

# Provincial Government Western Cape Provincial Treasury

## Annual Performance Plan 2010/11 – 2012/13



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# Foreword

In line with new requirements prescribed by National Treasury, this year's Annual Performance Plan underwent a complete overhaul. Through the exercise of reviewing our strategic goals, strategic objectives and performance indicators, Provincial Treasury was given the opportunity to catalogue upcoming challenges and prospects, and devise a new plan of action for the year.

The main challenge facing Provincial Treasury over the coming year is not so much the lower financial base, within which it has operated since 2009/10, but rather its ability and capacity to achieve the performance targets that are set out in this document.

Critical to our success is the cooperation that we receive from our stakeholders, local governments, other entities and provincial departments. Without their support, Treasury will be hard pressed to achieve its envisaged outcomes. It is therefore our common goal to see that over the next year, we achieve increased levels of cooperation between all spheres of government so that we can indeed measurably attain higher levels of service delivery and financial prudence.

As custodians of the Province's financial resources, it is our duty to see that they are spent on projects that will be of maximum benefit to the citizens of the Western Cape.



**ALAN WINDE**

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

# OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan

- Was developed by the management of Western Cape Provincial Treasury under the guidance of Alan Winde.
- Was prepared in line with the current Strategic Plan of Western Cape Provincial Treasury.
- Accurately reflects the performance targets which Western Cape Provincial Treasury will endeavour to achieve given the resources made available in the budget for 2010/11.



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

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



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

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



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

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

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# Abbreviations

Abet	Adult Basic Education and Training
AC	Audit Committee
ACFS	Annual Consolidated Financial Statements
ADP	Accelerated Development Programme
AFR	Asset Financing Reserve
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
AO	Accounting Officer
APP	Annual Performance Plan
ASGISA	Accelerate and Shared Growth Initiative of SA
ASB	Accounting Standards Board
BAS	Basic Accounting System
BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
BER	Bureau for Economic Research
BI	Business Intelligence
BIF	Business Insight Folder
BPO	Business Process Outsourcing
BS	Budget Statement
BTO	Budget Treasury Office
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
DoTP	Department of The Premier
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

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FETC	Further Education and Training Certificate
FMCM	Financial Maturity Capability Model
FMIP	Financial Management Improvement Plan
FMS	Financial Management System
GAMAP	Generally Accepted Municipal Accounting Practice
GDPR	Gross Domestic Product per Region
GEPF	Government Employees Pension Fund
GIAMA	Government-wide Immovable Asset Management Act
GRAP	Generally Recognised Accounting Practice
HDI	Historically Disadvantaged Individual
HOD	Head of Department
HOT	Head Official Treasury
HR	Human Resource
HRD	Human Resource Development
HRDS	Human Resource Development Strategy
HRM	Human Resource Management
HSRC	Human Sciences Research Council
IA	Internal Audit
ICS	Improvement in Conditions of Service
ICT	Information Communication Technology
IDIP	Infrastructure Delivery Improvement Programme
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
OD	Organisational Development
PDC	Provincial Development Council
PERSAL	Personnel and Salary Administration System
PER&O	Provincial Economic Review and Outlook
PES	Provincial Equitable Share
PFMA	Public Finance Management Act, 1999 (Act 1 of 1999)
PGDS	Provincial Growth and Development Strategy
PGWC	Provincial Government Western Cape
PI	Performance Indicator
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
PTF	Provincial Treasury Forum
PTM	Provincial Treasury Management
PTRPA	Provincial Tax Regulation Process Act
QPR	Quarterly Performance Report
REAL	Revenue, Expenditure, Assets, and Liabilities
RFP	Request for Proposal
RFQ	Request for price Quotations
SAQA	South African Qualification Authority
SARS	South African Revenue Services
SCM	Supply Chain Management
SCoA	Standard Chart of Accounts
SCOF	Standing Committee on Finance
SCOPA	Standing Committee on Public Accounts
SDBIP	Service Delivery Budget Implementation Plan
SDR	Service Delivery Review
SEP	Socio-Economic Profile
SER	Socio-economic Review
SETA	Sector Education and Training Authority
SIP	Strategic Infrastructure Plan



SITA	State Information Technology Agency
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



## **PART A: STRATEGIC OVERVIEW**

### **1. Updated situational analysis**

Present updated information on the performance delivery and institutional environment is contained in the Strategic Plan of 2010/11-2014/15 (SP) under section 5.

#### **1.1 Performance delivery environment**

This is contained in section 5.1 of the SP.

#### **1.2 Organisational environment**

This is contained in section 5.2 of the SP.

### **2. Revisions to legislative and other mandates**

This is contained in section 4 of the SP.

### 3. Overview of 2011 budget and MTEF estimates

#### 3.1 Expenditure estimates

**Table 1 Provincial Treasury**

Programme R'000	Outcome			Main appro- piation 2009/10	Adjusted appro- piation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
1. Administration <sup>a</sup>	28 724	33 447	40 141	36 579	39 831	40 004	39 390	( 1.53)	42 216	44 006
2. Sustainable Resource Management	21 332	21 540	21 346	33 595	35 977	35 864	47 263	31.78	50 608	53 943
3. Asset and Liabilities Management	51 537	21 707	22 348	27 320	27 256	27 125	33 125	22.12	35 575	37 955
4. Financial Governance	32 343	38 430	37 115	37 188	36 693	36 764	40 692	10.68	43 332	46 236
<b>Total payments and estimates</b>	133 936	115 124	120 950	134 682	139 757	139 757	160 470	14.82	171 731	182 140

<sup>a</sup> MEC total remuneration package: R1 420 489 with effect from 1 April 2009.

Economic classification R'000	Outcome			Main appro- piation 2009/10	Adjusted appro- piation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
<b>Current payments</b>	130 083	112 659	118 105	133 492	137 204	136 999	157 840	15.21	168 946	179 196
Compensation of employees	52 919	60 231	71 482	100 579	95 929	95 287	111 309	16.81	119 391	127 605
Goods and services	77 164	52 428	46 623	32 913	41 275	41 712	46 531	11.55	49 555	51 591
<b>Transfers and subsidies to</b>	392	1 414	267	330	330	335	430	28.36	455	481
Provinces and municipalities	29		80							
Departmental agencies and accounts	1	252								
Non-profit institutions			50							
Households	362	1 162	137	330	330	335	430	28.36	455	481
<b>Payments for capital assets</b>	2 684	1 030	2 541	860	2 160	2 360	2 200	( 6.78)	2 330	2 463
Machinery and equipment	2 279	1 030	2 541	860	2 160	2 360	2 200	( 6.78)	2 330	2 463
Software and other intangible assets	405									
<b>Payments for financial assets</b>	777	21	37		63	63		( 100.00)		
<b>Total economic classification</b>	133 936	115 124	120 950	134 682	139 757	139 757	160 470	14.82	171 731	182 140

### **3.2 Relating expenditure trends to strategic goals**

The marginal annual average increase in nominal terms of 1.4 per cent or R5.821 million from R133.936 million in 2006/07 to R139.757 million in 2009/10 (revised estimate) is due to the decentralisation of SITA costs to provincial departments in Programme 3 and is also the reason for the decrease in goods and services.

The annual average nominal growth of 3.2 per cent from the revised estimate figure of R139.757 million in 2009/10 to the 2012/13 figure of R182.140 million is due to the additional funding received for the AGSA performance audits and the taxation and revenue generation initiatives in Programme 2 as well as the strengthening of the MFMA posts across the line function programmes. This additional funding will contribute in achieving the strategic goals 3 and 5, which have been taken up in the department's Strategic Plan.



## PART B: PROGRAMME AND SUB-PROGRAMME PLANS

Programme	Sub-programme
<b>1. Administration</b>	1.1 Office of the MEC 1.2 Management Services 1.3 Corporate Services (Shifts to the department of the Premier) 1.4 Financial Management
<b>2. Sustainable Resource Management</b>	2.1 Programme Support 2.2 Fiscal Policy 2.3 Budget Management 2.4 Public Finance
<b>3. Assets and Liabilities</b>	3.1 Programme Support 3.2 Asset Management 3.3 Liabilities Management 3.4 Interlinked and Financial Support Systems
<b>4. Financial Governance</b>	4.1 Programme Support 4.2 Accounting Services 4.3 Corporate Governance 4.4 Provincial Internal Audit

### 4. Programme 1 – Administration

#### Programme description

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

#### Programme structure

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

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

Purpose: assist the Member of Executive Council with the assigned functions of the Executive.

The Minister's office renders secretarial and administrative services to assist the Minister with the performance of his/her legislative responsibilities as MEC and as an elected public representative. This includes fostering relationships with the media and all other parties within government and the broader public.

### **Sub programme 1.2: Management Services**

Purpose: assist the Head of Department with the functions assigned by the MEC.

The Office of the Head of the Department provides strategic support to the department as a whole, inclusive of secretariat and other support services. This includes internal communication and website services, information centre services and managerial coordination for the department.

### **Sub programme 1.3: Corporate Services**

The Modernisation Programme, which is in an advanced stage, proposes a shift of the Human Resource (excluding the Departments of Health and Education), Internal Audit and Enterprise Risk Management functions to a shared Corporate Services within the Department of the Premier with effect from 1 April 2010. Therefore the strategic objectives and performance indicators relating to these functions are only reflected in the Strategic and Annual Performance Plans of the DoTP. The financial implications of this function shift will be finalised during the 2010/11 adjusted estimates process once all the human resource and other related issues have been finalised.

Due to the modernisation process undertaken by the DoTP clarity on all the specific administrative changes has not been reached. Corporate Services will be shifted to the DoTP to provide a model in the Province. Training and personnel development responsibilities have been assigned to the heads of the different programmes within Treasury.

### **Sub programme 1.4: Financial management**

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

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

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

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

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

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

Currently the Auxiliary Services section still resides under the CFO, which includes the registry, government vehicles, telephone services, reprographic services, messenger services and food aid services.



**Sub-Programme 1.1: Office of the MEC****Strategic objective: Annual targets**

Strategic objective		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
1	Provide secretarial and administrative services to the Ministry.	Revised strategic objective	Revised strategic objective	Revised strategic objective	Revised strategic objective	Maintain effective and efficient handling of correspondence and effective programme management	Maintain effective and efficient handling of correspondence and effective programme management	Maintain effective and efficient handling of correspondence and effective programme management
2	Render communication services to the Ministry.	Revised strategic objective	Revised strategic objective	Revised strategic objective	Revised strategic objective	Improve relationships with media	Maintain relationships with media	Maintain relationships with media
3	Assist with strategic management and support to the Ministry.	Revised strategic objective	Revised strategic objective	Revised strategic objective	Revised strategic objective	Develop and maintain strategic management and support provided to enable the Executive Authority to execute the responsibilities	Maintain strategic management and support provided to enable the Executive Authority to execute the responsibilities	Maintain strategic management and support provided to enable the Executive Authority to execute the responsibilities

**Performance indicators: Annual targets**

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
1.1	Effective and efficient management of correspondence.	New PI	New PI	New PI	New PI	Develop and implement a set of standards	Review and maintain the set of standards	Review and maintain the set of standards
1.2	Effective management of the programme of the Minister.	New PI	New PI	New PI	New PI	Develop and implement a set of standards	Review and maintain the set of standards	Review and maintain the set of standards
2.1	Effective communication and media liaison services.	New PI	New PI	New PI	New PI	Develop and implement communication plan, including ways of fostering relationships with media	Review and maintain communication plan, including ways of fostering relationships with media	Review and maintain communication plan, including ways of fostering relationships with media

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
3.1	Effective strategic engagements with the Provincial Treasury, the Department of Economic Development and relevant public entities and the monitoring of performance.	New PI	New PI	New PI	New PI	Develop and implement set of standards for strategic engagements	Review and maintain set of standards for strategic engagements	Review and maintain set of standards for strategic engagements
3.2	Effective management of parliamentary questions.	New PI	New PI	New PI	New PI	Develop and implement a set of standards for the response to parliamentary questions	Review and maintain a set of standards for the response to parliamentary questions	Review and maintain a set of standards for the response to parliamentary questions

#### Quarterly targets for 2010/11

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
1.1	Effective and efficient management of correspondence.	Annually	Develop and implement a set of standards	Develop a set of standards	Testing of set of standards	Implement set of standards	Implement set of standards
1.2	Effective management of the programme of the Minister.	Annually	Develop and implement a set of standards	Develop a set of standards	Testing of set of standards	Implement set of standards	Implement set of standards
2.1	Effective communication and media liaison services.	Annually	Develop and implement communication plan, including ways of fostering relationships with media	Develop communication plan, including ways of fostering relationships with media	Testing of communication plan, including ways of fostering relationships with media	Implement communication plan, including ways of fostering relationships with media	Implement communication plan, including ways of fostering relationships with media

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
3.1	Effective strategic engagements with the Provincial Treasury, the Department of Economic Development and relevant public entities and the monitoring of performance.	Annually	Develop and implement set of standards for strategic engagements	Develop set of standards for strategic engagements	Testing of set of standards for strategic engagements	Implement set of standards for strategic engagements	Implement set of standards for strategic engagements
3.2	Effective management of parliamentary questions.	Quarterly	Develop and implement a set of standards for the response to parliamentary questions	Develop and implement a set of standards	Testing of set of standards	Implement set of standards	Implement set of standards

### Sub-Programme 1.2: Management Services

#### Strategic objectives: Annual targets

Strategic objective		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
4.	Build competencies and enhance and maintain strategic support services.	New strategic objective	New strategic objective	New strategic objective	Implement systems and standards	Review and maintain systems and standards	Maintain systems and standards	Maintain systems and standards
					Development of a narrative report on delivery for the sub-programme	Operational plan in line with APP in place and monitored for delivery	Operational plan in line with APP in place and monitored for delivery	Operational plan in line with APP in place and monitored for delivery
					Early steps for bespoke training in line with competency framework for units	Tailored development plan for each staff member	Tailored and assessed development plan for each staff member	Tailored and assessed development plan for each staff member
5.	Effective communication and event co-ordination within Treasury.	New strategic objective	New strategic objective	New strategic objective	Implement communication services and processes	Monitor and implement communication services and processes	Monitor and implement communication services and processes	Monitor and implement communication services and processes

**Performance indicators: Annual targets**

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
4.1	Co-ordinate and maintain correspondence for the department.	New PI	New PI	New PI	Implement systems and standards	Review and maintain systems and standards	Maintain systems and standard	Maintain systems and standards
4.2	Programme management, i.e. co-ordination of the PT calendar and HOD's diary as well as website, library and language services.	New PI	New PI	Refined Treasury calendar	Maintain and update accurately	Maintain and update accurately	Maintain and update accurately	Maintain and update accurately
				60% users satisfaction with library services	65% users satisfaction with library services	70% users satisfaction with library services	80% users satisfaction with library services	90% users satisfaction with library services
				70% of PT documents accurately translated	80% of PT documents accurately translated	80% of PT documents accurately translated	85% of PT documents accurately translated	90% of PT documents accurately translated
				New PI	Refined and updated Cape Gateway and Intranet site	Accurately updated Cape Gateway and Intranet site	Accurately updated Cape Gateway and Intranet site	Accurately updated Cape Gateway and Intranet site
4.3	Development of an operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of delivery.	New PI	New PI	New PI	Development of a narrative report on delivery for each sub-programme	Develop and maintain operational plan	Update and maintain operational plan	Update and maintain operational plan
4.4	Composition and implementation of a bespoke development plan for each staff member in line with competency requirements for each unit.	New PI	New PI	New PI	Early steps for bespoke training in line with competency framework for units	Training plan in place to raise competency levels of staff	Update and maintain training plan	Update and maintain training plan

PART B: PROGRAMME AND SUB-PROGRAMME PLANS

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
5.1	Internal communication which includes events co-ordination.	New PI	New PI	Designed communication strategy	Finalised communication strategy	Implement and maintain communication strategy to improve services	Review and maintain assessed strategy	Review and maintain assessed strategy
5.2	Strategic engagements which includes Treasury Management Meeting and Quarterly Extended Treasury Management Meeting.	All meetings well co-ordinated and run smoothly	All meetings well co-ordinated and run smoothly	All meetings well co-ordinated and run smoothly	All meetings well co-ordinated and run smoothly	Develop a monitoring tool to measure the effectiveness of the meetings	Review and maintain monitoring tool	Review and maintain monitoring tool

Quarterly targets for 2010/11

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
4.1	Co-ordinate and maintain correspondence for the department.	Quarterly	Review and maintain systems and standards	Identify areas of improvement	Implement improvement and maintain	Maintain	Maintain
4.2	Programme management, i.e. co-ordination of the PT calendar and HOD's diary as well as website, library and language services.	Quarterly	Maintain and updated accurately	Identify areas of improvement and implementation	Maintain	Maintain	Maintain
		Quarterly	70 % users satisfaction with library services	Develop and roll-out a survey questionnaire to collect data	Implement findings	Monitor and maintenance	Monitor and maintenance
		Quarterly	80 % of PT documents accurately translated	Identify areas of improvement	Implement improvement and evaluate	Implement improvement and evaluate	Implement improvement and evaluate
		Quarterly	Accurately updated Cape Gateway and Intranet site	Refine and update intranet and Cape Gateway regularly	Update intranet and Cape Gateway regularly	Update intranet and Cape Gateway regularly	Update intranet and Cape Gateway regularly and Evaluate

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
4.3	Development of an operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of delivery.	Quarterly	Develop and maintain operational plan	Operational plan designed, implemented and monitored plus remedial steps instituted	Operational plan implemented and monitored plus remedial steps instituted	Operational plan implemented and monitored plus remedial steps instituted	Evaluation of year's performance and composition of new operational plan for following financial year
4.4	Composition and implementation of a bespoke development plan for each staff member in line with competency requirements for each unit.	Quarterly	Training plan in place to raise competency levels of staff	Bespoke staff development and annual training plan	Development and training plan implemented and monitored	Development and training plan implemented and monitored	Development and training plan assessed for results
5.1	Internal Communication which includes events co-ordination.	Annually	Implement and maintain communication strategy	Finalise communication strategy	Implement, communication services in line with communication strategy	Maintain and evaluate the communication services	Maintain and evaluate the communication services
5.2	Strategic engagements which includes Treasury Management Meeting and Quarterly Extended Treasury Management Meeting.	Bi-monthly and Quarterly	Develop a monitoring tool to measure the effectiveness of the meetings	Develop monitoring tool	Implement the monitoring tool and structure to schedule meetings accordingly	Evaluate effectiveness of meetings	Evaluate effectiveness of meetings

### Sub programme 1.3: Corporate Services

The Modernisation Programme, which is in an advanced stage, proposes a shift of the Human Resource (excluding the Departments of Health and Education), Internal Audit and Enterprise Risk Management functions to a shared Corporate Services within the Department of the Premier with effect from 1 April 2010. Therefore the strategic objectives and performance indicators relating to these functions are only reflected in the Strategic and Annual Performance Plans of the DoTP. The financial implications of this function shift will be finalised during the 2010/11 adjusted estimates process once all the human resource and other related issues have been finalised.

## Sub-Programme 1.4: Financial Management

### Strategic objective: Annual targets

Strategic objective		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
6	Responsive and credible budget composition and delivery for the department.	Revised strategic objective	Revised strategic objective	Revised strategic objective	Responsive and credible budget at level 3 (PT criteria)	Responsive and credible budget at level 3 (PT criteria)	Responsive and credible budget at level 3+ (PT criteria)	Responsive and credible budget at level 3+ (PT criteria)
7	Full and accurate reflection of all financial transactions of the department.	Revised strategic objective	Revised strategic objective	Revised strategic objective	Comprehensive and full reflection of financial transactions at level 3	Comprehensive and full reflection of financial transactions at level 3	Comprehensive and full reflection of financial transactions at level 3+	Comprehensive and full reflection of financial transactions at level 3+
8	Level 3 auditable supply chain management services.	Revised strategic objective	Revised strategic objective	Revised strategic objective	Attain level 2.5 auditable supply chain management services	Attain level 3 auditable supply chain management services	Attain level 3 auditable supply chain management services	Attain level 3+ auditable supply chain management services
9	Effective internal control measures and risk mitigation.	Revised strategic objective	Revised strategic objective	Revised strategic objective	Attain level 2 effective internal control measures and risk mitigation	Attain level 3 effective internal control measures and risk mitigation	Attain level 3 effective internal control measures and risk mitigation	Attain level 3+ effective internal control measures and risk mitigation
10	Provide effective auxiliary and specialised support services.	Revised strategic objective	Revised strategic objective	Revised strategic objective	80% on target	85%	90%	92%

### Performance indicators: Annual targets

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
6.1	APP and QPR at level 3+ reporting standards.	1 APP tabled on 30 March 2007	1 APP tabled on 28 March 2008	1 APP tabled with the Budget on 24 February 2009	1 APP and 1 SP tabled with the Main Budget	APP tabled with the Main Budget in line with PT dashboard at level 3	APP tabled with the Main Budget in line with PT dashboard at level 3+	APP tabled with the Main Budget in line with PT dashboard at level 3+
		QPR for each quarter	QPR for each quarter	QPR for each quarter supported by narratives	QPR for each quarter supported by narratives	QPR for each quarter supported by narratives at level 3	QPR for each quarter supported by narratives at level 3+	QPR for each quarter supported by narratives at level 3+

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
6.2	Fully costed budget with minimum shifts between the main and adjustments budget and is aligned to the APP.	Revised PI	Revised PI	Revised PI	85% costed budget	90% costed budget	95% costed budget	95% costed budget
					12 IYM reports supported by narrative at level 3	12 IYM reports supported by narratives at level 3+	12 IYM reports supported by narratives at level 3+	12 IYM reports supported by narratives at level 3+
					New PI	Variance between main and adjustment estimates less than 2%	Variance between main and adjustment estimates less than 2%	Variance between main and adjustment estimates less than 2%
6.3	Compilation and coordination of the Annual Report.	New PI	New PI	New PI	New PI	Draft Annual Report by 15 June and final by 31 August at level 3	Draft Annual Report by 15 June and final by 31 August at level 3	Draft Annual Report by 15 June and final by 31 August at level 3+
7.1	Fully functional payment system to predetermined standards.	Revised PI	Payment system developed	Payment system implemented	Payment system maintained	Review, refine and implement updated payment system	Review and maintain payment system	Review and maintain payment system
7.2	Clearance of ledger accounts to predetermined standards.	New PI	New PI	New PI	Monitoring and assessment system developed	Review, refine and implement	Review and maintain	Review and maintain
7.3	Compile Annual Financial Statements (AFS) to predetermined standards	Unqualified audit report on AFS	Unqualified audit report on AFS	Unqualified audit report on AFS	Unqualified audit report on AFS and midyear report	Unqualified audit report on AFS with no material misstatements and other matters as well as the midyear report	Unqualified audit report on AFS with no material misstatements and other matters as well as the midyear report	Unqualified audit report on AFS with no material misstatements and other matters as well as the midyear report
8.1	Demand and acquisition management to predetermined standards.	Not completed	Not completed	70% completed	Update and revise the relevant sections of the current AO system	Refine, amend and implement to meet Treasury requirements	Refine and amend as will be needed to meet treasury requirements	Refine and amend as will be needed to meet treasury requirements



**PART B: PROGRAMME AND SUB-PROGRAMME PLANS**

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
8.2	Logistics management to predetermined standards.	65%	75%	85%	Complete and up to date asset register that reconciles with Logis	Full compliance to meet treasury requirements	Full compliance to meet treasury requirements	Full compliance to meet treasury requirements
8.3	Disposal management to predetermined standards.	New PI	New PI	New PI	Timeous disposal of redundant, obsolete and un-economic equipment	Develop and implement a disposal plan linked to demand management requirements	Refine and implement a disposal plan linked to demand management requirements	Refine and implement a disposal plan linked to demand management requirements
9.1	Remedy audit findings and apply appropriate risk mitigation.	Revised PI	Revised PI	4 reports	4 reports	4 reports listing the findings, action plans and progress made	4 reports listing the findings, action plans and progress made	4 reports listing the findings, action plans and progress made
10.1	General support services to predetermined standards.	New PI	New PI	New PI	80% compliance	90% compliance	95% compliance	Full compliance

**Quarterly targets for 2010/11**

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
6.1	APP and QPR at level 3 + reporting standards.	Annually	APP tabled with the Main Budget in line with PT dashboard at level 3	Planning of APP	Review APP and finalise 1st draft	Finalise 2nd draft	APP tabled
		Quarterly	QPR for each quarter supported by narratives at level 3	1 QPR inclusive of narrative report	1 QPR inclusive of narrative report	1 QPR inclusive of narrative report	1 QPR inclusive of narrative report

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
6.2	Fully costed budget with minimum shifts between the main and adjustments budget and is aligned to the APP.	Annually	90% costed budget	Identify the expenditure items on the 80/20 principle	Establish what drives the expenditure items	Refine and include in the 2nd draft budget and Adjustments Estimate	90% costed budget tabled
		Quarterly	12 IYM reports supported by narratives at level 3+	3 IYM inclusive of narrative reports	3 IYM inclusive of narrative reports	3 IYM inclusive of narrative reports	3 IYM inclusive of narrative reports
		Annually	Variance between main and adjustment estimates less than 2%	None	None	Determine if variance between main and adjusted estimates is less than 2%	None
6.3	Compilation and coordination of the Annual Report.	Annually	Draft Annual Report by 15 June and final by 31 August at level 3	Appropriation Statement by 31 May and 1 draft Annual Report by 15 June	Final Annual Report by 31 August for tabling by 30 September	None	None
7.1	Fully functional payment system to predetermined standards.	Quarterly	Review, refine and implement updated payment system	Review payment system	Refine payment system	Implement the payment system	Maintain the payment system
7.2	Clearance of ledger accounts to predetermined standards.	Quarterly	Review, refine and implement	Revise and refine	Implement	Maintain	Maintain
7.3	Compile Annual Financial Statements (AFS) to predetermined standards.	Annually	Unqualified audit report on AFS with no material misstatements and other matters as well as the midyear report	2009/10 AFS submit to AG	Unqualified AFS taken up in 2009/10 Annual Report	Mid-year report	Preparation for 2010/11 AFS
8.1	Demand and acquisition management to predetermined standards.	Quarterly	Refine, amend and implement to meet Treasury requirements	Refine and amend AO system	Check AO system to meet Treasury requirements	Implement AO System	Develop AO System
8.2	Logistics management to predetermined standards.	Annually	Full compliance to meet treasury requirements	Reconcile 2009/10 asset registers	Mid-year stock take completed	Reconcile midyear stock take	Asset register completed

PART B: PROGRAMME AND SUB-PROGRAMME PLANS

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Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
8.3	Disposal management to predetermined standards.	Annually	Develop and implement a disposal plan linked to demand management requirements	Develop a disposal plan	Check disposal plan to meet Treasury requirements	Implement a disposal plan	Maintain a disposal plan
9.1	Remedy audit findings and apply appropriate risk mitigation.	Quarterly	4 reports listing the findings, action plans and progress made	1 report listing the findings, action plans and progress made	1 report listing the findings, action plans and progress made	1 report listing the findings, action plans and progress made	1 report listing the findings, action plans and progress made
10.1	General support services to predetermined standards.	Quarterly	90% compliance	50% compliance to standards	70% compliance to standards	80% compliance to standards	90% compliance to standards

## Reconciling performance targets with the Budget and MTEF

## Expenditure estimates

Table 2 Administration

Sub-programme R'000	Outcome			Main appro- piation 2009/10	Adjusted appro- piation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
1. Office of the Minister <sup>a</sup>	2 774	3 312	3 595	3 411	4 384	4 465	4 896	9.65	5 253	5 612
2. Management Services	2 029	2 566	2 576	3 440	3 341	3 341	5 287	58.25	5 652	6 006
3. Corporate Services	8 928	13 371	13 676	13 547	12 183	12 149	7 758	(36.14)	8 303	8 856
4. Financial Management	14 993	14 198	20 294	16 181	19 923	20 049	21 449	6.98	23 008	23 532
<b>Total payments and estimates</b>	<b>28 724</b>	<b>33 447</b>	<b>40 141</b>	<b>36 579</b>	<b>39 831</b>	<b>40 004</b>	<b>39 390</b>	<b>(1.53)</b>	<b>42 216</b>	<b>44 006</b>

<sup>a</sup> MEC total remuneration package: R1 420 489 with effect from 1 April 2009.

Economic classification R'000	Outcome			Main appro- piation 2009/10	Adjusted appro- piation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
<b>Current payments</b>	26 189	31 680	37 455	35 389	37 473	37 441	36 760	(1.82)	39 431	41 062
Compensation of employees	13 098	15 132	17 626	21 330	21 684	21 693	21 980	1.32	23 599	25 217
Goods and services	13 091	16 548	19 829	14 059	15 789	15 748	14 780	(6.15)	15 832	15 845
<b>Transfers and subsidies to</b>	143	799	108	330	330	335	430	28.36	455	481
Provinces and municipalities	8									
Departmental agencies and accounts		250								
Households	135	549	108	330	330	335	430	28.36	455	481
<b>Payments for capital assets</b>	1 615	947	2 541	860	2 010	2 210	2 200	(0.45)	2 330	2 463
Machinery and equipment	1 615	947	2 541	860	2 010	2 210	2 200	(0.45)	2 330	2 463
<b>Payments for financial assets</b>	777	21	37		18	18		(100.00)		
<b>Total economic classification</b>	<b>28 724</b>	<b>33 447</b>	<b>40 141</b>	<b>36 579</b>	<b>39 831</b>	<b>40 004</b>	<b>39 390</b>	<b>(1.53)</b>	<b>42 216</b>	<b>44 006</b>

### **Performance and expenditure trends**

The increase of R11.280 million from R28.724 million in 2006/07 to R40.004 million in 2009/10 (revised estimate) equates to an annual average increase in nominal terms of 11.7 per cent. This is due to the rise in compensation of employee costs relating to the bolstering of the CFO office and that of the Minister and HoD to improve the overall financial and strategic management of the department, as well as predetermined IT technology refresh according to a demand management tool (also to be applied over the new MTEF). The annual average nominal growth of only 3.2 per cent from the revised estimate figure of R40.004 million in 2009/10 to the 2012/13 figure of R44.006 million is due to the decentralisation of the training, bursary and audit costs to the other programmes.

The changes over time in goods and services of only R1.689 million from R13.091 million in 2006/07 to R14.780 million in 2009/10 is due to a variety of policy choices, ultimately resulting in placing greater responsibility with the programmes for staff development and those costs that can be directly attributed to the running of the programme of which examples of the former are bursaries and training costs and of the latter are printing, audit, travel and accommodation costs.

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

### **Programme description**

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

### **Programme structure**

The programme currently consists of two chief directorates, namely Public Finance and Public Policy Services, which fall under the branch Fiscal and Economic Services. The programme is further divided into the following sub-programmes:

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

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

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

Purpose: provide for the effective and efficient development of revenue streams

The Fiscal Policy sub-programme provides guidance on the effective and efficient development and collection of all available revenue streams. The recent downturn in economic activity has resulted in a pronounced decline in available resources to provincial and local governments from the existing tax instruments. Therefore, initiatives in the sub-programme to improve the sustainability of provincial and municipal budgets include a variety of actions to explore the full use of available revenue sources. These actions refer to research, inputs into a new provincial fiscal framework, refining and updating current research initiatives and developing new revenue proposals where that may prove to be feasible.

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

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

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

This sub-programme's key focus area is on improving the responsiveness of the provincial budget to address socio-economic imperatives through, amongst others, the annual publication of the Provincial Economic Review and Outlook (PER&O), Medium-Term Budget Policy Statement, associated budgetary allocations over the MTEF and the budget overview.

In addition, the focus is on informing resource allocations that increasingly respond to socio-economic imperatives through the assessment of budget and policy plans, initiatives to improve performance information and reporting in provincial departments and public entities and monitoring of budget implementation and performance.

**Element: Local Government Budget Management**

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

This sub-programme's key focus area is on improving the responsiveness of municipal budgets to address socio-economic imperatives through evaluation and advice on the appropriateness of these to facilitate the prioritisation of basic needs of communities and the promotion of their social and economic development.

**Sub-programme 2.4: Public Finance**

**Element: Provincial Government Finance**

Purpose: compile the annual main and adjustments estimates and the efficient implementation thereof, to assist, assess and report on provincial revenue and expenditure management, including provincial entities and to provide oversight of the Western Cape Gambling and Racing Board.

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

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

Purpose: assist, assess and report on municipal budgets, revenue and expenditure management, including municipal entities and to drive the implementation of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).

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

Further steps will be taken to improve the interface between municipal budgets and in-year monitoring by identifying gaps in the interface and implementing remedial steps relating to revenue- and expenditure management in municipalities.

**Sub-Programme 2.1: Programme Support****Strategic objective: Annual targets**

Strategic objective		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
11	Build competencies and enhance and maintain the delivery of the programme.	New strategic objective	New strategic objective	New strategic objective	Implement systems and standards	Review and maintain systems and standards	Maintain systems and standards	Maintain systems and standards
					Development of a narrative report on delivery for each sub-programme	Operational plan in line with APP in place and monitored for delivery	Operational plan in line with APP in place and monitored for delivery	Operational plan in line with APP in place and monitored for delivery
					Early steps for bespoke training in line with competency framework for units	Tailored development plan for each staff member	Tailored and assessed development plan for each staff member	Tailored and assessed development plan for each staff member

**Performance indicators: Annual targets**

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
11.1	Co-ordinate and maintain the correspondence for the programme in line with set standards.	New PI	New PI	New PI	New PI	Develop and implement a set of standards	Review and maintain the set of standards	Review and maintain the set of standards
11.2	Establishment of a culture of communication and transparency.	New PI	New PI	New PI	Monthly interactive meetings with staff and support services	Implement PT communication strategy by means of regular staff meetings	Maintain communication by means of monthly meeting	Maintain communication by means of monthly meeting



PART B: PROGRAMME AND SUB-PROGRAMME PLANS

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
11.3	Development of an operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of delivery.	New PI	New PI	New PI	Development of a narrative report on delivery for each sub-programme	Develop and maintain operational plan	Update and maintain operational plan	Update and maintain operational plan
11.4	Composition and implementation of a bespoke development plan for each staff member in line with competency requirements for each unit.	New PI	New PI	New PI	Early steps for bespoke training in line with competency framework for units	Training plan in place to raise competency levels of staff	Update and maintain training plan	Update and maintain training plan

Quarterly targets for 2010/11

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
11.1	Co-ordinate and maintain the correspondence for the programme in line with set standards.	Annually	Develop and implement a set of standards	Develop a set of standards	Test standards with sub-programmes	Implement the set of standards	Maintain the set of standards
11.2	Establishment of a culture of communication and transparency.	Quarterly	Implement PT communication strategy by means of regular staff meetings	Analyse requirements and implement	Implement and monitor adequacy of communication and transparency	Implement and monitor adequacy of communication and transparency	Implement and monitor adequacy of communication and transparency

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
11.3	Development of an operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of delivery.	Quarterly	Develop and maintain operational plan	Operational plan designed, implemented and monitored plus remedial steps instituted	Operational implemented and monitored plus remedial steps instituted	Operational implemented and monitored plus remedial steps instituted	Evaluation of year's performance and composition of new operational plan for following financial year
11.4	Composition and implementation of a bespoke development plan for each staff member in line with competency requirements for each unit.	Quarterly	Training plan in place to raise competency levels of staff	Bespoke staff development and annual training plan	Development and training plan implemented and monitored	Development and training plan implemented and monitored	Development and training plan assessed for results

## Sub-Programme 2.2: Fiscal Policy

### Strategic objective: Annual targets

Strategic objective		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
12	Full utilisation of all potential revenue sources available to provincial and local governments.	New strategic objective	New strategic objective	New strategic objective	New strategic objective	Research into potential revenue resources	Research and implement potential revenue resources	Research, implement and refine potential revenue resources
13	Mechanisms for revenue collections in provincial and local governments that are optimum inclusive of cash management arrangements.	New strategic objective	New strategic objective	New strategic objective	New strategic objective	Research into revenue collection mechanisms	Research and implement revenue collection mechanisms	Research, implement and refine revenue collection mechanisms

## Performance indicators: Annual targets

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
12.1	A revised fiscal transfer system for provinces and local government.	Limited updates	Limited updates	Preparatory work and appointment of researchers	Research and input into new provincial fiscal framework	Research, input and testing of new provincial fiscal framework	Implement new provincial fiscal framework in the 2011/12 MTEF budget. Research, input and testing of local government fiscal framework	Refine provincial fiscal framework and implement new fiscal framework for local government
12.2	Research into new additional own revenue sources for provincial governments.	Fuel levy researched	Fuel levy researched and approved by NT	Tourism related taxes research -ed and motor vehicle license impact re-searched	Refine and update current research initiatives	Refine and update current research initiatives (fuel levy, bed levy, tourism departure tax) and submission of one new tax proposal to NT i.t.o the PTRPA	Further refine research initiatives and submit 2 new tax proposals to the NT i.t.o the PTRPA	Implement 1 new tax proposal and further refine other proposals
13.1	Review of the casino exclusivity tax regime and associated tax rates.	None	None	Planning, and research	Plan, research and appointed external consultant / expertise inclusive of the consultation with industry	Refine and conclude research and implement the new tax regime inclusive of approval by the Legislature	Possible further refinement	None
13.2	Assessment on the utilisation of all potential revenue sources within local government and support.	Limited assessments	Limited assessments	Assessments as part of LG MTEC process	Database of revenue base per municipality	Assess and hands-on support that includes the development of a revenue enhancement strategy and the utilisation of all potential revenue sources	Further hands-on support and implement the research initiatives/enhancement strategy	Further hands-on support and refinement of initiatives implemented

## Quarterly targets for 2010/11

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
12.1	A revised fiscal transfer system for provinces and local government.	Annually	Research, input and testing of new provincial fiscal framework	Continuation of research, further input into NT processes and refinement	Continuation of research, further input into NT processes and refinement	Continuation of research, further input into NT processes as well as consultation, testing and refinement	Test for implementation as part of 2011/12 MTEF Budget
12.2	Research into new additional own revenue sources for provincial governments.	Annually	Refine and update current research initiatives (fuel levy, bed levy, tourism departure tax) and submission of one new tax proposal to NT i.t.o the PTRPA	Plan, terms of reference and appoint researchers	Update and further refine fuel levy research (in concert with DPWT), bed levy and tourism departure tax	Consultation (MEC, industry, NT, etc) and further refinement of taxation proposals	Submission of one new tax proposal to National Treasury that complies with the requirements of the PTRPA
13.1	Review of the casino exclusivity tax regime and associated tax rates.	Annually	Refine and conclude research and implement the new tax regime inclusive of approval by the Legislature	Continuation of research and consultation with industry	Continuation of research, consultation with industry and drafting of legislation	Legislative process and further refinement	Implement new taxation regime
13.2	Assessment on the utilisation of all potential revenue sources within local government and support.	Annually	Assess and hands-on support that includes the development of a revenue enhancement strategy and the utilisation of all potential revenue sources	Term of reference and appointment of service providers	Continuation of research and consultation with municipalities	Assessment report and implement research findings and proposals	Implement and continuation of hands-on support

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

Strategic objective		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
14	Evaluate the responsiveness of budgets within provincial departments and entities.	New strategic objective	New strategic objective	New strategic objective	New strategic objective	Budgets assessed against responsiveness criteria	Budgets assessed against responsiveness criteria	Budgets assessed against responsiveness criteria
15	Conduct economic analysis to inform provincial planning and budgeting processes.	New strategic objective	New strategic objective	New strategic objective	New strategic objective	Economic analysis to inform provincial planning and budgeting	Economic analysis to inform provincial planning and budgeting	Economic analysis to inform provincial planning and budgeting

**Performance indicators Annual targets**

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
14.1	Development of an assessment framework.	New PI	New PI	New PI	New PI	Develop and implement assessment framework	Refine and implement assessment framework	Refine and implement assessment framework
15.1	Publication of the 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 published in November 2009	PER&O 2010 to be published by November 2010	PER&O 2011 to be published by November 2011	PER&O 2011 to be published by November 2012
15.2	Annual Performance Plans and budget alignment assessments.	12 Annual Performance Plans	12 Annual Performance Plans	12 Annual Performance Plans	13 Annual Performance Plans	14 Annual Performance Plans of departments and public entities assessed for alignment with budget	14 Annual Performance Plans of departments and public entities assessed for alignment with budget	14 Annual Performance Plans of departments and public entities assessed for alignment with budget

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
15.3	Evaluation of the implementation of budget against set targets.	48 Quarterly Performance Reports assessments	48 Quarterly Performance Reports assessments	48 Quarterly Performance Reports assessments	52 Quarterly Performance Reports assessments	56 Quarterly Performance Reports assessed and responses provided	56 Quarterly Performance Reports assessed and responses provided	56 Quarterly Performance Reports assessed and responses provided
						14 Annual Reports and applicable entities assessed and responses provided	14 Annual Reports and applicable entities assessed and responses provided	14 Annual Reports and applicable entities assessed and responses provided

### Quarterly targets for 2010/11

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
14.1	Development of an assessment framework.	Annually	Develop and implement assessment framework	Develop assessment framework	Implement assessment framework	Review assessment framework	Implement assessment framework
15.1	Publication of the Provincial Economic Review and Outlook (PER&O).	Annually	PER&O 2010 to be published by November 2010	Planning and preparatory work	Planning and preparatory work	Publish PER&O inclusive of the implications for the Budget	Planning and preparatory work for PER&O 2011
15.2	Annual Performance Plans and budget alignment assessments.	Annually	14 Annual Performance Plans of departments and public entities assessed for alignment with budget	Develop assessment framework	1 <sup>st</sup> draft Annual Performance plans evaluated for alignment with budget and recommendations made	Follow up work on recommendations made	2 <sup>nd</sup> draft and final Annual Performance plans evaluated for alignment with budget and recommendations made

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
15.3	Evaluation of the implementation of budget against set targets.	Quarterly	56 Quarterly Performance Reports assessed and responses provided	14 Quarterly Performance Reports assessed and responses provided	14 Quarterly Performance Reports assessed and responses provided	14 Quarterly Performance Reports assessed and responses provided	14 Quarterly Performance Reports assessed and responses provided
		Annually	14 Annual Reports and applicable entities assessed and responses provided	None	None	Annual Reports assessed and responses provided	None

### Element: Local Government Budget Management

#### Strategic objective: Annual targets

Strategic objective		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
16	Evaluate the responsiveness and implementation of the budget.	Municipal budgets tested for responsiveness	Municipal budgets tested for responsiveness	Municipal budgets tested for responsiveness	Municipal budgets tested for responsiveness	Municipal budgets tested for responsiveness against new set of criteria	Municipal budgets tested for responsiveness against new set of criteria	Municipal budgets tested for responsiveness against new set of criteria

#### Performance indicators: Annual targets

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
16.1	Review of efficacy in municipal prioritisation, spending and performance.	Assess municipal budgets for responsiveness	Assess municipal budgets for responsiveness	Assess municipal budgets for responsiveness	Assess municipal budgets for responsiveness Develop new set of criteria to assess the responsiveness and alignment of municipal budgets to IDP's	Assess municipal budgets for responsiveness against new set of criteria	Assess municipal budgets for responsiveness against new set of criteria	Assess municipal budgets for responsiveness against new set of criteria

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
16.2	Publication of the Socio Economic Review of Local Government (SEP-LG) for selected district municipalities.	Publish-ed SEP-LG for 5 districts and City of Cape Town by November 2006	Released Working Papers on 5 districts and City of Cape Town by June 2007	Planning and preparatory work for 2 district profiles – Cape Winelands and Eden	Publish a district SEP-LG for Eden and Cape Winelands	Update SEP-LG for Eden and Cape Winelands and publish SEP-LG for 2 additional districts	Update SEP-LG for four district municipalities and publish a SEPLG for an additional district	Update SEP-LG's for 5 district municipalities and publish an additional SEPLG for City of Cape Town
16.3	Evaluate the implementation of municipal budgets against set targets.	Over-view report and feedback on SDBIP, mid-year and Annual Report assessments	Over-view report and feedback on SDBIP, mid-year and Annual Report assessments	Over-view report and feedback on SDBIP, mid-year and Annual Report assessments	Overview report and feedback on SDBIP, mid-year and Annual Report assessments	Quarterly, bi-annual and annual reporting on the implementation of municipal budgets against set targets	Quarterly, bi-annual and annual reporting on the implementation of municipal budgets against set targets	Quarterly, bi-annual and annual reporting on the implementation of municipal budgets against set targets

### Quarterly targets for 2010/11

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
16.1	Review of efficacy in municipal prioritisation, spending and performance.	Annually	Assess municipal budgets for responsiveness against new set of criteria	Assess municipal budgets for responsiveness and recommendations made	Evaluate findings and provide feedback to Cabinet and relevant stakeholders	Implement and follow through of recommendations	Review, planning and preparatory work for 2011/12
16.2	Publication of the Socio Economic Review of Local Government (SEP-LG) for selected district municipalities.	Annually	Update SEP-LG for Eden and Cape Winelands and publish SEP-LG for 2 additional districts	Planning and preparatory work for SEP-LG 2010	Collecting and vetting of information	Update 2 district profiles and publish SEP-LG for 2 additional districts	Planning and preparatory work for district socio economic profiles (SEP-LG) 2011/12



Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
16.3	Evaluate the implementation of municipal budgets against set targets.	Quarterly and Annually	Quarterly, bi-annual and annual reporting on the implementation of municipal budgets against set targets	Planning and preparatory work	Assessment of SDBIP's and provide feedback	Monitoring and Evaluation	Monitoring and evaluation
				None	None	Review and assess criteria for evaluation of mid-year (current financial year) and annual reports (previous financial year)	Assessment of mid-year (current financial year) and annual reports (previous financial year)

### Sub-programme 2.4: Public Finance

#### Element: Provincial Government Finance

#### Strategic objective: Annual targets

Strategic objective		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
17	Evaluate the credibility and sustainability of the budget.	26 PG MTEC Assessment reports	26 PG MTEC Assessment reports	26 PG MTEC Assessment reports	26 PG MTEC Assessment reports	28 PG MTEC reports assessed against credibility criteria based on former trends	28 PG MTEC reports assessed against credibility criteria based on former trends and realistic input mix	28 PG MTEC reports assessed against credibility criteria based on former trends, realistic input mix and adequate funding streams
18	Monitor the implementation of the budget in terms of x-efficiency, financial prudence and fiscal discipline.	13 Monthly IYM reports and 4 Cabinet sub-missions	13 Monthly IYM reports and 4 Cabinet sub-missions	13 Monthly IYM reports and 4 Cabinet sub-missions	13 Monthly IYM reports and 4 Cabinet submissions	In year implementation of the budget assessed for fiscal discipline and x-efficiency on selected items	In year implementation of the budget assessed for fiscal discipline and x-efficiency on selected items and financial prudence	In year implementation of the budget assessed for fiscal discipline and x-efficiency on selected items and improved financial prudence

Strategic objective		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
19	Develop and capacitate departments and entities through the implementation of standards, knowledge sharing and training (internally and externally).	New PI	New PI	New PI	New PI	Develop standards for departments and entities i.t.o PFMA requirements	Develop standards for departments and entities i.t.o PFMA requirements	Develop standards for departments and entities i.t.o PFMA requirements

## Performance indicators: Annual targets

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
17.1	Number of sustainable and credible provincial budget assessments to ensure that it complies with the regulatory framework and is adequately funded.	26 PG MTEC assessment reports	26 PG MTEC assessment reports	26 PG MTEC assessment reports	26 PG MTEC assessment reports	28 PG MTEC assessment reports based on former trends	28 PG MTEC assessment reports based on former trends and realistic input mix	28 PG MTEC assessment reports based on former trends, realistic input mix and adequate funding streams
18.1	Number of IYM reports and the reporting thereof to the Provincial Cabinet in order to enhance x-efficiency, financial prudence and fiscal discipline in departments.	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	14 Monthly IYM reports and 4 Cabinet submissions assessing fiscal discipline and x-efficiency on selected items	14 Monthly IYM reports and 4 Cabinet submissions assessing improved fiscal discipline, x-efficiency on selected items and financial prudence	14 Monthly IYM reports and 4 Cabinet submissions assessing improved fiscal discipline, x-efficiency on selected items and improved financial prudence
19.1	Number of budget implementation standard operating procedures towards obtaining a level 3+ auditable level.	New	New	New	New	4 budget implementation standard operating procedures	Refine budget implementation standard operating procedures and issue any new	Refine budget implementation standard operating procedures and issue any new

PART B: PROGRAMME AND SUB-PROGRAMME PLANS

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
19.2	Assessment tool measuring the implementation of the WCGRB Act to promote good governance and optimising revenue.	New	New	New	New	Assessment tool measuring compliance and implementation	Implement and refine	Implement and possible further refinements

Quarterly targets for 2010/11

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
17.1	Number of sustainable and credible provincial budget assessments to ensure that it complies with the regulatory framework and is adequately funded.	Bi-annually	28 PGMTEC assessment reports based on former trends	None	1 <sup>st</sup> draft budgets submitted and 14 MTEC 1 assessments	2 <sup>nd</sup> Draft budgets submitted	14 MTEC 2 assessments  14 Benchmark Analysis reports  1 Estimates of Provincial Expenditure
18.1	Number of IYM reports and the reporting thereof to the Provincial Cabinet in order to enhance x-efficiency, financial prudence and fiscal discipline in departments.	Quarterly	14 Monthly IYM reports and 4 Cabinet submissions assessing fiscal discipline and x-efficiency on selected items	14 Monthly IYM reports and 1 Cabinet submission	14 Monthly IYM reports and 1 Cabinet submission	14 Monthly IYM reports and 1 Cabinet submission	14 Monthly IYM reports and 1 Cabinet submission
19.1	Number of budget implementation standard operating procedures.	Quarterly	4 budget implementation standard operating procedures	1 budget implementation standard operating procedure	1 budget implementation standard operating procedure	1 budget implementation standard operating procedure	1 budget implementation standard operating procedure

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
19.2	Assessment tool measuring the implementation of the WCGRB Act to promote good governance and optimising revenue.	Annually	Assessment tool measuring compliance and implementation	Planning and conceptualisation	Terms of reference developed	Pilot and testing	Full implementation

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

#### Strategic objective: Annual targets

Strategic objective		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
20	Evaluate the credibility and monitor the implementation of the budget.	New strategic objective	New strategic objective	New strategic objective	Assessed 30 budgets against pre-established criteria and developed a revised criteria for the next budget cycle	Assess 30 budgets against pre-established criteria and develop revised criteria for the next budget cycle	Assess 30 budgets against pre-established criteria and develop revised criteria for the next budget cycle	Assess 30 budgets against pre-established criteria and develop revised criteria for the next budget cycle
					Assessed 30 monthly IYMs against pre-established criteria and the developed revised criteria for the next budget cycle	Assess 30 monthly IYMs against pre-established criteria and develop revised criteria for the next budget cycle	Assess 30 monthly IYMs against pre-established criteria and develop revised criteria for the next budget cycle	Assess 30 monthly IYMs against pre-established criteria and develop revised criteria for the next budget cycle
21	Develop the functional ability of municipalities through the implementation of standards, knowledge sharing and training (internally and externally).	New strategic objective	New strategic objective	New strategic objective	Revenue and expenditure in line with MFMA and related policies as per the measurement tool	Revenue and expenditure in line with MFMA and related policies as per the measurement tool	Revenue and expenditure in line with MFMA and related policies as per the measurement tool	Revenue and expenditure in line with MFMA and related policies as per the measurement tool

**Performance indicators: Annual targets**

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
20.1	Municipal budgets assessed for sustainability, credibility and allocative efficiency.	30 LG MTEC 3 assessment reports	30 LG MTEC 3 assessment reports	30 LG MTEC 3 assessment reports	30 LG MTEC 3 assessment reports	30 LG MTEC 3 budget assessment reports assessed against the pre-established criteria and the development of the revised criteria for 2010/11	30 LG MTEC 3 budget assessment reports assessed against the pre-established criteria and the development of the revised criteria for 2011/12	30 LG MTEC 3 budget assessment reports assessed against the pre-established criteria and the development of the revised criteria for 2012/13
20.2	IYM reports assessed for x-efficiency, financial prudence and fiscal discipline.	30 monthly IYM reports and 4 Cabinet submissions	30 monthly IYM reports and 4 Cabinet submissions	30 monthly IYM reports and 4 Cabinet submissions	30 monthly IYM reports and 4 Cabinet submissions	Assess 30 monthly IYM reports and submit 4 quarterly reports to Cabinet	Assess 30 monthly IYM reports and submit 4 quarterly reports to Cabinet	Assess 30 monthly IYM reports and submit 4 quarterly reports to Cabinet
21.1	Roll-out of the 16 MFMA implementation priorities.	New strategic objective	New strategic objective	New strategic objective	New strategic objective	Revenue and expenditure in line with MFMA and related policies as per the measurement tool	Revenue and expenditure in line with MFMA and related policies as per the measurement tool	Revenue and expenditure in line with MFMA and related policies as per the measurement tool

## Quarterly targets for 2010/11

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
20.1	Municipal budgets assessed for sustainability, credibility and allocative efficiency.	Annually	30 LG MTEC 3 budget assessment reports assessed against the pre-established criteria and the development of the revised criteria for 2010/11	Application of the budget assessment criteria	Evaluation reports issued on budgets	Implementation of recommendations	Develop a revised criteria for the next budget cycle
20.2	IYM reports assessed for x-efficiency, financial prudence and fiscal discipline.	Quarterly	Assess 30 monthly IYM reports and submit 4 quarterly reports to Cabinet	Finalisation of the current financial year's IYM in terms of current criteria and the development of revised criteria	30 monthly IYM assessment reports in terms of the new criteria	30 monthly IYM assessment reports in terms of the new criteria	30 monthly IYM assessment reports in terms of the new criteria
21.1	Roll-out of the 16 MFMA implementation priorities.	Quarterly	Revenue and expenditure in line with MFMA and related policies as per the measurement tool	Assess legislative and policy driven revenue and expenditure	Assess legislative and policy driven revenue and expenditure	Assess legislative and policy driven revenue and expenditure	Assess legislative and policy driven revenue and expenditure and develop revised assessment criteria for the measurement tool

## Reconciling performance targets with the Budget and MTEF

## Expenditure estimates

Table 3 Sustainable Resource Management

Sub-programme R'000	Outcome			Main appro- piation 2009/10	Adjusted appro- piation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
1. Programme Support	1 742	1 475	1 605	2 878	2 638	2 473	3 247	31.30	3 452	3 679
2. Fiscal Policy	1 163	230	662	1 813	3 072	2 954	3 895	31.86	4 159	4 413
3. Budget Management	9 746	10 478	8 974	12 372	11 155	11 224	13 582	26.65	14 684	15 757
Provincial Government Budgets				8 537	7 305	7 374	8 154	10.58	8 733	9 310
Local Government Budgets				3 835	3 850	3 850	5 428	40.99	5 951	6 447
4. Public Finance	8 681	9 357	10 105	16 532	19 112	19 213	26 539	38.13	28 313	30 094
Provincial Government Finance	4 553	3 432	3 157	5 336	10 262	10 363	14 062	35.69	14 964	15 881
Local Government Finance: Group 1	4 128	5 925	6 948	6 431	4 756	4 756	7 402	55.63	7 899	8 403
Local Government Finance: Group 2				4 765	4 094	4 094	5 075	23.96	5 450	5 810
<b>Total payments and estimates</b>	<b>21 332</b>	<b>21 540</b>	<b>21 346</b>	<b>33 595</b>	<b>35 977</b>	<b>35 864</b>	<b>47 263</b>	<b>31.78</b>	<b>50 608</b>	<b>53 943</b>

Economic classification R'000	Outcome			Main appro- piation 2009/10	Adjusted appro- piation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
<b>Current payments</b>	21 069	21 478	21 296	33 595	35 932	35 819	47 263	31.95	50 608	53 943
Compensation of employees	14 931	16 544	17 153	25 854	22 478	21 987	28 234	28.41	30 357	32 437
Goods and services	6 138	4 934	4 143	7 741	13 454	13 832	19 029	37.57	20 251	21 506
<b>Transfers and subsidies to</b>	7		50							
Provinces and municipalities	7									
Non-profit institutions			50							
<b>Payments for capital assets</b>	256	62								
Machinery and equipment	219	62								
Software and other intangible assets	37									
<b>Payments for financial assets</b>					45	45		(100.00)		
<b>Total economic classification</b>	<b>21 332</b>	<b>21 540</b>	<b>21 346</b>	<b>33 595</b>	<b>35 977</b>	<b>35 864</b>	<b>47 263</b>	<b>31.78</b>	<b>50 608</b>	<b>53 943</b>

### **Performance and expenditure trends**

Since 2005/06 no transfers have been made to the Western Cape Gambling and Racing Board due to them becoming self-sufficient as well as over the 2010/11 MTEF period. Over the period of 2006/07 to 2009/10 (revised estimate) the programme increased from a base of R21.332 million to R35.864 million indicating an average nominal growth of 18.9 per cent per annum. This increase is due to the increased responsibilities relating to the implementation of the Municipal Finance Management Act (MFMA). From 2009/10 and over the new MTEF period the allocations will increase from a base of R35.864 million in 2009/10 (revised estimate) to R53.943 million in 2012/13 with an average annual nominal growth of 14.6 per cent. This increase is due to the additional funding received for the transversal performance audits being conducted by the AGSA across a number of provincial departments and the initiatives aimed at increasing provincial revenue starting with gambling taxes and for a step up in the review of the national fiscal transfer system to provinces.



## **6. Programme 3 – Assets and Liabilities Management**

### **Programme description**

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.

### **Programme structure**

The Programme currently consists of the following sub-programmes:

#### **Sub-programme 3.1: Programme support**

This sub-programme houses the head of the branch: Governance and Asset Management (who is responsible for programmes 3 and 4) and the chief director responsible for this programme. It also provides resources for the structured training and development of the staff in the programme.

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

##### **Element: Moveable Asset Management**

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

The Movable Asset Management section is responsible for the enforcement of SCM requirements, respectively in terms of the PFMA and the MFMA and their regulations, to assist, guide and issue best practice guidelines to provincial departments, entities and municipalities and to investigate any system of control or financial management from a SCM perspective. This means engaging provincial departments, entities and municipalities on the implementation of SCM and conducting compliance/capacity assessments.

Within the Province, it also implies implementation of asset management requirements, developing Provincial Treasury instructions for SCM and facilitating the arrangements of transversal contracts. The unit also facilitates initiatives and drives policy towards supplier development and preferential procurement initiatives.

##### **Element: Immovable Asset Management**

Purpose: increase the level of infrastructure delivery to a level 3+ financial capability rating (departments of Education, Health, Transport and Public Works and selected municipalities) and the sound management of PPP projects.

The Immovable Asset Management section is responsible for assessing of infrastructure budgets and infrastructure plans, monitoring and enhancing infrastructure spending performance of designated departments (Education, Health, Transport and Public Works) and championing infrastructure delivery improvement processes in these departments.

This section is also responsible for advising municipalities on immovable asset management and statutory infrastructure reporting, providing views on the infrastructure components of the draft

municipal budgets, monitoring infrastructure spending performance of municipalities and piloting infrastructure delivery business improvement processes in selected municipalities.

The Public-Private Partnership (PPP) section is, amongst other, responsible for advising and assisting provincial departments and municipalities on PPP projects and monitoring of PPP projects.

### **Sub programme 3.3: Liabilities Management**

Purpose: monitor and evaluate cash flow and investment management so that it is sustainable and credible and will enhance service delivery and improve liquidity in departments and municipalities.

The Investments section is responsible for the investment of provincial funds, which are not immediately required to defray expenditure, at reputable financial institutions in accordance with an approved investment policy.

The Cash Flow Management section is responsible for controlling the Provincial Revenue Fund and the prudent management of cash by departments. The section also provides assistance to municipalities conducting cash flow management assessments to improve liquidity.

### **Sub programme 3.4: Supporting and Interlinked Financial Systems**

Purpose: Management, utilisation and implementation of financial systems to achieve a level 3+ financial capability rating within provincial departments and selected entities.

The Operations and Implementation section is responsible for the day to day management of transversal systems (currently BAS, LOGIS and PERSAL), utilised by all departments as well as the Provincial Parliament. In addition, this section is also responsible for providing and maintaining user access control to all transversal financial systems.

The User Support section is responsible for providing assistance and support to system users, while the Training section is responsible for the training of a target market of approximately 7 000 employees in all aspects of the systems to ensure its proper utilisation and management.

### Sub-Programme 3.1: Programme Support

#### Strategic objective: Annual targets

Strategic objective		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
22	Build competencies and enhance and maintain the delivery of the programme.	New strategic objective	New strategic objective	New strategic objective	Implement systems and standards	Review and maintain systems and standards	Maintain systems and standards	Maintain systems and standards
					Development of a narrative report on delivery for each sub-programme	Operational plan in line with APP in place and monitored for delivery	Operational plan in line with APP in place and monitored for delivery	Operational plan in line with APP in place and monitored for delivery
					Early steps for bespoke training in line with competency framework for units	Tailored development plan for each staff member	Tailored and assessed development plan for each staff member	Tailored and assessed development plan for each staff member

#### Performance indicators: Annual targets

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
22.1	Co-ordinate and maintain the correspondence for the programme in line with set standards.	New PI	New PI	New PI	New PI	Develop and implement a set of standards	Review and maintain the set of standards	Review and maintain the set of standards
22.2	Establishment of a culture of communication and transparency.	New PI	New PI	New PI	Monthly interactive meetings with staff and support services	Implement the PT communication strategy by means of regular staff meetings	Maintain communication by means of monthly meeting	Maintain communication by means of monthly meeting

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
22.3	Development of an operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of delivery.	New PI	New PI	New PI	Development of a narrative report on delivery for each sub-programme	Develop and maintain operational plan	Update and maintain operational plan	Update and maintain operational plan
22.4	Composition and implementation of a bespoke development plan for each staff member in line with competency requirements for each unit.	New PI	New PI	New PI	Early steps for bespoke training in line with competency framework for units	Training plan in place to raise competency levels of staff	Update and maintain training plan	Update and maintain training plan

### Quarterly targets for 2010/11

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
22.1	Co-ordinate and maintain the correspondence for the programme in line with set standards.	Annually	Develop and implement a set of standards	Develop a set of standards	Test standards with sub-programmes	Implement the set of standards	Maintain the set of standards
22.2	Establishment of a culture of communication and transparency.	Quarterly	Implement the PT communication strategy by means of regular staff meetings	Analyse requirements and implement	Implement and monitor adequacy of communication and transparency	Implement and monitor adequacy of communication and transparency	Implement and monitor adequacy of communication and transparency

PART B: PROGRAMME AND SUB-PROGRAMME PLANS

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
22.3	Development of an operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of delivery.	Quarterly	Develop and maintain operational plan	Operational plan designed, implemented and monitored plus remedial steps instituted	Operational implemented and monitored plus remedial steps instituted	Operational implemented and monitored plus remedial steps instituted	Evaluation of year's performance and composition of new operational plan for following financial year
22.4	Composition and implementation of a bespoke development plan for each staff member in line with competency requirements for each unit.	Quarterly	Training plan in place to raise competency levels of staff	Bespoke staff development and annual training plan	Development and training plan implemented and monitored	Development and training plan implemented and monitored	Development and training plan assessed for results

**Sub-Programme 3.2: Asset Management****Element: Movable Asset Management: Provincial Government****Strategic objective: Annual targets**

Strategic objective		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
23	Determine policy to drive, assess and assist departments in the attainment of building capacity, ensuring integrity of data, enforcing transparency and accountability, balancing commercial imperatives with social responsibility and addressing economies of scale and value for money for supply chain and moveable assets.	New Strategic Objective	New Strategic objective	New Strategic Objective	New Strategic Objective	50% of the 13 departments attaining a level 3 financial capability	80% of the 13 departments attaining a level 3+ financial capability	100% of the 13 departments attaining a level 3+ financial capability

**Performance indicators: Annual targets**

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
23.1	Developing capacity for SCM and Moveable Assets within departments to operate at a level 3+ financial capability.	New PI	New PI	New PI	New PI	Develop and implement a SCM helpdesk to deal with SCM opinions, assistance and guidance	Maintain helpdesk to be fully effective	Maintain helpdesk to be fully effective
					12 SCM capacity assessments	13 SCM capacity assessments	13 SCM capacity assessments	13 SCM capacity assessments
					2 bespoke SCM training Interventions	5 bespoke SCM training Interventions	7 bespoke SCM training Interventions	9 bespoke SCM training Interventions
					Monthly Publication of SCM article on PT website to create SCM awareness	Monthly Publication of SCM article on PT website to create SCM awareness	Monthly Publication of SCM article on PT website to create SCM awareness	Monthly Publication of SCM article on PT website to create SCM awareness

PART B: PROGRAMME AND SUB-PROGRAMME PLANS

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
					4 quarterly risk log & dashboard reports for Moveable Asset Management	4 quarterly risk log & dashboard reports for Moveable Asset Management	4 quarterly risk log & dashboard reports for Moveable Asset Management	4 quarterly risk log & dashboard reports for Moveable Asset Management
					3 Moveable Asset Management training Interventions	3 Moveable Asset Management training Interventions	4 Moveable Asset Management training Interventions	4 Moveable Asset Management training interventions
23.2	Enforcing good governance practices and thereby ensuring integrity of data, transparent systems and accountability for SCM and Moveable Asset Management.	New PI	New PI	New PI	New PI	Develop and implement an E-capturing tool for bids awarded by departments	Tool implemented and maintained	Tool maintained
		New PI	New PI	New PI	Monthly Publication of awarded provincial bids on the PT website	Monthly Publication of awarded provincial bids on the PT website	Monthly Publication of awarded provincial bids on the PT website	Monthly Publication of awarded provincial bids on the PT website
					New PI	Refine and align the Province's supplier database to current policy and legislative requirements for SCM	Maintenance of a credible supplier database	Maintenance of a credible supplier database
					Refinement of the current EPSi ensure credible reporting and efficiency gains	Refine the current EPSi to ensure credible reporting and efficiency gains	Maintain an efficient and effective E-procurement tool for quotations	Maintain an efficient and effective E-procurement tool for quotations
					New PI	13 Departmental EPSi and Supplier Database Interventions	13 Departmental EPSi and Supplier Database Interventions	13 Departmental EPSi and Supplier Database Interventions
					4 Quarterly Procurement Statistics reports	4 Quarterly Procurement Statistics reports	4 Quarterly Procurement Statistics reports	4 Quarterly Procurement Statistics reports

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
					Development and Implementation of a generic AO's System	Generic AO System Implemented and identification of departmental bespoke requirements	Review and refine of the generic AO System and identification of departmental bespoke requirements	Implement and maintain the refined AO System.
					Developed AO system assessment tool and risk mitigation framework for utilisation	4 policy assessments against generic framework and bespoke requirements	4 policy assessments against generic framework and bespoke requirements	4 policy assessments against generic framework and bespoke requirements
					12 Moveable Asset Management verification assessments	13 Moveable Asset Management verification assessments	13 Moveable Asset Management verification assessments	13 Moveable Asset Management verification assessments
23.3	Developing a strategy and initiatives to enhance relationships with BEE and SMME vendors in support of preferential procurement imperatives.	New PI	New PI	New PI	Develop a strategy for provincial supplier development	Implement and refine strategy	Maintain strategy	Maintain strategy
					1 supplier open day	2 supplier open days	2 supplier open days	2 supplier open days
23.4	Implementing transversal contract model that gives effect to economies of scale and value for money.	New PI	New PI	New PI	New PI	Develop and implement a strategic Sourcing Model for the Province and identify transversal contracts responsive to provincial needs	Model fully implemented and refined and transversal contracts identified and procured	Model continually refined and sustained and transversal contracts managed and continually identified, procured and managed



## Quarterly targets for 2010/11

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
23.1	Developing capacity for SCM and Moveable Assets within departments to operate at a level 3+ financial capability.	Annually	Develop and implement a SCM helpdesk to deal with SCM opinions, assistance and guidance	Plan and draft framework	Develop and refine framework	Refine framework	Implement and maintain framework for helpdesk
		Quarterly	13 SCM capacity assessments	3 capacity assessments	4 capacity assessments	3 capacity assessments	3capacity assessments
		Quarterly	5 bespoke SCM training Interventions	None	2 training Intervention	2 training Intervention	1 training Intervention
		Quarterly	Monthly Publication of SCM article on PT website to create SCM awareness.	3 Articles	3Articles	3Articles	3 Articles
		Quarterly	4 quarterly risk log & dashboard reports for Moveable Asset Management	1 quarterly report	1 quarterly report	1 quarterly report	1 quarterly report
		Quarterly	3 Moveable Asset Management training interventions	None	1 training Intervention	1 training Intervention	1 training Intervention
23.2	Enforcing good governance practices and thereby ensuring integrity of data, transparent systems and accountability for SCM and Moveable Asset Management.	Annually	Develop and implement an E - capturing tool for bids awarded by departments	Plan and procurement of tool	Implement and refine tool	Refine tool further	Tool fully operational and maintain continually
		Quarterly	Monthly Publication of awarded provincial bids on the PT website	3 Publications	3 Publications	3 Publications	3 Publications
		Annually	Refine and align the Province's supplier database to current policy and legislative requirements for SCM	Plan and develop	Implement and refine	Implement, maintain and refine	Fully effective database which is continually refined and maintained
		Annually	Refine the current EPSi to ensure credible reporting and efficiency gains	Plan and develop	Implement and refine	Implement, maintain and refine	Fully effective EPSi which is continually refined and maintained

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
		Quarterly	13 Departmental EPSi and Supplier Database interventions	3 interventions	4 interventions	3 interventions	3 interventions
		Quarterly	4 Quarterly Procurement Statistics reports	1 quarterly report	1 quarterly report	1 quarterly report	1 quarterly report
		Annually	Generic AO System Implemented and identification of departmental bespoke requirements	Plan and implement programme	Implement and identify and the verification of bespoke requirements with departments	Implement and refine	Generic AO system fully implemented and departmental bespoke requirements identified and included in policy
		Quarterly	4 policy assessments against generic framework and bespoke requirements	None	1 policy review	2 policy reviews	1 policy review
		Quarterly	13 Moveable Asset Management verification assessments	3 assessments	4 assessments	3 assessments	3 assessments
23.3	Developing a strategy and initiatives to enhance relationships with BEE and SMME vendors in support of preferential procurement imperatives.	Quarterly	Implement and refine strategy	Plan and draft strategy	Develop and refine	Refine	Implement and maintain model
		Quarterly	2 supplier open days	None	1 supplier open day	1 supplier open day	None
23.4	Implementing transversal contract model that gives effect to economies of scale and value for money.	Quarterly	Develop and implement a strategic Sourcing Model for the Province and identify transversal contracts responsive to provincial needs	Develop model	Refine model	Refine and maintain model and complete the provincial spending analysis and market trends	Implement and maintain model and identify transversal contracts

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

Strategic objective		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
24	Determine policy to drive, assess and assist municipalities in the attainment of building capacity, ensuring integrity of data, enforcing transparency and accountability for supply chain and moveable assets.	New Strategic Objective	New Strategic Objective	New Strategic Objective	New Strategic Objective	50% of the 28 municipalities attaining a level 3 financial capability	80% of the 28 municipalities attaining a level 3+ financial capability	100% of the 28 municipalities attaining a level 3+ financial capability

**Performance indicators: Annual targets**

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
24.1	Developing capacity for SCM and Moveable Assets within municipalities to operate at a level 3+ financial capability.	New PI	New PI	New PI	New PI	Develop and implement an SCM helpdesk to deal with SCM opinions assistance and guidance	Maintain helpdesk to be fully effective	Maintain helpdesk to be fully effective
					7 SCM Compliance assessments	7 SCM Compliance assessments	8 SCM Compliance assessments	10 SCM Compliance assessments
					2 SCM Interventions	6 Bespoke SCM training interventions	8 Bespoke SCM training interventions	10 Bespoke SCM training interventions
					New PI	Develop and implement a moveable asset management assessment tool for municipalities	Refine and maintain assessment tool	Fully maintained and continually refined to National Treasury requirements
					New PI	4 Moveable Asset Management assessments	6 Moveable Asset Management assessments	8 Moveable Asset Management assessments
					New PI	2 Moveable Asset training interventions	5 Moveable Asset interventions	10 Moveable Asset interventions

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
24.2	Enforce good governance practices thereby ensuring integrity of data transparent systems and accountability for SCM and Moveable Asset Management.	New PI	New PI	New PI	New PI	Develop and implement a plan for the SCM Model Policy	Adopt 28 SCM policies aligned to model policy and continuous refinement	Maintain 28 SCM policies which are continually refined and approved by Council
					New PI	8 SCM policy assessed against model policy framework	10 SCM policy assessed against model policy framework	10 SCM policy re-assessed against model policy framework
					4 Quarterly SCM reports on bid awards; disposal of immovable property, policy implementation and institutionalisation of SCM	4 Quarterly SCM reports on bid awards; disposal of immovable property, policy implementation and institutionalisation of SCM	4 Quarterly SCM reports on bid awards; disposal of immovable property, policy implementation and institutionalisation of SCM	4 Quarterly SCM reports on bid awards; disposal of immovable property, policy implementation and institutionalisation of SCM

### Quarterly targets for 2010/11

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
24.1	Developing capacity for SCM and Moveable Assets within municipalities to operate at a level 3+ financial capability.	Annually	Develop and implement an SCM helpdesk to deal with SCM opinions assistance and guidance	Plan and draft framework	Develop and refine	Refine	Implement and maintain framework for helpdesk
		Quarterly	7 SCM Compliance assessments	2 assessment	2 assessments	2 assessments	1 assessments
		Quarterly	6 Bespoke SCM training interventions	1 training intervention	2 training intervention	2 training intervention	1 training intervention
		Annually	Develop and implement a moveable asset management assessment tool for municipalities	Plan and draft tool	Develop and refine	Refine and maintain	Tool Implemented and continually maintained

PART B: PROGRAMME AND SUB-PROGRAMME PLANS

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
		Quarterly	4 Moveable Asset Management assessments	None	1 assessment	2 assessment	1 assessment
		Quarterly	2 Moveable Asset training interventions	None	1 training intervention	1 training intervention	None
24.2	Enforced good governance practices thereby ensuring integrity of data transparent systems and accountability for SCM and Moveable Asset Management.	Annually	Develop and implement a plan for the SCM Model Policy	Plan and development	Implement and maintain	Implement and maintain	Implement and maintain
		Quarterly	8 SCM policy assessed against model policy framework	None	3 policy assessments	3 policy assessments	2 policy assessments
		Quarterly	4 Quarterly SCM reports on bid awards; disposal of immoveable property, policy implementation and institutionalisation of SCM	1 quarterly report	1 quarterly report	1 quarterly report	1 quarterly report

**Element: Immovable Asset Management****Strategic objective: Annual targets**

Strategic objective		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
25.	Entrenching built-environment business principles and processes for effective infrastructure delivery that is aligned and contributes to optimal utilisation of government immovable assets.	New strategic objective	New strategic objective	New strategic objective	Assessment tools developed to assess capacity of departments to deliver infrastructure	Gap assessments in three sector departments and feedback to departments	Gap assessments in three sector departments and feedback to departments	Gap assessments in three sector departments and feedback to departments
					Assessment on infrastructure plans conducted and feedback provided to three departments	Assessment on infrastructure plans conducted and feedback provided to three departments	Assessment on infrastructure plans conducted and feedback provided to three departments	Assessment on infrastructure plans conducted and feedback provided to three departments
					New strategic objective	Pilot in three municipalities	Consolidate in three municipalities	Roll-out to three new municipalities
					Develop a good governance assessment tool and pilot on one PPP project	Roll-out assessment on two PPP projects	Roll-out assessment on three PPP projects	Roll-out assessment on four PPP projects

## Performance indicators: Annual targets

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
25.1	Infrastructure planning processes and procedures compliant to the Infrastructure Development Improvement Programme (IDIP).	Revised PI	Revised PI	Revised PI	Assessment tools developed to assess capacity of departments to deliver infrastructure	Gap assessment on infrastructure delivery conducted at Health, Education and Public Works	Gap assessment on infrastructure delivery conducted at Health, Education and Public Works	Gap assessment on infrastructure delivery conducted at Health, Education and Public Works
					Assessment on infrastructure plans conducted and feedback provided to three departments	Assessment on infrastructure plans conducted and feedback provided to three departments	Assessment on infrastructure plans conducted and feedback provided to three departments	Assessment on infrastructure plans conducted and feedback provided to three departments
					8 IDIP effectiveness reports. (Education and Health)	8 IDIP effectiveness reports. (Education and Health)	12 IDIP effectiveness reports. (Education, Health and Public Works)	16 IDIP effectiveness reports. (Education, Health, Public Works and Roads)
25.2	Infrastructure Expenditure Reports of Education, Public Works and Health are compliant to Division of Revenue Act (DORA).	100%	100%	100%	12 Infrastructure Expenditure data files (Education; Health; Roads and Transport; and Public Works assessed for compliance to Division of Revenue Act (DORA) and feedback provided to departments	12 Infrastructure Expenditure data files (Education; Health; Roads and Transport; and Public Works) assessed for compliance to Division of Revenue Act (DORA) and feedback provided to departments	12 Infrastructure Expenditure data files (Education; Health; Roads and Transport; and Public Works assessed for compliance to Division of Revenue Act (DORA) and feedback provided to departments	12 Infrastructure Expenditure data files (Education; Health; Roads and Transport; and Public Works assessed for compliance to Division of Revenue Act (DORA) and feedback provided to departments
25.3	Phased roll-out of IDIP to municipalities.	Revised PI	Revised PI	Revised PI	Identified three municipalities	Pilot in three municipalities	Consolidate in three municipalities	Roll-out to three new municipalities

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
25.4	Promote compliance of Departmental User Asset Management Plans, in terms of GIAMA guidelines, in collaboration with Public Works.	New PI	New PI	New PI	New PI	U-AMPS assessment conducted on six departments and one C-AMP assessment	U-AMPS assessment conducted on fourteen departments and one C-AMP assessment	U-AMPS assessment conducted on fourteen departments and one C-AMP assessment
25.5	Development and implementation of an assessment and remedial action model for closed PPP deals (bi-annual assessments).	New PI	New PI	New PI	Model developed, refined and piloted on PPP project	Model fully implemented and applied to all closed PPP deals (two projects)	Model fully implemented and applied to all closed PPP deals (three projects)	Model fully implemented and applied to all closed PPP deals (four projects)

#### Quarterly targets for 2010/11

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
25.1	Infrastructure planning processes and procedures compliant to Infrastructure Development Programme (IDIP).	Quarterly	Gap assessment on infrastructure delivery conducted at Health, Education and Public Works	Gap assessment on infrastructure delivery conducted at Education	Gap assessment on infrastructure delivery conducted at Health,	Gap assessment on infrastructure delivery conducted at Public Works (Education)	Gap assessment on infrastructure delivery conducted at Public Works (Health)
		Annually	Assessment on infrastructure plans conducted and feedback provided to three departments	None	None	Three Assessment reports (Education, Health and Transport and Public Works)	None
		Quarterly	8 IDIP effectiveness reports. (Education and Health)	Two reports	Two reports	Two reports	Two reports



PART B: PROGRAMME AND SUB-PROGRAMME PLANS

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
25.2	Infrastructure Expenditure Reports of Education, Public Works and Health are compliant to Division of Revenue Act (DORA).	Quarterly	12 Infrastructure Expenditure data files (Education; Health; Roads and Transport; and Public Works assessed for compliance to Division of Revenue Act (DORA) including feedback to departments	3 Infrastructure Expenditure data files (Education; Health; Roads and Transport; and Public Works) assessed for compliance to Division of Revenue Act (DORA) including feedback to departments	3 Infrastructure Expenditure data files (Education; Health; Roads and Transport; and Public Works) assessed for compliance to Division of Revenue Act (DORA) including feedback to departments	3 Infrastructure Expenditure data files (Education; Health; Roads and Transport; and Public Works) assessed for compliance to Division of Revenue Act (DORA) including feedback to departments	3 Infrastructure Expenditure data files (Education; Health; Roads and Transport; and Public Works) assessed for compliance to Division of Revenue Act (DORA) including feedback to departments
25.3	Phased roll-out of IDIP to municipalities.	Quarterly	3 municipalities	Service providers appointed	3 progress reports	3 progress reports	3 progress reports
25.4	Promote compliance of Departmental User Asset Management Plans, in terms of GIAMA guidelines, in collaboration with Public Works.	Quarterly	U-AMPS assessment conducted on six departments and one C-AMP assessment	None	2 departments	2 departments	2 departments plus C-AMP
25.5	Development and implementation of an assessment and remedial action model for closed PPP deals (bi-annual assessments).	Quarterly	4 assessments reports	1 assessment report	1 assessment report	1 assessment report	1 assessment report

**Sub-Programme 3.3: Liabilities Management****Strategic objective: Annual targets**

Strategic objective		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
26	Cash Flow management improvement of provincial departments to achieve a level 3+ financial management capability.	Revised strategic objective	Revised strategic objective	Revised strategic objective	3 departments achieving a level 3+ auditable rating	6 departments achieving a level 3+ auditable rating	13 departments achieving a level 3+ auditable rating	13 departments achieving a level 3+ auditable rating
27	Monitoring and evaluation of cash flow and investment management that is sustainable and credible to enhance service delivery and improve liquidity in municipalities.	New strategic objective	New strategic objective	New strategic objective	All municipalities	All municipalities	All municipalities	All municipalities

**Performance indicators: Annual targets**

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
26.1	Alignment of departmental expenditure to departmental receipts in accordance with an approved Provincial Treasury payment schedule.	Revised PI	Revised PI	Revised PI	All provincial departments	All provincial departments	All provincial departments	All provincial departments
26.2	Accessibility to a fully operational helpdesk managed by skilled staff with a 24 hour turnaround time.	Revised PI	Revised PI	Revised PI	Resolve within a 24 hour turnaround time except calls registered with Official Banker	Resolve within a 24 hour turnaround time except calls registered with Official Banker	Resolve within a 24 hour turnaround time except calls registered with Official Banker	Resolve within a 24 hour turnaround time except calls registered with Official Banker

PART B: PROGRAMME AND SUB-PROGRAMME PLANS

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
26.3	Number of authorised official bankers' system users appropriately trained in accordance with their system profiles.	Revised PI	Revised PI	Revised PI	Revised PI	100% of target market (approx. 80 officials) trained to the required standard.	100% of target market (approx. 80 officials) trained to the required standard.	100% of target market (approx. 80 officials) trained to the required standard.
26.4	Number of departments/institutions assisted, supported and assessed regarding the performing of bank reconciliations on a daily basis in accordance with NTR 15.10.1.2.(j) and monthly bank reconciliations in accordance with the PT Cash Management Framework.	Revised PI	Revised PI	Revised PI	Revised PI	All departments/institutions	All departments/institutions	All departments/institutions
26.5	Interest rate obtained on investments over 30 days, made in accordance with an approved investment policy	Prime rate minus 4%	Prime rate minus 4%	Prime rate minus 4%	Prime rate minus 4%	Prime rate minus 3,75%	Prime rate minus 3,75%	Prime rate minus 3,75%
27.1	Provision of user support guidance and training in accordance with the PT developed Cash Management Framework.	Revised PI	Revised PI	Revised PI	All municipalities	All municipalities	All municipalities	All municipalities
27.2	Assessment of monthly (IYM) in terms of Section 71 of the MFMA.	Revised PI	Revised PI	Revised PI	All municipalities	All municipalities	All municipalities	All municipalities

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
27.3	Assessment and advice on external borrowings in terms of Section 46 of the MFMA.	Revised PI	Revised PI	Revised PI	All municipalities	All municipalities	All municipalities	All municipalities
27.4	Provision of support and guidance on the implementation of the borrowings assessment framework developed by PT.	Revised PI	Revised PI	Revised PI	All municipalities	All municipalities	All municipalities	All municipalities

#### Quarterly targets for 2010/11

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
26.1	Alignment of Departmental expenditure to Departmental receipts in accordance with an approved Provincial Treasury payment schedule.	Quarterly	All provincial departments	All provincial departments	All provincial departments	All provincial departments	All provincial departments
26.2	Accessibility to a fully operational helpdesk managed by skilled staff with a 24 hour turnaround time.	Quarterly	Resolved with a 24 hour turnaround time except calls registered with Official Banker	Resolved with a 24 hour turnaround time except calls registered with Official Banker	Resolved with a 24 hour turnaround time except calls registered with Official Banker	Resolved with a 24 hour turnaround time except calls registered with Official Banker	Resolved with a 24 hour turnaround time except calls registered with Official Banker
26.3	Number of authorised official bankers system users appropriately trained in accordance with their system profiles.	Quarterly	100% of target market (approx. 80 officials) trained to the required standard	40% of target market (approx. 32 officials) trained to the required standard	60% of target market (approx. 48 officials) trained to the required standard	80% of target market (approx. 64 officials) trained to the required standard	100% of target market (approx. 80 officials) trained to the required standard

PART B: PROGRAMME AND SUB-PROGRAMME PLANS

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
26.4	Number of departments/ institutions assisted, supported and assessed regarding the performing of bank reconciliations on a daily basis in accordance with NTR 15.10.1.2.(j) and monthly bank reconciliations in accordance with the PT Cash Management Framework.	Quarterly	All departments/ institutions	All departments/ institutions	All departments/ institutions	All departments/ institutions	All departments/ institutions
26.5	Interest rate obtained on investments over 30 days, made in accordance with an approved investment policy.	Quarterly	Prime rate minus 3,75%	Prime rate minus 3,75%	Prime rate minus 3,75%	Prime rate minus 3,75%	Prime rate minus 3,75%
27.1	Provision of user support guidance and training in accordance with the PT developed Cash Management Framework.	Quarterly	All municipalities	10 municipalities (33%)	15 municipalities (50%)	20 municipalities (67%)	30 municipalities (100%)
27.2	Assessment of monthly (IYM) in terms of Section 71 of the MFMA.	Quarterly	All municipalities	All municipalities	All municipalities	All municipalities	All municipalities
27.3	Assessment and advice on external borrowings in terms of Section 46 of the MFMA.	Quarterly	All municipalities	All municipalities	All municipalities	All municipalities	All municipalities

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
27.4	Provision of support and guidance on the implementation of the borrowings assessment framework developed by PT.	Quarterly	All municipalities	All municipalities	All municipalities	All municipalities	All municipalities

### Sub-Programme 3.4: Support and Interlinked Financial Systems

#### Strategic objective: Annual targets

Strategic objective		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
28	Financial system management improvement to achieve a level 3+ financial management capability.	Revised strategic objective	Revised strategic objective	Revised strategic objective	1 department achieving a level 3+ auditable rating	3 departments achieving a level 3+ auditable rating	6 departments achieving a level 3+ auditable rating	9 departments achieving a level 3+ auditable rating

#### Performance indicators: Annual targets

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
28.1	Number of authorised system users appropriately trained in accordance with their system profiles.	1 400 officials	1 769 officials	1 597 officials	1 400 officials	25% of target market (approx. 1 400 officials) trained to the required standards	50% of target market (approx. 2 800 officials) trained to the required standards	75% of target market (approx. 4 200 officials) trained to the required standards
28.2	The development and integration of PT training service providers to preset standards.	1 training service provider	1 training service provider	1 training service provider	1 training service provider	3 service providers meets standards	4 service providers meets standards	5 service providers meets standards

PART B: PROGRAMME AND SUB-PROGRAMME PLANS

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
28.3	Provision of a central System Controller function to all departments/institutions to predetermined criteria.	None	None	None	None	All departments/institutions excluding Provincial Parliament	All departments/institutions excluding Provincial Parliament	All departments/institutions excluding Provincial Parliament
28.4	Accessibility to management and detailed information extracted from auditor downloads that meets management requirements.	None	None	None	Roll out to 1 pilot department	Roll out to all provincial departments and Provincial Parliament	Roll out to all provincial departments and Provincial Parliament	Roll out to all provincial departments and Provincial Parliament
28.5	Accessibility to a fully operational helpdesk managed by skilled staff to resolve all queries within a 24 hour turnaround time.	13 departments within a 24 hour turnaround time	13 departments within a 24 hour turnaround time	13 departments within a 24 hour turnaround time	All queries resolved within a 24 hour turnaround time except calls registered with NT (LOGIK)	All queries resolved within a 24 hour turnaround time except calls registered with NT (LOGIK)	All queries resolved within a 24 hour turnaround time except calls registered with NT (LOGIK)	All queries resolved within a 24 hour turnaround time except calls registered with NT (LOGIK)
28.6	Successful implementation of new enhancements within 10 days after release.	Roll out within 10 working days after release	Roll out within 10 working days after release	Roll out within 10 working days after release	Roll out within 10 working days after release	Target met within established criteria	Target met within established criteria	Target met within established criteria
28.7	PERSAL data verified, maintained and updated for predetermined fields and standards.	None	None	None	Verification tool tested at 3 pilot departments	Roll out to 9 departments	All departments	All departments

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
28.8	Implementation of the asset management system as part of the Integrated Financial Management Solutions (IFMS), enhancing compliance with the PFMA and other relevant legislation.	None	None	None	New indicator	100% roll out to 8 pilot departments/institutions	100% roll out to 40 departments/institutions	100 % roll out to 94 departments/institutions
28.9	Implementation of the procurement system as part of the Integrated Financial Management Solutions (IFMS), enhancing compliance with the PFMA and other relevant legislation.	None	None	None	None	100% roll out to 4 pilot departments/institutions	100% roll out to 44 departments/institutions	100% roll out to 94 departments/institutions

#### Quarterly targets for 2010/11

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
28.1	Number of authorised system users appropriately trained in accordance with their system profiles.	Quarterly	25% of target market (approx. 1 400 officials) trained to the required standards	6,25% of target market (approx. 1 400 officials) trained to the required standards	7,50% of target market (approx. 1 400 officials) trained to the required standards	6,25% of target market (approx. 1 400 officials) trained to the required standards	5% of target market (approx. 1 400 officials) trained to the required standards
28.2	The development and integration of PT training service providers to preset standards.	Bi-annually	3 service providers meets standards	None	2 service providers meets standards	None	3 service providers meets standards



PART B: PROGRAMME AND SUB-PROGRAMME PLANS

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
28.3	Provision of a central System Controller function to all departments/ institutions to predetermined criteria.	Quarterly	All departments/ institutions excluding Provincial Parliament	8 departments/ institutions	10 departments/ institutions	15 departments/ institutions	58 departments/ institutions
28.4	Accessibility to management and detailed information extracted from auditor downloads that meets management requirements.	Quarterly	Roll out to all provincial departments and Provincial Parliament	Roll out to all provincial departments and Provincial Parliament	Roll out to all provincial departments and Provincial Parliament	Roll out to all provincial departments and Provincial Parliament	Roll out to all provincial departments and Provincial Parliament
28.5	Accessibility to a fully operational helpdesk managed by skilled staff to resolve all queries with a 24 hour turnaround time.	Quarterly	All queries resolved with a 24 hour turnaround time except calls registered with NT (LOGIK)	All queries resolved within a 24 hour turnaround time except calls registered with NT (LOGIK)	All queries resolved within a 24 hour turnaround time except calls registered with NT (LOGIK)	All queries resolved within a 24 hour turnaround time except calls registered with NT (LOGIK)	All queries resolved within a 24 hour turnaround time except calls registered with NT (LOGIK)
28.6	Successful implementation of new enhancements within 10 days after release.	Quarterly	Target met within established criteria	Target met within established criteria	Target met within established criteria	Target met within established criteria	Target met within established criteria
28.7	PERSAL data verified, maintained and updated for predetermined fields and standards.	Quarterly	Roll out to 9 departments	Roll out to 3 departments	Roll out to 2 departments and Provincial Parliament	Roll out to 2 departments	Roll out to 2 departments

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
28.8	Implementation of the asset management system as part of the Integrated Financial Management Solutions (IFMS), enhancing compliance with the PFMA and other relevant legislation.	Quarterly	100% roll out to 8 pilot departments/ institutions	Preparation and planning stages for roll out of system	100% roll out to 3 pilot departments/ institutions	100% roll out to 2 pilot departments/ institutions	100% roll out to 3 pilot departments/ institutions
28.9	Implementation of the procurement system as part of the Integrated Financial Management Solutions (IFMS), enhancing compliance with the PFMA and other relevant legislation.	Quarterly	100% roll out to 4 pilot departments/ institutions	None	Preparation and planning stages for roll out of system	100% roll out to 2 pilot departments/ institutions	100% roll out to 2 pilot departments/ institutions

## Reconciling performance targets with the Budget and MTEF

## Expenditure estimates

Table 4 Asset and Liabilities Management

Sub-programme R'000	Outcome			Main appro- piation 2009/10	Adjusted appro- piation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
1. Programme Support	898	961	840	1 846	1 332	1 332	2 350	76.43	2 521	2 694
2. Asset Management	7 582	7 542	8 622	11 115	11 536	11 535	14 609	26.65	15 648	16 702
Moveable Asset Management: Provincial Government	4 923	4 746	5 223	6 689	7 090	7 090	8 379	18.18	8 973	9 573
Moveable Asset Management: Local Government							1		1	1
Immoveable Asset Management	2 659	2 796	3 399	4 426	4 446	4 445	6 229	40.13	6 674	7 128
3. Liabilities Management	1 048	1 465	1 652	2 154	2 378	2 389	2 327	(2.60)	2 595	2 774
4. Supporting and Interlinked Financial Systems	42 009	11 739	11 234	12 205	12 010	11 869	13 839	16.60	14 811	15 785
<b>Total payments and estimates</b>	<b>51 537</b>	<b>21 707</b>	<b>22 348</b>	<b>27 320</b>	<b>27 256</b>	<b>27 125</b>	<b>33 125</b>	<b>22.12</b>	<b>35 575</b>	<b>37 955</b>

Economic classification R'000	Outcome			Main appro- piation 2009/10	Adjusted appro- piation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
<b>Current payments</b>	51 048	21 081	22 348	27 320	27 106	26 975	33 125	22.80	35 575	37 955
Compensation of employees	13 018	15 034	16 270	22 515	21 330	21 251	26 010	22.39	28 041	29 991
Goods and services	38 030	6 047	6 078	4 805	5 776	5 724	7 115	24.30	7 534	7 964
<b>Transfers and subsidies to</b>	235	615								
Provinces and municipalities	7									
Departmental agencies and accounts	1	2								
Households	227	613								
<b>Payments for capital assets</b>	254	11			150	150		(100.00)		
Machinery and equipment	254	11			150	150		(100.00)		
<b>Total economic classification</b>	<b>51 537</b>	<b>21 707</b>	<b>22 348</b>	<b>27 320</b>	<b>27 256</b>	<b>27 125</b>	<b>33 125</b>	<b>22.12</b>	<b>35 575</b>	<b>37 955</b>

### **Performance and expenditure trends**

The decrease of R24.412 million from R51.537 million in 2006/07 to R27.125 million in 2009/10 (revised estimate) is due to the decentralisation of SITA costs to provincial departments. This equates to an annual average decrease in nominal terms of 19.3 per cent. The annual average nominal growth of 11.9 per cent from the revised estimate figure of R27.125 million in 2009/10 to the 2012/13 figure of R37.995 million is due to the strengthening of the monitoring and evaluation of municipal infrastructure and supply chain management as well as the institution of transversal financial system access control.

The increase in goods and services of 24.3 per cent from R5.724 million in 2009/10 (revised estimate) to R7.115 million in 2010/11 and over the MTEF, is due to the bridging funding for the continuation of the Infrastructure Delivery Improvement Programme (IDIP), the development and implementation of a business intelligence tool that runs on top of the financial systems and enhancements to the provincial Electronic Purchasing System (EPSI) and its supplier database.

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

### **Programme Description**

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

### **Programme structure**

This programme together with Programme 3 constitutes the branch: Governance and Asset Management. It currently consists of a chief director as the head of the programme and is further divided into the following sub-programmes:

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

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

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

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

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

The unit is busy with the roll-out of the latest GRAP standards (and its further evolution) within the municipalities of the Western Cape. The 2009/10 municipal financial year requires all municipalities to complete their financial statements in terms of the full GRAP requirements. The unit has and will busy itself with training interventions, explanatory advice and facilitations (National Treasury, Accounting Standards Board and the Auditor-General) in the event of disputes regarding the interpretation of accounting standards.

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

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

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

#### **Sub-programme 4.3: Corporate Governance**

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

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

the adaptation of a generic set of governance norms and standards to meet the particular requirements of individual departments is also envisaged.

### Sub-Programme 4.1: Programme Support

#### Strategic objective: Annual targets

Strategic objective		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
29.	Build competencies and enhance and maintain the delivery of the programme.	New strategic objective	New strategic objective	New strategic objective	Implement systems and standards	Review and maintain systems and standards	Maintain systems and standards	Maintain systems and standards
					Development of a narrative report on delivery for each sub-programme	Operational plan in line with APP in place and monitored for delivery	Operational plan in line with APP in place and monitored for delivery	Operational plan in line with APP in place and monitored for delivery
					Early steps for bespoke training in line with competency framework for units	Tailored development plan for each staff member	Tailored and assessed development plan for each staff member	Tailored and assessed development plan for each staff member

#### Performance indicators: Annual targets

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
29.1	Co-ordinate and maintain the correspondence for the programme in line with set standards.	New PI	New PI	New PI	New PI	Develop and implement a set of standards	Review and maintain the set of standards	Review and maintain the set of standards
29.2	Establishment of a culture of communication and transparency.	New PI	New PI	New PI	Monthly interactive meetings with staff and support services	Implement PT communication strategy by means of regular staff meetings	Maintain communication by means of monthly meeting	Maintain communication by means of monthly meeting

PART B: PROGRAMME AND SUB-PROGRAMME PLANS

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
29.3	Development of an operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of delivery.	New PI	New PI	New PI	Development of a narrative report on delivery for each sub-programme	Develop and maintain operational plan	Update and maintain operational plan	Update and maintain operational plan
29.4	Composition and implementation of a bespoke development plan for each staff member in line with competency requirements for each unit.	New PI	New PI	New PI	Early steps for bespoke training in line with competency framework for units	Training plan in place to raise competency levels of staff	Update and maintain training plan	Update and maintain training plan

Quarterly targets for 2010/11

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
29.1	Co-ordinate and maintain the correspondence for the programme in line with set standards.	Annually	Develop and implement a set of standards	Develop a set of standards	Test standards with sub-programmes	Implement the set of standards	Maintain the set of standards
29.2	Establishment of a culture of communication and transparency.	Quarterly	Implement PT communication strategy by means of regular staff meetings	Analyse requirements and implement	Implement and monitor adequacy of communication and transparency	Implement and monitor adequacy of communication and transparency	Implement and monitor adequacy of communication and transparency

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
29.3	Development of an operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of delivery.	Quarterly	Develop and maintain operational plan	Operational plan designed, implemented and monitored plus remedial steps instituted	Operational implemented and monitored plus remedial steps instituted	Operational implemented and monitored plus remedial steps instituted	Evaluation of year's performance and composition of new operational plan for following financial year
29.4	Composition and implementation of a bespoke development plan for each staff member in line with competency requirements for each unit.	Quarterly	Training plan in place to raise competency levels of staff	Bespoke staff development and annual training plan	Development and training plan implemented and monitored	Development and training plan implemented and monitored	Development and training plan assessed for results

## Sub-Programme 4.2: Accounting Services

### Element: Local Government Accounting

#### Strategic objective: Annual targets

Strategic objective		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
30	Improving the financial accounting and reporting of municipalities and municipal entities to a financial maturity capability of level 3+.	Revised strategic objective	Revised strategic objective	FMC level 2	FMC level 2	FMC level 2	FMC level 2+	FMC level 3



## Performance indicators: Annual targets

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
30.1	Assess and roll out the latest accounting policy framework for accurate and complete implementation by municipalities and their entities 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	18 of the 30 municipalities with unqualified Audit Reports for 2008/09	21 of the 30 municipalities with unqualified Audit Reports for 2009/10	24 of the 30 municipalities with unqualified Audit Reports for 2010/11	28 of the 30 municipalities with unqualified Audit Reports for 2011/12
		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	2 of the 3 municipal entities with unqualified Audit Reports for 2008/09	3 of the 3 municipal entities with unqualified Audit Reports for 2009/10	3 of the 3 municipal entities with unqualified Audit Reports for 2010/11	3 of the 3 municipal entities with unqualified Audit Reports for 2011/12
30.2	Compile a Financial Accounting Review for municipalities to improve financial management.	21 February 2007 (Working Paper)	20 February 2008 (Working Paper)	28 February 2009 (Working Paper)	31 January 2010 (Working Paper)	31 May 2010 (Working Paper)	31 May 2011 (Published)	31 May 2012 (Published)
30.3	Build and maintain competent municipal accounting units by providing training on GRAP standards.	New PI	New PI	New PI	3 focussed training sessions	4 focussed training sessions	4 focussed training sessions	4 focussed training sessions

## Quarterly targets for 2010/11

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
30.1	Assess and roll out the latest Accounting policy framework for accurate and complete implementation by municipalities and their entities to improve financial reporting.	Annually	21 of the 30 municipalities with unqualified Audit Reports for 2009/10	Review, update and issue accounting tools in compliance with GRAP standards	Preview AFS and provide feedback to municipalities	Provide support to municipalities during the audit process	Assessment of Municipal Audit Reports to identify non-compliance with prescribed standards and feedback
		Annually	3 of the 3 municipal entities with unqualified audit report for 2009/10	Review, update and issue accounting tools in compliance with GRAP standards	Preview AFS and provide feedback to municipal entities	Provide support to municipal entities during the audit process	Assessment of Municipal Entity Audit Reports to identify non-compliance with prescribed standards and feedback
30.2	Compile a Financial Accounting Review for municipalities to improve financial management.	Annually	31 May 2010 (Working Paper)	Working Paper Compiled and Distributed	Monitor financial management improvement strategies in respect of recommendations	Revised framework and assess financial management capability levels	Draft working paper
30.3	Build and maintain competent municipal accounting units by providing training on GRAP standards.	Quarterly	4 focussed training sessions	1 focussed training session	1 focussed training session	1 focussed training session	1 focussed training session

**Element: Provincial Government Accounting****Strategic objective: Annual targets**

Strategic objective		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
31	Raising the standard of accounting and financial reporting of departments and entities to a financial maturity capability of level 3+.	Revised strategic objective	Revised strategic objective	Revised strategic objective	FMC level 2+	FMC level 2+	FMC level 2+	FMC level 3

**Performance indicators: Annual targets**

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
31.1	Participate in the development of national accounting policy frameworks and roll out same for accurate and complete implementation by departments and entities.	9 of the 13 Votes and 9 of the 14 Entities with unqualified Audit Reports for 2005/06	12 of the 13 Votes and 9 of the 14 entities with unqualified Audit Reports for 2006/07	12 of the 13 Votes and 11 of the 14 entities with unqualified Audit Reports for 2007/08	13 Votes and 13 entities unqualified Audit Reports for 2008/09	Unqualified Audit Reports for 2009/10	Unqualified Audit Reports for 2010/11	Unqualified Audit Reports for 2011/12
					New PI	Clean assessment report on the Interim Financial Statements	Clean assessment report on the Interim Financial Statements	Clean assessment report on the Interim Financial Statements
31.2	Compile the ACFS of departments and entities, inclusive of a detailed analysis on the consolidated information as part of the management report identifying areas for strategic intervention.	Tabled 31 January 2007	Tabled 31 July 2007	Tabled 30 November 2008	ACFS Tabled 31 January 2010 including areas for strategic intervention	ACFS Tabled by 31 October 2010 including follow-ups on past and new areas for strategic intervention	ACFS Tabled by 31 October 2011 including follow-ups on past and new areas for strategic intervention	ACFS Tabled by 31 October 2012 including follow-ups on past and new areas for strategic intervention

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
31.3	Compile and publish the Financial Governance Review and Outlook in terms of assessments based on the Financial Maturity Capability model of departments and entities and provide recommendations for improvement.	Tabled 31.03.07	Tabled Dec 2007	Tabled Dec 2008	Tabled January 2010 including recommendations for improvement	Tabled in September 2010 including an assessment of the past and new recommendations for improvement	Tabled in September 2011 including an assessment of the past and new recommendations for improvement	Tabled in September 2012 including an assessment of the past and new recommendations for improvement
31.4	Establishment and maintenance of a competent accounting unit across departments and entities.	Revised PI	Revised PI	Revised PI	Skills gap survey conducted	Facilitate 4 PT integrated training interventions and 2 external training interventions based on skills gap analysis	Facilitate 4 PT integrated training interventions and 2 external training interventions based on reviewed skills gap analysis	Facilitate 4 PT integrated training interventions and 2 external training interventions based on reviewed skills gap analysis

#### Quarterly targets for 2010/11

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
31.1	Participate in the development of national Accounting policy frameworks and roll out same for accurate and complete implementation by departments and entities.	Annually	Unqualified Audit Reports for 2009/10	Providing help desk facility and review 2009/10 AFS of departments and entities	AFS issues addressed with AGSA/NT and participate in the reviewing of national accounting policy frameworks  Unqualified Audit Reports for 2009/10	Workshop and test new/ revised accounting policy frameworks with departments and entities	Roll-out of new/revised accounting policy frameworks
		Annually	Clean assessment report on the Interim Financial Statements	None	None	Assessment of Interim Financial Statements	Issue the assessment reports of Interim Financial Statements

PART B: PROGRAMME AND SUB-PROGRAMME PLANS

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
31.2	Compile the ACFS of departments and entities, inclusive of a detailed analysis on the consolidated information as part of the management report identifying areas for strategic intervention.	Annually	ACFS Tabled by 31 October including an assessment of past and new areas for strategic intervention	Submit ACFS to AGSA based on unaudited AFS of departments and entities by 30 June	Submit ACFS to AGSA on 31 August based on audited AFS	Table ACFS by 31 October inclusive of a management report identifying areas for strategic intervention	ACFS interventions addressed going forward
31.3	Compile and publish the Financial Governance Review and Outlook in terms of assessments based on the Financial Maturity Capability model of departments and entities and provide recommendations for improvement.	Annually	Tabled September in 2010 including an assessment of the past and new recommendations for improvement	Revised framework and assessment tool for FGR&O agreed to	Perform financial management capability assessments, compile and table FGR&O	Publish and distribute FGR&O	Project finalised for following year review
31.4	Establishment and maintenance of a competent accounting unit across departments and entities.	Quarterly	Facilitate 4 PT integrated training interventions and 2 external training interventions based on skills gap analysis	Provide integrated training on AFS	Provide integrated training on AFS  Facilitate focussed training based on gap analysis	Provide integrated training on AFS	Provide integrated training on AFS  Facilitate focussed training based on gap analysis and conduct survey to review gap analysis

**Sub-Programme 4.3: Corporate Governance****Strategic objective: Annual targets**

Strategic objective		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
32	Assess, develop, monitor financial norms and standards and, where necessary, enforce compliance by departments, municipalities and entities towards attaining a level 3+ in terms of the Financial Maturity Capability (FMC) model.	New PI	New PI	New PI	New PI	Achieve FMC in <ul style="list-style-type: none"> <li>- Departments at level 2+</li> <li>- Public Entities at level 2</li> <li>- Municipalities at level 2</li> </ul>	Achieve FMC in <ul style="list-style-type: none"> <li>- Departments at level 3</li> <li>- Public Entities at level 2+</li> <li>- Municipalities at Level 2+</li> </ul>	Achieve FMC in <ul style="list-style-type: none"> <li>- Departments at level 3+</li> <li>- Public Entities at level 3</li> <li>- Municipalities at level 3</li> </ul>

**Performance indicators: Annual targets**

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
32.1	Develop and implement a framework to assess the CFO and BTO offices to deliver on their functions.	New PI	New PI	New PI	New PI	Develop framework to assess CFO structures in collaboration with National Treasury and Department of the Premier (OD)	Implement framework to assess the CFO structures	Review past and current assessment and recommend corrective actions to CFO's
						Research correct legislative procedures in respect of framework for BTO offices	Develop framework to assess BTO offices in collaboration with National Treasury and Department of Local Government	Implement framework to assess the BTO offices

**PART B: PROGRAMME AND SUB-PROGRAMME PLANS**

Programme performance indicator		Audited/Actual performance			Estimated performance 2009/10	Medium-term targets		
		2006/07	2007/08	2008/09		2010/11	2011/12	2012/13
32.2	Developing transversal Standard Operating Procedures (SOP) for CFO offices.	New PI	New PI	New PI	New PI	Develop transversal SOP for departmental CFO offices	Develop SOP's for BTO offices in municipalities and maintain departmental transversal SOP for CFO offices	Maintain transversal SOP for departments and municipalities
32.3	Assessments of departments implementing the governance framework.	New PI	New PI	New PI	New PI	4 departments per quarter	4 departments per quarter	5 departments per quarter
32.4	Enterprise Risk Management (ERM) implementation assessments for departments and municipalities.	New PI	New PI	Assess departments and municipalities	Assess departments and municipalities	Assess departments and municipalities	Assess departments and municipalities	Assess departments and municipalities
				New PI	New PI	Investigate capacity building initiatives in municipalities	Develop capacity building plans for municipalities	Implement capacity building plans in municipalities

**Quarterly targets for 2010/11**

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
32.1	Develop and implement a framework to assess the CFO and BTO offices to deliver on their functions.	Annually	Develop framework to assess CFO structures in collaboration with National Treasury and Department of the Premier (OD)	CFO structure finalised	Risk structure finalised	Control structure finalised	Framework completed and preparation of Control Self Assessment system roll-out
			Research correct legislative procedures in respect of framework for BTO offices	Feasibility study finalised	Research finalised in terms of legislative requirements	BTO structure agreed to with National Treasury	Research report finalised

Performance indicator		Reporting period	Annual target 2010/11	Quarterly targets			
				1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
32.2	Developing transversal Standard Operating Procedures (SOP) for CFO offices.	Annually	Develop transversal SOP for CFO offices	Project plan developed	Research conducted in respect of processes in the CFO structure	Draft SOP in 3 areas and issue for comment	Include feedback and issue SOP in 3 areas
32.3	Assessments of departments implementing the governance framework.	Quarterly	4 departments per quarter	4 departments	4 departments	4 departments	4 departments
32.4	Enterprise Risk Management (ERM) implementation assessments for departments and municipalities.	Quarterly	Assess departments and municipalities	Assess all departments and municipalities	Assess all departments and municipalities	Assess all departments and municipalities	Assess all departments and municipalities
		Annually	Investigate capacity building initiatives in municipalities	Establish municipal risk forum	Risk framework and ERA training for municipal practitioners	Risk framework and ERA training for municipal practitioners	Risk framework and ERA training for municipal practitioners

#### Sub-Programme 4.4: Provincial Internal Audit

##### Note

The Modernisation Programme, which is in an advanced stage, proposes the shift of the Human Resources (excluding the Departments of Health and Education), Internal Audit and Enterprise Risk Management functions to a shared Corporate Services within the Department of the Premier from 1 April 2010. Therefore the strategic objectives and performance indicators relating to these functions are only reflected in the Strategic and Annual Performance Plans of the Department of the Premier. The financial implications of the function shift will be finalised during the 2010/11 Adjusted Estimates process once all of the HR and other related issues have been finalised.



## Reconciling performance targets with the Budget and MTEF

## Expenditure estimates

Table 5 Financial Governance

Sub-programme R'000	Outcome			Main appro- piation 2009/10	Adjusted appro- piation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
1. Programme Support	1 169	1 037	1 581	1 308	1 664	1 746	2 309	32.25	2 180	2 303
2. Accounting Services	3 735	3 806	5 272	7 407	7 645	7 688	8 717	13.38	9 337	9 959
Provincial Government Accounting				4 181	4 628	4 729	4 856	2.69	5 203	5 551
Local Government Accounting				3 226	3 017	2 959	3 861	30.48	4 134	4 408
3. Norms and Standards	3 118	3 551	3 426	5 489	4 653	4 657	7 379	58.45	7 914	8 457
4. Risk Management	2 926	2 091	2 276	2 445	2 866	2 813		(100.00)		
5. Provincial Internal Audit	21 395	27 945	24 560	20 539	19 865	19 860	22 287	12.22	23 901	25 517
Sub-programme Support				6 989	4 957	5 021	4 319	(13.98)	4 602	4 898
G&A Cluster				4 466	5 219	5 248	5 823	10.96	6 254	6 682
Economic Cluster				5 421	6 034	5 940	7 491	26.11	8 045	8 594
Social Cluster				3 663	3 655	3 651	4 654	27.47	5 000	5 343
<b>Total payments and estimates</b>	<b>32 343</b>	<b>38 430</b>	<b>37 115</b>	<b>37 188</b>	<b>36 693</b>	<b>36 764</b>	<b>40 692</b>	<b>10.68</b>	<b>43 332</b>	<b>46 236</b>

Economic classification R'000	Outcome			Main appro- piation 2009/10	Adjusted appro- piation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
<b>Current payments</b>	<b>31 777</b>	<b>38 420</b>	<b>37 006</b>	<b>37 188</b>	<b>36 693</b>	<b>36 764</b>	<b>40 692</b>	<b>10.68</b>	<b>43 332</b>	<b>46 236</b>
Compensation of employees	11 872	13 521	20 433	30 880	30 437	30 356	35 085	15.58	37 394	39 960
Goods and services	19 905	24 899	16 573	6 308	6 256	6 408	5 607	( 12.50)	5 938	6 276
<b>Transfers and subsidies to</b>	<b>7</b>	<b></b>	<b>109</b>							
Provinces and municipalities	7		80							
Households			29							
<b>Payments for capital assets</b>	<b>559</b>	<b>10</b>								
Machinery and equipment	191	10								
Software and other intangible assets	368									
<b>Total economic classification</b>	<b>32 343</b>	<b>38 430</b>	<b>37 115</b>	<b>37 188</b>	<b>36 693</b>	<b>36 764</b>	<b>40 692</b>	<b>10.68</b>	<b>43 332</b>	<b>46 236</b>

### **Performance and expenditure trends**

The average annual increase of 4.4 per cent from R32.343 million in 2006/07 to R36.764 million in 2009/10 (revised estimate) is due to the expansion of the internal audit function. Similarly, the changes in economic classification from goods and services to compensation of employees from 2008/09 to 2009/10 and thereafter is the result of the phasing out of the previously co-sourced internal audit function where the contract with the external consortium came to an end in December 2008 and the subsequent internal build-up of the Internal Audit unit. The average annual increase is 7.9 per cent from the revised estimate figure of R36.764 million in 2009/10 to R46.236 million in 2012/13, is due to the emphasis being put on the promotion of financial governance in departments and municipalities and the stabilisation of the internal audit function.

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

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

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

### **9. Conditional grants**

Not applicable.

### **10. Public entities**

Present information on Western Cape Gambling and Racing Board is contained in the Strategic Plan of 2010/11-2014/15 (SP) under section 13 and will be evaluated by 1 September 2010.

### **11. Public-private partnerships**

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

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

The Annexure E for the strategic objectives and performance indicators will be made available on the Department's website.