



# finance

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Department: Finance  
**MPUMALANGA PROVINCIAL GOVERNMENT**

## STRATEGIC PLAN

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for the

**Fiscal Years**

**2010/2011 - 2014/2015**

**MPUMALANGA PROVINCE**

Date of Tabling: 07/05/2010

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## FOREWORD

The 22<sup>nd</sup> April 2009 elections ushered in the fourth democratic government. The continued impressive turnout by the electorate demonstrates in clear terms, our people's commitment to the consolidation of our fledging democracy.

The overwhelming victory in the elections confirms the confidence our people have in the ruling African National Congress and it then places an obligation on the part of Government to deliver on their expectations.

The Democratic Government has a duty to respond to the aspirations of the people, their calls for service delivery cannot be ignored nor can we fail them.

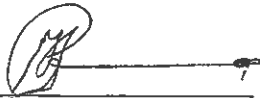
As an organ of State, we have an obligation to make sure that all the commitments made by the ruling party in the elections manifesto are realized.

The next five years must be characterized by prompt responsiveness to people's concerns. More effort must be put in our work and restoration of the culture of "*Batho Pele*". We cannot afford to be complacent and disingenuous in our service to the people. As our people pay our salaries, they in turn deserve quality and timely service.

The current economic crises demands for prudent utilization of the public resources as the needs of our people cannot be postponed. As correctly contextualized by the State President in the State of the Nation Address 2009, "*we must cut our cloth according to our size*". Wastage of public funds cannot be tolerated nor will the return of funds because of failure to spend as the latter will be an indication of poor service delivery.

In that context, we commit to enhance our monitoring and support role over the Provincial Departments, Public Entities and Municipalities within the confines of the PFMA, MFMA, Treasury Regulations and other Legislative Prescripts.

The strategic planning document defines our objectives and priorities for the term of office, we therefore commit to focus on pursuing our mandate and implementation of these plan.



Executive Authority  
Department of Finance

## OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

- Was developed by the management of the Department of Finance under the guidance of The Honourable MEC Mrs Y.N Phosa
- Takes into account all the relevant policies, legislation and other mandates for which the Department of Finance is responsible
- Accurately reflects the strategic goals and objectives which the Department of Finance will endeavour to achieve over the period of five years.

**Mr J. Mashabane**  
Acting: Chief Financial Officer

Signature: 

**Mr M.C Sedibe**  
Head of Planning

Signature: 

**Mr M. Mazibuko**  
Accounting Officer

Signature: 

Approved by:

**Mrs Y.N Phosa**  
Executive Authority

Signature: 

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## **PART A: STRATEGIC OVERVIEW**

## 1 VISION

A dynamic Department leading in service excellence.

## 2 MISSION

The equitable allocation and optimal utilisation of provincial resources to ensure a quality and better life for all through:

- Quality financial advice and support to departments, public entities and municipalities.
- Efficient financial management and fiscal discipline.
- Effective monitoring of resource utilisation.

## 3 VALUES

We commit ourselves to the following core values:

- *Batho Pele* and *Ubuntu* principles.
- **Dedication:** To perform our tasks in a dedicated manner to ensure accelerated and quality service delivery.
- **Excellence:** To perform our responsibilities with professional excellence.
- **Integrity:** To conduct business in a consistent, objective, honest, fair, just and trustworthy manner.
- **Accountability:** To be accountable in the performance of our duties.

## 4 LEGISLATIVE AND OTHER MANDATES

### 4.1 CONSTITUTIONAL MANDATE

#### **Constitution of the Republic of South Africa, 1996 (the Constitution)**

The Constitution provides a framework for the improvement of the quality of life of all citizens. It does so by enshrining the rights of all people, which have to be respected, protected, promoted and fulfilled by the State. To enable the State to fulfil the rights of individuals, resources, especially financial resources must be made available for job creation and empowerment of historically disadvantaged groups.

## 4.2 LEGISLATIVE MANDATE

### **Public Finance Management Act, 1999 (Act 1 No. of 1999) (PFMA)**

This Act regulates financial management in the National and Provincial sphere to ensure that all revenue, expenditure, assets and liabilities of those spheres are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in the Treasury and to provide for matters connected therewith.

### **Division of Revenue Act (DORA)**

The Act is passed annually to provide for the equitable division of revenue anticipated to be raised nationally among the national, provincial and local spheres of government for that particular financial year and also provide for the reporting requirements for allocations pursuant to such division; it further permits the withholding and the delaying of payments in certain circumstances; and also provides for liability for costs incurred in litigation in violation of the principles of co-operative governance and intergovernmental relations; and provides for matters connected therewith.

### **Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA)**

This Act sets out the responsibilities of the Provincial Treasury with regard to local government finances and fiscal powers as delegated to it by National Treasury.

### **Labour Relations Act, 1995 (Act No. 66 of 1995)**

The purpose of this Act is to change the law governing labour relations and, for that purpose also to give effect to section 27 of the Constitution; to regulate the organizational rights of trade unions; to promote and facilitate collective bargaining at the workplace and at sectoral level; to regulate the right to strike and the recourse to lock-out in conformity with the Constitution; to promote employee participation in decision-making through the establishment of workplace forums; to provide simple procedures for the resolution of labour disputes through statutory conciliation, mediation and arbitration (for which purpose the Commission for Conciliation, Mediation and Arbitration is established), and through independent alternative dispute resolution services accredited for that purpose; to establish the Labour Court and Labour Appeal Court as superior courts, with exclusive jurisdiction to decide matters arising from the Act; to provide for a simplified procedure for the registration of trade unions and employers' organizations, and to provide for their regulation to ensure democratic practices and proper financial control; to give effect to the public international law obligations of the Republic relating to labour relations; to amend and repeal certain laws relating to labour relations; and to provide for incidental matters.



**Employment Equity Act, 1998 (Act No. 55 of 1998)**

The Act makes provision for employment equity and also provide for matters incidental thereto.

**Public Service Act, 1994 (Act No. 103 of 1994) as amended**

The Act makes provision for the organisation and administration of the public service of the Republic, the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service, and matters connected therewith.

**Preferential Procurement Policy Framework Act, 2000, (Act No.5 of 2000)**

To give effect to section 217(3) of the Constitution by providing a framework for the implementation of the procurement policy contemplated in section 217(2) of the Constitution; and to provide for matters connected therewith.

**Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)**

The Act establishes a legislative framework for the promotion of black economic empowerment; and further empowers the Minister to issue codes of good practice and to publish transformation charters; and also establishes the Black Economic Empowerment Advisory Council; and provides for matters connected therewith.

**Promotion of Access to Information Act, 2000 (Act No. 2 of 2000) (PAIA)**

The Act gives effect to the constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights; and to provide for matters connected therewith.

**Promotion of Administration of Justice Act, 2000 (Act No. 3 of 2000) (PAJA)**

The Act gives effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution; and to provide for matters incidental thereto.

**Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No. 4 of 2000)**

The Act gives effect to section 9 read with item 23(1) of Schedule 6 to the Constitution, so as to prevent and prohibit unfair discrimination and harassment; to promote equality and eliminate unfair discrimination; to prevent and prohibit hate speech; and to provide for matters connected therewith.

**Protected Disclosures Act, 2000 (Act No. 26 of 2000)**

This Act assists to deter and detect wrongdoing in the workplace by providing an early warning mechanism to prevent impropriety and corruption in the public sector. It makes provisions for the procedures in terms of which employees in the public sector who disclose information of unlawful or corrupt conduct by their employers or fellow employees are protected from occupational detriment

**Mpumalanga Finance Matters Act, 2006 (Act No.1 of 2006)**

The Act provides for the procedure to amend a Money Bill, to provide for funds to be utilized in emergency situations to be direct charge against the Provincial Revenue Fund, to provide for Provincial expenditure before the annual Provincial budget has been passed; to provide for the repeal of the Mpumalanga Exchequer Act, 1994.

**Mpumalanga Gambling levies Act, 2007 (Act No B5-2007)**

The Act provides for the payment of gambling levies by casino licenses holders.

**Control of access to public premises and vehicle act, 1985 (Act No. 53 of 1985)**

The Act provides safeguarding of certain public premises and vehicle and for the protection of the people therein or thereon, and for matters connected therewith.

**Occupational Health and Safety Act, 1993 (Act 85 of 1993)**

The Act provide health and safety of person at work and for the health and safety of person in connection with the use of plant and machinery, the protection of person other than person at work against hazard to work and safety arising out of or in connection with the activities of person at work, to establish an advisory council for occupational health and safety and to provide matters connected with.

**National Archives of South Africa Act, 1996 (Act No. 43 of 1996)**

The Act provides for National archives and record service, the proper management and care of the records of governmental bodies, and preservation and use of the national archival heritage, to provide matters connected with.

**Government Immovable Asset Management Act, 2007 (Act 19 of 2009) (GIAMA)**

This Act provide for a uniform framework for the management of an immovable asset that is held or used by a national or provincial department; to ensure the coordination of the use of an immovable asset with the service delivery objectives of a national or provincial department; to provide for issuing of guidelines and minimum standards in respect of immovable asset management by a national or provincial department; and to provide for matters incidental thereto.

## **Treasury Regulations**

The Treasury Regulations were issued by the National Treasury in terms of Section 76 of the Public Finance Management Act, No. 1 of 1999.

The Treasury Regulations apply –

- a) to all departments, but only to the extent as indicated in regulations 1 to 24 and 26;
- b) to all constitutional institutions, but only to the extent as indicated in regulations 1 to 22;
- c) to all public entities listed in Schedule 2, but only to the extent as indicated in paragraph 6.1.2 and regulations 24, 25, 27 to 29 and 31 to 33;
- d) to all public entities listed in Schedules 3A and 3C, but only to the extent as indicated in paragraph 6.1.2, and regulations 16, 16A, 24 to 28 and 30 to 33;
- e) to all public entities listed in Schedules 3B and 3D, but only to the extent as indicated in paragraph 6.1.2 and regulations 16, 24, 25, 27 to 29 and 31 to 33; and
- f) to the South African Revenue Service as a Schedule 3A public entity but only to the extent as indicated in paragraphs 6.1.2, regulations 16, 16A, 24 to 28 and 30 to 33.

## **Public Service Regulations**

The Public Service Regulations were issued by the Department of Public Service and Administration in terms of Section 41 of the Public Service Act, No. 103 of 1994.

The Regulations apply-

- a) to all persons employed, and to institutions governed, in terms of the Act; and
- b) subject to the provisions of the Act, to persons employed in the Services, the Agency or state educational institutions, only so far as they are not contrary to the laws governing their employment.

## **4.3 POLICY MANDATE**

### **Medium Term Strategic Framework**

This framework provides priorities over a five year political and administrative term (2010/2011-2014/2015)

Broadly the Public Finance Management Act (PFMA) and its related regulations as well as the Municipal Finance Management Act (MFMA) provides an overarching framework. Furthermore, the development of the Mpumalanga Provincial Public Private Partnership Framework and the Provincial Policy on Supply Chain Management also creates a cohesive environment and an emphasis and guidance to the province.

The Electronic Government, The Digital Future, A Public Service IT Policy Framework - February 2001 also provides a clear policy mandate in this regard.

#### **Minimum Information Security Standards (MISS)**

This is a policy document as approved by Cabinet on 4 December 1996 and the document is considered as the national information security policy.

#### **4.4 RELEVANT COURT RULINGS**

##### *Nyathi V Mec Of Health, Gauteng And Department Of Justice*

In this case, the Constitutional Court handed down judgment in an application by Mr Nyathi whereby he sought confirmation of the declaration of section 3 of the State Liability Act, 1957 (Act No. 20 of 1957), to be inconsistent with the Constitution. The impugned portion of section 3 prohibits the execution, attachment or like process against a state defendant or respondent or against any property of the state for the satisfaction of judgment debts

The High Court found that the blanket ban on execution, attachment and like processes constituted an unjustifiable limitation on the rights to equality and access to courts. It found too, that sections 165(5) and 195(1)(f) had been infringed. It declared therefore, that section 3 of the State Liability Act was unconstitutional. Consequently, the matter was referred to the Constitutional Court for confirmation of the order and Madala J, writing for the majority, found that the section unjustifiably limited the right to equal protection of the law contained in section 9(1) of the Constitution and was inconsistent with the constitutional protection of dignity and the right of access to courts.

The Court held too, that section 3 also violated the principles of judicial authority, and the principle that the public administration be accountable. The Court therefore upheld the declaration of constitutional invalidity. This means henceforth that, the State will be consequently and accordingly liable for debts executed against the State.

#### **4.5 PLANNED POLICY INITIATIVES**

The Department will introduce a Provincial Asset Management Framework in order to ensure uniformity when managing assets across Provincial Government institutions whilst the Department continues to review on an annual basis its already existing policies.

## 5.1 PERFORMANCE DELIVERY ENVIRONMENT

In Administration, the Department still experiences challenges in the filling of critical vacant posts. However, a plan is in place to ensure that a substantial percentage is filled in the 1<sup>st</sup> Quarter of the 2010/11 financial year.

The learner-ship and internship programmes were successfully implemented with other participants being absorbed within the Department while others were appointed elsewhere.

The Department is in process to re-organise the Organisational structure for implementation in 2010/11 in order to be more efficient in carrying-out our mandate.

Some of the students, which were awarded bursaries, were able to complete their studies while are still awaiting their final results.

The Transversal Services Unit continues to provide support on Physical Health and Wellness Programmes.

There has been reasonable progress in the finalising of outstanding legal cases for and against the Department. Cases not finalised are attributed mainly to securing of trial dates with the Courts.

The Department also ensured that bills are passed timely thus complying with prescripts.

Based on best practices, the Department intends to strengthen relations with stakeholders.

The Administration Programme continues to provide prompt administrative support to the Department.

The Sustainable Resource Programme is embarking on the re-engineering of the operational structure to meet the challenges of the department. In essence Provincial Treasury officials become specialists in the departments that they serve.

The Sustainable Resource Programme is embarking on specialised training in order to improve the oversight role and support function. The Programme will focus on improving internal skill which will be transferred to the client departments, entities and municipalities through capacity-building programmes.

The Economic Analysis unit will continue to provide quality and accurate socio-economic reports that inform provincial fiscal policy development and the annual budget process, thereby contributing to the provincial growth and development strategy by means of publication of quarterly and annual socio-economic reports of

the province. The unit will continue to analyse socio-economic indicators to assess the impact of provincial public policy and spending on the quality of life of provincial citizens.

The Municipal Finance Management Unit will support the national initiative of Operation Clean Audit by conducting training on Document and Filing Systems in municipalities. The reason behind this is to prepare the municipalities for the availability of supporting documents during audits and proper record-keeping of financial and non-financial information.

Training on the new budget formats and regulations will also be conducted to all medium and low capacity municipalities as they are still facing some challenges with complying with submission of monthly and quarterly reports. In order to assist Municipalities in compiling credible budgets, the Unit plans to conduct Local Government Medium Term Expenditure Committee (LGMTEC) sessions during the current financial year.

The Assets and Liabilities Management Unit has managed to provide management support, training and advisory services to the departments and municipalities on procurement related matters, asset verification and management as well as improving business practices through enabling decision making.

The Financial Asset Management Unit has been able to manage provincial cash in the form of equitable share, conditional grants and own revenue. Surplus revenue is being invested in the South African Reserve Bank to maximise Provincial income. Favourable cash availability has been maintained throughout the 2009/10 financial year.

The Physical Asset Management Unit has improved compliance to asset management norms and standards, completed an asset management framework to standardise asset management in the province, held workshops to build capacity of officials in departments and municipalities and assisted departments through the provincial asset management task team with their audit outcomes for the 2008/09 financial year. The sub-programme will continue to focus on capacity building, training and support to all departments, public entities and municipalities.

The enrolment of the Supply Chain Management/asset management practitioners with the University of Pretoria will continue to improve the capacity of these practitioners in the province. Supply Chain Management road shows were among other improvements noted during the period. It should however be noted that our support to the public entities and municipalities are limited due to capacity constraints.

The Public Sector Liabilities Unit is compiling a register of liabilities for provincial departments. Operating leases, state guarantees, leave gratuities, leave credit and service bonuses liabilities have been completed and will be updated annually. While compiling the register, the sub-programme monitors the environment surrounding these liabilities in order to gain a thorough understanding and be in a position to advise. Workshops are held to capacitate officials of departments on liability

management. However with the roll-out of liability management to the entities and municipalities the workshops will be extended to these institutions.

The Interlinked Financial Systems Unit is currently engaged in supporting the departments on the proper utilization of transversal systems' functions. The use of Standard Charts of Accounts (SCOA) as the main cause for misallocation requires attention. The sub-programme is conducting workshops which are assisting to improve challenges encountered on SCOA. Workshops were held in the Head Office and Regions.

Warehouse management workshops were held in all the regions to improve system utilization. Regular meetings are held monthly with BAS, Logis and Persal system controllers to discuss issues relating to applications, program, security management, functions, roles and responsibilities of system controllers

Training of users is one of the key priorities to build capacity on the effective and efficient usage of the systems.

An Advisory committee consisting of System controllers from departments was formed to deal with updates and improvements on BAS and Logis systems.

A project was set up to assist departments with System related Audit queries. A follow up was done to ensure that departments adhere to security management requirements.

The Province's IT infrastructure includes its hardware (mainframes, servers and attached platforms), interconnecting networks and all associated software (operating systems, applications, both custom and off-the-shelf) and the databases interacting with clients (both web and local). Departments have been upgrading their hardware infrastructure as technology has matured in the last few decades. Through modernization of the Province's IT infrastructure, inter-departmental efficiencies can be achieved.

The Provincial Master Systems Plan was developed two years ago as a pragmatic roadmap for addressing digital innovation opportunities for the Mpumalanga Provincial Government (MPG). The roadmap evolved into a suite of policies and standards to promote a common strategic direction and framework for departments, encouraging interoperability, flexibility, scalability and open-standards based technologies.

Provincial departments are strongly encouraged to use common products, not only for volume cost savings, but to enhance interoperability and diminish overall maintenance costs. Resources and information sharing is a key ingredient in achieving overall inter-departmental efficiencies.

The recommendations contained in this strategy aims to put in place an Information Communication Technology (ICT) infrastructure that is sufficiently reliable, flexible and cost effective not only to meet today's demands but also to provide capacity for

future growth and the ability to implement new technologies in a time frame that maximises the benefit to the Province.

Recommendations include the following:

- Selectively implement Wireless Local Area Networks in appropriate spaces in buildings;
- Centrally monitor the network in a proactive manner;
- Centralize, consolidate and cluster servers in an environment where service uptimes can be guaranteed;
- Provide Information Technology (IT) Helpdesk telephonic support with software that enables End-users desktops to be accessed remotely, subject to software-enabled authorization by the End-user; and
- Provide departments with the ability to back up and restore critical data stored on desktops.

The Financial Governance Programme will continue to monitor departments, municipalities and public entities with regard to the implementation of and compliance with prescribed policies and Acts and also provide hands-on support and capacity building where needed.

The Accounting Standards Unit has identified officials for training on legislation, accounting standards and annual financial statements during the coming financial years in order to improve accountability in the Province and assist with the timely submission of statements adhering to the prescribed standards, to the Auditor-General.

The Branch will furthermore support all departments and municipalities in the Province to submit interim financial statements to improve financial management and prepare for the submission of annual financial statements.

The Risk Management Unit will review the Risk Management methodology in order to ensure that it is adequately addressing the dynamic Provincial environment. In order to improve governance in the Province, a Risk Management Guideline will be developed and rolled out, training provided and awareness and assessment sessions conducted in departments, municipalities and public entities.

Our Norms and Standards Unit will continue to monitor compliance with financial and non-financial norms and standards, and will issue guidelines through Practice Notes on occurring high risk areas identified in provincial departments, public entities and municipalities.

In order to improve the effectiveness of internal audit processes, the Provincial Internal Audit Unit will assess internal audit plans and reports of departments,



municipalities and public entities in order to provide guidance and support to these units. Guidelines will also be issued to provide these Units with information and guidance to improve governance in the Province.

The Department would also play a key role in the Operation Clean Audit Project, launched during December 2009 in the Province to provide hands-on support and resources to departments, municipalities and public entities to implement remedial plans in order to obtain clean audit reports by 2014.

## 5.2 ORGANISATIONAL ENVIRONMENT

The Department has an approved functional organogram. The organogram is currently under review in order to ensure that the mandate of the Department is in line with the national and provincial priorities.

The Department has a vacancy rate of 25% and occupancy rate of 75% as at 31<sup>st</sup> March 2010. The Department experienced high turnover at assistant manager and manager level. The Department intervened by upgrading the levels from 9 to 10 and 11 to 12 and further developed a retention strategy.

Functional organograms were approved for Assets and Liabilities Management and Financial Governance Branches that do not make provision for monitoring and support to municipalities. The structure need to be reviewed to enable the Programmes to monitor and support all provincial government institutions. To this end the Department intends introducing a Chief Directorate that will specifically focus on issues relating to Municipal Finance and also introduce other support functions that will enhance performance and ensure an improved service delivery by the Department.

### Overall Organisational Analysis

Programmes	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Programme 1	241	181	25%	3
Programme 2	65	52	20%	0
Programme 3	95	69	27%	0
Programme 4	32	25	22%	0
<b>Total</b>	<b>433</b>	<b>327</b>	<b>25%</b>	<b>3</b>

## 5.3 DESCRIPTION OF STRATEGIC PLANNING PROCESS

- All four programmes convened their own pre consultative planning sessions.
- Then an actual departmental strategic planning session for Programs was convened. National Treasury and the Office of the Premier were invited as facilitators, WITS School of Business, Ernst and Young and our Social Partners.
- A draft strategic plan document was developed.
- The strategic plan was together with other supporting documents submitted to the relevant Portfolio Committee for consideration.

<b>Strategic Goal 1</b>	Administrative Support Services
<b>Goal Statement:</b>	Provide prompt, continuous, effective and efficient administrative support to all line functions in the department.
<b>Justification:</b>	Achieving sustained benefit across the department by achieving goals and improving service delivery in terms of departmental policies.
<b>Links:</b>	MTSF Priority 10: Building a developmental state including improvement of public services and strengthening democratic institutions. Compliance with legislative frameworks.
<b>Strategic Goal 2</b>	Maintain fiscal discipline in the province
<b>Goal Statement:</b>	Provide quality advice and support on Provincial and Municipal Fiscal policy, Budget and expenditure management and economic impact of provincial public policy and expenditure and Infrastructure Coordination.
<b>Justification:</b>	To ensure that there is service delivery in the province through efficient resources allocation and sound financial management practices.
<b>Links:</b>	Sustainable resource management (PGDS, PFMA, MFMA and MTSF)
<b>Strategic Goal 3</b>	Asset and Liabilities support
<b>Goal Statement:</b>	Monitor and support the implementation of Transversal Systems, Information Technology Services, Assets, Liabilities, Public Private Partnerships and Provincial Supply Chain management to departments, public entities and municipalities, to reach full PFMA compliance in the next five years.
<b>Justification:</b>	To ensure departments, public entities and municipalities comply with PFMA, MFMA and relevant legislations to support service delivery.
<b>Links:</b>	Strengthening performance and management of public resources in provincial departments, public entities and municipalities. (PFMA, MFMA & other relevant legislations)
<b>Strategic Goal 4</b>	Efficient and effective financial and corporate governance.
<b>Goal Statement:</b>	Ensure efficient and effective financial and corporate governance in the province in line with legislation by 2014.
<b>Justification:</b>	Improved compliance to prescribed frameworks and legislation by departments, public entities and municipalities
<b>Links:</b>	Improved internal control frameworks Increased capacity and capability Improved financial management capability maturity level

## **PART B: STRATEGIC OBJECTIVES**

**Programme Purpose:**

This programme is responsible for the political, financial and administrative management of the Department. The programme provides effective and efficient administrative support to all line functions in the Department.

Programme	Sub-programme
1. Administration	1.1. Office of the MEC 1.2. Office of the HOD 1.3. Chief Operations Officer 1.4. Corporate Services 1.5. Regional Services 1.6. Communications 1.7. Security Management 1.8. Legal Services 1.9. Research, Policy and Planning 1.10. Financial Management 1.11. Internal Audit

**7.1 STRATEGIC OBJECTIVES****Office of the MEC**

<b>Strategic Objective 1:</b>	Set policy and political directives in order to achieve provincial objectives
<b>Objective Statement:</b>	Provide policy and political directives in terms of Treasury functions
<b>Baseline:</b>	Budget and Finance Committee, MUNIMEC, MTEC Hearings to determine Provincial priorities and resource allocation
<b>Justification:</b>	PFMA, MFMA and Treasury Regulations
<b>Links:</b>	MTSF Priority 10: Building a developmental state including improvement of public services and strengthening democratic institutions.

**Office of the HOD**

<b>Strategic Objective 2:</b>	Translate policies and priorities into strategies for effective service delivery
<b>Objective Statement:</b>	Manage, monitor and control performance to ensure implementation of policies and priorities
<b>Baseline:</b>	Continuous monitoring of programme performance through monthly, quarterly and annually reporting
<b>Justification:</b>	PFMA section 36 every department must have an Accounting

	Officer
<b>Links:</b>	MTSF Priority 10: Building a developmental state including improvement of public services and strengthening democratic institutions.

### Chief Operations Officer

<b>Strategic Objective 3.1:</b>	Manage and support the planning and implementation of objectives in the Administration programme.
<b>Objective Statement:</b>	Effective management of the Administration programme in order to ensure achievement of strategic objectives
<b>Baseline:</b>	Effective management and implementation of objectives
<b>Justification:</b>	Administrative support is a need of every Official to ensure that all their resource needs are catered for to ensure performamance.
<b>Links:</b>	MTSF Priority 10: Building a developmental state including improvement of public services and strengthening democratic institutions.

<b>Strategic Objective 3.2:</b>	Provide administrative support to all Programmes within the Department.
<b>Objective Statement:</b>	Provision of prompt and continuous administrative support to all Programmes within the Department to ensure improved performance.
<b>Baseline:</b>	Prompt and constionous provision of administrative support to all Programmes
<b>Justification:</b>	Administrative support is a need of every Official to ensure that all their resource needs are catered for to ensure performamance.
<b>Links:</b>	MTSF Priority 10: Building a developmental state including improvement of public services and strengthening democratic institutions.

### Regional Services

<b>Strategic Objective 4:</b>	Coordinate and implement departmental programmes and activities in the Regions
<b>Objective Statement:</b>	Improved accessibility and timely provision of departmental services at Regions
<b>Baseline:</b>	Support the implementation of line function activities at the three Regional offices
<b>Justification:</b>	To extend the implementation of departmental activities at regional level.
<b>Links:</b>	MTSF Priority 10: Building a developmental state including improvement of public services and strengthening democratic institutions.

## Corporate Services

<b>Strategic Objective 5:</b>	Provide efficient and effective corporate services support to enable the department to achieve its objectives
<b>Objective Statement:</b>	Provide human resource management, render effective records management, ensure compliance of transversal and employee wellness to enable the department to achieve its objectives
<b>Baseline:</b>	Provision of support services to the 433 approved posts in the department.
<b>Justification:</b>	Departmental compliance to HRM, Records management, mainstreaming of gender, youth, children and people with disability and Employee Health and Wellness Policies and priscrpts
<b>Links:</b>	MTSF Priority 10: Building a developmental state including improvement of public services and strengthening democratic institutions.

## Communication

<b>Strategic Objective 6:</b>	Provide effective communication services to the department and stakeholders
<b>Objective Statement:</b>	Provide information to stake holders and render communication support to the department
<b>Baseline:</b>	Publicity, positive relations with the media, corporate identity and communication support to the department
<b>Justification:</b>	Transparency and access to information
<b>Links:</b>	MTSF priority 10 (Build a developmental state, improve public services and strengthen democratic institutions).

## Security Management

<b>Strategic Objective 7:</b>	Provide Security management services to the Department
<b>Objective Statement:</b>	Implement effective security management services and advice management about the implication of security in decision making.
<b>Baseline:</b>	Approved security management policy and procedures.
<b>Justification:</b>	Security management performs its tasks in accordance with the Minimum Information Security Standards
<b>Links:</b>	MTSF Priority 10: Building a developmental state including improvement of public services and strengthening democratic institutions.

## Legal Services

<b>Strategic Objective 8:</b>	Provide continuous and prompt legal support services to the Department
<b>Objective Statement:</b>	Provide high quality legal services to enable the Department to operate effectively within the prescribed legislative prescripts
<b>Baseline:</b>	Number of litigious cases finalised, legislation timely passed, opinions given with 7 working days, policies and contracts scrutinized and given within 7 working days.
<b>Justification:</b>	Mitigating amount of litigations against the Department.
<b>Links:</b>	MTSF Priority 10: Building a developmental state including improvement of public services and strengthening democratic institutions.

## Research, Policy and Planning

<b>Strategic Objective 9:</b>	Co-ordinate, plan, support and report on departmental activities to achieve departmental objectives
<b>Objective Statement:</b>	Ensure that all departmental policies and plans are timely developed, implemented and monitored.
<b>Baseline:</b>	16 approved departmental policies, 7 drafts and approved 2005/06-2009/10 Strategic Plan, approved 2009/2010 APP and annual Implementation and Expenditure Plan.
<b>Justification:</b>	This objective improves accountability and encourages more informed government planning, reporting and budgeting processes by the department. Ensuring that the department takes correct policy direction in line with the MTSF priorities.
<b>Links:</b>	MTSF Priority 10: Building a developmental state including improvement of public services and strengthening democratic institutions.

## Financial Management

<b>Strategic Objective 10:</b>	Provide sound Financial and Supply Chain Management services to the Department
<b>Objective Statement:</b>	Render efficient and effective management accounting, financial accounting, supply chain management and risks management support
<b>Baseline:</b>	12 IYM Reports, 12 Financial Reports, 1 Annual Financial Statement.
<b>Justification:</b>	Sound financial management.
<b>Links:</b>	MTSF Priority 10: Building a developmental state including improvement of public services and strengthening democratic institutions.

## Internal Audit

<b>Strategic Objective 11:</b>	Provide efficient and effective internal audit services in the Department
<b>Objective Statement:</b>	Provide an innovative, responsive and effective value-added internal audit function, to evaluate and improve the effectiveness of risk management, control and governance processes.
<b>Baseline:</b>	Internal audit executes its work programme in accordance with an approved annual plan based on risks identified.
<b>Justification:</b>	Section 38(1)(a)(ii) of the PFMA Act1 of 1999 (as amended by Act 29 of 1999) requires each department to have a system of internal audit under the direction of an audit committee.
<b>Links:</b>	MTSF Priority 10: Building a developmental state including improvement of public services and strengthening democratic institutions.

## 7.2 RESOURCE CONSIDERATIONS

### Expenditure Trends: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Member of Executive Council	3 308	3 834	6 541	5 426	4 226	4 226	5 526	5 930	6 414
Management Services	19 414	26 120	37 837	53 021	47 321	47 321	50 951	53 833	56 917
Financial Management	19 651	21 797	28 138	23 545	34 234	34 234	27 387	28 999	30 652
Internal Audit	1 912	2 077	2 386	3 419	3 069	3 069	3 564	3 655	3 863
<b>Total</b>	<b>44 285</b>	<b>53 828</b>	<b>74 902</b>	<b>85 411</b>	<b>88 850</b>	<b>88 850</b>	<b>87 428</b>	<b>92 417</b>	<b>97 846</b>

### Expenditure Trends per economic classification: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
<b>Current payments</b>	<b>43 453</b>	<b>52 706</b>	<b>73 398</b>	<b>83 411</b>	<b>86 850</b>	<b>86 850</b>	<b>85 228</b>	<b>90 017</b>	<b>95 306</b>
Compensation of employees	23 249	29 051	40 401	52 805	49 605	49 605	57 291	62 161	67 133
Goods and services	20 204	23 655	32 997	30 606	37 245	37 245	27 937	27 856	28 173
<b>Transfers and subsidies to:</b>	<b>18</b>	<b>60</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 200</b>	<b>1 200</b>	<b>1 200</b>
Provinces and municipalities	16	60	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	1 200	1 200	1 200
Public corporations and private enterprises	2	-	3	-	-	-	-	-	-
Households	-	-	31	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>814</b>	<b>1 062</b>	<b>1 470</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>1 000</b>	<b>1 200</b>	<b>1 340</b>
Buildings and other fixed structures	-	-	52	-	-	-	-	-	-
Machinery and equipment	814	1 062	1 418	2 000	2 000	2 000	1 000	1 200	1 340
<b>Total</b>	<b>44 285</b>	<b>53 828</b>	<b>74 902</b>	<b>85 411</b>	<b>88 850</b>	<b>88 850</b>	<b>87 428</b>	<b>92 417</b>	<b>97 846</b>



### Trends in the Number of key staff:

Salary band	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Senior Managers (Level 13 - 16)	12	5	58%	0
Managers (level 11 - 12)	21	15	25%	0
Assistant Managers (level 9 - 10)	46	34	25%	1
High Level Skilled (Level 6 - 8)	94	70	26%	2
Skilled (level 3 - 5)	47	36	24%	0
Unskilled ( level 1 -2)	21	21	0%	0
<b>Total</b>	<b>241</b>	<b>181</b>	<b>25%</b>	<b>3</b>

### 7.3 RISK MANAGEMENT

A detailed risk strategy document has been prepared for all sections, risk management processes are monitored by the assigned risk officer. The key risk identified affecting the programme, together with action plans to address these risks are as follows:

Risk Identified	Mitigation Measure / Action Plan
Non-implementation of identified internal control measures.	Internal Audit plans are based on high risk areas are reports will be provided on weaknesses identified. An ad-hoc risk management unit monitors the implementation of control measures for identified risk areas. Proposals have been submitted for the establishment of a permanent risk management unit.
Inadequate knowledge management.	Certain sections do have procedure manual it is envisaged that all sections develop procedure manuals.
Non-attainment of set targets in the implementation plan.	Quarterly reports on progress are prepared and submitted for review. Implementation plan forming part of the performance contracts of all staff members
Inadequate coordination of functions between head office and regional offices.	Strengthen coordination meetings between head office and regional offices
Late submission of performance reports.	Circulate submission schedule to all managers and constant reminders to be sent out.

**Programme Purpose:**

The programme exists to provide professional advice and support to the Members of the Executive Council on Provincial and Municipal Fiscal policy issues, Budget and expenditure management, Economic Analysis, Infrastructure Coordination whilst the MFMA unit provides advice on the Municipal Finance Management Act.

Programme	Sub-Programme
2. Sustainable Resource Management	2.1. Programme Support 2.2. Provincial Administration Fiscal Discipline 2.3. Municipal Fiscal Discipline 2.4. Budget and Expenditure Management 2.5. Municipal Finance 2.6. Infrastructure Coordination 2.7. Economic Analysis

**8.1 STRATEGIC OBJECTIVES****Programme Support**

<b>Strategic Objective 1:</b>	Manage and support the planning and implementation of programme objectives
<b>Objective Statement:</b>	Provide effective leadership within sustainable resource management programme
<b>Baseline:</b>	Support 5 sub-programmes
<b>Justification:</b>	Effective support to all sub-programmes
<b>Links:</b>	Public Finance Management Act, Municipal Finance Management Act, Division Of Revenue Act, Provincial Growth and Development Strategy, Medium Term Strategic Framework

**Provincial Administration Fiscal Discipline**

<b>Strategic Objective 2:</b>	Support Votes to maximise and expand own revenue base in the province
<b>Objective Statement:</b>	Support departments to maximise and expand provincial own revenue base
<b>Baseline:</b>	Support 13 votes
<b>Justification:</b>	This objective will contribute to the total resource envelop of the province in order to improve service delivery.
<b>Links:</b>	This objective will contribute to the funding of provincial priorities

### Budget and Expenditure Management

<b>Strategic Objective 3:</b>	Provide support and monitor Votes in terms of budget and expenditure
<b>Objective Statement:</b>	Provide policy advice, ensure budget implementation and promote efficient financial resource allocation
<b>Baseline:</b>	13 votes supported and monitored
<b>Justification:</b>	Ensure that departments plan correctly and spend according to their plans and within allocated funds
<b>Links:</b>	Sustainable resource management (Public Finance Management Act, Provincial Growth and Development Strategy, Medium Term Strategic Framework, Division of Revenue Act, Treasury Regulations)

### Infrastructure Coordination

<b>Strategic Objective 4:</b>	Render provincial infrastructure co-ordination services
<b>Objective Statement:</b>	Provide support and monitor provincial departments on infrastructure planning and delivery.
<b>Baseline:</b>	Currently support 7 infrastructure delivering departments
<b>Justification:</b>	Promote planning and project prioritisation within infrastructure delivery departments
<b>Links:</b>	Improved Infrastructure delivery in the province (Infrastructure Delivery Improvement Programme, Provincial Growth and Development Strategy, Public Finance Management Act, Division of Revenue Act)

### Municipal Fiscal Discipline

<b>Strategic Objective 5:</b>	Support municipalities to maximise and expand own revenue base in the province
<b>Objective Statement:</b>	Advise municipalities on a monthly basis on matters of revenue management, capacity building and compliance to legislation.
<b>Baseline:</b>	20 Municipalities supported
<b>Justification:</b>	This objective will contribute to the fiscal discipline and enhancement of service delivery in the municipalities
<b>Links:</b>	Credible revenue budgets (Integrated Development Plans, MFMA, Property Rates Act, Municipal Systems Act, Provincial Growth and Development Strategy, Division of Revenue Act )

## Municipal Finance

<b>Strategic Objective 6:</b>	Provide support and monitor municipalities on the implementation of the MFMA
<b>Objective Statement:</b>	Provide advice, support on financial management and the implementation of MFMA (Quarterly Budget and Expenditure Analysis, Quarterly Budget and Expenditure Publications, Annual Draft Budget and Annual Report Analysis)
<b>Baseline:</b>	20 Municipalities supported
<b>Justification:</b>	This objective will contribute to the Credibility, Sustainability of Municipal Budgets and Compliance with MFMA.
<b>Links:</b>	Credible budgets, MFMA, Municipal Property Rates Act, Municipal Systems Act and Municipal Structures Act.

## Economic Analysis

<b>Strategic Objective 7:</b>	Socio-economic research to inform the provincial budget and planning process.
<b>Objective Statement:</b>	Provide quality and accurate socio-economic reports that inform provincial fiscal policy development and the annual budget process, thereby contributing to the provincial growth and development strategy.
<b>Baseline:</b>	Publication of quarterly and annual socio-economic reports of the province.
<b>Justification:</b>	Analysing socio-economic indicators to assess the impact of provincial public policy and spending on the quality of life of provincial citizens.
<b>Links:</b>	Global framework (MDGs), macro-economic framework (GEAR, ASGISA, JIPSA, MTSF - especially Priority no 1) and provincial growth and development framework (PGDS).

## 8.2 RESOURCE CONSIDERATIONS

### Expenditure Trends: Programme 2: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Programme Support	11 320	7 495	154 644	4 186	15 257	15 257	1 969	2 177	2 398
Economic Analysis	-	-	-	-	-	-	4 389	4 630	4 894
Municipal Fiscal Discipline	-	503	1 960	5 154	5 154	5 154	6 320	6 668	7 121
Provincial Administration Fiscal Discipline	2 098	1 582	2 592	4 955	2 955	2 955	5 756	6 143	6 531
Budget and Expenditure Management	3 206	5 133	7 284	10 284	7 984	7 984	10 618	11 382	12 156
Municipal Finance	7 870	2 794	4 516	5 766	4 966	4 966	6 859	7 236	7 649
Infrastructure Co-ordination	-	1 156	2 562	3 948	3 872	3 872	4 396	4 919	5 234
<b>Total</b>	<b>24 494</b>	<b>18 663</b>	<b>173 558</b>	<b>34 293</b>	<b>40 188</b>	<b>40 188</b>	<b>40 307</b>	<b>43 155</b>	<b>45 983</b>

Expenditure Trends per economic classification: Programme 2: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Current payments	24 090	18 663	125 545	34 293	40 188	40 188	40 007	43 155	45 983
Compensation of employees	10 834	10 021	14 240	21 118	19 618	19 618	28 389	31 032	33 514
Goods and services	13 256	8 642	111 305	13 175	20 570	20 570	11 618	12 123	12 469
Transfers and subsidies to:	5	-	48 013	-	-	-	-	-	-
Provinces and municipalities	5	-	48 013	-	-	-	-	-	-
Payments for capital assets	399	-	-	-	-	-	300	-	-
Machinery and equipment	399	-	-	-	-	-	300	-	-
<b>Total</b>	<b>24 494</b>	<b>18 663</b>	<b>173 558</b>	<b>34 293</b>	<b>40 188</b>	<b>40 188</b>	<b>40 307</b>	<b>43 155</b>	<b>45 983</b>

**Trends in the number of key staff:**

Salary band	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Senior Managers (Level 13 - 16)	7	4	43%	0
Managers (level 11 - 12)	29	22	24%	0
Assistant Managers (level 9 - 10)	22	19	14%	0
High Level Skilled (Level 6 - 8)	7	7	0%	0
Skilled (level 3 - 5)	0	0	0%	0
Unskilled ( level 1 -2)	0	0	0%	0
<b>Total</b>	<b>65</b>	<b>52</b>	<b>20%</b>	<b>0</b>

**8.3 RISK MANAGEMENT**

A detailed risk strategy document has been prepared for all sections, risk management processes are monitored by the assigned risk officer. The key risk identified affecting the programme, together with action plans to address these risks are as follows:

Risk Identified	Mitigation Measure / Action Plan
Non-attainment of projected revenue targets.	Encourage departments to project realistic revenue targets. Conduct bilateral discussions with affected departments.
Inadequate implementation of policies and procedures in revenue management by departments.	Regular visits to monitor compliance to revenue policies and procedures.
Lack of credible information on	Financial system service providers must

Risk Identified	Mitigation Measure / Action Plan
outstanding debt provided by municipalities.	be engaged to train staff, assist municipalities to allocate funds
Credibility of budget statement.	Continuous training & development of clients on budget documents
Incorrect and late submission of information on Infrastructure Reporting model (IRM).	Training of departments on the completion of the Infrastructure Reporting Model, establishment of dedicated Infrastructure units within the provincial departments.
Late or non-submission of quarterly reports by the unit as required by the MFMA.	Raise awareness in the municipal CFO forums. Continuously engage municipalities during municipal visits.

**Programme Purpose:**

The programme is responsible for the monitoring and support of Transversal Systems, Information Technology Services, Assets, Liabilities, Public Private Partnerships and Provincial Supply Chain management to departments, municipalities and public entities.

Programme	Sub-Programme
3. Assets and Liabilities Management	3.1. Programme Support 3.2. Financial Assets Management 3.3. Physical Assets Management 3.4. Provincial Supply Chain Management 3.5. Public Sector Liabilities 3.6. Interlinked Financial Systems 3.7. Information Technology

**9.1 STRATEGIC OBJECTIVES****Programme Support**

<b>Strategic Objective 1:</b>	Manage and support the planning and implementation of programme objectives
<b>Objective Statement:</b>	Provide effective and efficient leadership in the Assets and Liability management programme.
<b>Baseline:</b>	7 sub-programmes
<b>Justification:</b>	Provision of management and leadership support
<b>Links:</b>	Effective management results in the optimal utilisation of provincial resources and improved service delivery and economic growth.

**Financial Assets Management**

<b>Strategic Objective 2:</b>	Management of provincial financial assets
<b>Objective Statement:</b>	Monitor and manage cash and investments in the province in order to meet financial obligations of departments
<b>Baseline:</b>	13 votes
<b>Justification:</b>	Timely availability of cash to ensure that departments pay their service providers Manage investments by efficiently utilising interest-bearing instruments to optimise capital accumulation
<b>Links:</b>	Meet governments' financial obligations and ensure compliance to PFMA and Treasury Regulations

### Physical Assets Management

<b>Strategic Objective 3:</b>	Management of provincial physical assets.
<b>Objective Statement:</b>	Monitor and support the implementation on physical asset management norms, standards and policies and the compliance thereof in departments, public entities and municipalities
<b>Baseline:</b>	13 Votes, 4 Public Entities and 20 delegated municipalities
<b>Justification:</b>	Improve compliance on physical asset management norms and standards by departments, public entities and municipalities
<b>Links:</b>	Strengthening performance and management of physical assets in provincial departments, public entities and municipalities. (PFMA, MFMA & other relevant legislations)

### Provincial Supply Chain Management

<b>Strategic Objective 4:</b>	Implementation of Supply Chain Management framework
<b>Objective Statement:</b>	Oversee and monitor the implementation of Supply Chain Management framework by providing guidance and support to enhance sound financial management and accountability.
<b>Baseline:</b>	13 Votes, 4 Public Entities and 20 delegated municipalities
<b>Justification:</b>	Ensure compliance with Supply Chain Management framework and other relevant legislation to enhance sound financial management and accountability in 13 Votes, 4 Public Entities and 20 delegated municipalities.
<b>Links:</b>	PFMA, MFMA, Treasury Regulations and other relevant legislations

### Public Sector Liabilities

<b>Strategic Objective 5:</b>	Facilitate effective management of public sector liabilities
<b>Objective Statement:</b>	Monitor and support the effective and efficient implementation of liability management in departments, public entities and municipalities
<b>Baseline:</b>	13 votes, 4 public entities and 20 delegated municipalities
<b>Justification:</b>	Ensure compliance by departments, municipalities and public entities with the PFMA, MFMA and other relevant legislations in order to promote effective management of loans, state guarantees, leave gratuities, operating lease, retention and other public sector liabilities.
<b>Links:</b>	Effective management of liabilities will result in the optimal utilisation of provincial resources and ensure service delivery and economic growth.



## Interlinked Financial Systems

<b>Strategic Objective 6:</b>	Utilisation of transversal systems
<b>Objective Statement:</b>	Provide support and training to departments to adhere to systems, rules and regulations
<b>Baseline:</b>	13 Votes
<b>Justification:</b>	Effective and efficient use of transversal systems to ensure proper allocation and data utilisation
<b>Links:</b>	Maintain data integrity in the province

## Information Technology

<b>Strategic Objective 7.1:</b>	Information Communication Technology (ICT) services to departments
<b>Objective Statement:</b>	Provide infrastructure, end user support, training and security to 13 Votes
<b>Baseline:</b>	13 Votes
<b>Justification:</b>	Enable line departments to achieve their strategic objectives by ensuring that transversal systems and department specific systems are always available and operational as well as the abuse of the system is minimised.
<b>Links:</b>	Improving line department's operational efficiency through Information Communication Technology

<b>Strategic Objective 7.2:</b>	Public accessibility to government information
<b>Objective Statement:</b>	Provide accessible, reliable and cost-effective government services to the public over the internet for a greater number of community members
<b>Baseline:</b>	5 on-line services and Internet Kiosks in Thusong Centres
<b>Justification:</b>	Promote government efficiency and accessibility through ICT in order to improve service delivery to the general public
<b>Links:</b>	Improving service delivery to the general public through ICT

## 9.2 RESOURCE CONSIDERATIONS

### Expenditure Trends: Programme 3: Assets and Liabilities

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Programme Support	926	1 039	1 736	2 095	1 695	1 695	1 902	1 926	2 042
Provincial Supply Chain Management	10 287	7 756	11 860	13 607	7 607	7 607	11 165	11 741	12 320
Financial Assets	-	549	1 050	4 269	1 769	1 769	3 903	4 219	4 547
Public Sector Liabilities	-	356	1 451	4 410	2 510	2 510	5 053	5 452	5 843
Physical Assets	-	1 734	4 266	5 131	4 131	4 131	4 863	5 162	5 464
Interlinked Financial Systems	-	4 250	6 399	7 961	7 511	7 511	8 663	9 308	9 941
Information Technology	40 039	41 918	60 104	60 786	52 636	52 636	50 412	51 849	53 900
<b>Total</b>	<b>51 252</b>	<b>57 602</b>	<b>86 866</b>	<b>98 259</b>	<b>77 859</b>	<b>77 859</b>	<b>85 961</b>	<b>89 657</b>	<b>94 057</b>

### Expenditure Trends per economic classification: Programme 3: Assets and Liabilities

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
<b>Current payments</b>	<b>49 877</b>	<b>56 208</b>	<b>83 739</b>	<b>96 259</b>	<b>75 859</b>	<b>75 859</b>	<b>82 330</b>	<b>86 657</b>	<b>91 057</b>
Compensation of employees	15 510	17 184	19 186	28 561	24 161	24 161	33 984	36 873	39 824
Goods and services	34 367	39 024	64 553	67 698	51 698	51 698	48 346	49 784	51 233
<b>Transfers and subsidies to:</b>	<b>4</b>	<b>23</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	4	-	-	-	-	-	-	-	-
Households	-	23	1	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>1 371</b>	<b>1 371</b>	<b>3 126</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>3 631</b>	<b>3 000</b>	<b>3 000</b>
Machinery and equipment	1 058	1 342	3 117	2 000	2 000	2 000	3 631	3 000	3 000
Software and other intangible assets	313	29	9	-	-	-	-	-	-
<b>Total</b>	<b>51 252</b>	<b>57 602</b>	<b>86 866</b>	<b>98 259</b>	<b>77 859</b>	<b>77 859</b>	<b>85 961</b>	<b>89 657</b>	<b>94 057</b>

### Trends in the Number of key staff:

Salary band	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Senior Managers (Level 13 - 16)	7	5	29%	0
Managers (level 11 - 12)	18	12	33%	0
Assistant Managers (level 9 - 10)	30	22	27%	0
High Level Skilled (Level 6 - 8)	39	29	26%	0
Skilled (level 3 - 5)	1	1	0%	0
Unskilled ( level 1 -2)	0	0	0%	0
<b>Total</b>	<b>95</b>	<b>69</b>	<b>27%</b>	<b>0</b>

### 9.3 RISK MANAGEMENT

A detailed risk strategy document has been prepared for all sections, risk management processes are monitored by the assigned risk officer. The key risk identified affecting the programme, together with action plans to address these risks are as follows:

Risk Identified	Mitigation Measure / Action Plan
Insufficient funds to meet department's needs. Overdrawing of PMG account. Lack of cash management skills in departments.	Establishment of cash management units in departments. Development of provincial cash management policy.
Non-compliance to the minimum norms and standards for asset management by departments.	Issuing of practice notes, implementing Provincial Asset Management Policies and Procedures. Identify training courses on asset management. Strengthen capacity and skills of officials in departments (head and regional offices) and municipalities.
Inadequate support from departments and municipalities in implementing Public Private Partnership (PPP) projects.	Ongoing awareness, training and identification of PPP projects
Ineffective implementation and operation of Supply Chain Management framework by departments, public entities & municipalities and conflict of interests.	-Continue providing support, guidance and training as well as enforce the Supply Chain Management code of conduct and ethics including issuing Treasury instruction that all officials in the CFO's office dealing with procurement should be vetted.
Lack of provision of required information on liabilities from Departments and Municipalities to enable monitoring and advising.	Address the relevant stakeholders through CFO forums, workshops and one-one meetings.

### Programme Purpose

This Programme serves to facilitate, monitor, support and provides professional advice to ensure good governance in the Province.

Programme	Sub-Programme
4. Financial Governance	4.1 Programme Support
	4.2 Accounting Services
	4.3 Norms and Standards
	4.4 Risk Management
	4.5 Provincial Internal Audit

## 10.1 STRATEGIC OBJECTIVES

### Programme Support

<b>Strategic Objective 1:</b>	Manage and support the planning and implementation of programme objectives
<b>Objective Statement:</b>	Manage the 4 sub-programmes effectively in order to ensure achievement of strategic objectives as stated
<b>Baseline:</b>	12 monthly reports submitted
<b>Justification:</b>	Coordinate functions of the Programme to ensure optimal utilisation of resources to achieve Programme objectives
<b>Links:</b>	Improved financial and corporate governance

### Accounting Services

<b>Strategic Objective 2.1:</b>	Provide support and monitor public sector institutions in terms of accounting standards and legislation
<b>Objective Statement:</b>	Monitor and provide support and capacity building to 13 votes, 20 municipalities and 4 public entities to fully implement accounting standards and comply with disclosure standards by 2014
<b>Baseline:</b>	13 votes, 20 municipalities and 4 public entities
<b>Justification:</b>	Departments, municipalities and public entities must comply with prescribed and legislated reforms
<b>Links:</b>	Improved compliance with accounting standards and other legislation by departments, municipalities and entities

<b>Strategic Objective 2.2:</b>	Promote accountability in public sector institutions through substantive reflection of financial activities
<b>Objective Statement:</b>	Ensure two sets of consolidated financial statements are submitted annually to the Auditor-General and tabled to Legislature within prescribed time frames in terms of the Public Finance Management Act, No. 1 of 1999 (PFMA)
<b>Baseline:</b>	2 sets of consolidated financial statements for departments and public entities
<b>Justification:</b>	Compliance to legislation (PFMA, Section 19)
<b>Links:</b>	Compliance to legislation Improved financial governance

### Norms and Standards

<b>Strategic Objective 3.1:</b>	Identify, analyse and monitor high risk areas in public sector institutions
<b>Objective Statement:</b>	Identify, analyse and monitor 8 high risk areas annually in 13 votes, 20 municipalities and 4 public entities in line with the Committee on Sponsoring Organization (CoSO) framework in order to improve the internal control environment by 2014
<b>Baseline:</b>	8 high risk areas identified, analysed and monitored in 13 votes, 20 municipalities and 4 public entities
<b>Justification:</b>	Strengthen the internal control systems and reduce the level of non-compliance.
<b>Links:</b>	Improved internal controls and compliance with legislation Improved corporate governance

<b>Strategic Objective 3.2:</b>	Develop and issue frameworks and strategies to address issues raised by the Auditor-General
<b>Objective Statement:</b>	Develop and issue 3 frameworks and 3 Provincial Treasury strategies annually to address issues raised by the Auditor-General and monitor remedial actions taken by 13 votes, 20 municipalities and 4 public entities
<b>Baseline:</b>	3 frameworks and 3 Provincial Treasury strategies developed and issued for 13 votes, 20 municipalities and 4 public entities
<b>Justification:</b>	Strengthen the internal control systems and reduce the level of non-compliance.
<b>Links:</b>	Improved internal controls and compliance with legislation Improved corporate governance

## Risk Management

<b>Strategic Objective 4:</b>	Provide guidance and support to public sector institutions on Risk Management processes
<b>Objective Statement:</b>	Monitor and provide support and capacity building to 13 votes, 20 municipalities and 4 public entities to fully implement standardized risk management processes by 2014 in order to improve governance
<b>Baseline:</b>	13 votes, 20 municipalities and 4 public entities
<b>Justification:</b>	Standardized Risk management processes will enable improved monitoring and support to departments, municipalities and public entities
<b>Links:</b>	Improved risk management processes and corporate governance

## Provincial Internal Audit

<b>Strategic Objective 5:</b>	Provide guidance and support to public sector institutions on Internal Audit processes
<b>Objective Statement:</b>	Monitor and provide support and capacity building to 13 votes, 20 municipalities and 4 public entities to fully implement standardized internal audit processes by 2014 in order to improve governance and compliance with the Institute of Internal Auditors Standards
<b>Baseline:</b>	13 votes, 20 municipalities and 4 public entities
<b>Justification:</b>	Standardized internal audit processes will enable improved monitoring and support to departments, municipalities and public entities
<b>Links:</b>	Improved internal audit processes and corporate governance

## 10.2 RESOURCE CONSIDERATIONS

### Expenditure Trends: Programme 4: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Programme Support	3 934	749	1 789	2 903	1 469	1 469	2 153	2 271	2 401
Accounting Services	2 903	2 182	13 074	4 348	4 348	4 348	5 633	5 943	6 282
Norms and Standards	4 643	5 334	4 900	7 049	5 549	5 549	7 180	7 744	8 340
Risk Management	350	923	1 143	1 916	1 416	1 416	1 910	2 032	2 178
Provincial Internal Audit	-	493	1 213	2 218	1 718	1 718	2 201	2 422	2 660
<b>Total</b>	<b>11 830</b>	<b>9 681</b>	<b>22 119</b>	<b>18 434</b>	<b>14 500</b>	<b>14 500</b>	<b>19 077</b>	<b>20 412</b>	<b>21 861</b>

### Expenditure Trends per economic classification: Programme 4: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2009/10	Revised estimate	Medium-term estimates		
	2006/07	2007/08	2008/09				2010/11	2011/12	2012/13
Current payments	11 397	9 681	22 119	18 434	14 500	14 500	18 189	19 480	20 866
Compensation of employees	6 412	7 838	8 205	10 331	9 731	9 731	12 626	13 700	14 797
Goods and services	4 985	1 843	13 914	8 103	4 769	4 769	5 563	5 780	6 069
Transfers and subsidies to:	433	-	-	-	-	-	-	-	-
Provinces and municipalities	433	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	888	932	995
Machinery and equipment	-	-	-	-	-	-	888	932	995
<b>Total economic classification: Finance</b>	<b>11 830</b>	<b>9 681</b>	<b>22 119</b>	<b>18 434</b>	<b>14 500</b>	<b>14 500</b>	<b>19 077</b>	<b>20 412</b>	<b>21 861</b>

### Trends in the Number of key staff

Salary band	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to the establishment
Senior Managers (Level 13 - 16)	3	3	0%	0
Managers (level 11 - 12)	8	8	0%	0
Assistant Managers (level 9 - 10)	15	8	47%	0
High Level Skilled (Level 6 - 8)	5	5	0%	0
Skilled (level 3 - 5)	1	1	0%	0
Unskilled ( level 1 -2)	0	0	0%	0
<b>Total</b>	<b>32</b>	<b>25</b>	<b>22%</b>	<b>0</b>

### 10.3 RISK MANAGEMENT

A detailed risk strategy document has been prepared for all sections, risk management processes are monitored by the assigned risk officer. The key risk identified affecting the programme, together with action plans to address these risks are as follows:

Risk Identified	Mitigation Measure / Action Plan
Non-achievement of plans for Financial Governance	The sub-programmes, Accounting Services, Provincial Internal Audit and Risk Management require additional staff to be able to achieve the planned objectives. A submission on the additional posts was submitted to the Corporate Service Unit for consideration

<b>Risk Identified</b>	<b>Mitigation Measure / Action Plan</b>
Stakeholders misunderstanding the role of Provincial Internal Audit in the Province and not co-operating.	Marketing of the sub-directorate by means of presentations, workshops and networking
Non implementation of action plans by departments.	Follow up on recommendations made, Inform the Executive Authority on non-compliance.
Inadequate support and monitoring of financial reporting	Provide motivation for the increase of staff complement
Insufficient support to municipalities, departments and entities on risk management.	Special provisions / building in time for special assignments on risk management in the Annual Performance Plan

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

## 11 LINKS TO THE LONG-TERM INFRASTRUCTURE AND OTHER CAPITAL PLANS

The department does not have long term projects to be implemented during the period of the strategic plan. No long-term infrastructure plan and other capital plans that outline the infrastructure investment needs.

## 12 CONDITIONAL GRANTS

The department does not have any conditional grants.

## 13 PUBLIC ENTITIES

The department does not have any public entities for which it is responsible.

## 14 PUBLIC-PRIVATE PARTNERSHIPS (PPP)

No PPP is managed by the department.

## 15 LINKS TO OTHER DEPARTMENTS

In terms of the Municipal Finance Management Act (MFMA) the departments' responsibilities to municipalities are shared with the Department of Cooperative Governance and Traditional Affairs (CoGTA).

The Department also has shared responsibility with the Office of the Premier pertaining to Performance Management as well as the mandate to ensure the prevention and mitigation of fraud and corruption through the Integrity Management Unit.

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## ANNEXURES

### ANNEXURE A: TECHNICAL INDICATOR DESCRIPTION PER PROGRAMME

#### Programme 1: Administration

##### Office of the MEC

<b>Indicator Title:</b>	Set policy and political directives in order to achieve provincial objectives
<b>Short Definition:</b>	Provide policy and political directives in terms of Treasury functions
<b>Purpose/Importance:</b>	To determine Provincial priorities and resource allocation
<b>Source/Collection of Data:</b>	Information on resource needs as submitted by Provincial Departments, direction as derived from both SOPA and SONA and other legislative prescripts.
<b>Method of calculation:</b>	Number of MUNIMECs and MTEC Hearings
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Output
<b>Calculation Type:</b>	Cumulative - for the year
<b>Reporting Cycle:</b>	Quarterly
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	Provincial resource needs met in line with Provincial priorities.
<b>Indicator Responsibility:</b>	Executive Authority

##### Office of the HOD

<b>Indicator Title:</b>	Translate policies and priorities into strategies for effective service delivery
<b>Short Definition:</b>	Manage, monitor and control performance to ensure implementation of policies and priorities
<b>Purpose/Importance:</b>	To ensure performance within policy directives and ensure that strategies are effectively implemented in order to ensure service delivery.
<b>Source/Collection of Data:</b>	Legislative prescripts, SONA and SOPA and policy directives
<b>Method of calculation:</b>	Number of reprints issued
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Output

<b>Calculation Type:</b>	None cumulative for the year
<b>Reporting Cycle:</b>	Monthly
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	Strategies implemented and thus ensuring service delivery.
<b>Indicator Responsibility:</b>	Accounting Officer

#### Chief Operations Officer

<b>Indicator Title:</b>	Manage and support the planning and implementation of objectives in the Administration programme.
<b>Short Definition:</b>	Effective management of the Administration programme in order to ensure achievement of strategic objectives
<b>Purpose/Importance:</b>	To provide guidance on the programme plans and objectives
<b>Source/Collection of Data:</b>	Reports issued
<b>Method of calculation:</b>	Number of reports issued
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Output
<b>Calculation Type:</b>	Cumulative - for the year
<b>Reporting Cycle:</b>	Monthly
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	All administrative needs within all the programmes to be adequately catered for.
<b>Indicator Responsibility:</b>	Chief Operations Officer

<b>Indicator Title:</b>	Provide administrative support to all Programmes within the Department.
<b>Short Definition:</b>	Provision of prompt and continuous administrative support to all Programmes within the Department to ensure improved performance.
<b>Purpose/Importance:</b>	To provide administrative support to all Programmes within the Department
<b>Source/Collection of Data:</b>	Reports issued
<b>Method of calculation:</b>	Number of reports issued
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Output
<b>Calculation Type:</b>	Cumulative - for the year
<b>Reporting Cycle:</b>	Monthly
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	All administrative needs within all the programmes to be adequately catered for.
<b>Indicator Responsibility:</b>	Chief Operations Officer

## Coporate Services

<b>Indicator Title:</b>	Provide efficient and effective corporate services support to enable the department to achieve its objectives
<b>Short Definition:</b>	Provide human resource management, render effective records management, ensure compliance of transversal and employee wellness to enable the department to achieve its objectives
<b>Purpose/Importance:</b>	To promote a stable work environment, healthy and productive workforce
<b>Source/Collection of Data:</b>	None
<b>Method of calculation:</b>	None
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Outcome of audits executed
<b>Calculation Type:</b>	None cumulative for the year
<b>Reportng Cycle:</b>	Monthly
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	Adequately skilled and motivated employees to achieve high level of performance.
<b>Indicator Responsibility:</b>	Senior Manager Corporate Services

## Regional Services

<b>Indicator Title:</b>	Coordinate and implement departmental programmes and activities in the Regions
<b>Short Definition:</b>	Improved accessibility and timely provision of departmental services at Regions
<b>Purpose/Importance:</b>	To implement and support departmental programmes and activities to ensure service delivery in the regions
<b>Source/Collection of Data:</b>	Annual plan on programmes to be implemented in the regions
<b>Method of calculation:</b>	Number of programmes implemented in the regions
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Outcomes of programmes implemented
<b>Calculation Type:</b>	Cumulative -for the year
<b>Reportng Cycle:</b>	Monthly
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	Planned programmes and activities on IT, norms & standards and central supply chain management supported and implemented at the regions
<b>Indicator Responsibility:</b>	Senior Manager/ Manager: Gert Sibande, Nkangala and Ehlanzeni region

## Legal Services

<b>Indicator Title:</b>	Provide continuous and prompt legal support services to the Department
<b>Short Definition:</b>	Provide high quality legal services to enable the Department to operate effectively within the prescribed legislative prescripts
<b>Purpose/Importance:</b>	Provision of legal support services to the MEC and the Department.
<b>Source/Collection of Data:</b>	Precedent and applicable legislative prescripts.
<b>Method of calculation:</b>	Turn around time for providing legal services.
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Minimal litigious cases for and against the department
<b>Calculation Type:</b>	Cumulative for the year
<b>Reporting Cycle:</b>	Monthly
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	Minimal litigious cases for and against the department
<b>Indicator Responsibility:</b>	Senior Manager Legal Services

## Communication

<b>Indicator title</b>	Provide effective communication services to the department and stakeholders
<b>Short definition</b>	Provide information to stake holders and render communication support to the department
<b>Purpose/importance</b>	To ensure that the department fulfils its constitutional mandate of providing both internal and external stakeholders with timely accessibility to accurate information.
<b>Source/collection of data</b>	Constitution of the Republic of South Africa, 1996; the Public Service Act as amended; Promotion of Access to information Act, State of the Nation Address and other related legislative mandate.
<b>Method of calculation</b>	Number of communication products produced as compared to the plan
<b>Data limitations</b>	None
<b>Type of indicator</b>	Outputs
<b>Calculation type</b>	Cumulative for the year
<b>Reporting cycle</b>	Monthly
<b>New indicator</b>	No
<b>Desired performance</b>	Information disseminated to stakeholders must ensure that the intended stakeholders are informed and empowered about and on issues affecting them.
<b>Indicator responsibility</b>	Senior Manager: Communication

## Security Management

<b>Indicator Title:</b>	Provide Security management services to the Department
<b>Short Definition:</b>	Protection of asset, people, information by identifying potential security threat and provide measures to address them.
<b>Purpose/Importance:</b>	Provide Security Management services to the department
<b>Source/Collection of Data:</b>	Minimum Information Security Standards, Security Policy, Security threat and risk assessment
<b>Method of calculation:</b>	No of policies and procedures approved and measures implemented to address security threats
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Output
<b>Calculation Type:</b>	Cumulative assignments for the year
<b>Reporting Cycle:</b>	Monthly
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	Compliance with security policies and procedures
<b>Indicator Responsibility:</b>	Manager: Security Management

## Research Policy and Planning

<b>Indicator title</b>	Co-ordinate, plan, support and report on departmental activities to achieve departmental objectives
<b>Short definition</b>	Ensure that all departmental policies and plans are timely developed, implemented and monitored.
<b>Purpose/Importance:</b>	To provide policy and planning services to the department
<b>Source/Collection of Data:</b>	The information comes from all the departmental plans and is collected through monthly and quarterly report by the planning unit.
<b>Method of calculation</b>	Each report is signed off on receipt and submission.
<b>Data limitations</b>	The accuracy and comprehensiveness of the report depends on the authenticity of the information provided by the departmental programmes. It should be in line with the implementation plan.
<b>Type of indicator</b>	The indicator is measuring, activities, actual outputs and performance.
<b>Calculation type</b>	Cumulative for the year
<b>Reporting cycle</b>	Monthly
<b>New indicator</b>	No
<b>Desired performance</b>	Improved performance by the Department through proper and timely planning.
<b>Indicator responsibility</b>	Departmental Planner.

## Financial Management

<b>Indicator Title:</b>	Provide sound Financial and Supply Chain Management services to the Department
<b>Short Definition:</b>	Render efficient and effective management accounting, financial accounting, supply chain management and risks management support
<b>Purpose/Importance:</b>	To provide sound financial management to the Department and to ensure managed procurement processes within supply chain management guidelines
<b>Source/Collection of Data:</b>	Prescribed legislative framework
<b>Method of calculation:</b>	Number of IYMs, Financial Reports and AFS
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Output
<b>Calculation Type:</b>	None cumulative for the year
<b>Reporting Cycle:</b>	Monthly
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	Sound financial management and managed supply chain processes
<b>Indicator Responsibility:</b>	Chief Financial Officer

## Internal Audit

<b>Indicator Title:</b>	Provide efficient and effective internal audit services in the Department
<b>Short Definition:</b>	Evaluate the effectiveness of risk management, internal controls and governance process by providing an efficient and effective internal audit service to the department.
<b>Purpose/Importance:</b>	Internal audit plans are based on the risk assessment conducted for the department and reflect high risk areas that need to be audited and are approved by the Audit Committee.
<b>Source/Collection of Data:</b>	Internal audit reports issued to the department and progress reports presented to the Audit Committee.
<b>Method of calculation:</b>	Number of audits executed compared to the audit plan.
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Outputs according to audit plans
<b>Calculation Type:</b>	Cumulative assignments for the year
<b>Reporting Cycle:</b>	Monthly
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	Internal audit findings raised should be addressed by management to reduce levels of risk, improve internal controls and governance processes.
<b>Indicator Responsibility:</b>	Senior Manager Internal Audit



## Programme 2: Sustainable Resource Management

### Programme Support

<b>Indicator Title:</b>	Manage and support the planning and implementation of programme objectives
<b>Short Definition:</b>	Provide effective leadership within sustainable resource management programme
<b>Purpose/Importance:</b>	Provides guidance on the programme plans and objectives
<b>Source/Collection of Data:</b>	Reports issued
<b>Method of calculation:</b>	Number of report issued
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Output
<b>Calculation Type:</b>	Cumulative - for the year
<b>Reporting Cycle:</b>	Monthly, quarterly and annually
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	Achievement of objectives of the programme
<b>Indicator Responsibility:</b>	General Manager: Sustainable Resource Management

### Economic Analysis

<b>Indicator Title:</b>	Socio-economic research to inform the provincial budget and planning process.
<b>Short Definition:</b>	Provide quality and accurate socio-economic reports that inform provincial fiscal policy development and the annual budget process, thereby contributing to the provincial growth and development strategy.
<b>Purpose/Importance:</b>	Providing socio-economic research reports to inform the provincial budget and planning process.
<b>Source/Collection of Data:</b>	Statistics South Africa and Government Departments (official data) and buying of socio-economic data from credible sources like Global Insight (complementary data).
<b>Method of calculation:</b>	Number of socio-economic reports, compared to plan.
<b>Data Limitations:</b>	None.
<b>Type of Indicator:</b>	Economy and efficiency.
<b>Calculation Type:</b>	Cumulative research reports for the year.
<b>Reporting Cycle:</b>	Quarterly and annually
<b>New Indicator:</b>	No.
<b>Desired Performance:</b>	Socio-economic research reports should be essential for developing and implementing policy, determining budget priorities and should also quantify the impact of public policy and spending on the quality of life of provincial citizens.
<b>Indicator Responsibility:</b>	Senior Manager : Economic Analysis

## Municipal Finance

<b>Indicator Title:</b>	Provide support and monitor municipalities on the implementation of the MFMA
<b>Short Definition:</b>	Provide advice, support on financial management and the implementation of MFMA (Quarterly Budget and Expenditure Analysis, Quarterly Budget and Expenditure Publications, Annual Draft Budget and Annual Report Analysis)
<b>Purpose/Importance:</b>	Provides support and advice to municipalities to have accurate and credible budgets and to improve financial management of municipalities
<b>Source/Collection of Data:</b>	Monthly reports submitted
<b>Method of calculation:</b>	Number of report submitted and analysed
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Output
<b>Calculation Type:</b>	Cumulative - for the year
<b>Reporting Cycle:</b>	Monthly, quarterly and annually
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	Achievement on more municipalities submitting accurate and credible reports and the budget within timeframes as per MFMA
<b>Indicator Responsibility:</b>	Senior Manager : Municipal Finance Management

## Municipal Fiscal Discipline Unit

<b>Indicator Title:</b>	Support municipalities to maximise and expand own revenue base in the province
<b>Short Definition:</b>	Advise municipalities on a monthly basis on matters of revenue management, capacity building and compliance to legislation.
<b>Purpose/Importance:</b>	Assist municipalities with best practices and strategies with regards to revenue collection
<b>Source/Collection of Data:</b>	Monthly reports, Quarterly reports submitted by municipalities
<b>Method of calculation:</b>	Number of reports, revenue information submitted and analysed
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Impact
<b>Calculation Type:</b>	Cumulative - for the year
<b>Reporting Cycle:</b>	Monthly, quarterly and annually
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	Municipalities to have credible revenue budgets, revenue collection
<b>Indicator Responsibility:</b>	Senior Manager : Municipal Fiscal Discipline

## Provincial Administration Fiscal Discipline

<b>Indicator Title:</b>	Support Votes to maximise and expand own revenue base in the province
<b>Short Definition:</b>	Support on revenue maximisation and expansion
<b>Purpose/Importance:</b>	Assist departments with best practices and strategies with regards to revenue management maximisation of revenue collection
<b>Source/Collection of Data:</b>	Revenue projection reports, Revenue trend reports, revenue analysis reports Site visits reports
<b>Method of calculation:</b>	Number of reports, revenue information submitted and analysed
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Impact
<b>Calculation Type:</b>	Cumulative - for the year
<b>Reporting Cycle:</b>	Monthly, quarterly and annually
<b>New Indicator:</b>	None
<b>Desired Performance:</b>	Effective revenue management and maximised provincial revenue collection
<b>Indicator Responsibility:</b>	Senior Manager: Provincial Administration Fiscal Discipline

## Infrastructure Co-ordination

<b>Indicator Title:</b>	Render provincial infrastructure co-ordination services
<b>Short Definition:</b>	Provide support and monitor provincial departments on infrastructure planning and delivery.
<b>Purpose/Importance:</b>	Assist departments with best practices and strategies with regards to infrastructure projects
<b>Source/Collection of Data:</b>	Monthly IRM reports, Quarterly IRM reports submitted to National Treasury, Annual User Asset Management Plans , Quarterly Effectiveness reports
<b>Method of calculation:</b>	Number of reports , evaluated and submitted to National Treasury
<b>Data Limitations:</b>	None submission and poor quality of reports submitted by departments
<b>Type of Indicator:</b>	Impact
<b>Calculation Type:</b>	Cumulative - for the year
<b>Reporting Cycle:</b>	Monthly, quarterly and annually
<b>New Indicator:</b>	Quarterly Effectiveness reports - now legislated in the Division of Revenue Act
<b>Desired Performance:</b>	improved quality of properly selected prioritised, designed, constructed and maintained infrastructure
<b>Indicator Responsibility:</b>	Senior Manager : Infrastructure Co-ordination t

## Budget and Expenditure Management

<b>Indicator Title:</b>	Provide support and monitor Votes in terms of budget and expenditure
<b>Short Definition:</b>	Provide policy advice, ensure budget implementation and promote efficient financial resource allocation
<b>Purpose/Importance:</b>	Ensure departments submits credible budgets and promote effective, efficient and economic budget implementation.
<b>Source/Collection of Data:</b>	Budget submissions, strategic plans, Annual Performance Plans, In Year Monitoring reports, monthly analysis reports and Estimates of Provincial Expenditure
<b>Method of calculation:</b>	Databases, Monthly IYM reports , Annual Performance Plans as well non financial reports.
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Impact
<b>Calculation Type:</b>	Cumulative - for the year
<b>Reporting Cycle:</b>	Monthly and quarterly
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	Provincial departments to have credible budgets, expenditure estimates and effective, efficient and economic budget implementation
<b>Indicator Responsibility:</b>	Senior Manager : Budget and Expenditure Management

## Programme 3: Assets and Liabilities Management

### Programme Support

<b>Indicator Title:</b>	Programme Management
<b>Short Definition:</b>	Provide effective and efficient leadership in the Assets and Liability management programme.
<b>Purpose/Importance:</b>	Provides guidance on the programme plans and objectives
<b>Source/Collection of Data:</b>	Reports issued
<b>Method of calculation:</b>	Number of report issued
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Output
<b>Calculation Type:</b>	Cumulative - for the year
<b>Reporting Cycle:</b>	Monthly, quarterly and annually
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	Achievement of objectives of the programme
<b>Indicator Responsibility:</b>	General Manager: Asset and Liability Management

## Financial Asset Management

<b>Indicator Title:</b>	Management of provincial financial assets
<b>Short Definition:</b>	Monitor and manage cash and investments in the province in order to meet financial obligations of departments
<b>Purpose/Importance:</b>	Manage provincial cash in the form of equitable share, conditional grants and own revenue.
<b>Source/Collection of Data:</b>	Cash flows, bank statements
<b>Method of calculation:</b>	Analysis of cash flow statements
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Outcome
<b>Calculation Type:</b>	Cumulative - for the year
<b>Reporting Cycle:</b>	Monthly and quarterly
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	100% availability of cash and maximising of returns on investment
<b>Indicator Responsibility:</b>	Financial asset management sub-programme

## Physical Asset Management

<b>Indicator Title:</b>	Management of provincial physical assets.
<b>Short Definition:</b>	Monitor and support the implementation on physical asset management norms, standards and policies and the compliance thereof in departments, public entities and municipalities
<b>Purpose/Importance:</b>	Verify the accuracy of asset registers and have a uniform approach to asset management
<b>Source/Collection of Data:</b>	Inventory schedules, assets registers, financial reports of departments and public entities
<b>Method of calculation:</b>	Analysis of source data
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Outcome
<b>Calculation Type:</b>	Cumulative - for the year
<b>Reporting Cycle:</b>	Monthly and quarterly
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	Improved compliance to physical asset management norms and standards by departments, public entities and municipalities
<b>Indicator Responsibility:</b>	Physical asset management sub-programme, departments, public entities and municipalities

## Provincial Supply Chain Management

<b>Indicator Title:</b>	Implementation of Supply Chain Management framework
<b>Short Definition:</b>	Oversee and monitor the implementation of Supply Chain Management framework by providing guidance and support to enhance sound financial management and accountability.
<b>Purpose/Importance:</b>	That Government commitments to improve services and infrastructure development is achieved
<b>Source/Collection of Data:</b>	Reports
<b>Method of calculation:</b>	Analysis of reports
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Outcome
<b>Calculation Type:</b>	Cumulative - for the year
<b>Reporting Cycle:</b>	Monthly and quarterly
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	No deviations but strict adherence to policy frameworks
<b>Indicator Responsibility:</b>	Provincial Supply Chain Management sub-programme

## Public Sector Liabilities

<b>Indicator Title:</b>	Facilitate the management of public sector liabilities
<b>Short Definition:</b>	Monitor and support the effective and efficient implementation of liability management in departments, public entities and municipalities
<b>Purpose/Importance:</b>	Verify the accuracy of liabilities registers
<b>Source/Collection of Data:</b>	Financial systems, annual report, lease agreements, retention and guarantee registers of departments
<b>Method of calculation:</b>	Analysis of source data
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Outcome
<b>Calculation Type:</b>	Cumulative - for the year
<b>Reporting Cycle:</b>	Monthly and quarterly
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	Effective management of liabilities in the province
<b>Indicator Responsibility:</b>	Public Sector Liabilities sub-programme and departments

## Interlinked Financial Systems

<b>Indicator Title:</b>	Utilisation of transversal systems
<b>Short Definition:</b>	Provide support and training to departments to adhere to systems, rules and regulations
<b>Purpose/Importance:</b>	Verify proper allocations on the SCOA to ensure correctness of data on the system. Ensure proper reporting on the balance score card. Ensure adherence to security controls and segregation of functions on the systems
<b>Source/Collection of Data:</b>	Monthly meetings to discuss trial balances and balance score cards Audit trails, security reports
<b>Method of calculation:</b>	Analysis of source data
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Outcome
<b>Calculation Type:</b>	Cumulative monthly
<b>Reporting Cycle:</b>	Monthly and quarterly
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	Improved the use of transversal systems to ensure proper allocation and data utilisation
<b>Indicator Responsibility:</b>	Interlinked Financial Systems sub-programme and departmental System controllers

## Information Technology

<b>Indicator Title:</b>	Information Communication Technology (ICT) services to departments
<b>Short Definition:</b>	Provide infrastructure, end user support, training and security to 13 departments
<b>Purpose/Importance:</b>	To enable line departments to achieve their strategic objectives by ensuring that transversal systems, department specific systems are always available and operational and the abuse of the system is minimised.
<b>Source/Collection of Data:</b>	Reports issued
<b>Method of calculation:</b>	Number of report issued and analysed
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Outcome
<b>Calculation Type:</b>	Cumulative - for the year
<b>Reporting Cycle:</b>	Daily, monthly and quarterly
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	Improving line department's operational efficiency through Information Communication Technology
<b>Indicator Responsibility:</b>	Information Technology sub-programme

<b>Indicator Title:</b>	Public accessibility to government information
<b>Short Definition:</b>	Provide accessible, reliable and cost-effective government services to the public over the internet for a greater number of community members.
<b>Purpose/Importance:</b>	To promote government efficiency and accessibility through ICT to reduce costs and improve service delivery to the public
<b>Source/Collection of Data:</b>	On-line service and Thusong Service Centres
<b>Method of calculation:</b>	Number of centres
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Outcome
<b>Calculation Type:</b>	Cumulative - for the year
<b>Reporting Cycle:</b>	Monthly and quarterly
<b>New Indicator:</b>	Yes
<b>Desired Performance:</b>	Seamless access to government services
<b>Indicator Responsibility:</b>	Information Technology sub-programme



## Programme 4: Financial Governance

### Programme Support

<b>Indicator Title:</b>	Manage and support the planning and implementation of programme objectives
<b>Short Definition:</b>	Availability of adequate human and other resources for the programme in order to ensure achievement of strategic objectives as stated
<b>Purpose/Importance:</b>	Provides guidance on the programme plans and objectives
<b>Source/Collection of Data:</b>	Reports issued
<b>Method of calculation:</b>	Number of reports issued
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Output
<b>Calculation Type:</b>	Cumulative - for the year
<b>Reporting Cycle:</b>	Monthly
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	Achievement of objectives of the programme
<b>Indicator Responsibility:</b>	General Manager: Financial Governance

### Accounting Services

<b>Indicator Title:</b>	Provide support and monitor public sector institutions in terms of accounting standards and legislations
<b>Short Definition:</b>	Compliance to Accounting standards and legislation by 13 votes, 20 municipalities and 4 public entities
<b>Purpose/Importance:</b>	To provide guidance and support on Accounting standards and legislation to enable full implementation of disclosure standards
<b>Source/Collection of Data:</b>	Trial balance reports, Interim financial statements and annual financial statements submitted by departments, municipalities and public entities
<b>Method of calculation:</b>	Analysis of source data
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Output
<b>Calculation Type:</b>	Cumulative - for the year
<b>Reporting Cycle:</b>	Monthly, quarterly and annually
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	Improved compliance to Accounting standards and legislation by departments, municipalities and public entities and timeous submission of consolidated financial statements
<b>Indicator Responsibility:</b>	General Manager: Financial Governance

<b>Indicator Title:</b>	Promote accountability in public sector institutions through substantive reflection of financial activities
<b>Short Definition:</b>	Submission of consolidated financial statements to the Auditor-General and tabling to Legislature in line with legislation
<b>Purpose/Importance:</b>	Compliance to Section 19 of the Public Finance Management Act, No. 1 of 1999
<b>Source/Collection of Data:</b>	Annual financial statements submitted by departments and public entities
<b>Method of calculation:</b>	Analysis of source data
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Output
<b>Calculation Type:</b>	Cumulative - for the year
<b>Reporting Cycle:</b>	Monthly, quarterly and annually
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	Improved compliance to Accounting standards and legislation by departments, municipalities and public entities and timeous submission of consolidated financial statements
<b>Indicator Responsibility:</b>	General Manager: Financial Governance

#### Norms and Standards

<b>Indicator Title:</b>	Identify, analyse and monitor high risk areas in public sector institutions
<b>Short Definition:</b>	Identify, analyse and monitor 8 high risk areas annually in 13 votes, 20 municipalities and 4 public entities
<b>Purpose/Importance:</b>	Strengthen the internal control systems and reduce the level of non-compliance
<b>Source/Collection of Data:</b>	Risk management plans of departments, municipalities and public entities, internal and external audit reports issued
<b>Method of calculation:</b>	Analysis of source data
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Output
<b>Calculation Type:</b>	Cumulative - for the year
<b>Reporting Cycle:</b>	Monthly, quarterly and annually
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	Improved internal controls and compliance with legislation and improved corporate governance
<b>Indicator Responsibility:</b>	General Manager: Financial Governance

<b>Indicator Title:</b>	Develop and issue frameworks and strategies to address issues raised by the Auditor-General
<b>Short Definition:</b>	Develop and issue 3 frameworks and 3 Provincial Treasury strategies annually to address issues raised by the Auditor-General and monitor remedial actions taken by 13 votes, 20 municipalities and 4 public entities
<b>Purpose/Importance:</b>	Strengthen the internal control systems and reduce the level of non-compliance
<b>Source/Collection of Data:</b>	Auditor-General reports and remedial action plans completed by departments, municipalities and public entities
<b>Method of calculation:</b>	Analysis of source data
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Output
<b>Calculation Type:</b>	Cumulative - for the year
<b>Reporting Cycle:</b>	Monthly, quarterly and annually
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	Improved internal controls and compliance with legislation and improved corporate governance
<b>Indicator Responsibility:</b>	General Manager: Financial Governance

### Risk Management

<b>Indicator Title:</b>	Provide guidance and support to public sector institutions on Risk Management processes
<b>Short Definition:</b>	Monitor and provide support and capacity building to 13 votes, 20 municipalities and 4 public entities to fully implement standardized risk management processes
<b>Purpose/Importance:</b>	Strengthen the risk management processes and reduce the level of non-compliance
<b>Source/Collection of Data:</b>	Risk assessment reports and risk management plans issued by departments, municipalities and public entities
<b>Method of calculation:</b>	Analysis of source data
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Output
<b>Calculation Type:</b>	Cumulative - for the year
<b>Reporting Cycle:</b>	Monthly, quarterly and annually
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	Improved risk management processes and corporate governance
<b>Indicator Responsibility:</b>	General Manager: Financial Governance

## Provincial Internal Audit

<b>Indicator Title:</b>	Provide guidance and support to public sector institutions on Internal Audit processes
<b>Short Definition:</b>	Monitor and provide support and capacity building to 13 votes, 20 municipalities and 4 public entities to fully implement standardized internal audit processes
<b>Purpose/Importance:</b>	Strengthen the internal audit processes and reduce the level of non-compliance
<b>Source/Collection of Data:</b>	Internal audit plans and reports issued and completed evaluation questionnaire for Audit Committees
<b>Method of calculation:</b>	Analysis of source data
<b>Data Limitations:</b>	None
<b>Type of Indicator:</b>	Output
<b>Calculation Type:</b>	Cumulative - for the year
<b>Reporting Cycle:</b>	Monthly, quarterly and annually
<b>New Indicator:</b>	No
<b>Desired Performance:</b>	Improved internal audit processes and corporate governance
<b>Indicator Responsibility:</b>	General Manager: Financial Governance