

# ANNUAL PERFORMANCE PLAN 2024 - 2025

DATE OF TABLING  
27 March 2024



provincial treasury  
MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA



## ANNUAL PERFORMANCE PLAN

2024- 2025

### DEPARTMENT GENERAL INFORMATION

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### EXECUTIVE AUTHORITY STATEMENT

We are pleased to introduce the annual performance of the Provincial Treasury for the 2024/25 fiscal year. This is a plan that ensures a smooth transition from the sixth to the seventh democratic administration. In putting this plan together, we drew lessons from inspirational performance in the last years to further build a resilient and credible financial administration that the people of Mpumalanga will be proud of.

It is worth noting that the plan is set off from low economic growth. The National Treasury's 2024 Budget Review estimates that the real Growth Domestic Products (GDP) will be around 1.3 per cent for 2024.

The Provincial economic growth estimates follow the same trend line, albeit starting from the lowly 1 per cent this year. The government will continue to implement various reforms across different sectors to improve the provincial economy.

The Provincial Treasury will continue to ensure allocative efficiencies, maintain fiscal discipline, and encourage credible spending and accountability within the institution and across the Provincial departments, public entities, and municipalities.

**Ms NE Hlophe, MPL**  
**MEC for Finance, Economic Development and Tourism**  
**13 March 2024**

The period ahead will be characterized by focused attention to innovation in supporting the provincial institution through business process automation, enhancing revenue streams, and strengthening accountability mechanisms across the department and the provincial institutions.

We will continue supporting departments, public entities, and municipalities to implement remedial audit plans to improve the province's overall annual outcomes during this term.

The Provincial Treasury will continue to work with all institutions to ensure the adequacy of internal controls so that the limited resources result in a demonstrable change in the quality of life of the people of Mpumalanga.

Let me take this opportunity to thank the Head Official of the Provincial Treasury, management, and the entire staff of the Provincial Treasury for assisting us to develop an all-encompassing plan that is consistent with the Treasury mandate.





### ACCOUNTING OFFICER STATEMENT

The 2024/25 Annual Performance Plan marks the last year of the revised Medium-Term Strategic Framework (2019 – 2024). The Provincial Treasury has come a long way over the past five years towards concluding the implementation of the government priorities set by the sixth administration.

The role of the Provincial Treasury remains that of a guiding light in the promotion of good governance to departments, public entities, and municipalities in the Province. We achieve this by providing stewardship on budgetary and governance processes to promote transparency, accountability, and the effective financial management of resources. In essence, the Provincial Treasury ensures that provincial strategies are funded through projects and other initiatives that are aligned with the provincial priorities.

The Department has made significant progress in finalising the governance structures of Departments and Public Entities and has recorded an improvement in the audit outcomes. The department will continue working closely with Departments,

**Ms GUGU MASHITENG**  
**HEAD: PROVINCIAL TREASURY**

Public Entities, and Municipalities to ensure continuous improvement of the audit outcomes.

The audit outcomes of many of our municipalities remain a major cause for concern, we have committed ourselves to additional support measures which include amongst others convening extended District Chief Financial Officers (CFO) Forums every quarter, meeting with the audit committees of all municipalities at which areas of improvement will be picked up and actioned early.

This APP provides a pragmatic framework to be implemented by the Provincial Treasury during the transition period, and post-national and provincial elections in pursuit of our vision through infusing innovation in departmental programmes.

We will continue to draw inspiration and guidance from enabling legislation and the National Development Plan which sets out immediate national aspirations to eliminate poverty and reduce inequality by 2030.





## ANNUAL PERFORMANCE PLAN


2024- 2025



### OFFICIAL SIGN-OFF


It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Provincial Treasury under the guidance of Ms Gugu Mashiteng;
- Takes into account all the relevant policies, legislation and other mandates for which the Provincial Treasury is responsible, and
- Accurately reflects the outcomes and outputs which Provincial Treasury will endeavour to achieve over the period 2024/2025.

Signature:   
Ms G Milazi  
General Manager :Sustainable Resource Management

Signature:   
Mr CT Dlamini  
General Manager Assets and Liabilities Management

Signature:   
Ms J Bezuidenhout  
General Manager Financial Governance

Signature:   
Mr MA Khoza  
Chief Financial Officer

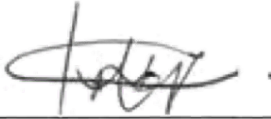
Signature:   
Ms T Tetana  
Acting Senior Manager : Planning

 Ms Gugu Mashiteng  
Accounting Officer

Signature: 

Approved by:

Ms NE HLOPHE (MPL)  
Executive Authority

Signature: 

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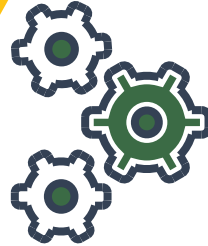


## LIST OF ACRONYMS

<b>AFS</b>	Annual Financial Statement	<b>PERSAL</b>	Personnel Salary System
<b>AGSA</b>	Auditor General of South Africa	<b>PFMA</b>	Public Finance Management Act
<b>ASB</b>	Accounting Standards Board	<b>PGDP</b>	Provincial Growth and Development Plan
<b>BAS</b>	Basic Accounting System	<b>PPP</b>	Public-Private Partnership
<b>BCM</b>	Business Contingency Management	<b>SALGA</b>	South African Local Government Association
<b>BCP</b>	Business Continuity Plan	<b>SARB</b>	South African Reserve Bank
<b>COGTA</b>	Department of Cooperative Governance and Traditional Affairs	<b>SARS</b>	South African Revenue Services
<b>DORA</b>	Division of Revenue Act	<b>SAIPA</b>	South Africa Institute of Professional Accountants
<b>DPSA</b>	Department of Public Service and Administration	<b>SCM</b>	Supply Chain Management
<b>FRP</b>	Financial Recovery Plan	<b>SEDA</b>	Small Enterprise Development Agency
<b>GIAMA</b>	Government Immovable Asset Management Act	<b>SITA</b>	State Information Technology Agency
<b>GDP</b>	Gross Domestic Product	<b>SLA</b>	Service Level Agreement
<b>IAISP</b>	Integrated Audit Improvement Support Plan	<b>SONA</b>	State of the Nation Address
<b>IYM</b>	In-year-monitoring	<b>SOPA</b>	State of the Province Address
<b>IT</b>	Information Technology	<b>SCA</b>	Supreme Court of Appeal
<b>ICT</b>	Information Communication Technology	<b>MEGA</b>	Mpumalanga Economic Growth Agency
<b>IDMS</b>	Infrastructure Delivery Management System	<b>MFMA</b>	Municipal Finance Management Act
<b>LOGIS</b>	Logistical Information System	<b>MTEF</b>	Medium Term Expenditure Framework
<b>mSCOA</b>	Municipal Standard Chart of Accounts	<b>MTPA</b>	Mpumalanga Tourism and Parks Agency
<b>MEC</b>	Member of the Executive Council	<b>NDP</b>	National Development Plan
<b>MER</b>	Mpumalanga Economic Regulator	<b>NYDA</b>	National Youth Development Agency
		<b>OAG</b>	Office of the Accountant General

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# PART A

# MANDATE





## 1. UPDATES TO THE RELEVANT LEGISLATIVE AND POLICY MANDATES

### 1.1. Constitutional Mandate

The Provincial Treasury derives its constitutional mandate mainly, but not limited, from Chapters 6 and 13 of the Constitution of the Republic of South Africa, 1996. There have been no updates on the constitutional mandate of the Provincial Treasury, including mandates in Chapter 6 and 13 in the 2023/24 financial year.

### 1.2. Legislative and Policy mandates

The Provincial Treasury derives its mandate, but not limited, from the following legislation

No.	Legislative Mandate
1.	Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)
2.	Division of Revenue Act (DORA) <b>(Annual Act)</b>
3.	Employment Equity Act, 1998 (Act No. 55 of 1998) (EEA)
4.	Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act 10 of 2009)
5.	Government Immovable Asset Management Act, 2007 (Act 19 of 2009) (GIAMA)
6.	Labour Relations Act, 1995 (Act No. 66 of 1995) (LRA)
7.	Mpumalanga Appropriation Act <b>(Annual Act)</b>
8.	Mpumalanga Adjustments Appropriation Act <b>(Annual Act)</b>
9.	Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA)
10.	Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) (OHSA)
11.	Preferential Procurement Policy Framework Act, 2000, (Act No.5 of 2000) (PPPFA)
12.	Preferential Procurement Regulations, 2022
13.	Promotion of Access to Information Act, 2000 (Act No. 2 of 2000) (PAIA)
14.	Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000) (PAJA)
15.	Promotion of Equality and Prevention of Unfair Discrimination Act, 2000 (Act No.1 of 2000)
16.	Protection of Personal Information Act, 2013 (Act No. 4 of 2013) (POPIA)
17.	Public Administration Management Act, 2014 (Act No. 11 of 2014) (PAMA)
18.	Public Audit Act, 2004 (Act 25 of 2004) as amended
19.	Public Finance Management Act, 1999 (Act 1 No. of 1999) (PFMA)
20.	Public Service Act, 1994 (Act No. 103 of 1994) as amended (PSA)
21.	Public Service Regulations, 2016, as amended (PSR)

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22.	Skills Development Act, 1998 (Act No. 97 of 1998) (SDA)
23.	Skills Development Levies Act, 1999 (Act No. 9 of 1999) (SDLA)
25.	Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) (SPLUMA)
26.	State Liability Act, 1957 (Act No. 20 of 1957)
27.	Treasury Regulations, 2005

From the list of legislation in the table above and for the period under review, there were updates by way of amendments to the Public Service Regulations, 2016 with notices having been published on 20 and 27 October 2023 respectively and effective from 1 November 2023. The DPSA has since commenced with the process of issuing directives to implement the said amendments.

### 1.2.1. Policy Mandate

#### Department Of Public Service Administration (DPSA)

- **DPSA Directive on the Implementation of Control Measures aimed at assisting Executive Authorities in Managing Fiscal Sustainability during the process of creating and filling vacant posts in Departments of 01 October 2023:** This Directive outlines control measures to be implemented on PERSAL and PERSOL to support Executive Authorities to operate within the MTEF and financial ceilings for their departments, when creating and filling vacant posts.
- **DPSA Circular No 07 Of 2024 of 1 March 2024, on the Clarification About The Signing Of Performance Agreements By Heads Of Department And Members Of The Senior Management Service In The Event A National Election And Provincial Election Occurs Within The First Three Months Of The Financial Year:** The Circular seeks to remind Departments on the processes of performance management for SMS members during election processes happening with the first 3 months of the financial year to the effect that SMS members are required to sign their and submit their performance agreements within 3 months after the election month. To this end for the 2024/25 performance cycle, the due date for submitting performance agreement for SMS members is on or before 31 August 2024.



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- **DPSA Circular No. 06 of 2024 of 21 February 2024 on the Implementation of the Directive On Human Resources Management and Development for Public Service Professionalization: Volume 1:** The Circular seeks to implement the directive on the Human Resources Management development for the Public Service Professionalization.
- **DPSA Directive on Compulsory Training Programmes for the Public Service of 23 September 2023:** the directive seeks to define compulsory training for employees, ensure that these training is prioritised and also outlines training modalities and payment processes thereof.

### 2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

There were no updates on institutional policies and strategies

### 3. UPDATES TO RELEVANT COURT RULINGS

There were no new court rulings and/or updates to relevant court rulings

## ANNUAL PERFORMANCE PLAN

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## PART B

# STRATEGIC FOCUS



## PART B: OUR STRATEGIC FOCUS

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

### 1. VISION

Leading in innovation and service excellence.

### 2. MISSION

Enhance fiscal discipline, accountability and effective governance in PFMA and MFMA institutions through:

- Capable and professional workforce;
- Inter-governmental collaboration; and
- Sustainable funding and Equitable allocation and prudent financial management

### 3. VALUES

We are committing ourselves to serve with;



Integrity



Diligence



Collaboration



Leadership



Commitment



Transparency





## 4. SITUATION ANALYSIS

### 4.1. External Environment Analysis

#### SOCIO- ECONOMIC LANDSCAPE

In the recent years, South Africa has seen multiple challenges that continued to hinder economic growth. Globally, inflation has been stubbornly high and this has raised household costs, as well as those related to investments and government debt. The global financial crisis of 2007 and 2008 brought to an end a decade of strong growth and faster job creation. This was exacerbated by Russia's invasion of Ukraine in early 2022, which disrupted global supply chains for agricultural products and kept oil prices higher for longer and has as a result, made life more difficult for all South Africans. High inflation and interest rates worldwide with no exception to South Africa has seen an inflation rate of almost 8% in July 2022, the highest in 13 years for South Africa.

While South Africa's economy is in the recovery phase, the global phenomenon of high inflation continues to create another layer of discomfort and possible economic shocks in the short to medium term. As a result, it has become increasingly difficult for South African consumers to buy essentials, use public transport and afford other essentials due to rising costs which have significantly affected, in the main, the low-income households.

The average annual economic growth for South Africa and Mpumalanga was less than 1% in the 2019-2023 period. COVID-related factors contributed to this weak economic performance and risks such as load shedding, logistical constraints and other structural challenges, can also be highlighted.

The GDP (Gross Domestic Product) release of Statistics South Africa on 05 March 2024, showed that the national economy was growing at only 0.6% in 2023 with negative growth rates in key industries such as agriculture and trade. Agriculture recorded already a less than 1% growth in 2022, after very high growth rates in 2020 and 2021.

The forecasted national growth rate for 2024 is around 1.3% and between 2024 and 2026, national growth is projected to average 1.6% per annum. This is much lower than the MTSF (Medium Term Strategic Framework) growth target of 2% to 3% per annum.

The provincial growth is very much in line with the national growth performance and expectations. Mpumalanga recorded a negative growth of 0.1% in 2019 and a huge contraction of 5.3% in 2020 due to COVID-19. The provincial economy recovered well in 2021 (from a low base) to a growth rate of 5.2%. The growth rate declined however, to 0.6% in 2022 and an estimated 0.4% in 2023. The expected provincial growth rate for this year is around 1%.

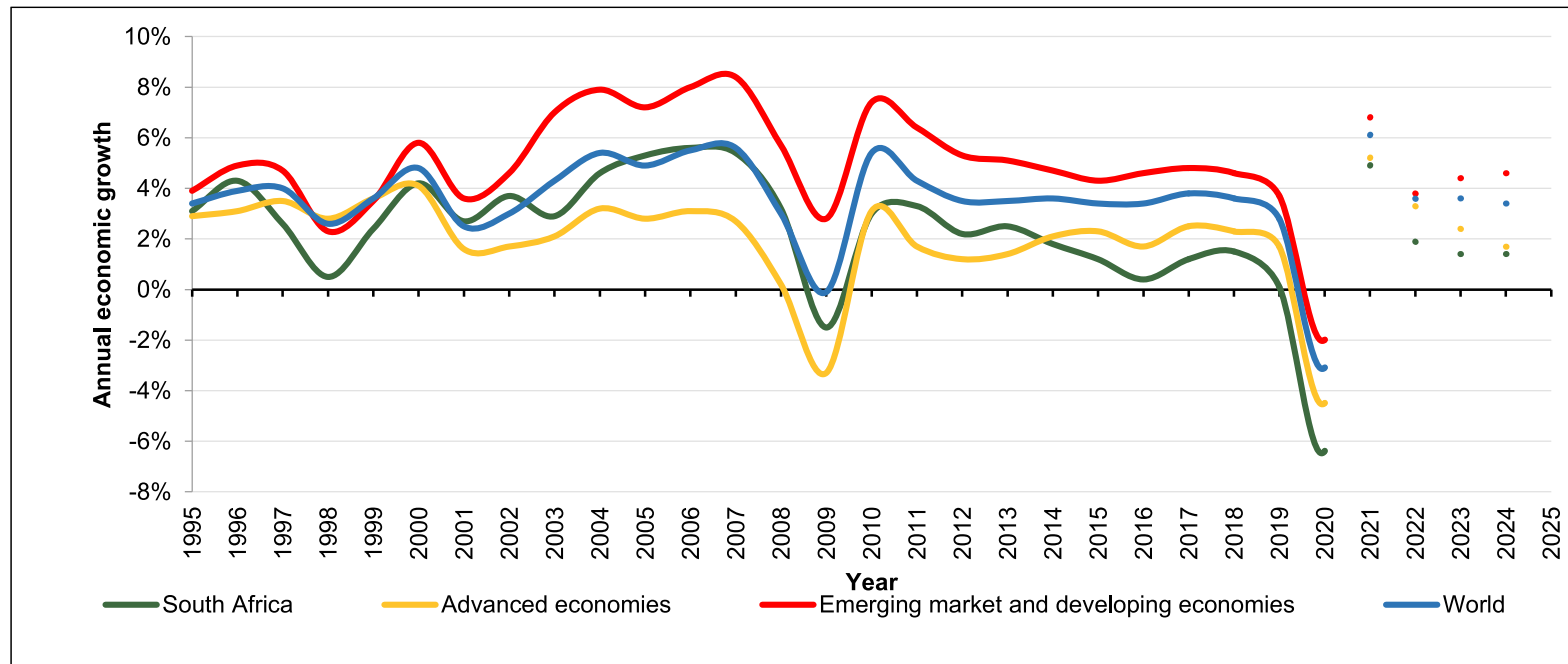
The services sector (except transport) experienced moderate growth between 2019 and 2023, where the primary and secondary sector recorded negative growth rates in the same period, except agriculture. Agriculture experienced the highest growth rate of all the industries in this period. Contractions were experienced in key industries such as mining, construction and manufacturing.

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**Figure A: Historic & forecasted real GDP growth for the world and South Africa, 1995-2025**



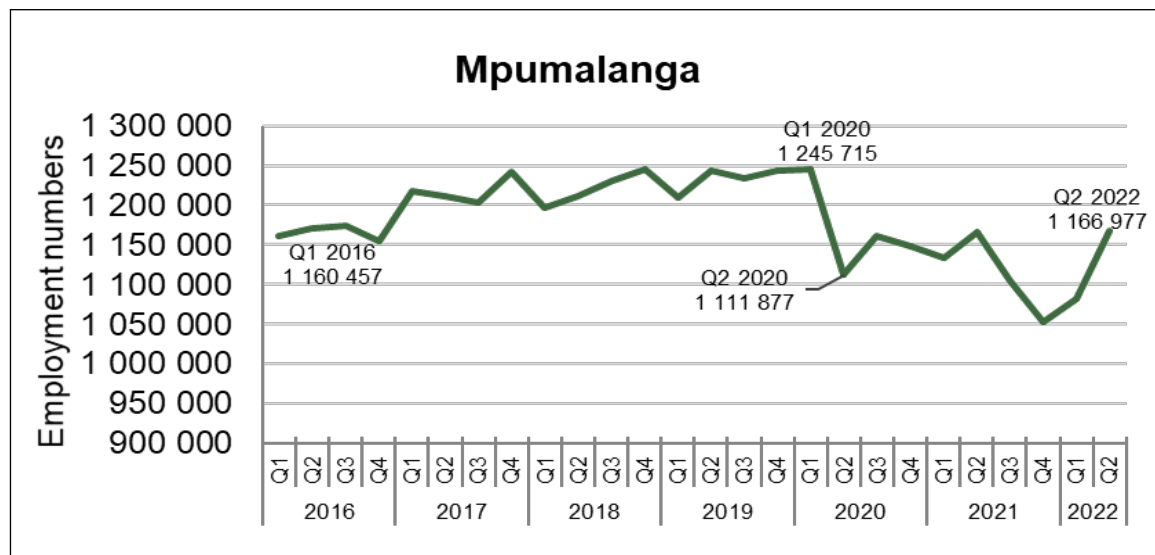
**Source: International Monetary Fund (IMF) - World Economic Outlook Update, July 2022**

In the last 5 years in terms of job creation, Mpumalanga recorded huge job losses in 2020 and 2021 mainly due to COVID-related factors. But, as the Honourable Premier, Mrs Refilwe Mtsweni-Tsipane, indicated in the State of the Province Address (SOPA) on 01 March 2024, “We are in the season of jobs, jobs, jobs and more jobs”. Despite the high unemployment rate which is currently at 46.4% for young people ages 15-34. According to the latest Quarterly Labour Force Survey (QLFS) of Statistics South Africa, the net job gains for our province was in total 197 681 jobs in the 2022 and 2023 period, which is an outstanding performance under difficult economic circumstances.

All the industries contributed to this job creation (especially the services sector), except agriculture and transport, which recorded some job losses in this 2 year period. The recent Q4 2023 QLFS labour data gave hope to Mpumalanga with a very good job creation picture of almost 48 000 net job gains. It should be noted that the Q4 2023 provincial employment level of 1.25 million, was 4 425 jobs more than the number employed in Q1 2020 (before COVID) and also the highest recorded employment level ever in Mpumalanga.

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### COVID-19 impact on provincial employment

Although it is clear that the Mpumalanga labour market gained jobs since the height of the lockdown, those gains were erased in Q3 2021 & Q4 2021. The Q1 & Q2 2022 employment level increased again but was still some 78 738 jobs short of the 1.25 million persons employed in Q1 2020 before the lockdown was instituted.

### LOAD SHEDDING AND ENERGY CRISIS

Load shedding is a problem that confronts all South Africans, it disrupts production, operations and livelihoods. The persistence and severity of load shedding domestically remains a binding constraint to production, investment and employment. Load shedding has become more persistent and prolonged, impacting on service delivery and threatening the survival on many businesses. As such, real GDP growth in the fourth quarter of 2022 contracted by 1.3 per cent and contributed to the lower-than-expected GDP growth of 2 per cent for the 2023. This was far below what is required to meet government's

primary development goals of eradicating poverty, creating employment and reducing inequality.

The National Disaster Management Centre in 2023 classified the energy crisis and its impact as a disaster, and consequently declaring a National State of Disaster to respond to the electricity crisis and its effects. **“A crisis of this nature demands a coordinated response and it demands urgent action, The reality is that the resolution of the energy crisis requires effective coordination across several Departments and Public Entities”** (Hon C. Ramaphosa, SONA 2023□.)



### DISASTER MANAGEMENT

Hon Premier, in the SOPA 2024 highlighted the impact the provincial catastrophic disasters which tormented the province. Mpumalanga Province has become prone to inclement weather which has unfortunately caused the loss of lives, damage to properties as well as infrastructure. These losses have incurred more than R3bn of damages which had to be reported to the National Government for financial assistance after disaster declarations

The aftermath has left scars and a trail of catastrophes behind, and in response to coordinate preventative risk reduction measures in an attempt to ensure that minimal life threatening risks are encountered, Provincial Treasury have developed a Business Continuity Plan. The overall objective of the plan (BCP) is to mobilise all key government resources to ensure that there is enough capacity to resume critical functions effectively in the event of a disruption. The plan aims to accomplish the following objectives: **Operations continuity**

**assurance during disruption; Improved mitigation of risks; and Robust platforms continued operations.**

The Department as a provider of IT Services to the Province has an IT Disaster recovery plan that includes access to Transversal Systems. IT does daily back-ups of information stored on servers and these back-ups are tested regularly. As part of the disaster recovery plan the department has hot and cold sites available for access to transversal systems. Together with SITA the Transversal Systems are tested Bi-Annually with all Departments to ensure access in case of a disaster. The department has done business impact analysis for all sections that were identified as critical. The business impact analysis has details on how each critical business process within the department would continue with business and how each unit will then recover to normal operations.

### PARTNERSHIPS

Mpumalanga Provincial Government with the World Bank and PCC (Presidential Climate Commission), in developing a provincial economic diversification strategy, as well as a provincial job creation strategy. This will make a meaningful contribution and impact to eventually stimulate the Mpumalanga economy and create enough jobs for our people

### AUDIT OUTCOMES

Over and above the electricity crisis, the performance of the logistics and transportation system has deteriorated, municipal services and financial stability are in distress, below snapshot shows the audit outcomes of 16 auditees in the province - 12 Departments, and 4 Public Entities.

Provincial Government has improved on audit outcomes. 2022/23 PFMA Audit outcomes reflect that:

- 5 Institutions obtained clean audit
- 8 received unqualified audit opinion
- 3 Qualified

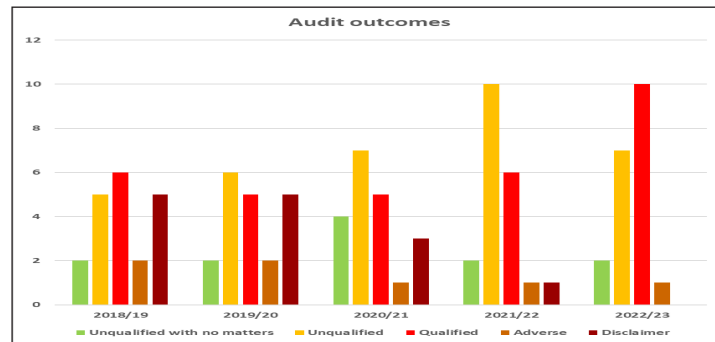


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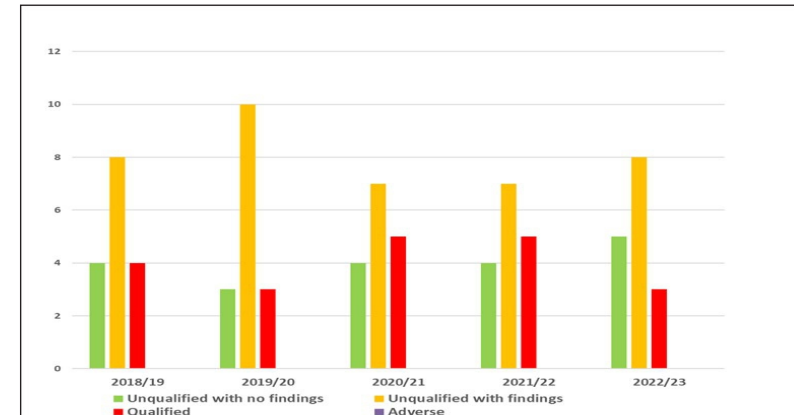


### FIVE YEAR REVIEW ON MFMA AUDIT OUTCOMES



There was an improvement in the audit outcomes from the 2018/19 financial year viz-a-viz the 2022/23 financial year. The Adverse audit opinions decreased from 2 to 1 while the Disclaimed audit opinions decreased from 5 to 0. With regards to the year on year comparison between 2021/22 to 2022/23, there was a regression in terms of the Unqualified opinions which decreased from 10 to 7 and the Qualified audit opinions increased from 6 to 10. In the 2020/21 financial year the Unqualified audit opinions without any matters were 4 which decreased to 2 in the 2021/22 and 2022/23 financial years.

### FIVE YEAR REVIEW ON PFMA AUDIT OUTCOMES



The PFMA audit outcomes improved from 2018/19 to 2022/23 financial year as the Unqualified audit opinions with no matters increased from 4 to 5 and the Qualified audit opinions decreased from 4 to 3 in 2022/23

## ANNUAL PERFORMANCE PLAN

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The Provincial Treasury is working closely with Departments and Public Entities and various support initiatives have been undertaken to improve on their respective audit outcomes. These include and not limited to the following:

- Remedial action plans to address findings raised on the audit report are requested from institutions.
- Analysis of the remedial action plans is performed and feedback issued to the institutions to improve on the areas identified
- Issue letters to institutions on high risk areas identified as highlighted in the audit reports with recommendations to improve the internal controls
- Analyse progress reports and issue letters to institutions on areas where there is a lack of progress

The South African Constitution envisages a local government system that provides services to communities in a sustainable manner, promotes social and economic development, and enables a safe and healthy living environment. This system is designed to be a democratic and accountable government for local communities, allowing communities and community organisations to be involved directly in the matters of local government through public participation processes.

In May 2021, the finance minister responded to issues raised by the community and placed **Lekwa Local Municipality** under intervention through section 139(7) of the Constitution. A financial recovery plan was prepared by the National Treasury and approved by the finance minister in October 2021. The detailed plan included timelines for each planned activity, which was divided into three phases: the rescue phase, primarily focusing on restoring the cash position of the municipality; the stabilisation phase, expanding on the financial indicators to be monitored and emphasising key governance and institutional issues to be addressed simultaneously; and the sustainability phase, to ensure that indicators are developed to give effect to the long-term financial sustainability of the municipality.

While the municipality created a credible financial recovery plan to address the identified deficiencies, the impact was not evident in the 2020-21 audit outcomes. This was due to the late appointment of the administrator (which occurred one month before the 2020-21 financial year-end), the widespread challenges that the plan seeks to address, and the lack of cooperation from key members of management. Five Municipalities were identified in terms of the criteria as stipulated in terms of Sec 140 of the MFMA (**Emalahleni, Thaba Chweu, Govan Mbeki,**

**Msukaligwa and Lekwa**) for the development and implementation of the Financial Recovery Plans. The Provincial Treasury consulted the Minister of Finance for the support through the Financial Recovery Services with the development of the Financial Recovery Plan as prescribed in Sec 139 (1)(a) of the MFMA.

Municipalities were supported with development and approval of Financial Recovery Plans. The approach adopted in the development of the financial recovery plan was a consultative approach as directed in terms of Sec 141 and Sec 142 of the MFMA. Detailed assessments were conducted on the status of these municipalities and the root causes were identified that contributed to the status.

This approach was designed to ensure that financial recovery is not only achieved but also - more importantly - that progress is institutionalised and sustained within the municipality. We are already seeing some promising signs that the plan is being implemented and is having a positive impact. The plan will also go a long way in responding to the material irregularity we raised at this municipality in response to its repeatedly disclaimed opinion.



## INTERVENTIONS

The National Development Plan in Chapter 13 states that □All democratic regimes have to balance the need for public servants to be responsive to the priorities of the government of the day. Improving local government accountability also includes, but is not limited to: building integrity incentives for both, municipal councillors and officials, engaging in more pro-active public discourse, establishing more transparent and effective institutional controls, and enhancing cooperation between municipalities, other spheres of government and all stakeholders including the community. The primary object of local government is the delivery of services to its communities. A robust system of planning, budgeting and performance management must ensure that this goal is attained.

To give effect and to respond to the above it is necessary for Provincial Treasury to plan around the challenges in municipalities in order to give effect to the department 's Constitutional mandate in terms of Section 154 of the Constitution. The province has developed an Integrated Audit Improvement Support Plan (IAISP) to support municipalities improve on their audit outcomes. This plan responds to areas of challenges that have been identified by the Auditor General. The IAISP is plan developed with COGTA, Provincial Treasury, SALGA and the 3 Districts.

Municipalities remain vital platforms for the realization of the objectives of a developmental state. As such, it also provides a democratic platform for deepening democracy through participatory governance

## INTERVENTIONS

Sound financial management is integral to the success of local government. Ensuring sound financial management and accounting, and prudently manage resources so as to sustainably deliver services and bring development to communities. Support for municipalities continued and six (6) more municipalities benefitted through the placement of resident advisors to boost capacity and strengthen financial management, accountability and reporting until March 2024.

These municipalities are **Emalahleni, Victor Khanye, Thaba Chweu, Govan Mbeki, Msukaligwa and Nkomazi**. These placements assisted Dr Pixley ka Isaka Seme and Mkhondo to improve their audit outcomes. Our support will continue to improve standard operating procedures in SCM Asset Management and Contract Management; revenue management and ensure that budgets meet the legislative requirements.

The Provincial Treasury is working with municipalities to improve their capacity, especially in respect of financial management and improving compliance with the Municipal Finance Management Act (MFMA). These efforts will help to address the phenomenon of unfunded budgets and the breakdown in basic service delivery, in addition to the work necessary to deal with political dysfunction.

Provincial Treasury supported all municipalities with unfunded budgets with the development of budget funding plans. We saw a decline in municipal unfunded budgets from ten (10) Municipalities with unfunded budgets in 2021/22 to seven (7) Municipalities in 2022/23 financial year. We further assisted two (2) Municipalities to reduce the unfunded budgets. Msukaligwa unfunded budget reduced with R245 Million and Govan Mbeki reduced the unfunded budget with R430 Million.

For the 2023/24 financial year eight (8) municipalities adopted unfunded budgets and the MFMA unit subsequently assisted with the development budget funding plans to support these unfunded municipalities.



The key priority areas identified for support to municipalities currently known as the “game changers” are: Support towards funded budgets, Improvement for revenue management, Support towards compliance in Supply Chain Management, Improvement over asset management, and Improvement in audit outcomes. Municipalities received training on web-enabled system for development of audit action plans. Further training will be provided during the 2023/24 financial year. Municipalities are currently developing their audit action plans online using this web-enabled system. Reporting on progress will also be done online. This will improve the management and oversight over implementation of the audit action plans.

The unit together with National Treasury is currently rolling training workshops on the tariff tool and budget process. The unit Municipal Finance is also currently assisting the unfunded municipalities with the debt relief reporting on a monthly basis, monitor the development and implementation of the prepaid conversion programme towards compliance by October 2024. Support municipalities with the collection of outstanding government debt.

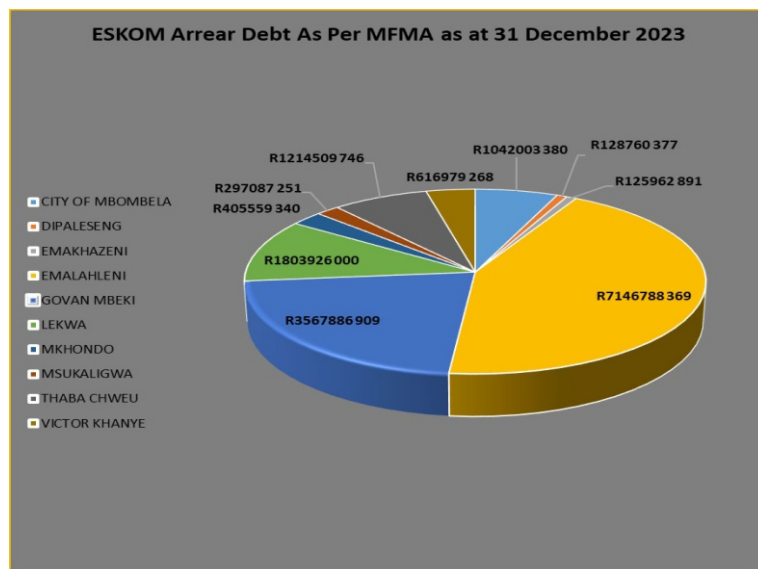
### MUNICIPAL DEBT

Eskom continues to remain a key role player in the electricity sector and the debt relief plan allows the entity to focus on its core business. The Eskom debt continues to be a challenge in most municipalities. In 2023 National Treasury responded to the electricity crisis by taking over R254 billion of Eskom's debt. This is intended to ease pressure on the power utility's balance sheet and enable it to invest in transmission and distribution infrastructure while conducting maintenance on existing infrastructure. Nationally, as at the end of December 2022 Municipalities owed Eskom R56.3 billion and the debt is rising. Undertaking a debt-relief of this magnitude without addressing this risk would be counterproductive.

The Provincial Treasury supports all government priorities as it monitors the usage of all resources allocated to Provincial Departments, Municipalities and Public Entities. The Provincial Treasury is aligned to the National priorities and key focus is on Priority 1 “**A Capable, Ethical and Developmental State**” with focus on the outcome “Improved Governance and Accountability”

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structures

### **Outcome 3: Improved leadership and governance accountability** ☐ **honouring repayment of ESKOM debts by Municipalities**

Provincially, the Eskom debt Outlook is as follows:

- Municipalities were monitored in honouring of reasonable repayment agreement for ESKOM debts, 41% (7 of 17) Local Municipalities are honouring their payment to ESKOM .
- The Local Municipalities not honouring payment of ESKOM debt are: City of Mbombela, Thaba Chweu, Msukaligwa, Mkhondo, Lekwa, Govan Mbeki, Dipaleseng, Victor Khanye, Emalahleni and Emakhazeni
- The total amount owed to ESKOM by Municipalities is R20.3 billion. For redress:
- ✓ Training on Budget Funding Plan and Cost reflective tariffs in preparation for 23/24 Financial Year was conducted with all Municipalities.
- Support has been provided for procurement of smart meters and electricity protective

### **OWN REVENUE COLLECTION**

The Provincial revenue collection is critical to augment the service delivery programmes. The provincial revenue collection has been strong despite the health crisis of 2020, and the prevailing cost of living economic crisis.. While the Provincial Revenue stream contributes less than 4% per cent of the total budget source in 2024/25, it is an important financing policy area. It provides the provincial government with an excellent discretionary element that enables speedy response to province-specific service delivery.

monitor revenue collection in departments and public entities and provide the necessary support to grow the provincial revenue base.

Provincial Departments collected R2.4 billion at the end of January 2024 (ten months) against the 2023/24 annual target of R2.4 billion.

This indicates and consistent improved performance compared to the same period in the over the past financial years.

The provincial own receipts are projected to increase from R2.4billion in 2023/24 to R2.8billion in 2024/25 as the province continues to implement best practices in terms of own revenue management. We will continue to

The province has resumed licensing functions, away from some municipalities to enhance the collection and retention capabilities in own revenue. own revenue leakages





### INFRASTRUCTURE DELIVERY SUPPORT

One of the primary mechanisms of contributing to economic growth and improving the lived experience of the communities is through investment in public infrastructure. The Province allocated R5.2 billion over the MTEF, of which R5.02 billion for new infrastructure and R9.01 billion is earmarked to maintain existing public infrastructure.

The Province is protecting its assets to increase their lifespan and to make a lasting impact on communities and the overall economy of the Province. During the 2023 budget cuts, infrastructure budgets were projected, despite them being easy targets for culling. The ongoing fiscal crunch will enable better planning and implementation of infrastructure.

Many municipalities are facing challenges including maladministration and irregular, fruitless and wasteful expenditure. The municipality focused pilot program, Procurement, Infrastructure and Knowledge Management (PINK) seeks to introduce infrastructure and supply chain management best practices in Public Financial Management (PFM).

The program assists and facilitates the finalisation and implementation of the Local Government Infrastructure Delivery Management System (LGIDS) Toolkit in support of infrastructure delivery within the four identified pilot Municipalities in Mpumalanga Province (Mkhondo Local Municipality, Chief Albert Luthuli Local Municipality, Nkomazi Local municipality and Dr

Pixley KaSeme Local Municipality). Pink has deployed advisers in the municipalities to help officials implement best practices.

### SUPPLY CHAIN MANAGEMENT

The Supply Chain Management (SCM) function is one of the conduits through which Government should achieve its service delivery and developmental objectives in a sustainable manner.

With the planned outputs, the priority will be on awarding of contracts for services of the Provincial Treasury to previously disadvantaged groups with focus on women, youth and people living with disabilities.

This commitment was reiterated in the **Provincial Budget Speech 2024/25** in pursuit of transformative procurement targets, as the Mpumalanga Provincial Government, intended to use public procurement to promote economic participation in order to transform ownership of the means of production. In this regard, 30% of the provincial procurement spend shall be set aside for enterprises owned by women, youth and people with disabilities.

The new Public Procurement Bill is currently undergoing public participation. Once passed, it will create an enabling policy environment that will raise the bar on transformative procurement in the coming years.

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### Outcome 5: Cross-cutting issues: Mainstreaming of gender empowerment, youth, persons with disabilities, older persons and military veterans: 30% of bids allocation

Beneficiaries	Total spend for 9 months on all procurement: R 10 777 929 608.56				
	Quarter 1	Quarter 2	Quarter 3	Total amount	%
Females/Women	R 906 084 998.34	R 735 857 409.65	R 983 710 420.77	R 2 625 652 830.76	24.36
Youth	R 298 229 777.63	R 499 753 282.46	R 685 393 312.81	R 1 483 376 372.90	13.76
PWDs	R 17 875 098.62	R 13 352 762.11	R 9 013 731.82	R 40 241 592.55	0.37
Total spend on designated/target groups				R 4 149 270 796.21	38.50

The Provincial Outlook stood by the end of December 2022 stood as follows:

#### Observation(s)

Good progress noted towards financial inclusion for unlocking barriers to redress poverty, inequality and unemployment for the vulnerable groups.

Of the awarded bids to the tune of R10.7 billion in just nine months of the 2023/24 financial year, R4.1 billion was spent on enterprises of women, youth, and people with disabilities, exceeding the 2023 SOPA target by 8.5 per cent.

**Recommendation(s)** Improve allocation for all the targeted groups as per policy imperative - F (40%), Y (30%) and PWDs (7%)

### 1.1. Internal Environment Analysis

Eradicating poverty, inequality and unemployment is as urgent today, if not more so, as it was at the dawn of our democracy nearly 30 years ago.

In an effort to achieve Priority 1 of “**A Capable, Ethical and Developmental State**” with focus on the outcome Improved Governance and, our priorities in 2023 are to decisively to:

#### 2024/25 Provincial Treasury ‘s key Priorities



Priority Area	Outcome	Commitment	Lead/Responsible Entity	Budget
A capable, ethical and developmental state	Improved leadership, governance and accountability	Operation Clean Audit (OPCA) – PFMA and MFMA audit outcomes	Provincial Treasury	OPEX
		30% allocation of provincial procurement spending for enterprises owned by women, youth and persons with disabilities	Provincial Treasury	OPEX

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The **Provincial Treasury** has an approved organisational structure of 433 posts. The process of revising the current organisational structure was completed and submission forwarded to the Office of the Premier, the Provincial Treasury is awaiting approval thereof.

Posts in the Approved Organogram	Vacant Posts as per Approved Organogram	Filled Posts
433	125	308

At the end of the 2022/23 Financial Year, the Provincial Treasury operated with a total of **357** warm bodies, which comprises of **308** permanent posts and **49** developmental programme inclusive of interns and learners. The overall vacancy rate as per posts on the approved organisational structure is at **28.8%** based on **125** vacant posts against the total posts of **433**.

The organisational structure of the Provincial Treasury currently makes provision for four Programmes :

**Programme 1** is responsible for political, financial, administrative management and support. The other three programmes focus on Treasury functions, which are sustainable resource management, assets and liabilities management and financial governance. The Provincial Treasury operates in both the PFMA and MFMA environments.

The Annual Performance Plan for the 2024/25 financial year constitutes of the Strategic Plan's fifth year of the implementation of

government priorities set in the revised MTSF 2019-2024, which comes with an immense task to conclude on the commitments set for this five-year term whilst laying sufficient baseline for the next evaluation of MTSF. The revised MTSF 2019-2024 emphasised that improving the economic growth pattern is critical to improving employment levels, eradicating poverty and reducing inequality.

With the planned outputs, the priority will be on awarding of contracts for services of the Provincial Treasury to previously disadvantaged groups with focus on women, youth and people living with disabilities. Through effective and efficient service, the provincial treasury will achieve the planned outcome of improved financial performance and governance within the PFMA and MFMA institutions leading to the impact of financially viable government institutions.

The aim of the **Sustainable Resource Management Programme** is to efficiently and effectively manage provincial fiscal resources towards achieving inclusive growth and improving living standards. The programme is key in the delivery of services by provincial and

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local governments, as the allocating engine of the province. The programme seeks to ensure that the provincial government resources are optimised both during collection and the spending thereof.

The Provincial Treasury will continue to support Provincial Departments in maximizing collection and generation of own revenue through training workshops, revenue forums and monitoring of cash offices. Attention will be given to major collecting departments to grow the Province's own revenue base. The motor vehicle tariffs are gradually being increased (Road Traffic Act Fees), to be in line with

the national rates. The province will continue to explore other ways of making vehicle license renewal easier and convenient to the public.

Provincial Treasury has however, been affected by several threats, which include and are not limited to the following:

- ❑ Misuse of or negligence on revenue collecting centres by departments
- ❑ Fiscal leakages on revenue collecting Departments
- ❑ Unreliable cash flow and own revenue projections from departments which affects the transfer of cash to Departments

Municipal Finance was conceptualized and was established to deal with municipal budgets only. In order to improve public confidence and transparency in municipal budgeting and reporting, the Provincial Treasury supported municipalities to implement the Municipal Standard Chart of Accounts (MSCOA). The introduction of MSCOA ensures consistency in recording of financial information and makes it easier for communities to hold all spheres of government accountable for spending of public funds. The financial viability of some municipalities remains an area of concern. Support programmes have been developed to assist local municipalities to improve on cash flow management, revenue management, expenditure management, SCM, contract management and asset management.

Infrastructure delivery in the province has seen numerous challenges in the political, economic, social, technological, environmental and in legal environment. Changes in political leadership has effects on infrastructure delivery. Leadership instability resulting in senior position to remain unoccupied, having a knock-on effect to decision-making and infrastructure delivery. The Infrastructure Coordinating Unit is in progress with LG IDMS inductions. Political buy-in on the IDMS is important however, the change in leadership hinders buy-in from politicians and influences the acceleration of infrastructure delivery. In

recent times, the increase of inflation has resulted in increasing costs of construction materials and thus infrastructure projects. On the upside, high inflation has allowed for more competitive bids. The Infrastructure Coordination Unit participates in the gateway review committee as a risk mitigation measure against variation order.

The global health crisis, COVID-19 not only affected the economy, but has slowed infrastructure delivery due to lock-down restrictions. The construction sector experienced large number of job losses. However, this is an opportunity for government to increase capacity of professionals with technical skills who had experienced job losses, thus increasing the quality of planning and accelerating the delivery of infrastructure.

With the country experiencing increasing load shedding, it is important for departments to adopt green building practices and technologies. Regardless of the perceived high initial cost, these technologies have great benefits such as reducing energy demand on the national grid through infrastructure being 20-30% more energy efficient, lower operation and maintenance costs. More awareness is to be done on the subject. As Provincial Treasury: Infrastructure Coordination Unit, this is an opportunity to review grants and funds to enforce and

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incentivize budget allocation for projects with green building technologies.

The **Assets and Liabilities Management Programme** supports all government priorities by monitoring the utilisation of resources allocated to Provincial Departments, Public Entities and Municipalities. The Programme is responsible for supply chain, assets and liabilities management and the management of the transversal systems and information technology in Provincial Departments.

Oversight over compliance with SCM policies, procedures, norms and standards will continue. Over the past years, the programme focused on improving compliance to reporting provisions as set out by National Treasury including on monitoring the payment of suppliers within 30 days in Departments, municipalities and Public Entities, training of practitioners in all spheres of government and creation and establishment of bid committees. There has been improvement with regard to compliance on the submission of reports, which includes procurement plans, and the 30 days payment of suppliers after receipt of valid invoices. All twelve votes, five public entities and twenty-one municipalities submitted their procurement plans on time and the Provincial Treasury monitors adherence on a monthly basis. Similarly, there is improvement in the payment of suppliers within 30 days after receipt of an invoice; however, there are challenges in the Departments of Health and Education, as these departments are not paying within specified timelines, which add to accruals at year end.

There is a need for the Provincial Treasury to improve its systems to enhance the support to Provincial Departments, Municipalities and Public Entities on sound financial and administrative management, efficient and effective management and operations systems and procurement systems that deliver value for money. For the coming year, the focus will be on capacity building to improve the skills on asset and inventory management.

The Provincial Treasury will continue providing support on the utilisation of transversal systems to all departments. In this regard a business process automation was introduced to move away from manual processes where electronic leave management, invoice

tracking system, automation of financials statements, contract management and Electronic Document Delivery tool were implemented. Priority is given to sourcing system that will facilitate e-submission that will facilitate drafting of memos and obtaining all approval electronically.

The Information Technology unit is efficient in its operations, however it is negatively affected by the severe Load shedding and therefore resulting in the inability to achieve the set **85%** Network Uptime.

The Provincial Treasury will continue to collaborate and work in partnership with various stakeholders to ensure that improved access to services for the people of the province. An exploration of bringing closer stakeholders such the Small Enterprise Development Agency (SEDA), National Youth Development Agency (NYDA), South African Revenue Service (SARS) and others. This intervention will result with an increased ability to bring services closer to where they are most needed whilst stakeholders are complimenting each other taking into account the limited staff numbers. With the planned outputs, the priority will be on awarding of contracts for services of the Provincial Treasury to previously disadvantage groups with focus on women, youth and people living with disabilities.

In the **Financial Governance Programme**, the increasing mandates and number of institutions, which needs to be serviced, the Human Capital is a challenge considering that the Mpumalanga Provincial Treasury structure is not aligned to the recommended Provincial Treasury structures issued by National Treasury, which aligns Provincial Treasuries to the National Treasury mandates.

One of the most topical and concerning issues affecting South Africa and its economic development prospects is the need to address governance shortcomings. To deal with this, Provincial Treasury needs strong and effective institutions, strong legislation and early warning systems. The Units in the Provincial Treasury were originally created based on the support to Departments and Public Entities and with the delegation of 19 Municipalities from the National Treasury to the Provincial Treasury, this mandated was extended, which places a heavier burden on the officials to perform.



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The Provincial Treasury has entered into partnerships with the South African Institute of Professional Accountants with the aim to professionalise the finance managers within government. The government makes available the learning environment, SAIPA provides the means, and tools of learning, assess and certifies the competency of the officials as Professional Accountants. The plan is to involve other professional bodies in relation to risk management, auditing, supply chain management and others.

National Treasury is also coordinating the Public Sector Risk management and Business Continuity Management Forum, which is a platform to share information and best practice, and the Provincial Risk Management is actively involved as a member in those forums. Furthermore, the National Treasury Risk Management Support also assist the Province with Capacity Building to stakeholders. Additionally the Department has made progress in finalising the governance structures of Public Entities and Departments.

### Audit Outcomes

Municipal audit outcomes reflects 2 clean audit outcome, and 1 municipality improved from a disclaimer to a qualified audit opinion.

Audit Outcome	2021/22	2022/23	Municipalities in 2022/23	Status
Unqualified with no findings	2	2	Nkangala DM Ehlanzeni DM	Only 2 of 20 (10%) Municipalities received a clean audit
Unqualified with findings	10	7	Gert Sibande DM, Bushbuckridge LM, City of Mbombela, Mkhondo LM, Nkomazi LM, Thembisile Hani LM, Dr Pixley Ka Isaka Seme LM	3 Municipalities have regressed between 2021/22 and 2022/23 FY; viz; Thaba Chweu LM, Steve Tshwete LM, Chief Albert Luthuli LM
Qualified	6	10	Chief Albert Luthuli, Dipaleseng, Dr JS Moroka, Emalahleni, Govan Mbeki, Lekwa, Msukaligwa, Steve Tshwete, Thaba Chweu and Victor Khanye LMs	Qualified audit outcomes have increased from 6 to 10, three regressing from unqualified with findings and one progressing from disclaimer to qualified
Adverse	1	1	Emakhazeni LM	Emakhazeni LM audit outcomes remained the same as 2021/2022
Disclaimer	1	0	None	N/A

Municipal Teams were identified that consist of all disciplines , i.e. Accounting Services, Asset Management, Supply Chain Management, Liabilities Management, Provincial Risk Management, Provincial Internal Audit, Municipal Finance, Information Technology and Governance issues. Team leaders and Deputy Team Leaders were nominated and the teams include representatives from all the Key stakeholders. Provincial Treasury will analyse the

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audit outcomes and information obtained during engagements with municipalities and identified gaps per Municipality in terms of root causes, actions to be taken and activities to be undertaken to address these challenges.

In partnership with COGTA a joint MINMEC will continuously be convened in supporting Municipalities to develop credible audit action plans that respond adequately to all AG audit queries. Moreover, through the CFO Forum and extended District based CFO Forum, Provincial Treasury will continue to strengthen capacity of Municipal CFOs to prepare their own Annual Financial Statements. **5 Resident Advisors** and **4 Provincial based advisors** have been placed to assist Municipalities for improvement of revenue and budget management.

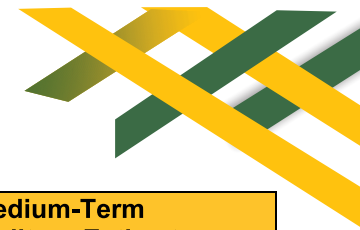
### EXPENDITURE ESTIMATES OF PROVINCIAL TREASURY

The budget for the Provincial Treasury has shown a decrease of 8.1 percent when compared to the current financial year baseline. The decrease is mainly on goods and services due to funds for staff verification project and Infrastructure Development Improvement Shift that were rescheduled during the 2021/22 second adjustment. The budget for 2023/24 MTEF however has increased dramatically when compared to audited outcome and preliminary outcome respectively. This is as a result of the additional funds received for 2022/23 MTEF for E-Submission and Electronic Records Management

Programme	Audited Outcomes			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-Term Expenditure Estimate		
R Thousand	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2025/27
Administration	88 936	107 956	131 413	135 964	142 077	142 077	148 269	152 099	159 442
Sustainable Resource Management	46 472	82 149	70 369	77 221	89 251	92 571	82 847	86 964	91 834
Assets & Liabilities Management	213 237	213 539	228 579	345 939	293 759	290 259	295 846	296 635	280 032
Financial Governance	26 473	30 061	49 436	31 588	25 625	25 625	33 216	35 163	37 286
<b>Sub-Total</b>	<b>375 118</b>	<b>433 705</b>	<b>479 797</b>	<b>590 712</b>	<b>550 712</b>	<b>550 712</b>	<b>560 178</b>	<b>543 861</b>	<b>568 594</b>
<b>Direct Charge Against the Revenue Fund (Included in Programme 1)</b>	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>375 118</b>	<b>433 705</b>	<b>479 797</b>	<b>590 712</b>	<b>550 712</b>	<b>550 712</b>	<b>560 178</b>	<b>543 861</b>	<b>568 594</b>
<b>Economic Classification</b>									
<b>Current Payments</b>	<b>364 779</b>	<b>377 094</b>	<b>414 760</b>	<b>562 233</b>	<b>503 994</b>	<b>500 494</b>	<b>528 970</b>	<b>511 914</b>	<b>536 684</b>
<b>Compensation of Employees</b>	<b>183 035</b>	<b>190 646</b>	<b>198 620</b>	<b>236 246</b>	<b>212 838</b>	<b>212 838</b>	<b>254 618</b>	<b>270 705</b>	<b>287 660</b>
Salaries and wages	157 084	165 064	172 224	201 988	183 190	183 190	218 159	231 585	245 704
Social contributions	25 951	25 581	26 396	34 258	29 648	29 648	36 459	39 120	41 956

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Programme	Audited Outcomes			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-Term Expenditure Estimate		
R Thousand	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2025/27
<b>Goods and Services of which</b>	<b>181 744</b>	<b>186 448</b>	<b>216 140</b>	<b>325 987</b>	<b>291 156</b>	<b>287 656</b>	<b>274 352</b>	<b>241 209</b>	<b>249 024</b>
Administrative fees	147	401	808	1 170	1 079	1 079	1 143	1 253	1 310
Advertising	545	730	1 362	904	1 559	1 559	1 222	1 279	1 337
Minor Assets	10	146	677	233	140	140	244	255	267
Audit Costs: External	4 779	4 477	6 636	6 781	6 077	4 716	7 022	6 818	7 131
Catering: Departmental Activities	128	370	968	1 103	1 262	1 262	1 334	1 371	1 433
Communication	3 265	4 806	5 367	6 067	8 404	8 404	6 390	6 699	7 006
Computer services	146 123	134 463	131 196	245 227	202 682	186 548	186 927	154 612	158 468
Consultants and prof services	1 030	6 914	25 146	17 723	13 849	13 849	20 118	21 015	21 971
Infrastructure Planning	-	-	-	-	-	-	-	-	-
Legal Fees	-	-	-	78	10	10	82	86	90
Contractors	3 174	2 659	2 049	6 835	9 779	23 250	7 824	3 586	3 751
Agency fees	145	12	-	58	-	-	61	64	67
Government Transport	1 787	2 549	2 874	1 898	3 187	3 438	1 838	1 920	2 008
Inventory Materials & Supply	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable Supplies	1 671	2 787	1 914	1 263	1 738	1 977	1 401	1 464	1 532
Consumable: Stationery	884	1 783	1 192	1 504	2 691	2 691	1 571	1 641	1 716
Operating Leases	7 126	7 649	7 875	8 629	7 839	7 839	8 787	9 212	9 636
Property Payments	5 497	6 406	4 824	4 521	4 486	4 486	5 024	5 250	5 491
Transport provided	7	-	20	163	46	46	170	177	185
Travel & subsistence	3 900	37 757	17 580	15 436	18 751	18 751	16 060	16 696	17 466
Training	359	1 171	1 468	3 188	3 719	3 719	4 674	5 120	5 353
Operating Payments	899	537	2 259	2 026	877	911	1 069	1 144	1 197
Venues	288	831	1 925	1 180	2 981	2 981	1 391	1 537	1 609
Rental and hiring	-	-	-	-	-	-	-	-	-
<b>Transfers and Subsidies to:</b>	<b>6 941</b>	<b>38 279</b>	<b>17 242</b>	<b>3 149</b>	<b>21 388</b>	<b>24 888</b>	<b>4 740</b>	<b>4 293</b>	<b>2 984</b>
Provinces and Municipalities	5 004	34 594	15 026	22	20 068	23 568	23	24	25
Departmental agencies and accounts	652	646	672	742	709	709	779	815	852
Households	1 285	3 039	1 544	2 385	611	611	3 938	3 454	2 107
Public corporation	-	-	-	-	-	-	-	-	-
<b>Payment for Capital Assets:</b>	<b>3 398</b>	<b>18 332</b>	<b>47 721</b>	<b>25 330</b>	<b>25 330</b>	<b>25 330</b>	<b>26 468</b>	<b>27 654</b>	<b>28 926</b>
Machinery & Equipment	836	18 332	29 318	25 330	25 330	25 330	26 468	27 654	28 926

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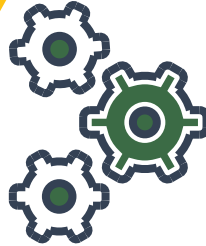
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Programme	Audited Outcomes			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-Term Expenditure Estimate		
R Thousand	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2025/27
Software and Other Intangible Assets	2 562	-	18 403	-	-	-	-	-	-
Payment for financial assets	-	-	74	-	-	-	-	-	-
<b>Total</b>	<b>375 118</b>	<b>433 705</b>	<b>479 797</b>	<b>590 712</b>	<b>550 712</b>	<b>550 712</b>	<b>560 178</b>	<b>543 861</b>	<b>568 594</b>

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## PART C

# MEASURING PERFORMANCE



## 2. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

### 2.1. Programme 1: Administration

**Purpose:** This Programme is responsible for political, financial and administrative management of the Provincial Treasury. The Programme provides prompt, continuous, effective and efficient administrative support to all line functions in the Provincial Treasury.

#### 2.1.1. Sub-Programme: Management Services: Office of the Head: Provincial Treasury

**Purpose:** To render Provincial Treasury services

**Outcomes, Outputs, Output Indicator and Targets**

Outcome	Outputs	Outputs Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Improved financial performance and governance in PFMA and MFMA institutions	Unqualified audit opinion with no findings	Achievement of Departmental financial and performance targets	New Indicator	New Indicator	New Indicator	1 Audit Opinion	1	1	1
	Approved Risk Register	Number of Approved Risk Register	1	1	1	1	1	1	1

**Output Indicator, Annual and Quarterly Targets**

Output indicators	Annual Target	Q1	Q2	Q3	Q4
Achievement of Departmental financial and performance targets	1	N/A	1	N/A	N/A
Number of Approved Risk Register	1	N/A	N/A	N/A	1



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### 2.1.2. Sub-Programme: Financial Management: Office of the Chief Financial Officer

**Purpose:** To render departmental financial management services

#### Outcomes, Outputs, Output Indicator and Targets

Outcome	Outputs	Outputs Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Improved financial performance and governance in PFMA and MFMA institutions	Implementation of the departmental budget	Number of departmental budget implemented	New indicator	New indicator	New indicator	New Indicator	2	2	2
	Suppliers paid within 30 days after receipt of valid invoices	Percentage of suppliers paid within 30 days after receipt of valid invoices	100%	100%	100%	100%	100%	100%	100%

#### Output Indicator, Annual and Quarterly Targets

Output indicators	Annual Target	Q1	Q2	Q3	Q4
Number of departmental budget implemented	2	N/A	N/A	1	1
Percentage of suppliers paid within 30 days after receipt of valid invoices	100%	100%	100%	100%	100%

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### 2.1.3. Sub-Programme: Internal Audit

**Purpose:** To render internal audit services

**Outcomes, Outputs, Output Indicator and Targets**

Outcome	Outputs	Outputs Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Improved financial performance and governance in PFMA and MFMA institutions	Approved Internal Audit Plan	Number of Internal Audit Plan approved	1	1	1	1	1	1	1

**Output Indicator, Annual and Quarterly Targets**

Output indicators	Annual Target	Q1	Q2	Q3	Q4
Number of Internal Audit Plan approved	1	1	N/A	N/A	N/A

### 2.1.4. Explanation of planned performance over the medium term period

The Provincial Treasury remains consistent in its approach to improving organisational environment through the motion of performance excellence. It continues to make a concerted efforts to ensure that the structure is appropriate for achieving the organisation's outcome and those of the government at large. Key focus areas within the Programme include:

- Providing of policy and political directives to achieve provincial priorities;
- Translation of policies and priorities into strategies for effective service delivery;
- Executing credible budget process to ensure sound financial and supply chain management; and
- Providing of effective and efficient audit services.

#### Priority

- Awarding a minimum of atleast 30% of bids to previously disadvantaged groups with a focus on Women (40%), Youth (30%) and people with Disabilities (7%).
- Through effective and efficient service, the Provincial Treasury will achieve the planned outcome of improved financial performance and governance within the PFMA and MFMA institutions leading to the impact of financially viable government institutions.

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### 2.1.5. Programme Resource Considerations

**Table:** Budget Allocation for programme and sub-programmes as per EPRE

	Outcome			Main appropriati on	Adjusted appropriati on	Revised estimate	Medium-term estimates		
R thousand	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
Member of Executive Council	-	-	-	-	-	-	-	-	-
Management Services	39 895	46 068	51 168	56 553	59 947	59 947	66 353	65 670	68 649
Financial Management	44 265	56 728	74 473	72 947	76 428	76 428	75 217	79 322	83 258
Internal Audit	4 776	5 160	5 722	6 464	5 702	5 702	6 699	7 107	7 535
<b>Total</b>	<b>88 936</b>	<b>107 956</b>	<b>131 413</b>	<b>135 964</b>	<b>142 077</b>	<b>142 077</b>	<b>148 269</b>	<b>152 099</b>	<b>159 442</b>

	Outcome			Main appropriatio n	Adjusted appropriati on	Revised estimate	Medium-term estimates		
R thousand	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
<b>Current payments</b>	<b>87 289</b>	<b>99 125</b>	<b>109 250</b>	<b>119 120</b>	<b>125 792</b>	<b>125 792</b>	<b>130 676</b>	<b>133 488</b>	<b>141 196</b>
Compensation of employees	59 140	63 866	66 736	78 554	70 192	70 192	84 871	90 296	96 021
Goods and services	28 149	35 259	42 514	40 566	55 600	55 600	45 805	43 192	45 175
<b>Transfers and subsidies to:</b>	<b>820</b>	<b>2 136</b>	<b>1 203</b>	<b>1 844</b>	<b>1 285</b>	<b>1 285</b>	<b>1 919</b>	<b>2 235</b>	<b>1 117</b>
Provinces and Municipalities	4	23	26	22	48	48	23	24	25
Departmental agencies and accounts	652	646	672	742	709	709	779	815	852
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	164	1 467	505	1 080	528	528	1 117	1 396	240
<b>Payments for capital assets</b>	<b>827</b>	<b>6 695</b>	<b>20 955</b>	<b>15 000</b>	<b>15 000</b>	<b>15 000</b>	<b>15 674</b>	<b>16 376</b>	<b>17 129</b>
Building and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	827	6 695	20 955	15 000	15 000	15 000	15 674	16 376	17 129
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payment of financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
Total	88 936	107 956	131 413	135 964	142 077	142 077	148 269	152 099	159 442

### 2.2. Programme 2: Sustainable Resource Management

**Purpose:**

- Promotes optimal and effective Provincial resource allocation and utilization, efficient Provincial budget management.
- Assists with accurate financial reporting on Provincial revenue generation and maximization.
- enhance planning; implementation and management of infrastructure by Provincial Departments and Municipalities, and lastly, it provide technical support to delegated Municipalities on the implementation of the MFMA.

#### 2.2.1. Sub-Programme: Provincial Administration Fiscal Discipline

**Purpose:** To ensure provincial administration fiscal discipline

**Outcomes, outputs, Output indicator and targets**

Outcome	Outputs	Outputs Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Improved financial performance and governance in PFMA and MFMA institutions	Collected projected Provincial own revenue	Percentage of projected own revenue collection in the Province	0.5%	100%	100%	100%	100%	100%	100%

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### Outcomes, outputs, Output indicator and targets

Outcome	Outputs	Outputs Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
	Unqualified audit opinion on revenue fund financial statements	Number of unqualified audit opinion on revenue fund financial statements	1	1	1	1	1	1	1

### Output Indicator, Annual and Quarterly Targets

Output indicators	Annual Target	Q1	Q2	Q3	Q4
Percentage of projected own revenue collection in the Province centage of projected own revenue collection in the Province	100%	20%	27%	26%	27%
Number of unqualified audit opinion on revenue fund financial statements	1	N/A	N/A	N/A	1

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### 2.2.2. Sub-programme: Budget and Expenditure Management

**Purpose:** To render budget management and expenditure services

**Outcomes, outputs, Output indicator and targets**

Outcome	Outputs	Outputs Indicator	Annual Targets						
			Audited/Actual performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
Improved financial performance and governance in PFMA and MFMA institutions	Estimates of Provincial Revenue Expenditure (EPRE) documents Prepared	Number of Estimates of Provincial Revenue Expenditure documents Prepared	3	3	4	2	2	2	2
	Appropriation Bills Prepared	Number of Appropriation Bills Prepared	3	3	4	3	2	2	2

**Output Indicator, Annual and Quarterly targets**

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of Estimates of Provincial Revenue Expenditure documents Prepared	2	N/A	N/A	1	1
Number of Appropriation Bills Prepared	2	N/A	N/A	1	1



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### 2.2.3. Sub-Programme: Municipal Finance

**Purpose:** To coordinate municipal finance

**Outcomes, outputs, Output indicator and targets**

Outcome	Outputs	Outputs Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Improved financial performance and governance in PFMA and MFMA institutions	Municipalities draft budgets analysed	Number of Municipalities draft budgets analysed.	Analysed 19 draft budgets	Analysed 19 draft budgets	Analysed 19 draft budgets	Analysed 19 draft budgets	Analysed 19 draft budgets	Analysed 19 draft budgets	Analysed 19 draft budgets
	Municipalities Mid-year budgets performance analysed	Number of municipalities Mid-year Budget performance analysed	Analyse 19 Municipalities Mid-year Budget performance	Analyse 19 Municipalities Mid-year Budget performance	Analyse 19 Municipalities Mid-year Budget performance	Analyse 19 Municipalities Mid-year Budget performance	Analyse 19 Municipalities Mid-year Budget performance	Analyse 19 Municipalities Mid-year Budget performance	Analyse 19 Municipalities Mid-year Budget performance

### Output Indicator, Annual and Quarterly Targets

Output indicators	Annual Target	Q1	Q2	Q3	Q4
Number of Municipalities draft budgets analysed	19	19	N/A	N/A	N/A
Number of municipalities Mid-year Budget performance analysed	19	N/A	N/A	N/A	19

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### 2.2.4. Sub-Programme: Infrastructure Coordination

**Purpose:** To render provincial infrastructure coordination services

**Outcomes, Outputs, Output Indicator and Targets**

Outcome	Outputs	Outputs Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Improved financial performance and governance in PFMA and MFMA institutions	Infrastructure Reporting Model Analysed	Number Of Infrastructure Reporting Model Analysed	12	12	12	12	4	4	4
	User Assets Management Plans(Uamps) Analysed	Number Of User Assets Management Plans Analysed	6	6	6	6	6	6	6

### Output Indicator, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number Of Infrastructure Reporting Model Analysed	4	1	1	1	1
Number Of User Assets Management Plans Analysed	6 Plans	N/A	6	N/A	N/A

### 2.2.5. Explanation of planned performance over the medium term period

#### The programme will

- Promote optimal and effective Provincial resource allocation and utilization, efficient Provincial budget Management.
- Assist with accurate financial reporting on Provincial revenue generation and maximization.
- Enhance planning; implementation and management of infrastructure by Provincial Departments and Municipalities.
- Provide technical support to delegated Municipalities on the implementation of the MFMA.

#### Priorities

- Operation Clean Audit (OPCA) MFMA Audit Outcomes

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### 2.2.6. Programme Resource Consideration

**Table:** Budget Allocation for programme and sub-programmes as per EPRE

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
Programme Support	1 561	1 636	1 848	2 195	2 073	2 073	2 346	2 485	2 629
Economic Analysis	-	-	-	-	-	-	-	-	-
Provincial Administration Fiscal Discipline	10 005	9 970	12 764	13 277	13 262	13 262	14 761	15 400	16 358
Budget and Expenditure Management	9 361	12 196	13 469	14 581	14 455	14 455	16 225	17 192	18 229
Municipal Finance	20 863	52 455	34 859	33 944	52 108	55 608	35 420	37 043	38 978
Infrastructure Co-ordination	4 682	5 892	7 429	13 224	7 353	7 353	14 095	14 844	15 640
<b>Total</b>	<b>46 472</b>	<b>82 149</b>	<b>70 369</b>	<b>77 221</b>	<b>89 251</b>	<b>92 751</b>	<b>82 847</b>	<b>86 964</b>	<b>91 834</b>

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
<b>Current payments</b>	<b>40 936</b>	<b>47 578</b>	<b>55 365</b>	<b>76 621</b>	<b>69 231</b>	<b>69 231</b>	<b>81 620</b>	<b>86 309</b>	<b>91 149</b>
Compensation of employees	39 375	45 032	49 630	54 388	52 887	52 887	58 425	62 074	65 818
Goods and	1 561	2 546	5 735	22 233	16 344	16 344	23 195	24 235	25 331

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	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
services									
<b>Transfers and subsidies to:</b>	<b>5 536</b>	<b>34 571</b>	<b>15 004</b>	<b>600</b>	<b>20 020</b>	<b>23 520</b>	<b>1 227</b>	<b>655</b>	<b>655</b>
Provinces and Municipalities	5 000	34 571	15 000	-	20 020	23 520	-	-	-
Universities and University of Technologies	-	-	-	-	-	-	-	-	-
Public Corporations and Private Enterprises	-	-	-	-	-	-	-	-	-
Households	536	-	4	600	-	-	1 227	655	685
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Building and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
<b>Payments for Financial Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>46 472</b>	<b>82 149</b>	<b>70 369</b>	<b>77 221</b>	<b>89 251</b>	<b>92 751</b>	<b>82 947</b>	<b>86 964</b>	<b>91 834</b>

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### Programme 3: Assets and Liabilities Management

**Purpose:** The Programme is responsible for the monitoring and support on Assets, Liabilities, Provincial Supply Chain management, Transversal Systems as well as the provisioning of Information Technology Services to Departments, Public Entities and Municipalities in Mpumalanga Province.

#### 2.2.7. Sub-programme: Provincial Supply Chain Management (PSCM)

**Purpose:** To monitor and oversee supply chain management implementation

#### Outcomes, Outputs, Output Indicator and Targets

Outcome	Outputs	Outputs Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Improved financial performance and governance in PFMA and MFMA institutions	Feedback issued for compliance on procurement plans	Percentage of institutions issued with feedback for compliance on Procurement plans	12 Votes 19 Municipalities and 4 Public Entities	100%	100%	100%	100%	100%	100%
	Feedback issued on 30 day payment	Percentage of institutions monitored on 30 days payment to contracted service providers	12 Votes 19 Municipalities and 4 Public Entities	100%	100%	100%	100%	100%	100%
	Feedback issued on compliance of contract management practices	Percentage of institutions monitored on contract management	3 Contracts	100%	100%	100%	100%	100%	100%

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### Output Indicator, Annual and Quarterly Targets

Output indicators	Annual Target	Q1	Q2	Q3	Q4
Percentage of institutions monitored on implementation of Annual Procurement plans.	100%	100%	100%	100%	100%
Percentage of institutions monitored on 30 days payment to contracted service providers	100%	100%	100%	100%	100%
Percentage of institutions monitored on contract management	100%	100%	100%	100%	100%

### 2.2.8. Sub-programme: Public Sector Liabilities Management

**Purpose: To manage Public Sector Liabilities**

#### Outcomes, Outputs, Output Indicator and Targets

Outcome	Outputs	Outputs Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Improved financial performance and governance in PFMA and MFMA institutions	Feedback issued for compliance on liabilities management	Number of PFMA and MFMA institutions issued with feedback for compliance on liabilities management	12 Votes, 7 Municipalities and 4 Public Entities	12 Votes, 9 Municipalities and 4 Public Entities	12 Votes, 10 Municipalities and 4 Public Entities	12 Votes, 10 Municipalities and 4 Public Entities	12 Votes, 10 Municipalities and 4 Public Entities	12 Votes, 10 Municipalities and 4 Public Entities	12 Votes, 10 Municipalities and 4 Public Entities



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### Output Indicator, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of PFMA and MFMA institutions issued with feedback for compliance on liabilities management	12 Votes, 10 Municipalities and 4 Public Entities	5 Municipalities and 2 Public Entities	12 Votes	5 Municipalities and 2 Public Entities	12 Votes

### 2.2.9. Sub-Programme: Physical Asset Management

**Purpose: To monitor and evaluate provincial and municipal assets**

#### Outcomes, Outputs, Output Indicator and Targets

Outcome	Outputs	Outputs Indicator	Annual Targets						
			Audited/Actual performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Improved financial performance and governance in PFMA and MFMA institutions	Feedback issued for compliance to assets management framework	Number of PFMA and MFMA institutions issued with feedback for compliance to assets management framework	6 Votes 2 Public Entities 6 Municipalities	6 Votes 2 Public Entities 8 Municipalities	6 Votes 2 Public Entities 8 Municipalities	6 Votes 2 Public Entities 8 Municipalities	8 Votes 3 Public Entities 11 Municipalities	6 Votes 2 Public Entities 8 Municipalities	6 Votes 2 Public Entities 8 Municipalities

### Output Indicator, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of PFMA and MFMA institutions issued with feedback for compliance to assets management framework	8 Votes 3 Public Entities 11 Municipalities	11 Municipalities	8 Votes 3 Public Entities 11 Municipalities	8 Votes 3 Public Entities	8 Votes 11 Municipalities

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### 2.2.10. Sub-Programme: Interlinked Financial Systems

**Purpose:** To manage interlink financial systems

#### Outcomes, Outputs, Output Indicator and Target

Outcomes	Outputs	Outputs Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Improved financial performance and governance in PFMA and MFMA institutions	Votes supported on utilisation of transversal systems	Number of Votes supported on utilisation of transversal systems	12 Votes	12 Votes	12 Votes	12 Votes	12 Votes	12 Votes	12 Votes

#### Output Indicator, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of Votes supported on utilisation of transversal systems	12	12	12	12	12

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### 2.2.11. Sub-Programme: Information Technology

**Purpose:** To provide information technology services

#### Outcomes, Outputs, Output Indicator and Targets

Outcome	Outputs	Outputs Indicator	Annual Targets						
			Audited/Actual Performance			Estimated Performance	MTEF Period		
			2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Improved financial performance and governance in PFMA and MFMA institutions	Institutions provided with IT Governance Support	Number of PFMA and MFMA institutions provided with IT Governance Support	New Indicator	New Indicator	6 Votes and 9 Municipalities	6 Votes and 9 Municipalities	6 Votes and 8 Municipalities	6 Votes and 7 Municipalities	6 Votes and 7 Municipalities
	Network Availability	Percentage of Network Availability	95%	95%	95%	95%	85%	85%	85%

#### Output Indicator, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of PFMA and MFMA institutions supported on IT Governance support	6 Votes and 7 Municipalities	7 Municipalities	6 Votes	7 Municipalities	6 Votes
Percentage of Network Availability	85%	85%	85%	85%	85%

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### 2.2.12. Explanation of planned performance over the medium term period

#### The programme will

Monitor the implementation of Supply Chain Management Governance and control measures.

Focus on supporting the implementation of the Basic Accounting Systems, Logistic Information System, Personnel Support System (Persal).

Provide support on IT governance and also improve o IT management through the use of inverters.

Provide support to institutions in managing their liabilities including contingent liabilities particularly in the Departments of Health and Human Settlements as part of our broader response to the audit outcomes.

#### Priority

30% allocation of provincial procurement spending for enterprises owned by Women, Youth and persons with Disabilities

### 2.2.13. Programme Resource Considerations

**Table:** Budget Allocation for programme and sub programmes as per EPRE

	Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-Term Estimates		
R thousand	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
Programme Support	255	1 303	1 795	1 778	1 833	1 833	2 020	2 140	2 265
Provincial Supply Chain Management	17 951	19 819	21 162	24 936	25 255	25 255	27 937	29 531	31 393
Financial Assets Management	-	-	-	-	-	-	-	-	-
Public sector Liabilities	5 314	4 721	4 396	6 165	4 858	4 858	5 683	6 033	6 403
Physical assets Management	4 658	5 972	6 757	6 948	6 989	6 989	7 684	8 010	8 467
Interlinked Financial Systems	88 243	81 695	84 280	207 800	137 351	133 851	145 620	112 812	116 571
Information Technology	96 816	100 029	110 189	98 312	117 473	117 473	106 892	111 109	114 933
<b>Total</b>	<b>213 237</b>	<b>213 539</b>	<b>228 579</b>	<b>345 939</b>	<b>293 759</b>	<b>290 259</b>	<b>295 846</b>	<b>269 635</b>	<b>280 032</b>

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	Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-Term Estimates		
R thousand	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
<b>Current payments</b>	<b>210 222</b>	<b>200 919</b>	<b>200 919</b>	<b>335 009</b>	<b>283 346</b>	<b>279 846</b>	<b>283 568</b>	<b>257 069</b>	<b>267 173</b>
Compensation of employees	58 993	60 086	60 866	76 199	67 501	67 501	82 195	87 363	92 916
Goods and services	151 229	140 833	140 124	258 810	215 845	212 345	201 373	169 706	174 257
<b>Transfers and subsidies to:</b>	<b>444</b>	<b>983</b>	<b>754</b>	<b>600</b>	<b>83</b>	<b>83</b>	<b>1 484</b>	<b>1 288</b>	<b>1 062</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Universities and Technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	444	983	754	600	83	83	1 484	1 288	1 062
<b>Payments for capital assets</b>	<b>2 571</b>	<b>11 637</b>	<b>26 766</b>	<b>10 330</b>	<b>10 330</b>	<b>10 330</b>	<b>10 794</b>	<b>11 278</b>	<b>11 797</b>
Building and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	9	11 637	8 363	10 330	10 330	10 330	10 794	11 278	11 797
Software and other intangible assets	2 562	-	18 403	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>213 237</b>	<b>213 539</b>	<b>228 579</b>	<b>345 939</b>	<b>293 759</b>	<b>290 259</b>	<b>295 846</b>	<b>269 635</b>	<b>280 032</b>

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### 2.3. Programme 4: Financial Governance

**Purpose:** This Programme serves to facilitate, monitor, support and provide professional advice to ensure good governance in the Province.

#### 2.3.1. Sub-programme: Accounting Services

**Purpose:** To monitor compliance with reporting requirements of the PFMA, Treasury regulations and MFMA

**Outcomes, outputs, Output indicator and targets**

Outcome	Outputs	Output Indicators	Annual Targets					
			Audited /Actual Performance		Estimated Performance	MTEF Period		
			2020/21	2021/22	2023/24	2024/25	2025/26	2026/27
Improved financial performance and governance in PFMA and MFMA institutions	Public Institutions AFS complying with Legislation and prescripts	Number of public institutions issued with feedback on financial statements analysed	12 Votes and 2 Public Entities	12 Votes 4 Public Entities 7 Municipalities	12 Votes 2 Public Entities 8 Municipalities	12 Votes 1 Public Entity 8 Municipalities	12 Votes 1 Public Entity 9 Municipalities	12 Votes 1 Public Entity 9 Municipalities

#### Output Indicator, Annual and Quarterly Targets

Output Indicators		Annual Target	Q1	Q2	Q3	Q4
	Number of public institutions issued with feedback on financial statements analysed	12 Votes 1 Public Entity 8 Municipalities	12 Votes 1 Public Entity	8 Municipalities	N/A	N/A



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### 2.3.2. Sub-programme: Norms and Standards

**Purpose:** To monitor compliance with legislation, regulations, norms and standards

**Outcomes, outputs, Output indicator and targets**

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Improved financial performance and governance in PFMA and MFMA institutions	Public institutions complying with legislation and prescripts	Number of public institutions issued with feedback on compliance to fleet management prescripts	10 Votes	4 Votes	6 Votes	3 Votes	3 Votes	3 Votes	3 Votes
		Number of public institutions issued with feedback on compliance to information management prescripts	New indicator	6 Municipalities	6 Municipalities	6 Municipalities	6 Municipalities	6 Municipalities	6 Municipalities

### Output Indicator, Annual and Quarterly Targets

Output Indicators		Annual Target	Q1	Q2	Q3	Q4
	Number of public institutions issued with feedback on compliance to fleet management prescripts	3 Votes	1 Vote	N/A	1 Vote	1 Vote
	Number of public institutions issued with feedback on compliance to information management prescripts	6 Municipalities	2 Municipalities	1 Municipality	2 Municipalities	1 Municipality

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### 2.3.3. Sub-Programme: Provincial Risk Management

**Purpose:** To promote effective optimal financial resource utilisation

**Outcomes, outputs, Output indicator and targets**

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Improved financial performance and governance in PFMA and MFMA institutions	Enterprise Risk Management Framework (ERMF) issued	Number of Enterprise Risk Management Frameworks (ERMF) issued to standardize Risk Management processes in public institutions	1	1	1	1	N/A	N/A	1
	Risk management processes evaluated	Number of evaluations performed on effectiveness of Risk Management processes	6 Votes 2 Public Entities 8 Municipalities	5 Votes 1 Public Entities 6 Municipalities	5 Votes 2 Public Entities 8 Municipalities	7 Votes 2 Public Entities 10 Municipalities	30	30	30
	Assessed Risk Maturity levels	Number of public institutions Risk Maturity levels assessed	New indicator	New indicator	New indicator	1 Vote 1 Municipality	2 Votes 1 Public Entity 3 Municipalities	2 Votes 1 Public Entity 3 Municipalities	2 Votes 1 Public Entity 3 Municipalities

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### Output Indicator, Annual and Quarterly Targets

Output Indicators	Annual Target	Q1	Q2	Q3	Q4
Number of evaluations performed on effectiveness of Risk Management processes	30	10	10	5	5
Number of public institutions with increased Risk Maturity levels	2 Votes 1 Public Entity 3 Municipalities	N/A	1 Vote 1 Municipality	1 Vote 1 Public Entity 1 Municipality	1 Municipality

### Output Indicator, Annual and Quarterly Targets

#### 2.3.4. Sub-Programme: Provincial Internal Audit

**Purpose:** To coordinate the activities of all provincial internal offices and committees

#### Outcomes, Outputs, Output Indicator and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Improved financial performance and governance in PFMA and MFMA institution	Internal audit plans analysed	Percentage of Internal audit plans for Public institutions analysed	100% of internal audit plans that were received, analysed	100% of internal audit plans that were received, analysed	100% of internal audit plans that were received, analysed	100%	100%	100%	100%
	Audit Committees evaluated	Number of evaluations performed on effectiveness of Audit Committees of	20 Evaluations	23 Evaluations: 11 Votes 1 Public Entity 11 Municipalities	18 Evaluations : 8 Votes 2 Public Entities	45	36	36	36

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Outcome	Outputs	Output Indicators	Annual Targets						
			Audited /Actual Performance			Estimated Performance	MTEF Period		
			2020/21	2021/22	2022/23		2024/25	2025/26	2026/27
		public institutions			8 Municipalities				

### Output Indicator, Annual and quarterly targets

Output Indicators		Annual Target	Q1	Q2	Q3	Q4
	Percentage of Internal audit plans for Public institutions analysed	100%	100%	N/A	N/A	100%
	Number of evaluations performed on effectiveness of Audit Committees of public institutions	36	9	9	9	9

### 2.3.5. Explanation of planned performance over the medium-term period

#### The programme will

- Ensure Correct and complete financial statements should be produced in order to underpin the principle that Departments, Public Entities and Municipalities are able to achieve their objectives and deliver on their mandates.
- The effective, economical and efficient utilization of resources and effective internal control systems will contribute to the financial viability of Government institutions. It is imperative that these institutions compile improvement plans to address the root causes that lead to findings by assurance providers.
- Ensure that resources are utilized effectively to maximize the positive impact of service delivery. Effective governance and oversight structures will add to the improvement of internal control systems, proactive identification of risks and efficiencies in the processes performed.

#### Priority

- Operation Clean Audit (OPCA) PFMA and MFMA Audit outcomes

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### 2.3.6. Programme Resource Considerations

**Table:** Budget Allocation for programme and sub programmes as per EPRE

	Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-Term Estimates		
R thousand	2020/21	2021/22	2022/23	2023/24			2024/25	2025/26	2026/27
Programme support	2 037	7 946	26 626	2 297	2 280	2 280	2 511	2 676	2 823
Accounting services	4 933	4 800	5 718	6 606	5 997	5 997	6 774	7 179	7 603
Norms and standards	13 632	10 523	9 588	15 077	10 318	10 318	15 817	16 786	17 815
Risk Management	2 630	3 166	3 387	3 410	3 583	3 583	3 817	3 897	4 124
Provincial Internal Audit	3 241	3 626	4 117	4 198	3 447	3 447	4 297	4 625	4 921
<b>Total</b>	<b>26 473</b>	<b>30 061</b>	<b>49 436</b>	<b>31 588</b>	<b>25 625</b>	<b>25 625</b>	<b>33 216</b>	<b>35 163</b>	<b>37 286</b>

	Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-Term Estimates		
R thousand	2019/20	2020/21	2021/22	2022/23			2023/24	2024/25	2025/26
<b>Current payments</b>	<b>26 332</b>	<b>29 472</b>	<b>49 155</b>	<b>31 483</b>	<b>25 625</b>	<b>25 625</b>	<b>33 106</b>	<b>35 048</b>	<b>37 166</b>
Compensation of employees	25 527	21 662	21 388	27 105	22 258	22 258	29 127	30 972	32 905
Goods and services	805	7 810	27 767	4 378	3 367	3 367	3 979	4 076	4 261
<b>Transfers and subsidies to:</b>	<b>141</b>	<b>589</b>	<b>281</b>	<b>105</b>	-	-	<b>110</b>	<b>115</b>	<b>120</b>
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Universities and University of Technologies	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	141	589	281	105	-	-	110	115	120

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	Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-Term Estimates		
R thousand	2019/20	2020/21	2021/22	2022/23			2023/24	2024/25	2025/26
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	-	-
Building and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Software and other intangible	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>26 473</b>	<b>30 061</b>	<b>49 436</b>	<b>31 588</b>	<b>25 625</b>	<b>25 625</b>	<b>33 216</b>	<b>35 163</b>	<b>37 286</b>

### 7. Updated Key Risks

Outcome	Key Risk	Mitigation measure/ Action Plan
Improved financial performance and governance in PFMA and MFMA institution	Ineffective implementation of treasury mandate within PFMA institutions	Implement consequence management for non-compliance to legislation and policies.
		Issuing of circulars, framework and guidelines to stakeholders
		Effective Monitoring and issue feedback reports to stakeholders
		Capacity building on new reforms
		Monitor the implementation of recommendations
		Escalation to Executive Authorities
		Compilation of business process
	Ineffective implementation of treasury mandate within Provincial Treasury	Regular MANCO Meetings.
		Internal Audit in place
		Implementation of Recommendations
		Follow up on Approval of the Organisational Structure
	Ineffective implementation of treasury mandate within MFMA institutions	Implementation of circulars, framework, and guidelines on PFMA
		Issuing of circulars, framework, and guidelines to stakeholders
		Effective Monitoring and issue feedback reports to stakeholders
		Capacity Building

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Outcome	Key Risk	Mitigation measure/ Action Plan
		Continuous monitoring and support by PT
		Assist / Advice/Support on and capacitating Oversight Structures
		Evaluation of Oversight structures and issue feedback reports
		Implement Financial Recovery Plan in distressed Municipalities
		Engagement Platforms with political leadership Establishment of MUNIMEC
		Recommend withholding of funds
		Municipal support Teams
	Inadequate Business Continuity Management	Review Business Continuity Plan
		Quarterly meetings BCM Committee
		BCM Risk Register
		Business impact analysis on critical business processes
		BCM Testing the implementation of the BCM Framework
	Disruption of services within Provincial Treasury	Procurement of smaller uninterrupted power supply units

### 8. Public Entities

Name of Public Entity	Mandate	Outcome	Current Annual budget (R thousand)
N/A			

### 9. Infrastructure Projects

No	Project name	Programme	Project description	Outputs	Project start date	Project completion	Total estimated cost	Current expenditure
	N/A							

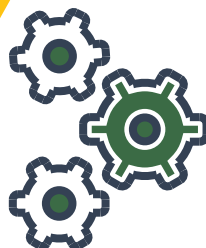
### 10. Public Private Partnerships

PPP	Purpose	Outputs	Current agreement value of	End date of agreement
N/A				



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## PART D

# TECHNICAL INDICATOR DESCRIPTION

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### PROGRAMME 1: ADMINISTRATION

#### MANAGEMENT SERVICES: OFFICE OF THE HEAD: PROVINCIAL TREASURY

##### TECHNICAL INDICATOR 1.1

<b>Indicator title</b>	Achievement of departmental financial and performance targets
<b>Definition</b>	Use of financial resources (inputs) efficiently and effectively to achieve stated outcomes and desired impact resulting in no audit findings
<b>Source of data</b>	Annual Report, Auditor General Management Audit Report
<b>Method of calculation</b>	Audit Report
<b>Means of verification</b>	Quantitative
<b>Assumptions</b>	Unqualified Audit Opinion with no findings
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation type</b>	Non-Cumulative Year-End
<b>Reporting cycle</b>	Annually
<b>Desired performance</b>	Unqualified audit opinion with no findings
<b>Indicator responsibility</b>	Accounting Officer

##### TECHNICAL INDICATOR 1.2

<b>Indicator title</b>	Number of Approved Risk Register
<b>Definition</b>	Coordinate and support the overall institutional risk management processes (i.e. risk assessment, identifying potential risks and governance weaknesses) in line with the public sector risk management framework. (Conduct annual risk assessments, develop annual risk register and monitor implementation of risks and produce quarterly monitoring reports)
<b>Source of data</b>	Risk Management plan, 4 Quarterly risk reports, Approved Risk Register, and minutes of the Risk Management Committee
<b>Method of calculation</b>	Verification of risk management plan, updated risk register and proof of submission to Risk Management Committee
<b>Means of verification</b>	Quantitative
<b>Assumptions</b>	Departmental risk mitigated to an acceptable level
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation</b>	N/A

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<b>TECHNICAL INDICATOR 1.2</b>	
<b>(where applicable)</b>	
<b>Calculation type</b>	Non-Cumulative Year-End
<b>Reporting cycle</b>	Annually
<b>Desired performance</b>	Achievement of departmental objectives through the management of risks
<b>Indicator responsibility</b>	Chief Risk Officer

### OFFICE OF THE CHIEF FINANCIAL OFFICER

<b>TECHNICAL INDICATOR 1.3</b>	
<b>Indicator title</b>	Number of departmental budget implemented
<b>Definition</b>	Render efficient and effective financial management through implementation of the departmental budget
<b>Source of data</b>	Main and adjustment budget and Provincial Budget Circulars
<b>Method of calculation / Assessment</b>	Number of Budget Documents
<b>Means of verification</b>	Documents submitted to Provincial Treasury
<b>Assumptions</b>	Optimal use of departmental budget
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation type</b>	Cumulative Year-End
<b>Reporting cycle</b>	Budget cycle: Quarterly (Third and Fourth Quarter)
<b>Desired performance</b>	Credible budget and sound financial management
<b>Indicator responsibility</b>	Chief Financial Officer

<b>TECHNICAL INDICATOR 1.4</b>	
<b>Indicator title</b>	Percentage of suppliers paid within 30 days after receipt of valid invoices
<b>Definition</b>	A process of rendering efficient, effective and transparent systems of financial and risk management.
<b>Source of data</b>	Procurement Plan and contract register
<b>Method of calculation</b>	Quantitative Percentage of Suppliers paid: Calculation: Sum of invoices received within 30 days divided by Sum of invoices paid within 30 days multiplied by 100

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<b>TECHNICAL INDICATOR 1.4</b>	
	equals percentage. Baseline= 210 982 452.09/210 982 452.09*100=100%
<b>Means of verification</b>	Invoice tracking register
<b>Assumptions</b>	All valid invoices paid within 30 days
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation type</b>	Non-Cumulative Year-End
<b>Reporting cycle</b>	Quarterly
<b>Desired performance</b>	Financially viable
<b>Indicator responsibility</b>	Chief Financial Officer

### INTERNAL AUDIT

<b>TECHNICAL INDICATOR 1.5</b>	
<b>Indicator title</b>	Number of Internal Audit Plan approved
<b>Definition</b>	To evaluate the adequacy and effectiveness of risk management, internal controls and governance processes and provide internal audit reports to Management and the Audit Committee in terms of the approved Internal Audit Plan.
<b>Source of data</b>	Approved Internal Audit Plan and progress reports to the Audit Committee on Implementation of the plan
<b>Method of calculation/Assessment</b>	Quantitative Verification of the approval of the audit plan by the Audit Committee and progress reports issued to the Audit Committee and the Accounting Officer
<b>Means of verification</b>	Reports submitted to Audit Committee and Accounting Officer
<b>Assumptions</b>	Improved governance risk management and internal controls
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation type</b>	Non-Cumulative Year-End
<b>Reporting cycle</b>	Annually
<b>Desired performance</b>	Achievement of departmental objectives
<b>Indicator responsibility</b>	Chief Audit Executive

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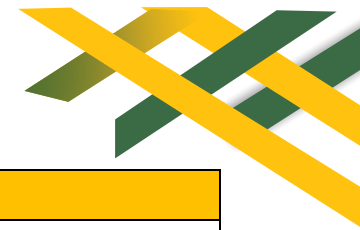
### PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

#### PROVINCIAL ADMINISTRATION FISCAL DISCIPLINE

TECHNICAL INDICATOR Description 2.1	
Indicator title	Percentage of projected own revenue collection in the Province
Definition	<p>It is revenue raised by government from its own imposition of a tax, licences, fees or any other charges.</p> <p>Support 12 Votes on revenue maximisation-</p> <ul style="list-style-type: none"> <li>• Monitor performance of revenue collection by departments</li> <li>• Review of tariffs annually</li> <li>• Review projections</li> </ul> <p>Compile provincial revenue fund annual financial statements</p>
Source of data	<p>Trend reports from Departments</p> <p>BAS Reports from Departments</p> <p>Tariff applications from Departments</p>
Method of calculation/ Assessment	Percentage on the projected own revenue collection
Means of verification	Revenue projection reports, Revenue trend reports, revenue analysis reports bank statements and BAS Reports
Assumptions	Growth in revenue fund
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative Year-End
Reporting cycle	Quarterly
Desired Performance	Effective management of revenue fund and maximised provincial revenue collection
Indicator Responsibility	Senior Manager: Provincial Administration Fiscal Discipline

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TECHNICAL INDICATOR DESCRIPTION 2.2	
Indicator title	Number of unqualified audit opinion on revenue fund financial statements
Definition	The sound management of the Revenue Fund
Source of data	BAS reports, Revenue fund reports and Provincial budget statement book, audited departments <input type="checkbox"/> AFS
Method of calculation/ Assessment	Number of Revenue fund AFS submitted and revenue fund reports generated
Means of verification	Audited Annual Financial Statements
Assumptions	Unqualified audit opinion
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative Year-End
Reporting cycle	Annually
Desired Performance	Unqualified audit opinion (All Revenue due to the province is accounted for.)
Indicator Responsibility	Senior Manager: Provincial Administration Fiscal Discipline

### BUDGET AND EXPENDITURE MANAGEMENT

TECHNICAL INDICATOR DESCRIPTION 2.3	
Indicator title	Number of Estimates of Provincial Revenue Expenditure documents prepared
Definition	This involves providing Provincial Budget Information (2 document) to stakeholders
Source of data	Budget submissions from Votes
Method of calculation/ Assessment	Number of documents compiled
Means of verification	Budget document
Assumptions	Credible provincial budget
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A

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TECHNICAL INDICATOR DESCRIPTION 2.3	
Calculation Type	Cumulative Year-End
Reporting cycle	Quarterly
Desired Performance	EPRE published
Indicator Responsibility	Senior Manager : Budget and Expenditure Management

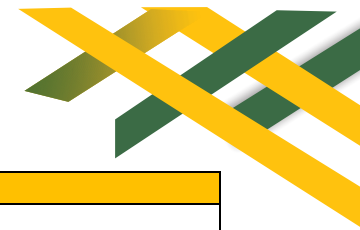
TECHNICAL INDICATOR DESCRIPTION 2.4	
Indicator title	Number of Appropriation bills prepared
Definition	These are 2 Appropriation Bills for tabling main and adjusted budget in the Provincial Legislature
Source of data	Budget submissions, 13 Votes, Strategic Plans, Annual Performance Plans, In Year Monitoring reports
Method of calculation/ Assessment	Data bases, Personnel Forecasting Model and Estimates of Provincial Revenue and Expenditure
Means of verification	Allocation letters
Assumptions	Credible provincial budget
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative Year-End
Reporting cycle	Quarterly
Desired Performance	2 Bills tabled
Indicator Responsibility	Senior Manager : Budget and Expenditure Management

### MUNICIPAL FINANCE

TECHNICAL INDICATOR DESCRIPTION 2.5	
Indicator title	Number of Municipalities □ draft budgets analysed
Definition	Provide policy advice, ensure municipal budget implementation, promote efficient financial resource allocation and issue feedback □ 19 Municipal Budgets
Source of data	Municipal Budget submissions, IDP, SDBIP, In Year Monitoring reports, monthly analysis reports
Method of calculation/ Assessment	Local Government Database, Monthly IYM reports, SDBIP as well non-financial reports, National Treasury Budget Circulars and Budget funding tool
Means of verification	Quantitative

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TECHNICAL INDICATOR DESCRIPTION 2.5	
	19 Analysed reports
<b>Assumptions</b>	19 Credible Municipal Budgets
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-Cumulative Year-End
<b>Reporting cycle</b>	Annually
<b>Desired Performance</b>	Municipalities to have credible budgets, monthly financial performance outcomes, effective, efficient and economic budget implementation
<b>Indicator Responsibility</b>	Senior Manager : Municipal Finance Management

TECHNICAL INDICATOR DESCRIPTION 2.6	
<b>Indicator title</b>	Number of municipalities Mid-year Budget performance analysed
<b>Definition</b>	Engage 19 municipalities on mid-term financial performance and provide 19 engagement feedback reports
<b>Source of data</b>	Municipal Budget submissions, IDP, SDBIP, In Year Monitoring reports, monthly analysis reports.
<b>Method of calculation/ Assessment</b>	Quantitative <input type="checkbox"/> 19 Municipalities
<b>Means of verification</b>	19 Mid-year performance engagement reports- Local Government Database, Monthly IYM reports, SDBIP as well non-financial reports, National Treasury Budget Circulars and Budget funding tool
<b>Assumptions</b>	19 Municipal Budget
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-Cumulative Year-End
<b>Reporting cycle</b>	Annually
<b>Desired Performance</b>	Budgets which are aligned to realistic revenue and expenditure estimates
<b>Indicator Responsibility</b>	Senior Manager : Municipal Finance Management



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### INFRASTRUCTURE CO-ORDINATION

TECHNICAL INDICATOR DESCRIPTION 2.7	
Indicator title	Number Of Infrastructure Reporting Model Analysed
Definition	Non-financial information and Project/Programme monitoring reports compiled and submitted by Infrastructure Departments. Monitoring of infrastructure implementation.(12 reports)
Source of data	Infrastructure Reporting Model, Site visits, Workshops
Method of calculation/ Assessment	Quantitative/ Number of reports submitted. Number of sites visited.
Means of verification	Operational plan activities
Assumptions	Departments will be able utilise their allocated budget on infrastructure
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative Year-End
Reporting cycle	Quarterly
Desired Performance	Accurate reporting, prudent planning and Expenditure on infrastructure.
Indicator Responsibility	Senior Manager : Infrastructure Coordination

TECHNICAL INDICATOR DESCRIPTION 2.8	
Indicator title	Number Of User Assets Management Plans Analysed
Definition	User Asset Management Plan is used for Infrastructure Planning and monitoring (6 Plans)
Source of data	Departments□User Asset Management Plans, Table B5 (or Equivalent on EPRE)
Method of calculation/ Assessment	Number
Means of verification	Feedback reports
Assumptions	Future developments in order to budget accordingly
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation	N/A

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TECHNICAL INDICATOR DESCRIPTION 2.8	
(where applicable)	
Calculation Type	Non-Cumulative Year-End
Reporting cycle	Annually
Desired Performance	Reduce the cost of infrastructure, and thus increase value for money.
Indicator Responsibility	Senior Manager: Infrastructure Coordination

### PROGRAMME 3: ASSET AND LIABILITIES MANAGEMENT

#### PROVINCIAL SUPPLY CHAIN MANAGEMENT

TECHNICAL INDICATOR DESCRIPTION 3.1	
Indicator title	Percentage of institutions issued with feedback for compliance on Procurement plans
Definition	<p>100% of procurement plans received</p> <ul style="list-style-type: none"> <li>Refers to all procurement plans received from PFMA and MFMA institutions will be analysed and provide feedback in line with <b>PFMA practice note SCM 2 OF 2016/17 and MFMA circular 62 of 2013.</b> <b>Maintain quarterly registers on procurement plans and quarterly reports received analysed and provide feedback.</b> The calculation will be done as follows and monitored through a quarterly submission and analysis register</li> <li>Example: Sum of plans received divided by Sum of plans analysed multiply by 100 equals to total percentage <b>The current baseline stands at 35/35*100=100%</b></li> <li><b>Baseline constituted by 12 Votes, 4 Public Entities and 19 Municipalities</b></li> </ul>
Source of data	Annual Procurement Plans, Quarterly progress reports received from Votes, Public Entities and Municipalities
Method of calculation/ Assessment	Quantitative
Means of verification	Analysis reports
Assumptions	All institutions submitted procurement plans and quarterly progress reports
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A

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TECHNICAL INDICATOR DESCRIPTION 3.1	
Calculation Type	Cumulative Year-End
Reporting cycle	Quarterly
Desired Performance	Adherence to SCM policy frameworks
Indicator Responsibility	Senior Manager: Provincial Supply Chain Management

TECHNICAL INDICATOR DESCRIPTION 3.2	
Indicator title	Percentage of institutions monitored on 30 days payment to contracted service providers
Definition	<p>100% of monthly report received</p> <ul style="list-style-type: none"> <li>Refers to all monthly reports received from PFMA and MFMA institutions will be analysed and provide feedback in line with <b>PFMA practice note SCM 2 OF 2016/17 and MFMA circular 62 of 2013</b></li> <li>Consolidate the 30 days payment report and submit to National Treasury</li> <li><b>Maintain monthly registers on 30 day payment received and provide quarterly feedback on analysis conducted on payment of invoices</b> The calculation will be done as follows and monitored through monthly submission and analysis register</li> <li>Example: Sum of reports received divided by Sum of reports analysed multiply by 100 equals to total percentage <b>The current baseline stands at 35/35*100=100% per month</b></li> <li><b>Baseline constituted by 12 Votes, 4 Public Entities and 19 Municipalities</b></li> </ul>
Source of data	SCM compliance reports received from Votes, Public Entities and Municipalities
Method of calculation/ Assessment	Quantitative
Means of verification	Analysis reports
Assumptions	All institutions submit monthly 30 day payment compliance report
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative Year-End
Reporting cycle	Quarterly
Desired Performance	Payment of contracted suppliers within 30 days as per legislation

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TECHNICAL INDICATOR DESCRIPTION 3.2	
Indicator Responsibility	Senior Manager: Provincial Supply Chain Management

TECHNICAL INDICATOR DESCRIPTION 3.3	
Indicator title	Percentage of institutions monitored on contract management
Definition	<p>100% of contract registers received</p> <ul style="list-style-type: none"> <li>Refers to all contract registers received from PFMA and MFMA institutions will be analysed and provide feedback in line with <b>PFMA practice note SCM 2 OF 2016/17 and MFMA circular 62 of 2013.</b></li> <li><b>Maintain quarterly submission registers on contract registers and quarterly reports received, analysed and provide feedback.</b></li> <li>The calculation will be done as follows and monitored through a quarterly submission and analysis register</li> <li>Example: Sum of registers received divided by Sum of registers analysed multiply by 100 equals to total percentage</li> <li><b>The current baseline stands at 35/35*100=100%</b></li> <li><b>Baseline constituted by 12 Votes, 4 Public Entities and 19 Municipalities</b></li> </ul>
Source of data	Contract registers from Municipalities, Public Entities and Departments
Method of calculation/ Assessment	Quantitative
Means of verification	Analysis reports
Assumptions	All institutions will submit contract registers
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative Year-End
Reporting cycle	Quarterly
Desired Performance	Adherence to contract management
Indicator Responsibility	Senior Manager: Provincial Supply Chain Management

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### PUBLIC SECTOR LIABILITIES MANAGEMENT

TECHNICAL INDICATOR DESCRIPTION 3.4	
Indicator title	Number of PFMA and MFMA institutions issued with feedback for compliance on liabilities management
Definition	<p>To monitor and support provincial PFMA &amp; MFMA institutions on the effective management of liabilities:</p> <ul style="list-style-type: none"> <li>Request of liability registers through emails, circulars or letters</li> <li>Analysis of liability registers received from stakeholders</li> <li>Communicate findings to stakeholders by issuing of quarterly feedback reports</li> </ul> <p>12 Votes, 10 Municipalities (Emalahleni, Emakhazeni, Thaba Chweu, Goven Mbeki, Lekwa, Victor Khanye, Msukaligwa, Dr Pixley ka Isaka Seme, Thembisile Hani, and Dipaleseng) and four (4) Public Entities.</p> <p><b>*Disclaimer*</b> Should the identified institutions be unresponsive, other alternative delegated institutions will be monitored and supported</p>
Source of data	Liability Registers received from Votes, Municipalities and Public Entities & Persal Reports
Method of calculation/ Assessment	Quantitative
Means of verification	Liability Registers
Assumptions	All stakeholders will submit liability registers.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative Year-End
Reporting cycle	Quarterly
Desired Performance	Effective management of liabilities in the Province
Indicator Responsibility	Manager: Public Sector Liabilities sub-program



## PHYSICAL ASSET MANAGEMENT

TECHNICAL INDICATOR DESCRIPTION 3.5	
<b>Indicator title</b>	Number of PFMA and MFMA institutions issued with feedback for compliance to assets management framework
<b>Definition</b>	<p>The effective and efficient management of provincial physical assets aligned to Acts and Regulations for thorough reviewal; Feedback provided for asset registers, audit findings and audit improvement plan for:</p> <ul style="list-style-type: none"> <li>• 8 Votes,</li> <li>• 3 Public Entities</li> <li>• 11 Municipalities</li> </ul> <p><b>Votes:</b> Education; Health; Provincial Treasury; Office of the Premier; Economic Development and Tourism; Human Settlements; Public Works Road and Transport; Agriculture, Rural Development, Land and Environmental Affairs</p> <p><b>Municipalities:</b> Goven Mbeki, Mkhondo, Lekwa, Dr. JS Moroka,Emakhazeni, Dipaleseng, Msukaligwa, Dr Pixley ka Isaka Seme, Emalahleni, Victor Khanye, Thembisile Hani</p> <p><b>Public Entities:</b> MEGA, MTPA and MRTT</p> <p>* <b>Disclaimer</b>* Should the identified institutions be unresponsive, other alternative delegated institutions will be monitored and supported</p>
<b>Source of data</b>	<p>Source data</p> <ul style="list-style-type: none"> <li>• Physical Asset registers</li> <li>• Audit improvement plans</li> </ul>
<b>Method of calculation/ Assessment</b>	Quantitative
<b>Means of verification</b>	Feedback Reports, Asset Management forum attendance register
<b>Assumptions</b>	Adherence with Assets Management Framework
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A

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TECHNICAL INDICATOR DESCRIPTION 3.5	
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative Year-End
<b>Reporting cycle</b>	Quarterly
<b>Desired Performance</b>	Improvement in the management and accounting of physical assets
<b>Indicator Responsibility</b>	Senior Manager: Physical Asset Management

### INTERLINKED FINANCIAL SYSTEMS

TECHNICAL INDICATOR DESCRIPTION 3.6	
<b>Indicator title</b>	Number of Votes supported on utilisation of transversal systems
<b>Definition</b>	Monitoring of the 12 Votes on the management and utilisation of transversal systems(Logis, BAS, PERSAL, Invoice Tracking System and electronic leave management) through obtaining, reviewing, consolidating and submitting 4 quarterly progress reports to management per annum
<b>Source of data</b>	Transversal Systems Reports
<b>Method of calculation/ Assessment</b>	Quantitative
<b>Means of verification</b>	Transversal system reports and Forum minutes
<b>Assumptions</b>	Transversal systems available in 12 Votes
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Non-cumulative Year-End
<b>Reporting cycle</b>	Quarterly
<b>Desired Performance</b>	Improved utilisation of transversal systems
<b>Indicator Responsibility</b>	Senior Manager: Interlinked Financial Systems

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### INFORMATION TECHNOLOGY

TECHNICAL INDICATOR DESCRIPTION 3.7	
Indicator title	Number of PFMA and MFMA institutions support on IT Governance Support
Definition	<p>Provide IT Governance Support to 7 Municipalities and 6 Votes to comply with IT Frameworks</p> <p><b>Votes:</b> Provincial Treasury, Economic Development and Tourism, Culture, Sports and Recreation, Community Safety Security and Liaison, Social Development and Human Settlements</p> <p><b>Municipalities:</b> Dr Prixley ka Seme, Lekwa, Dr JS Moroka, Emakhazeni, Dipaleseng, Bushbuckridge and Msukaligwa</p> <p><b>* Disclaimer*</b> Should the identified institutions be unresponsive, other alternative delegated institutions will be monitored and supported</p>
Source of data	<p>IT Risk Register</p> <p>IT Audit Reports</p> <p>Action Plans</p> <p>One on One session</p>
Method of calculation/ Assessment	Quantitative
Means of verification	Quarterly Report on IT Governance
Assumptions	All institutions will be available for One on One session and provide supporting documents
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative Year-End
Reporting cycle	Quarterly
Desired Performance	Adherence to IT Governance Framework and Prescripts
Indicator Responsibility	<b>Senior Manager:</b> Information Technology



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### TECHNICAL INDICATOR DESCRIPTION 3.8

<b>Indicator title</b>	Percentage of Network Availability
<b>Definition</b>	<p>Provide Network connectivity to 12 Votes</p> <p>The 85% is made up of network uptime statistics</p> <p><b>Disclaimer:</b> The performance target of 85% but not exceeding 95% target will be considered satisfactory/achieved. Any performance above 95% will then be categorized as an overachievement.</p>
<b>Source of data</b>	SITA System Generated Network Availability reports
<b>Method of calculation/ Assessment</b>	Quantitative
<b>Means of verification</b>	System generated reports
<b>Assumptions</b>	Maintained network infrastructure in compliance to the SITA Network Services Service Level Agreement (SLA)
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation Type</b>	Cumulative Year-End
<b>Reporting cycle</b>	Monthly
<b>Desired Performance</b>	Continuous availability of network based services
<b>Indicator Responsibility</b>	<b>Acting Senior Manager:</b> Information Technology



## PROGRAMME 4: FINANCIAL GOVERNANCE

## ACCOUNTING SERVICES

TECHNICAL INDICATOR 4.1	
Indicator title	Number of public institutions issued with feedback on financial statements analysed
Definition	<p>Analyse financial statements of 12 Votes, 1 Public Entity and 8 Municipalities by:</p> <ul style="list-style-type: none"> <li>• Verifying correctness and completeness</li> <li>• Comparing notes total amounts to the AFS</li> <li>• Confirm application of accounting standards</li> <li>• Checking disclosure and compliance</li> </ul> <p>1 Public Entity (MRTT) and 8 Municipalities (Chief Albert Luthuli LM, Dr JS Moroka LM, Emakhazeni LM, Govan Mbeki LM, Thaba Chweu LM, Lekwa LM and Msukaligwa LM, Victor Khanye LM)</p> <p><b>*Disclaimer*</b> Should the identified institutions be unavailable, alternative institutions will be attended to in the interest of progressive support.</p>
Source of data	Trial balance reports, Annexures on secondary disclosures, Annual Financial Statements submitted by Votes, Municipalities and Public Entities
Method of calculation/ Assessment	Number of feedback reports issued
Means of verification	Feedback reports
Assumptions	All Votes, Public Entities and Municipalities submit their AFS in accordance with legislation
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative Year-End
Reporting cycle	Quarterly
Desired performance	Improved financial reporting by PFMA and MFMA institutions
Indicator responsibility	Senior Manager: Accounting Services

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### NORMS AND STANDARDS

<b>TECHNICAL INDICATOR 4.2</b>	
<b>Indicator title</b>	Number of public institutions issued with feedback on compliance to fleet management prescripts
<b>Definition</b>	<p>Determine areas of non-compliance through evaluation and reviewing of implementation of policies and prescripts in 3 Votes (Department of Economic Development and Tourism, Department of Social Development and Department of Agriculture, Rural Development, Land and Environment Affairs) and provide recommendations.</p> <p><b>*Disclaimer*</b> Should the identified institutions be unavailable, alternative institutions will be attended to in the interest of progressive development.</p>
<b>Source of data</b>	Transaction reports from financial institution, Audit findings and previous reports issued
<b>Method of calculation/ Assessment</b>	Evaluation on compliance to Financial Management prescripts
<b>Means of verification</b>	Quantitative 3 Feedback reports issued
<b>Assumptions</b>	All 3 Votes evaluated to have sound financial management processes
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation type</b>	Cumulative Year-End
<b>Reporting cycle</b>	Quarterly
<b>Desired performance</b>	Improved compliance to legislation and prescripts
<b>Indicator responsibility</b>	Senior Manager: Norms and Standards

<b>TECHNICAL INDICATOR 4.3</b>	
<b>Indicator title</b>	Number of public institutions issued with feedback on compliance to information management prescripts
<b>Definition</b>	<p>6 Municipalities (Victor Khanye LM, Mkhondo LM, Lekwa LM, Msukaligwa LM, Emakhazeni LM and Thaba Chweu LM) supported and monitored by:</p> <ul style="list-style-type: none"> <li>Identifying gaps in the implementation of Record Management processes</li> </ul>

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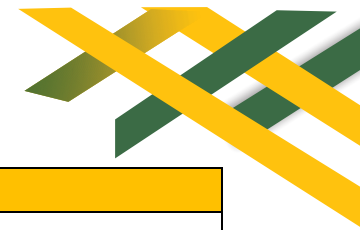
TECHNICAL INDICATOR 4.3	
	<ul style="list-style-type: none"> <li>Issuing 6 reports on findings and recommendations for improvement</li> </ul> <p><b>*Disclaimer*</b> Should the identified institutions be unavailable, alternative institutions will be attended to in the interest of progressive development.</p>
Source of data	Reports by the Department of Culture, Sport and Recreation (Provincial Archives) and Auditor-General reports
Method of calculation/ Assessment	Evaluation of compliance to Record Management Prescripts
Means of verification	Quantitative 6 Compliance Feedback reports
Assumptions	All 6 Municipalities adhere to Record Management policies and procedures
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation type	Cumulative Year-End
Reporting cycle	Quarterly
Desired performance	Improved record management in municipalities.
Indicator responsibility	Senior Manager: Norms and Standards

### PROVINCIAL RISK MANAGEMENT

TECHNICAL INDICATOR 4.4	
Indicator title	Number of Enterprise Risk Management Frameworks (ERMF) issued to standardize Risk Management processes in public institutions
Definition	This is a process, which involves reviewing, updating and issuing one Provincial ERM Framework to public sector institutions
Source of data	New reforms and developments and Best Practices in Risk Management
Method of calculation/ Assessment	Analysis of current framework vs the new developments
Means of verification	Approved ERMF
Assumptions	All Votes, Public Entities and Municipalities implement the Enterprise Risk Management Framework
Disaggregation of Beneficiaries (where applicable)	N/A

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<b>TECHNICAL INDICATOR 4.4</b>	
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation type</b>	Non-Cumulative Year-End
<b>Reporting cycle</b>	Annually
<b>Desired performance</b>	Standardised effective risk management processes
<b>Indicator responsibility</b>	Manager: Provincial Risk Management

<b>TECHNICAL INDICATOR 4.5</b>	
<b>Indicator title</b>	Number of evaluations performed on effectiveness of Risk Management processes
<b>Definition</b>	The Provincial Risk Management framework, methodology and guideline is the tool that involves the following: <ul style="list-style-type: none"> <li>• Evaluation of the effectiveness of Risk Management Committees and provide feedback</li> <li>• Evaluation of Risk Assessment reports and provide feedback</li> </ul>
<b>Source of data</b>	Risk Assessment Reports and RMC meetings
<b>Method of calculation/ Assessment</b>	Attend RMC and Evaluate risk assessment reports
<b>Means of verification</b>	Feedback Reports
<b>Assumptions</b>	All Votes, Public Entities and Municipalities implement the Enterprise Risk Management Framework
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation type</b>	Non-cumulative Year-End
<b>Reporting cycle</b>	Quarterly
<b>Desired performance</b>	Effective implementation of the Provincial Enterprise Risk Management Framework and guidelines.
<b>Indicator responsibility</b>	Manager: Provincial Risk Management

<b>TECHNICAL INDICATOR 4.6</b>	
<b>Indicator title</b>	Number of public institutions □ Risk Maturity levels assessed
<b>Definition</b>	2 Votes (Community Safety, Security and Liaison and Social Development), 1 Public Entity (MRTT) and 3 Municipalities (Nkangala District Municipality, Ehlanzeni District Municipality and Gert Sibande District Municipality) assessed in terms of risk maturity level and supported to improve the level by:

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<b>TECHNICAL INDICATOR 4.6</b>	
	<ul style="list-style-type: none"> <li>Developing a Risk Maturity assessment tool</li> <li>Analysing the results of the evaluation</li> <li>Developing a Support Plan and action plan to increase the maturity level</li> </ul>
<b>Source of data</b>	Risk Maturity assessment tool
<b>Method of calculation</b>	Analysis of source data
<b>Means of verification</b>	Reports
<b>Assumptions</b>	All Votes and Municipalities are on an acceptable risk maturity level
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation type</b>	Non-cumulative Year-End
<b>Reporting cycle</b>	Quarterly
<b>Desired performance</b>	Increased Risk Maturity Levels
<b>Indicator responsibility</b>	Manager: Provincial Risk Management

### PROVINCIAL INTERNAL AUDIT

<b>TECHNICAL INDICATOR 4.7</b>	
<b>Indicator title</b>	Percentage of Internal audit plans for Public institutions analysed
<b>Definition</b>	Analysis of received Internal Audit plans in terms of a predetermined questionnaire, National Treasury internal audit framework, IIA standards, King IV and other best practice guidelines.
<b>Source of data</b>	Internal Audit plans received from Votes, Municipalities and Public Entities.
<b>Method of calculation/ Assessment</b>	<ul style="list-style-type: none"> <li>Receive Internal Audit Plans (100% of Internal Audit plans received and analysed refers to all internal audit plans submitted)</li> <li>Analyse the plans by using template designed</li> <li>Issue reports on findings</li> <li>All internal audit plans received and analysed</li> <li>Sum of plans received divided by Sum of plans analysed multiply by 100 equals to total Percentage</li> <li>Baseline= <math>27/27 \times 100 = 100\%</math></li> <li>Number expected: 12 Votes, 19 Municipalities and 4 Public Entities</li> <li>Bi-annually (1<sup>st</sup> quarter Municipalities and 4<sup>th</sup> quarter Votes and Public Entities)</li> </ul>
<b>Means of verification</b>	Evaluation Reports
<b>Assumptions</b>	All Votes, Public Entities and Municipalities internal audit plans that are in line with applicable set of legislation and

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<b>TECHNICAL INDICATOR 4.7</b>	
	best practice guidelines.
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation type</b>	Non-cumulative Year-End
<b>Reporting cycle</b>	Bi-Annually
<b>Desired performance</b>	Effective internal audit processes
<b>Indicator responsibility</b>	Manager: Provincial Internal Audit

<b>TECHNICAL INDICATOR 4.8</b>	
<b>Indicator title</b>	Number of evaluations performed on effectiveness of Audit Committees of public institutions
<b>Definition</b>	Evaluation of Audit Committees according to applicable legislation and best practice guidelines, e.g. IIA standards, National Treasury Internal Audit Framework and King IV.
<b>Source-of data</b>	Audit Committee meetings and information packs
<b>Method of calculation/ Assessment</b>	Qualitative and Quantitative - Observation of Audit Committee meetings and engagements
<b>Means of verification</b>	36 Evaluations
<b>Assumptions</b>	All Votes, Public Entities and Municipalities have effective Audit Committees
<b>Disaggregation of Beneficiaries (where applicable)</b>	N/A
<b>Spatial Transformation (where applicable)</b>	N/A
<b>Calculation type</b>	Cumulative Year-End
<b>Reporting cycle</b>	Quarterly
<b>Desired performance</b>	Effective audit committees
<b>Indicator responsibility</b>	Manager: Provincial Internal Audit

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### ANNEXURE A: AMENDMENTS TO THE STRATEGIC PLAN

No amendments were made to the Strategic Plan 2020-2025.

### ANNEXURE B: CONDITIONAL GRANTS

Name of Grant	Purpose	Outputs	Current Annual Budget (R thousand)	Period of Grant
N/A				

### ANNEXURE C: CONSOLIDATED INDICATORS

The Provincial Treasury has a shared responsibility with the Department of Cooperative Governance and Traditional Affairs (COGTA) to provide support to Municipalities in terms of Municipal Finance Management Act. In order to ensure a coordinated implementation of his responsibility, an Integrated Municipal Support plan was compiled with six objectives in line with the Back to Basics Programme. COGTA is responsible for Objectives 1-5 (governance and service delivery related matters and Provincial Treasury for Object 6 (financial matters).

Institution	Output Indicator	Annual Target	Data Source
COGTA	Number of reports on the implementation of IMSP	4 Reports on the implementation of IMSP	IMSP implementation Quarterly Reports: COGTA



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### ANNEXURE D: DISTRICT DEVELOPMENT MODEL

Areas of intervention	Five-year planning period					
	Project description	Budget allocation	District Municipality	Location: GPS coordinates	Project Leader	Social partners
Financial Recovery Plan	Support to 5 Municipalities on the implementation of the FRPs on: <ul style="list-style-type: none"> <li>Funded budgets</li> <li>SCM</li> <li>Asset Management</li> <li>Governance matters</li> </ul>	Operational Budget	Nkangala, Ehlanzeni, Gert Sibande	Emalahleni LM, Govan Mbeki LM, Msukaligwa LM, Thaba Chweu LM, Lekwa LM	Mr B Straus, Mr R Masambo, Mr J Bezuidenhout	N/A
Governance improvement	Support municipalities with their implementation of governance requirements: <ul style="list-style-type: none"> <li>Attend risk and internal audit committees</li> <li>Provide training on SCM</li> <li>Support on accounting standards and financial statements</li> </ul>	Operational Budget	Nkangala, Ehlanzeni, Gert Sibande	All municipalities	Mr B Straus, Mr R Masambo, Mr J Bezuidenhout	N/A

## Mpumalanga Provincial Treasury

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