and provide feedback	30 IDP and 30 SDBIP assessed and provide feedback	30 municipal Feedback sessions on assessment of IDP and SDBIPs	30 Mid Year Assessment Reports and 30 Annual Reports and provide feedback	30 municipal feedback sessions on the assessment of the Mid Year and Annual reports

Sub-programme 2.4 Public Finance 2.4.1: Provincial Government Finance		Strategic Goal 8: To ensure efficient budget management in provincial departments.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Sustainable and credible provincial budgets.	1.1 Develop effectiveness of in-year expenditure monitoring systems towards attaining a level 3 plus auditable organisation.	Systematic development and application of a rating instrument that measures efficiency, least cost, financial prudence and fiscal discipline.	None	None	Assessment Measurement tool.	Planning and conceptualisation	Terms of reference and development	Pilot and testing	Roll out

Sub-programme 2.4 Public Finance 2.4.1: Provincial Government Finance		Strategic Goal 8: To ensure efficient budget management in provincial departments.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Sustainable and credible provincial budgets. (Continued)	1.1 Develop effectiveness of in-year expenditure monitoring systems towards attaining a level 3 plus auditable organisation. (Continued)	Number of IYM reports and Cabinet submissions.	13 Monthly IYM reports and 4 Cabinet submissions	13 Monthly IYM reports and 4 Cabinet submissions	13 Monthly IYM reports and 4 Cabinet submissions	13 Monthly and 1 Quarterly report to Cabinet	13 Monthly and 1 Quarterly report to Cabinet	13 Monthly and 1 Quarterly report to Cabinet	13 Monthly and 1 Quarterly report to Cabinet
	1.2 Policy driven Revenues and Expenditures.	Systematic development and application of a rating instrument.	None	None	Assessment Measurement tool linked into QPRs.	Development	Development	Pilot and testing	Roll out
		Number of MTEC assessments.	13 MTEC 1 and 13 MTEC 2 reports	13 MTEC 1 and 13 MTEC 2 reports	13 MTEC 1 and 13 MTEC 2 reports	Planning of MTEC 1 process	13 MTEC 1 reports	Follow-up and draft budgets	13 MTEC 2 reports
	1.3 Data integrity.	Development and roll-out of a methodology to test and improve the integrity of the data.	None	None	Rating instrument.	Development	Development	Pilot and testing	Roll out
	1.4 Efficiency analysis and intervention on selected expenditure items.	Number of efficiency analysis reports as part of IYM process.	2 reports	4 reports	13 quarterly reports	13 reports	13 reports	13 reports	13 reports
1.5 Budget is based on previous expenditure and revenue trends that are based on secured funding.	Development of a tool that unambiguously assesses sustainability and credibility.	None	None	Assessment tool assessing costing structures and spending to purpose	Planning and conceptualisation	Terms of reference and development	Pilot and testing	Roll out	

Sub-programme 2.4 Public Finance 2.4.1: Provincial Government Finance		Strategic Goal 8: To ensure efficient budget management in provincial departments.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Sustainable and credible provincial budgets. <i>(Continued)</i>	1.6 Monitoring and oversight over the WCGRB to promote good governance and optimise revenue.	Systematic implementation measurement tool measuring implementation of Gambling Board Act.	None	None	Measurement tool assessing implementation and compliance and costing structure.	Planning and conceptualisation	Terms of reference and development	Pilot and testing	Roll out
2. Provide policy advice, effective technical and strategic support and a change agent service to provincial departments.	2.1 Expenditure in line with PFMA and supporting legislation.	Systematic implementation measurement tool.	None	None	Measurement tool.	Planning and conceptualisation	Terms of reference and development	Pilot and testing	Roll out

Sub-programme 2.4 Public Finance 2.4.2: Local Government Finance (Groups 1 and 2)		Strategic Goal 9: To ensure efficient budget management in municipalities and to facilitate local government with financing its service delivery obligations in the group 1 (mainly coastal) and group 2 (mainly non-coastal) municipalities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Sustainable and credible municipal budgets.	1.1 Develop effectiveness of in-year expenditure monitoring systems towards attaining a level 3 plus auditable organisation.	Systematic development and application of a rating instrument that measures efficiency, least cost, financial prudence and fiscal discipline.	None	None	Assessment Measurement tool.	Planning and conceptualisation	Terms of reference and development	Pilot and testing	Roll out
		Number of IYM reports and Cabinet submissions.	30 Monthly IYM reports and 4 Cabinet submissions	30 Monthly IYM reports and 4 Cabinet submissions	30 Monthly IYM reports and 4 Cabinet submissions	30 Monthly and 1 Quarterly report to Cabinet	30 Monthly and 1 Quarterly report to Cabinet	30 Monthly and 1 Quarterly report to Cabinet	30 Monthly and 1 Quarterly report to Cabinet

Sub-programme 2.4 Public Finance 2.4.2: Local Government Finance (Groups 1 and 2)		Strategic Goal 9: To ensure efficient budget management in municipalities and to facilitate local government with financing its service delivery obligations in the group 1 (mainly coastal) and group 2 (mainly non-coastal) municipalities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Sustainable and credible municipal budgets	1.2 Policy driven Revenues and Expenditures.	Systematic development and application of a rating instrument.	None	None	Assessment measurement tool linked into LGMTEC processes	Planning and conceptualisation	Terms of reference and development	Pilot and testing	Roll out
	1.3 Data integrity.	Development and roll-out of a methodology to test and improve the integrity of the data.	None	None	A developed methodology	Planning and conceptualisation	Terms of reference and development	Pilot and testing	Roll out
	1.4 Budget assessments testing sustainability and credibility.	Number of sustainable and credible municipal budget assessments.	30 LGMTEC 3 Assessment reports	30 LGMTEC 3 Assessment reports	30 LGMTEC 3 Assessment reports	30 Assessment reports prepared for the LGMTEC 3 engagements	Consolidated report on issues raised in LGMTEC 3	Follow-up issues raised in LGMTEC 3 report to Cabinet for preparation for LGMTEC 1	Follow-up issues raised in LGMTEC 1 for preparation for LGMTEC 2
	1.5 Budget is based on previous expenditure and revenue trends that are based on secured funding	Development of a tool that unambiguously assesses sustainability and credibility.	None	None	Assessment tool assessing costing structures and spending to purpose	Planning and conceptualisation	Terms of reference and development	Pilot and testing	Roll out
2. Develop intra Department, intra provincial; inter provincial and government co-ordinating structures and systems.	2.1 Efficient coordination of MFMA issues.	System/Mechanism in place that measure the efficacy of coordination activities.	Revised PMI	Revised PMI	Develop and pilot a MFMA implementation tool -kit	Planning and conceptualisation	Terms of reference and development	Pilot and testing	Roll out

Sub-programme 2.4 Public Finance 2.4.2: Local Government Finance (Groups 1 and 2)		Strategic Goal 9: To ensure efficient budget management in municipalities and to facilitate local government with financing its service delivery obligations in the group 1 (mainly coastal) and group 2 (mainly non-coastal) municipalities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
3. Provide policy advice, effective technical and strategic support and a change agent service to municipalities.	3.1 Expenditure in line with MFMA and supporting legislation.	Systematic implementation measurement tool.	None	None	Measurement tool.	Planning and conceptualisation	Terms of reference and development	Pilot and testing	Roll out

Programme 3: Asset and Liabilities Management

Sub-programme 2.1: Programme Support		Generic Strategic Goal: To provide management and administrative support to the programme.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Leadership and administrative support services to ensure the effective delivery and operation of the programme.	1. A well lead and coordinated programme that delivers on its objectives with good public governance standards within set timeframes.	Establishment and implementation of a delivery programme for the programme that ties in with the overall PT calendar for the year.	Revised PMI	Revised PMI	Delivery programme developed and implemented	Development	Pilot and testing if it ties in with the PT calendar	Implemented	Maintain
		Establishment of a culture of communication and transparency	Revised PMI	Revised PMI	Monthly interactive meetings with staff and support services	Monthly interactive meetings	Monthly interactive meetings	Monthly interactive meetings	Monthly interactive meetings
		Establishment of a culture of service excellence.	Revised PMI	Revised PMI	2 Internal survey and corrective actions	Internal survey	Corrective actions	Corrective actions	Follow-up internal survey

Sub-programme 3.2: Asset Management 3.2.1: Moveable Asset Management		Strategic Goal 10: To determine policy, to drive, assess and assist departments and municipalities in the attainment of effective and efficient management of moveable assets.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. A value based Supply Chain Management and Moveable Asset Management system that facilitates good governance and that effectively responds to socio-economic requirements and enhances service delivery.	1.1 A Supply Chain Management system (processes, practice and cycle) capability assessment model that catalogues institutions and indicates appropriate remedial steps and progress over time in terms of best practice requirements.	Implementation and refinement of a management process and practice capability assessment model throughout the Province.	Draft model	Model in place for SCM	Refined capability assessment model and intervention plan	Finalised assessment model, cataloguing of departments and municipalities and completed intervention plan	None	None	None
			None	5 interventions	5 Interventions	None	2 Interventions	2 Interventions	1 intervention
			17 SCM Assessments	17 SCM Assessments	20 SCM Assessments	2 SCM Assessments - 1 Public Entity; & 1 Municipality	6 SCM Assessments - 4 Depts. & 2 Municipalities	6 SCM Assessments - 4 Depts. & 2 Municipalities	6 SCM Assessments - 4 Depts and 2 Municipalities.
		Development and implementation of a Supply Chain cycle assessment model that links feeds in good governance practices.	None	None	SCM Assessment Model that promotes good governance practice 12 assessments	Develop and finalise Terms of reference and internal linkages and draft assessment framework	4 assessments	4 assessments	4 assessments

Sub-programme 3.2: Asset Management 3.2.1: Moveable Asset Management		Strategic Goal 10: To determine policy, to drive, assess and assist departments and municipalities in the attainment of effective and efficient management of moveable assets.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. A value based Supply Chain Management and Moveable Asset Management system that facilitates good governance and that effectively responds to socio-economic requirements and enhances service delivery. <i>(Continued)</i>	1.2 Moveable Asset Management system capability assessment model that catalogues institutions and indicates appropriate remedial steps and progress over time in terms of best practice requirements.	Implementation and refinement of a management capability assessment model throughout the Province.	None	12 assessments	Develop and implement model and do 12 assessments	Develop a moveable asset Management Assessment Tool	4 assessments	4 assessments	4 assessments
			None	3 interventions	3 interventions	None	1 intervention	1 intervention	1 intervention
	1.3 A Supply Chain Management systems that promotes socio-economic development and service delivery.	Develop and implement a BBBEE/SMME supplier development programme in consultation with other stakeholders.	None	None	BBBEE/ Supplier Development Programme inclusive of policy, legislative and market research	Develop a policy; legislative and market research	Draft Programme	Programme in place	Programme in place
1.4 Maintenance of a competent Moveable Asset Unit.	Develop and implement an internal capacitation plan.	None	None	Development and implementation of an internal capacitation plan	Develop internal capacitation plan.	Implement internal capacitation plan.	Implement internal capacitation plan.	Implement internal capacitation plan.	

Sub-programme 3.2: Asset Management 3.2.2: Immovable Asset Management		Strategic Goal 11: To determine policy, to drive, assess and assist departments and municipalities in the effective and efficient management of immovable assets and sustainable public private partnership projects.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Prudent built-environment business principles and processes for effective infrastructure delivery aligned to socio-economic imperatives contributing to optimal utilisation of government immovable assets.	1.1 Formalisation and inculcation of good business principles and processes into the built-environment delivery system.	Infrastructure Planning processes and procedures compliant to Infrastructure Development Improvement Programme(IDIP).	Revised PMI	Revised PMI	Education: 70% Public works: 70% Health: 60%	Education: 40% Public works: 40% Health: 30%	Education: 50% Public works: 50% Health: 40%	Education: 60% Public works: 60% Health: 50%	Education: 70% Public works: 70% Health: 60%
		Infrastructure Expenditure Reports of Education, Public Works and Health are compliant to Division of Revenue Act (DORA).	100%	100%	100%	100%	100%	100%	100%
	1.2 Promote the infrastructure Delivery Improvement Programme (IDIP)/principles in municipalities.	Number of municipalities IDIP programme/principles promoted.	Revised PMI	Revised PMI	3 Municipalities	No Target	Preliminary roll-out plan	3 Municipalities	3 Municipalities
	1.3 User Asset Management Plans compliant to GIAMA guidelines.	Monitor compliance of Departmental User Asset Management Plans, in terms of GIAMA guidelines, in collaboration with Public Works.	New PMI	New PMI	Identification of 3 departments	No target	No target	No target	Identify the 3 departments for compliance
1.4 Facilitate and promote, support and develop sustainable Mega Projects in the Province.	In collaboration with Transport& Public Works, develop sustainable Mega Projects in the Province.	None	None	2 new	Identify 1 st project	Register 1 st project	Feasibility study commence of 1 st project. Identify 2 nd project	Feasibility study continues of 1 st project. Register 2 nd project.	

Sub-programme 3.2: Asset Management 3.2.2: Immovable Asset Management		Strategic Goal 11: To determine policy, to drive, assess and assist departments and municipalities in the effective and efficient management of immovable assets and sustainable public private partnership projects.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Prudent built-environment business principles and processes for effective infrastructure delivery aligned to socio-economic imperatives contributing to optimal utilisation of government immovable assets. <i>(Continued)</i>	1.5 Facilitate and provide developmental technical assistance and support to departments, municipalities and entities on all PPP projects in progress.	Development and implementation of an assessment and remedial action model.	New PMI	New PMI	Model development	Development of an assessment and remedial action model	Development of an assessment and remedial action model	Implementation of an assessment and remedial action model	Refinement

Sub-programme 3.3: Liabilities Management		Strategic Goal 12: To facilitate the effective and efficient management of liabilities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Cash flow management that maximises investment returns and that matches or exceeds revenue and expenditure flows.	1.1 Relevant policies for effective management of assets and liabilities.	Development of a good practice model for management of financial assets in municipalities that is in compliance with legislative requirement.	None	None	Development and distribution by 31 March 2010	Preparatory work	Complete first draft	Discussion and by in of relevant role player	Approval and distribution
		Competent Financial Asset Management unit internally and promotion of same across the Province.	13 Provincial Departments and limited Municipalities	13 Provincial Departments and 30 Municipalities	Development and implementation of an evaluation and capacitation plan	Develop internal and external evaluation and capacitating plan.	Develop internal and external evaluation and capacitating plan.	Implement internal and external evaluation and capacitating plan.	Refinement.
	1.2 A Provincial Revenue Fund performance (inclusive of the Asset Finance Reserve) that maximises returns from investments and cash flow management.	Refinement of cash management withdrawals and close link with expenditure commitments and revenue flows in Provincial departments.	Prime rate minus 3.5% on investments and a variance of less than 1% between actual transfers and projected expenditure	Prime rate minus 3.5% on investments and a variance of less than 1% between actual transfers and projected expenditure	Revised cash management model that incorporates latest best practices	Research best practice cash management models	Develop revised cash management model that incorporates latest best practices	Implement revised cash management model that incorporates latest best practices	Refinement
1.3 A sound loan book in municipalities.	Effective technical, strategic support and training to municipalities where applicable.	None	None	30 Municipalities	30 Municipalities	30 Municipalities	30 Municipalities	30 Municipalities	30 Municipalities

Sub-programme 3.3: Liabilities Management		Strategic Goal 12: To facilitate the effective and efficient management of liabilities.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Cash flow management that maximises investment returns and that matches or exceeds revenue and expenditure flows. <i>(Continued)</i>	1.4 Improvement of cash management and reporting by municipalities.	Assessments of the IYM cash flows submitted by municipalities to improve cash flow management and reporting.	6 Municipalities	20 Municipalities	20 Municipalities assessed in terms of latest IYM criteria	20 Municipalities assessed against developing criteria	20 Municipalities assessed against developing criteria	20 Municipalities assessed against finalised criteria	20 Municipalities assessed against finalised criteria

Sub-programme 3.4: Supporting and Interlinked Financial Systems		Strategic Goal 13: To provide for the oversight and management of existing financial systems and the transition to the Integrated Financial Management System enhancing compliance with the (PFMA) and other relevant legislation.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. A professionally implemented and managed secure financial system, responsive to user functionality and information requirements, conforming to changing accounting and good governance requirements.	1.1 A well documented system with risks mitigated, providing timely and credible information and run by trained staff.	The development and implementation of a risk management framework to assess security and veracity of data.	None	None	100% completed and implementation by 31 March 2010	Preparatory work	Complete first draft	Discussion and by in of relevant role player	Risk management framework fully implemented
		Development and implementation of a financial operational model that enforces good governance practices.	None	None	100% completion and implementation by 31 March 2010.	Preparatory work	Complete first draft	Discussion and by in of relevant role player	Financial operational model fully implemented
		Provision of timely and appropriate data and management information.	None	None	Development and phased implementation of a BI tool by 31 March 2010.	Preparatory work	Designed of a BI system	Testing and introduction of system	100% developed and phased implemented.

Sub-programme 3.4: Supporting and Interlinked Financial Systems		Strategic Goal 13: To provide for the oversight and management of existing financial systems and the transition to the Integrated Financial Management System enhancing compliance with the (PFMA) and other relevant legislation.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. A professionally implemented and managed secure financial system, responsive to user functionality and information requirements, conforming to changing accounting and good governance requirements. <i>(continued)</i>	1.1 A well documented system with risks mitigated, providing timely and credible information and run by trained staff.	A fully operational helpdesk.	Less than 24 hours turn around time on queries received	Less than 24 hours turn around time on queries received	Within 24 hours turn around time on queries received	Within 24 hours turn around time on queries received	Within 24 hours turn around time on queries received	Within 24 hours turn around time on queries received	Within 24 hours turn around time on queries received
		Competent System unit internally and trained users within provincial departments.	1769 officials with a 81% pass rate	1597 officials with a 81.5% pass rate	Development and implementation of an evaluation and capacitation plan	Develop internal and external evaluation and capacitation plan	Develop internal and external evaluation and capacitation plan	Implement internal and external evaluation and capacitation plan	Refinement.
	1.2 A system that adapts to meet changing user requirements, accounting and governance standards.	Timely identification of new system requirements and arrangement for systems adaptation.	Roll out within two weeks after release	Roll out within two weeks after release	Roll out within two weeks after release	Roll out within two weeks after release	Roll out within two weeks after release	Roll out within two weeks after release	Roll out within two weeks after release

Programme 4: Financial Governance

Sub-programme 4.1: Programme Support		Generic Strategic Goal: To provide management and administrative support to the programme.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Leadership and administrative support services to ensure the effective delivery and operation of the programme.	1.1 A well lead and coordinated programme that delivers on its objectives with good public governance standards within set timeframes.	Establishment and implementation of a delivery programme for the programme that ties in with the overall PT calendar for the year.	Revised PMI	Revised PMI	Delivery programme developed and implemented	Development	Pilot and testing if it ties in with the PT calendar	Implemented	Maintain
		Establishment of a culture of communication and transparency	Revised PMI	Revised PMI	Monthly interactive meetings with staff and support services	Monthly interactive meetings	Monthly interactive meetings	Monthly interactive meetings	Monthly interactive meetings
		Establishment of a culture of service excellence.	Revised PMI	Revised PMI	2 Internal survey and corrective actions	Internal survey	Corrective actions	Corrective actions	Follow-up internal survey

Sub-programme 4.2.1: Local Government Accounting Services		Strategic Goal 14: Ensure the development of accounting practices within Local Government that will promote effective and efficient capturing of REAL movements/accountability and contribute towards attaining level 3 and higher auditable organisation							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. To establish a sound and dynamic financial accounting framework to promote accountability, transparency and good governance.	1.1 Full compliance with accounting reforms extracting accountability and transparency.	Latest Accounting policy framework rolled out for accurate and complete implementation by municipalities to improve financial reporting	11 of the 30 municipalities with Unqualified Audit Reports for 2006/07	22 of the 30 municipalities with Unqualified Audit Reports for 2007/08	23 of the 30 municipalities with unqualified Audit Reports for 2008/09	Roll out training to 30 Municipalities based on the audit outcomes	Review audit files of 30 Municipalities	Assessment of GRAP Conversion Plan of 30 Municipalities	Assessment of 30 audit reports to identify non-compliance with prescribed standards
		Latest Accounting policy framework rolled out for accurate and complete implementation by municipal entities to improve financial reporting.	3 of the 5 municipal entities with unqualified Audit Reports for 2006/07	3 of the 5 municipal entities with unqualified Audit Reports for 2007/08	4 of the 5 municipal entities with unqualified Audit Reports for 2008/09	Roll out training to 5 Municipal entities based on the audit outcomes	Review audit files of 5 Municipal entities	Assessment of GRAP Conversion Plan of 5 Municipal entities	Assessment of 5 audit reports to identify non-compliance with prescribed standards
	1.2 To establish an accounting platform that both measures and promotes good governance.	Compile an Accounting Review working paper for municipalities to improve financial management.	20 February 2008	28 February 2009	31 December 2009	Verification of financial information from 30 municipalities	Develop database for each municipal category	Accounting Review Working Paper finally compiled	Distribution to municipalities
		Compile a Financial Health Assessment report to feed into the LGMTEC process.	30 April 2007	30 April 2008	30 April 2009	Reports prepared and LGMTEC engagements	Consolidated Report on issues raised in LGMTEC	Follow-up issues raised in LGMTEC in the BIF	Interpretation of AFS for the next LGMTEC
		Establishment and maintenance of a competent accounting unit internally and promotion of same across municipalities and their entities.	New PMI	New PMI	Training on GRAP Standards/ASB Workshops – 31 March 2010	Training on GRAP Standards to 30 municipalities	In-house workshop on challenges in implementing GRAP for 27 High/Medium/Low Capacity Municipalities	In house workshop on GRAP compliance on 3 Low capacity municipalities	ASB Workshop Internally and across municipalities and entities

Sub-programme 4.2.2: Provincial Government Accounting Services		Strategic Goal 15: Ensure the development of accounting practices within Provincial Government that will promote effective and efficient capturing of REAL movements/accountability and contribute towards attaining level 3 and higher auditable organisations.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. To establish a sound and dynamic financial accounting framework to promote accountability, transparency and good governance.	1.1 Full compliance with accounting reforms extracting accountability and transparency.	Latest Accounting policy framework rolled out for accurate and complete implementation by departments to improve financial reporting.	9 of the 13 Votes with unqualified Audit Reports for 2006/07	12 of the 13 Votes with unqualified Audit Reports for 2007/08	13 Votes Unqualified Audit Reports for 2008/09	Providing help desk facility and review AFS	AFS issues addressed with A-G	Review of audit outcomes and AFS issues going forward	Roll-out of new accounting policies
		Latest Accounting policy framework rolled out for accurate and complete implementation by entities to improve financial reporting.	9 of the 14 entities with unqualified Audit Reports for 2006/07	9 of the 14 entities with unqualified Audit Reports for 2007/08	14 Entities Unqualified Audit Reports for 2008/09	Providing help desk facility, review AFS for 2008/09 and GRAP conversion plans.	AFS issues addressed with A-G and GRAP conversion plans.	Review of audit outcomes and AFS issues going forward	Roll-out of new accounting policies
		Compile the ACFS of Provincial Revenue Fund, departments and entities to reflect the consolidated financial performance and position of the Provincial Government	Tabled 31 January 2008	Tabled 31 October 2008	Tabled 31 October 2009	Tabled 31 October 2009	Submit ACFS to A-G on 31 August (audited AFS)	Table ACFS on 31 October	ACFS issues addressed with NT going forward
	1.2 To establish an accounting platform that both measures and promotes good governance.	Compile and publish the Financial Governance Review and Outlook for departments and entities to provide an assessment of financial governance in the Province.	Tabled 31 March 2008	Tabled December 2008	Tabled 30 November 2009	Revised framework and assessment tool for FGR&O	Perform assessments	Compile and table FGR&O	Monitor financial management improvement strategies

Sub-programme 4.2.2: Provincial Government Accounting Services		Strategic Goal 15: Ensure the development of accounting practices within Provincial Government that will promote effective and efficient capturing of REAL movements/accountability and contribute towards attaining level 3 and higher auditable organisations.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. To establish a sound and dynamic financial accounting framework to promote accountability, transparency and good governance. <i>(Continued)</i>	1.2 To establish an accounting platform that both measures and promotes good governance. <i>(Continued)</i>	Compile a Financial Health Assessment report to feed into the PGMTEC process.	PMI Revised	PMI Revised	30 September 2009	IYM assessments and bilateral engagements	IYM assessments , audit reports, bilateral engagements and compilation of PGMTEC 1 reports .	Follow-up on key issues	MTEC 2 engagement
		Establishment and maintenance of a competent accounting unit internally and promotion of same across departments and entities.	PMI Revised	PMI Revised	31 March 2010	Workshops conducted on 2008/09 Annual Financial Statements and guidelines.	In-house training	Training on 2009/10 annual financial statements and guidelines	Focussed training on any amendments on the 2009/10 annual financial statements and guidelines.

Sub-programme 4.3: Norms and Standards		Strategic Goal 16: To develop, implement and monitor compliance with corporate governance norms and standards within local and provincial government							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Development and implementation of a value-driven good governance system that can deliver in terms of international best practice governance models in partnership with other units in Treasury.	1.1 An accountability framework to enhance and assess good corporate governance.	Develop and implement an accountability framework to enhance and assess good corporate governance.	New PMI	New PMI	Framework develop and completed - 31 March 2010	Project plan finalised	Develop 1 st draft	1 st draft discussed with all key role-players	Framework completed
		Develop a framework that provides transparency and accountability criteria.	New PMI	New PMI	Develop framework	Project plan finalised	Develop 1 st draft	1 st draft discussed with all key role-players	Framework completed
		Assess Annual Reports that are compliant to NT guidelines.	Limited	4 departments, 3 entities, 10 municipalities	8 departments, 6 entities, 15 municipalities	Annual Report Program finalised	Annual Report Program workshop	Annual Report Tabled and assessed	Completed
		Oversight of Financial Management Improvement Program in PT, departments, entities and municipalities.	31 March 2008	31 March 2009	31 March 2010	Assess and review AG's findings, MTEC issues and draft programme	Drive financial management program	Drive financial management program	Drive financial management program

Sub-programme 4.3: Norms and Standards		Strategic Goal 16: To develop, implement and monitor compliance with corporate governance norms and standards within local and provincial government							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Development and implementation of a value-driven good governance system that can deliver in terms of international best practice governance models in partnership with other units in Treasury. <i>(Continued)</i>	1.1 An accountability framework to enhance and assess good corporate governance. <i>(Continued)</i>	Ensuring the existence of an appropriate and dynamic Provincial Financial Legislative Framework.	100% w.r.t. proposed provincial financial legislation and assess 3 existing legislation for relevance and inconsistency	100% w.r.t. proposed provincial financial legislation and assess 1 existing legislation for relevance and inconsistency	100% w.r.t. proposed provincial financial legislation and assess 1 existing legislation for relevance and inconsistency	100% w.r.t. proposed provincial financial legislation and assess 1 existing legislation for relevance and inconsistency	100% w.r.t. proposed provincial financial legislation and assess 1 existing legislation for relevance and inconsistency	100% w.r.t. proposed provincial financial legislation and assess 1 existing legislation for relevance and inconsistency	100% w.r.t. proposed provincial financial legislation and assess 1 existing legislation for relevance and inconsistency
		Establishment and maintenance of a competent Corporate Governance unit internally and promotion of competent risk and internal control units across departments and public entities.	New PMI	New PMI	17 CG staff trained and ERM interventions in 4 departments and 3 entities,	5 CG staff members trained ERM intervention in 4 departments and 3 entities	5 CG staff members trained ERM intervention in 4 departments and 3 entities	5 CG staff members trained ERM intervention in 4 departments and 3 entities	2 CG staff members trained ERM intervention in 4 departments and 3 entities
	1.2 Transformed International Best Practice Governance Models for application in the Province to assess and improve corporate governance performance.	Identification of applicable international best practice governance models relating to areas of the governance universe and their transformation for use in the Province.	New PMI	New PMI	4 areas of governance universe researched	Project plan finalised	Develop 1 st draft	1 st draft discussed with all key role-players	Finalise and issued

Sub-programme 4.3: Norms and Standards		Strategic Goal 16: To develop, implement and monitor compliance with corporate governance norms and standards within local and provincial government							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Development and implementation of a value-driven good governance system that can deliver in terms of international best practice governance models in partnership with other units in Treasury. <i>(Continued)</i>	1.2 Transformed International Best Practice Governance Models for application in the Province to assess and improve corporate governance performance.	Development of a framework for Norms and Standards to assess and improve the degree of corporate governance delivery performance.	New PMI	New PMI	31 March 2010	Project plan finalised	Develop 1 st draft	1 st draft discussed with all key role-players	Finalise and issue framework
	1.3 A set of governance values that are embedded in the day-to-day operations of government.	Establishment and refinement of a set of governance values and embedding it in the day-to-day operations of government taking into account other initiatives.	New PMI	New PMI	4 Departments	Awareness program implemented in 4 departments	Establishment of a set of governance values	Refinement of a set of governance values	Awareness program implemented in 4 departments
	1.4 Integrated governance improvement processes across Treasury.	Development and implementation of a clear framework for integrated governance improvement processes across Treasury.	New PMI	New PMI	31 March 2010	Project plan finalised	Develop 1 st draft	1 st draft discussed with all key role-players	Framework completed

Sub-programme 4.4: Risk Management		Strategic Goal 17: To develop, implement and monitor compliance with corporate governance norms and standards within local and provincial government.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. Development and implementation of a value-driven good governance system that can deliver in terms of international best practice governance models in partnership with other units in Treasury.	1.1 An Enterprise Risk Management framework that allows accurate identification and measurement of risks and the implementation of appropriate mitigating steps.	Development and implementation of effective enterprise risk management steps and procedures across departments, municipalities and entities.	Revised PMI	Revised PMI	12 departments and 3 entities	Interventions in 3 departments and 1 entity	Interventions in 3 departments and 1 entity	Interventions in 3 departments and 1 entity	Interventions in 3 departments finalised
		Quarterly risk assessments that comply to ERM norms and standards for the year within departments, municipalities and entities.	Revised PMI	8 departments complied	12 departments and 3 entities	12 departments and 3 entities	12 departments and 3 entities	12 departments and 3 entities	12 departments and 3 entities
	1.2 A set of risk management values that are embedded in the day-to-day operations of government.	Establishment of a culture of risk management within the day-to-day operations of government.	New PMI	New PMI	12 departments - 31 March 2010	1. Meeting with 12 HODs 2. Awareness program implemented in 3 departments	1. Meeting with 12 HODs 2. Awareness program implemented in 3 departments	1. Meeting with 12 HODs 2. Awareness program implemented in 3 departments	1. Meeting with 12 HODs 2. Awareness program implemented in 3 departments

Sub-programme 4.5: Provincial Internal Audit		Strategic Goal 18: Work performed to evaluate the effectiveness of risk management control and governance processes in departments and to assist municipalities and public entities in the development and implementation of effective internal audit functions.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. To render an effective risk based internal audit (IA) and consulting service that will contribute towards a well-controlled and efficient service delivery environment.	1.1 Develop and implement internal audit plans which are aligned to the organisational risks, needs and objectives	Developing a mechanism that allows for the interrogation and cataloguing of the risks informing the IA Plans.	Limited	Limited	Updated Internal Audit methodology containing mechanism	Finalised	Completed	Completed	Completed
		Internal audit plans consisting of high-risk auditable areas that will enhance efficiency and value for money.	Limited	Limited	80% of available audit hours allocated to high-risk areas	80% of available audit hours allocated to high-risk areas	80% of available audit hours allocated to high-risk areas	80% of available audit hours allocated to high-risk areas	80% of available audit hours allocated to high-risk areas
		Approved plans by audit committees and bought into by management.	13 Votes and 4 Public Entities	13 Votes and 5 Public Entities	13 Votes and 7 Public Entities	13 Votes and 6 Public Entities	No target	1 Public Entity	No target
		Reports issued in line with an approved quarterly project plan.	Limited	All reports for areas included in operational plans	95% completed	15%	30%	30%	20%
		Percentage of critical and significant recommendations implemented.	All critical and significant findings followed-up	All critical and significant findings followed-up	50% of critical and significant findings implemented	50% of findings expired in 4 th quarter of previous year	50% of findings expired in 1 st quarter	50% of findings expired in 2 nd quarter	50% of findings expired in 3 rd quarter
		Quarterly progress reports to audit committees.	2 progress reports	4 progress reports	4 progress reports	1	1	1	1

Sub-programme 4.5: Provincial Internal Audit		Strategic Goal 18: Work performed to evaluate the effectiveness of risk management control and governance processes in departments and to assist municipalities and public entities in the development and implementation of effective internal audit functions.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. To render an effective risk based internal audit (IA) and consulting service that will contribute towards a well-controlled and efficient service delivery environment. <i>(Continued)</i>	1.2 Sustain and enhance capacity within the shared audit service.	Continuous development through training interventions in accordance with IA training plan.	Limited	2 formal training interventions per staff member	Minimum of 40 hours of technical IA training per person for the year	No target	No target	No target	40 accumulative training hours achieved per person
		Continuous performance management.	Limited	Limited	100% Sign-off of Performance Agreements and Bi-annual reviews	100% PA 100& Bi-annual reviews	No target	100& Bi-annual reviews	No target
	1.3 Promote and maintain effective client relationships.	A client relationship management strategy.	None	None	30 April 2009	Finalise client relationship strategy	Completed	Completed	Completed
	1.4 Achieve compliance to IIA standards throughout the Province.	An approved internal audit quality assurance programme for all departments and selected entities.	Limited	Limited	Approved programme	Approved programme finalised	Completed	Completed	Completed
	1.5 Integrate assurance efforts to optimise resource utilisation and impact.	Quarterly interventions/interactions with assurance providers that redirects audit plans and other interventions for synergistic impact.	Limited	Limited	4	1	1	1	1

Sub-programme 4.5: Provincial Internal Audit		Strategic Goal 18: Work performed to evaluate the effectiveness of risk management control and governance processes in departments and to assist municipalities and public entities in the development and implementation of effective internal audit functions.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2007/08	2008/09 Estimate	2009/10 Budget	Quarter 1	Quarter 2	Quarter 3	Quarter 4
1. To render an effective risk based internal audit (IA) and consulting service that will contribute towards a well-controlled and efficient service delivery environment. (Continued)	1.6 Provide internal audit advisory services to local government and public entities.	Quarterly contact sessions.	None	Limited	4	1	1	1	1
		Response time to address requests received.	None	None	10 business days	10 business days	10 business days	10 business days	10 business days
2. To assist the audit committees in the discharge of their responsibilities.	2.1 Provide effective and efficient secretariat service to provincial audit committees.	Number of audit committee meetings effectively convened.	Limited	4 meetings per audit committee	4 meetings per audit committee	1	1	1	1
	2.2 Facilitate capacity building within audit committees.	Training interventions with audit committee members.	Limited	2 training interventions with audit committee members	2 training interventions with audit committee members	No target	1	No target	1