



Province of the
EASTERN CAPE
PROVINCIAL TREASURY



ANNUAL PERFORMANCE PLAN 2007/08

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GLOSSARY

MEC Member of Executive Council

NIA National Intelligence Agency

SAPS South African Police Services

MFMA Muncipal Finance Management Act

IYM In- Year - Monitoring

CFO Chief Financial Officer

AFS Annual Financial Statement

GRAP Generally Recognized Accounting Practice

MTEF Medium Term Expenditure Framework

SMME Small Medium and Micro Enterprise

BEE Black Economic Empowerment

HDI Historically Disadvantaged Individuals

PMDS Performance Management Development System

SCM Supplier Chain Management

HR Human Resources

IT Information Technology

PFMA Public Finance Management Act

PMG Paymaster General

FM Financial Management

APP Annual Performance Plan

QMS Quality Management System

OSM Office of the Strategic Management

HoD Head of the department

GM General Manager

SM Senior Manager

SDIP Service Delivery Improvement Plan

HRM Human Resource Management

DPISA Department of Public Service Administration

SITA State Information Technology Agency

PFSA Public Finance Services Agency

OD Organisational Development

PART A: OVERVIEW AND STRATEGIC PLAN UPDATE

(i) Overview

The Strategic Plan of the Eastern Cape Provincial Treasury sets the mark for the future and aims at determining the course to reach that mark. The Strategic Plan of the Provincial Treasury plots that course. This Plan is the core document of the Department's planning effort. It contains the Department's goals and objectives. It sets out what the Provincial Treasury intends doing in the upcoming financial year towards realising its strategic goals and objectives. As we move from vision to mission, to goals and objectives, the ideas and actions discussed become more concrete and specific. This Plan therefore involves breaking the strategic direction into smaller, more measurable objectives and creating detailed implementation plans.

The Plan supports the implementation of the six pillars of the Provincial Growth and Development Plan (PGDP), namely:

- Poverty eradication
- Agrarian transformation and household food security
- Diversification of manufacturing and tourism development
- Infrastructure development
- Public sector transformation
- Human resource development.

The Provincial Treasury's policy priorities are influenced by the abovementioned strategic priorities of the Provincial Growth and Development Plan (PGDP) and other provincial and national policy imperatives.

In the 2006/2007 financial year, no major policy shifts took place, except for a resolution to address internal audit weaknesses and inefficiencies that saw the transfer of the Shared Internal Audit Services functions from the Office of the Premier to the Provincial Treasury. The Department continued to focus on its policy priorities of maintaining the fiscal discipline, efficiently allocating resources to support government priorities, enhancing service delivery, and developing and maintaining a dynamic and learning organization.

The department provides four key services that underpin the four programs it runs. The services include the following:

- Managing strategic initiatives of the department and the province
- Managing provincial resources in a sustainable manner
- Managing the assets and liabilities of the province
- Ensuring sound financial governance in the province

The department has undergone a restructuring process, culminating in the development of new strategic plans and organizational structure to support the implementation of the plans. Recruitment of skilled, competent and experienced personnel to the department commenced seriously during the year under review. The department has also taken a conscious decision to understand the nature of its business and implications of its mandates as well the challenges confronting it. The department understands that it is the fulcrum upon which the wheels of the government finances rotate. It has also taken a personal reconstruction of its understanding of what it means to be the custodian of government finances and leader of service excellence. In seeking to become a quality organisation, leading in service excellence, the Strategic Plan and Annual Performance Plan of the department were subjected to intense review to achieve policy harmonization, establish internal coherence and consistency ensure proper alignment of the budget and the Strategic Plan.

The organogram of the department also saw a significant review during the period. The new organogram provided for the Office of Strategy Management (OSM) in the Office of the Head of Department; up-graded the Municipal Finance Unit to enhance its readiness to implement the functions assigned to it under the Municipal Finance Management Act (MFMA); restructured the Assets and Liabilities branch; and streamlined the key functions of the Financial Governance branch. The new structure also provided for a clear line of responsibility, reporting and accountability. It also removed duplication of functions across branches by establishing synergies between the core functions of the branches.

During the period under review, the department's CFO Support and Mentorship Program were given a new face and focus. The program was re-organized and made an integral part of the Budget Management and Financial Governance programs. To ensure sustainability of the program, six qualified chartered accountants were recruited to join the program. Plans are also in place to expand the staff complement of the program as the need for financial management support in line departments continue to increase.

For the 2007/2008 financial year, the Treasury will focus on the following projects and interventions:

- Infrastructure and conditional grants performance audit
- Support to the PFSA (Public Financial Services Agency)
- Financial Management Improvement Plan (Phase 2)
- Skills Development, including bursaries to students
- Counterpart fund for the European Union Local Economic Development (EU LED) program
- Provincial own-revenue studies
- Integrated system for budget planning and reporting
- Study on financial viability of 22 municipalities
- Centralized Electronic Suppliers Database
- Physical asset management
- Integrated transversal financial systems
- Additional funding to support internal audit

There is a need for improving financial management in the province and this responsibility rests first and foremost with the Treasury. The need for sound financial management is existential both in the systemic factors and the fiscal realities of the province. The principles of performance and accountability, transparency, application of market tests, and the experiences of provinces that have achieved significant improvement in financial management offer a vast agenda and immense potential for transforming our systems into effective ones that reflect the needs of the province.

In the coming year, the Treasury will strongly assert its responsibilities, define and shape the trajectory of financial management through the building of strong and efficient capacity in financial management. The approach will focus on the need for organizational strengthening and effective expenditure management. The new core will consist of policy analysis for the medium term, reorganizing work structures, re-orientating the organizational culture, overhauling the budget process to make it output and performance based, gearing the province towards the movement from cash to accrual-based accounting systems, and improving the financial management information system.

The Treasury has the responsibility to entrench transparency and accountability in financial management in the province. Accountability is the fundamental prerequisite for preventing abuse of delegated power and for ensuring instead that power is directed towards the achievement of broadly accepted goals with the greatest degree of efficiency, effectiveness, probity and practice. The repertoire of mechanisms for enforcing performance and managerial accountability is long and includes the following: preparation of strategic and operational plans with clear goals, objectives, performance measures and targets, budgets that are aligned to the strategic plans, agreements for personal and organizational performance, in-year monitoring systems, new accounting rules and reporting requirements, preparation of annual reports and financial statements, more active use of evaluating and auditing, and financial inducements and sanctions. The enforcements of these mechanisms are the responsibility of the Treasury. The Treasury will pursue these initiatives and interventions relentlessly in the coming year.

The Treasury realizes that to be the leader in financial management requires a culture of discipline. This implies having disciplined employees, disciplined thought and disciplined action. The department will work relentlessly to build a culture of discipline by ensuring that the right people are hired and placed in the right jobs. We will also enforce individual and the organization's performance through better management of performance contracts and the performance management development system (PMDS).

In our quest to realize the Department's vision, that of being the leader in service excellence, serving the people of the Eastern Cape with honesty, humility and integrity, let us take this document and put it to work.



PROFESSOR NEWMAN KUSI

SUPERINTENDENT GENERAL, HEAD OFFICIAL OF TREASURY AND ACCOUNTING OFFICER

2) Strategic Plan Update

In line with the EXCO Resolution, the Shared Internal Audit Services function will be transferred from the Office of the Premier to Provincial Treasury with effective from April 1, 2007. This will enhance the functioning of Treasury in supporting departments to improve in areas of Risk Management, Fraud Prevention, Norms and Standards, Financial Reporting and Internal Controls. In the medium to long term, it is envisaged that all internal audit functions will move to Provincial Treasury in line with the gazetted structures of Treasury. In addition Programme 1 Strategic Management has been renamed to Administration in terms of the gazetted uniform budget structure.

PART B: PROGRAM AND SUB-PROGRAM PERFORMANCE PLAN

Departmental Strategic Goals, Strategic Objectives and Measurable Objectives

Strategic Goals	Strategic Objectives	Measurable Objectives
Maintain fiscal discipline in the province	To render effective support services to the MEC	<p>To manage the interactions with provincial and national Legislature in an efficient and effective manner</p> <p>To manage the office and activities of the MEC for Finance in an efficient and effective manner</p> <p>To efficiently and effectively manage human resources to ensure the objectives of the sub programme are achieved</p> <p>To implement NIA and SAPS compliant security measures to ensure the physical safety of the MEC for finance</p>
	To plan and implement a sound provincial budget	<p>To implement the provincial budget to ensure that the programme outlays fully match the available resources</p> <p>To ensure that municipal budget outlays fully match the resources</p> <p>To ensure congruence of budget intents and outcomes</p> <p>To monitor and identify areas where economies in expenditure can be gained</p> <p>Ensure that the budget process promotes output orientation</p> <p>To provide budget information that is timeous, fair and accurate</p> <p>To support the planning and the implementation of the Provincial Budget</p>
	To ensure that budget and expenditure management is sound	<p>To ensure that budget planning and expenditures is reflective of all provincial activities</p> <p>To ensure that the budget complies with national prescripts, norms, and standards</p> <p>To plan and table a budget for which the estimates are based on reasonable revenue projections</p> <p>To plan and table a budget with realistic expenditure projections</p> <p>To align the budget with the government's policy priorities</p>

Strategic Goals	Strategic Objectives	Measurable Objectives
	To assist municipalities in building capacity for efficient, effective and transparent financial management	<p>To assist and monitor municipalities to allocate appropriate responsibilities to the Municipal Accounting Officer and other senior managers</p> <p>To assist and monitor municipalities to build appropriate financial management capacity and governance structures</p> <p>To build capacity in the MFMA unit to support the implementation of the MFMA</p>
	To provide fair, reliable and relevant information on the budget execution and outcomes	<p>To ensure financial management reported by departments to Provincial Treasury is properly assessed and suitable for public consumption</p> <p>To provide accurate information on the state of the municipalities finances for effective decision making</p>
	To formulate and implement policies for the effective monitoring and control of the budget	<p>Monitor the implementation of IYM reporting system</p> <p>To render fiscal policy advice through economic analysis and research</p> <p>To advise policymakers on the feasibility and desirability of budget proposals</p>
	To achieve financial stability	<p>To manage the Provincial Revenue Fund</p> <p>To monitor budget execution and implement measures to prevent under spending on infrastructure and conditional grants</p> <p>Ensure proper alignment of the strategic plans and the budgets</p> <p>Ensure that essential services are not cut due to a lack of funds</p> <p>To develop and implement an Expenditure Monitoring and Evaluation System</p> <p>To assist and monitor municipalities to develop effective banking, cash and debt management frameworks</p> <p>Ensure regularization of irregular, wasteful and unauthorized expenditure by departments</p>

Strategic Goals	Strategic Objectives	Measurable Objectives
	<p>To render effective financial management support to Provincial departments</p>	<p>To provide advisory and consulting financial management services to other CFO's and their chief directorates in the province</p> <p>To assist and monitor municipalities to implement Supply Chain Management policies</p> <p>To assist and monitor municipalities to implement financial management reforms</p> <p>To interact with municipalities and other stakeholders to secure cooperation in the implementation of the MFMA</p> <p>Facilitate the timely submission of Departments, Revenue Fund and Public Entities AFS to the Provincial Treasury and AG on 31 May</p> <p>Facilitate the timely submission of Annual Reports by departments and Public Entities</p> <p>Prepare Consolidated Annual Financial Statements (CAFS) for the Province on time</p>
	<p>To promote accountability and good governance in the management of the provinces finances</p>	<p>To decentralise the management of the Bhisho telephone system to promote financial accountability</p>
	<p>To ensure financial, managerial and operating information reported is fair reliable and relevant</p>	<p>Perform data management analysis and data warehousing on key financial data to minimise financial risk</p> <p>Assist departments in implementation of accounting practices to ensure compliance with GRAP</p> <p>Implement accounting policy, guidelines and practices in line with National Framework</p>

Strategic Goals	Strategic Objectives	Measurable Objectives
	<p>To ensure compliance with relevant financial legislation and regulations</p>	<p>To coordinate the requirements of the national and provincial Legislature to ensure that the department complies with its legislative obligations</p> <p>To report on financial misconduct in the province to ensure compliance with legislation</p> <p>To facilitate the formulation of the departments Strategic Plan, Annual Performance Plan and Operational Plan (The Plans) to ensure compliance with legislation and regulations</p> <p>To ensure the departmental, strategic and annual performance plans are submitted to the Provincial Legislature and National Treasury</p> <p>To provide support to departmental CFO's in order to comply with relevant legislation and regulations</p> <p>To monitor expenditures to ensure that they comply with the organic budget laws, financial regulations and instructions and the annual budget laws</p> <p>To build capacity to enhance expenditure management</p> <p>To develop and implement measures to enhance own revenue mobilization and administration</p> <p>To ensure that departments' asset registers are recorded and maintained in accordance with legislation and Asset Management Guidelines</p> <p>To monitor the payment of creditors by departments to ensure that they comply with the 30 days prescribed period</p> <p>To monitor the management of state guarantees by departments</p> <p>Ensure adherence of departments to financial laws and regulations</p>

Strategic Goals	Strategic Objectives	Measurable Objectives
	To ensure effective, efficient, economical, responsible and transparent use of public resources	<p>To investigate and resolve reported financial misconduct cases</p> <p>To facilitate the recovery of financial losses to the province</p> <p>To implement programmes/plan that lead to the detection and prevention of fraud and financial misconduct in the province</p> <p>To ensure alignment between the departmental MTSF and MTEF processes</p> <p>To ensure the efficient, effective and responsible use of physical assets in the province</p> <p>To effectively and efficiently manage the Provincial Revenue Fund</p> <p>To provide custodianship over key reports / documents printed from the management information systems to minimise fraud and corruption</p> <p>Ensure departmental compliance with all relevant regulations and prescripts</p>
Contribute to economic, efficient and effective service delivery	To provide financial management support to departments, public entities and municipalities	<p>To provide advisory and consulting financial management services to other CFO's and their chief directorates in the province</p> <p>To facilitate the provision of infrastructure facilities and services to ensure all financial resources available are utilized</p> <p>To implement and support financial management information systems to enhance business processes in departments</p> <p>To provide functional and technical support on management information systems to ensure the efficient functioning of systems in departments</p> <p>To provide training on financial management systems to improve user capacity in departments</p> <p>To provide functional and technical support on management information systems to ensure the efficient functioning of systems in departments</p>

Strategic Goals	Strategic Objectives	Measurable Objectives
Contribute to the eradication of poverty in the province	To support growth and development in the province	<p>To facilitate the provision of infrastructure facilities and services to support economic development in the province</p> <p>To facilitate private sector contribution to government projects to increase the funds base for mega projects and infrastructure in the province</p> <p>To implement the Supply Chain Management Framework to support SMMEs, BEEs and HDIs</p>
Become an employer of choice	To promote the image of the department and its political leadership	To build relationships with the media to encourage prompt, positive and accurate reporting on the department and the MEC for Finance
	To develop and maintain a dynamic and learning organisation	<p>To coordinate and monitor the implementation of the PMDS in the department</p> <p>Facilitating the infusion and filtering of new ideas and innovations</p> <p>To facilitate the development and the implementation of organizational learning systems</p> <p>To develop and maintain a conducive working environment to attract and retain skilled and competent employees</p> <p>To develop and implement a Performance Management Development System (PMDS) that supports the achievements of the department's strategic objectives</p> <p>To provide facilities and appropriate equipment to all staff to ensure conducive working environment</p> <hr/> <p>To ensure that departmental physical assets are ergonomically sound</p> <p>To ensure effective and efficient use of departmental assets</p> <p>To implement a best practice SCM management model for Treasury</p> <p>To ensure that PT compliance with relevant regulatory frameworks</p>

Strategic Goals	Strategic Objectives	Measurable Objectives
	To enhance the agility and efficiency of the department	<p>To review and improve the business processes in the department to address client needs</p> <p>To improve functioning of the corporate services to enhance the efficiency of the department</p> <p>To implement employee physical and emotional wellness to contribute to a productive and conducive working environment</p> <p>To implement and manage the requirements of the Occupational Health and Safety Act in order to ensure a safe and healthy working environment</p> <p>To ensure that all departmental strategic and operational activities that aimed at ensuring agility and efficiency are well resourced</p> <p>To ensure sound best practice asset management in the departments</p> <p>To ensure SCM support in the implementation of strategic and operational efficiency initiatives</p> <p>To ensure effective and efficient functioning of departmental financial management system</p> <p>To ensure programme support on all initiatives and programmes aimed at enhancing agility and efficiency of the departments</p>
	To actively promote non discrimination	<p>To formulate and implement policies to ensure non discrimination on the grounds of race, gender, disability, youth, children and the elderly</p> <p>To review departmental policies and protocols to ensure adherence to HDI policies</p> <p>To provide the necessary knowledge to remove perceived gender stereotypes and misconceptions</p> <p>To promote HIV and AIDS education and awareness in order to minimise the impact of the disease on employee wellness</p> <p>To promote fair employment relations and work practices</p>
	To develop and implement an effective human resource strategy	To consult and develop an integrated draft HR strategy for the department

Strategic Goals	Strategic Objectives	Measurable Objectives
	To support the core business of the department	<p>To facilitate the formulation and implementation/ execution of the department's strategy</p> <p>To build capacity to improve the efficiency and efficacy of the department</p> <p>To efficiently and effectively manage human resources to ensure the objectives of the department</p> <p>To align employees' competency development plans with the department's strategic objectives</p> <p>Provide information technology requirements of the department</p> <p>Implement sound system for information management</p> <p>Ensure Effective utilization of IT budgeted funds</p> <p>Align and customize departmental information management system with strategic direction of department</p> <p>To implement effective and efficient records management and registry system for the department</p> <p>To accurately report the financial status of the department to ensure that information communicated to stakeholders is fair, reliable and relevant</p> <p>To provide accurate and timeous accounting services and creditors management to support the financial management of the department</p>

Strategic Goals	Strategic Objectives	Measurable Objectives
		<p>To improve departmental internal control compliance to contribute to improved financial management</p> <p>To prepare the Annual Financial Statements (AFS) and the Annual Report to ensure compliance with the PFMA, Treasury Regulations and GRAP</p> <p>To ensure that commitments are paid accordance with the requirements of the PFMA and Treasury Regulations</p> <p>To prepare a sound departmental budget to ensure all the activities of the department are efficiently, effectively and economically funded</p> <p>To maintain an effective and efficient salary administration to support the financial management of the department</p> <p>To provide accurate information on the department's expenditure and revenue collection for effective decision making</p>
	To support the core business of the department	<p>To manage the PMG account in a manner that will avoid an overdraft and / or the accumulation of surplus funds</p> <p>To ensure sound physical asset management practices in the provinces</p> <p>To contribute to the core business by promoting sound financial management in supply chain management</p> <p>To facilitate the application of SCM best practices in the province</p> <p>To develop and implement effective cash management policies</p> <p>Ensure that all monies due to the Provincial Revenue Fund are collected</p> <p>To prudently & effectively invest surplus funds with reputable financial institutions</p> <p>To support the financial business processes of the department through provision of Financial Management Systems</p> <p>Ensure that financial governance practices are observed by all departments</p>

PROGRAMME 1: ADMINISTRATION

Key Functions

- To provide legislative, political and administrative direction to the province and the department
- To provide strategic financial direction, monitoring and oversight to the department and the province in terms of the PFMA
- To render strategic planning services, the provisioning of transversal policy opinions and advice and policy advice and protocol development
- To provide technical and managerial support to provincial government and municipalities
- To develop and implement a HR strategy that gives effect to a sustainable HR function and HR plan that supports the organizational structure and design
- To provide financial management through the planning, design and control of financial processes to ensure efficient, effective, economical and transparent use of resources

Structure

Sub-Programmes	Purpose
1.1 Office of the MEC	To set priorities and political directives in order to meet the objectives of the department
1.2 Strategic Management Services	To translate policies and priorities into strategies for effective service delivery and to manage, monitor and control performance and to provide strategic direction, legal, customer care, total quality management and communication
1.3 Corporate Services	To provide an internal enabling function and support service to the other programmes with regard to HRM&D and IT
1.4 Financial Management	Provide CFO service to the Accounting Officer including Financial Management, Supply Chain Management and Internal Controls
1.5 Internal Audit Services	To provide an independent and effective Internal Audit support function for the vote

(iii) **Policies, Priorities, Strategic Goals and Strategic Objectives**

Strategic Goals	Strategic Objectives
Maintain fiscal discipline in the province	To ensure compliance with relevant financial legislation and regulations
	To ensure effective, efficient, economical, responsible and transparent use of public resources
	To ensure efficient, effective and transparent financial management
	To plan and implement a sound provincial budget
	To ensure compliance with relevant financial legislation and regulations
	To achieve financial stability
Become an employer of choice	To promote the image of the department and its political leadership
	To support the core business of the department
	To develop and maintain a dynamic and learning organisation
	To enhance the agility and efficiency of the department
	To promote the image of the department and its political leadership
	To develop and implement an effective human resource strategy
	To render support services to the MEC for Finance
	To actively promote non discrimination

(iv) Progress Analysis

1. During the 2006 / 2007 financial year various initiatives were implemented through the Office of the Head of Department. The Financial Management Improvement Plan, with the assistance of the Swedish Internal Development Agency, was introduced to:
 - Implement short to medium term high impact financial management interventions
 - Identify and formulate practical and effective processes for continued capacity and skills development, training and mentorship in the area of financial management
 - Implement long term interventions to ensure financial stability and sustainability in the provincial administrationPhase 1 of this plan which sought to identify and assess the impact of all previous financial management interventions in the provincial administration during the last five years was completed.
2. During the 2006 / 2007 financial year the department's CFO Support and Mentorship Program was given a new face and focus. The programme was reorganized and made an integral part of the Budget Management and Financial Governance Programmes. To ensure the sustainability of the programme, six qualified Chartered Accountants were recruited to join the programme.
3. As part of its skills development and capacity building, the department advertised over 80 positions at both middle and senior management levels for filling during the period. This resulted in the increase of the number of General Managers in the department from four in 2005/2006 to nine in 2006/2007 financial year.

(v) Analysis of Constraints and Planned Corrective Measures

1. The CFO Support and Mentorship Programme has an insufficient staff complement to satisfy the requirements in the province. During the coming financial year it is intended to increase the staff complement of this programme.

(vi) Planned Quality Improvement Measures

1. To expand the CFO Support and Mentorship Programme

SUB-PROGRAM 1.1: OFFICE OF THE MEC

(i) Policies, Priorities, Strategic Goals and Strategic Objectives

Strategic Goals	Strategic Objectives
Maintain fiscal discipline in the province	To ensure compliance with relevant financial legislation and regulations
Become an employer of choice	To promote the image of the department and its political leadership
	To render support services to the MEC for Finance
	To actively promote non discrimination

(ii) Progress Analysis

For 2006/2007 the office of the MEC has been running efficiently, it has managed to meet most its deadlines and targets as set out in the APP but major strides will be made next financial year. The following are some of the achievements during this financial year:

- Introducing effective and efficient office security system;
- Major improvement of office support directly to the MEC;
- Appointment of additional core staff to the office.

(iii) Analysis of Constraints and Planned Corrective Measures

The following constraints amongst others have been experienced which militated against the 100% success of the office of the MEC and the majority of them are external in nature:

- Poor coordination of some of the MEC activities due to poor communication by other stakeholders;
- The frequent changing nature of the MEC's diary due to the major changes and shift s in his out of office engagements

(iv) Planned Quality Improvement Measures

The following interventions have been planned for the year ahead which will help to alleviate some of the constraints which are posing a threat to the office:

- Implementation of new office measures to improve office communication and coordination;
- Implementation of a new filing system to support activities of the MEC's office
- Implementation of appropriate office administration procedures to channel work flows more effectively and efficiently

(v) **Measurable Objectives and Performance Indicators**

Strategic Objectives	Measurable Objectives	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To promote the image of the department and its political leadership	To build relationships with the media to encourage prompt, positive and accurate reporting on the department and the MEC for Finance	Respond promptly and accurately to all media enquiries	% of media enquiries responded to	100%	100%	100%	100%	Media Liaison Officer
		Respond promptly and accurately to all media enquiries	No. of hours taken to respond to a media enquiry	24	24	24	24	Media Liaison Officer
		Organise radio interviews and press releases on Provincial Treasury's successes, achievements and events	No. of radio interviews granted to the department	12	6	8	10	Media Liaison Officer
			No. of press statements / speeches / releases published by the media	57	52	52	52	Media Liaison Officer
		Prepare appropriate and accurate briefs and speeches for the MEC	% times an accurate and appropriate speech / brief is drafted	100%	100%	100%	100%	Media Liaison Officer
			% of speeches / briefs approved for release	100%	100%	100%	100%	Media Liaison Officer
To ensure compliance with relevant financial legislation and regulations	To coordinate the requirements of the national and provincial Legislature to ensure that the department complies with its legislative obligations	Prepare, maintain and adhere to a Register of Legislative Requirements	% adherence to Legislative obligations	100%	100%	100%	100%	Parliamentary Liaison Officer
			No. of times legislative requirements are breached	0	0	0	0	Parliamentary Liaison Officer
To render support services to the MEC for Finance	To manage the interactions with provincial and national Legislature in an efficient and effective manner	Respond promptly and accurately to all Parliamentary and ministerial enquiries	% of Legislature enquiries responded to	100%	100%	100%	100%	Parliamentary Liaison Officer
			No. of days taken to respond to a Legislative enquiry:					Parliamentary Liaison Officer

Strategic Objectives	Measurable Objectives	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
			Internal Questions	10	10	10	10	
			Portfolio Committee Recommendations	30	30	30	30	
			Petitions	7	7	7	7	
	To manage the office and activities of the MEC for Finance in an efficient and effective manner	Prepare and maintain the diary of the MEC on a daily basis	No. of appointments the MEC misses due to incorrect diary maintenance	3	4	2	1	Manager OMEC
		Plan the travel itinerary of the MEC and make the necessary bookings	% of accepted invitations missed due to incorrect itinerary planning or travel bookings	0	4	2	1	Manager OMEC
		Respond timeously to incoming correspondence	No. of hours taken to respond to incoming correspondence	24	24	24	24	Manager OMEC
		Manage the records, documents and correspondence of the office	No. of days taken to file records, documents and correspondence	2	3	2	2	Manager OMEC
			No. of records, documents and correspondence missing	2	0	0	0	Manager OMEC
		Plan and manage the budget of the office	% variance of actual expenditure against budgeted expenditure		6%	6%	6%	Manager OMEC
			R value of unauthorised, irregular, wasteful and fruitless expenditure	0	0	0	0	Manager OMEC
	To efficiently and effectively manage human resources to ensure the objectives of the sub programme are achieved	Build team spirit, instill discipline and manage performance	% of the sub programmes measurable objectives achieved					Manager OMEC
			Performance Agreements	100%	100%	100%	100%	Manager OMEC

Strategic Objectives	Measurable Objectives	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
			Quarterly Reports	100%	100%	100%	100%	Manager OMEC
			Disciplinary Hearings	0	0	0	0	Manager OMEC
	To implement NIA and SAPS compliant security measures to ensure the physical safety of the MEC for finance	Constantly update the VIP unit of the programme of the MEC	No. of times the Security Protocol is breached	2	0	0	0	Manager OMEC
			No of times the MEC is in danger	0	0	0	0	Manager OMEC
To actively promote non discrimination	To formulate and implement policies to ensure non discrimination on the grounds of race, gender, disability, youth, children and the elderly	Develop and implement departmental HDI policies	No. of HDI policies developed and implemented	0	1	2	3	Manager: Special Programmes
	To review departmental policies and protocols to ensure adherence to HDI policies	Review and make recommendations for the alignment of departmental policies to HDI policies	% of human resource policies reviewed for Equity Policy compliance	0	100%	100%	100%	Manager: Special Programmes
			% of deviations, omissions and contradictions in human resource policies on equity issues reported to the HOD	0	100%	100%	100%	Manager: Special Programmes
			% of human resource policies reviewed for Gender Policy and Disability Policy compliance	0	50%	100%	100%	Manager: Special Programmes
			% of deviations, omissions and contradictions in human resource policies on gender and disability issues reported to the HOD	0	100%	100%	100%	Manager: Special Programmes

Strategic Objectives	Measurable Objectives	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
			% of human resource policy amendment proposals on gender and disability issues accepted and implemented	0	50%	75%	100%	Manager: Special Programmes
			% of policies reviewed for compliance to all HDI policies	0	100%	100%	100%	Manager: Special Programmes
			% of deviations, omissions and contradictions in human resource policies on HDI policy issues reported to the HOD	0	100%	100%	100%	Manager: Special Programmes
			% of human resource policy amendment proposals on HDI policy issues accepted and implemented	0	100%	100%	100%	Manager: Special Programmes
	To provide the necessary knowledge to remove perceived gender stereotypes and misconceptions	Conduct workshops and training on gender issues	% improvement in staff understanding on gender issues	0	20%	25%	30%	Manager: Special Programmes

SUB-PROGRAM 1.2: MANAGEMENT SERVICES

(i) Policies, Priorities, Strategic Goals and Strategic Objectives

Strategic Goals	Strategic Objectives
Maintain fiscal discipline in the province	To ensure effective, efficient, economical, responsible and transparent use of public resources
	To ensure compliance with relevant financial legislation and regulations
Become an employer of choice	To support the core business of the department
	To develop and maintain a dynamic and learning organisation
	To enhance the agility and efficiency of the department
	To promote the image of the department and its political leadership

(ii) Progress Analysis

1. A new organogram provided for an Office of Strategic Management in the Office of the Head of Department. A General Manager and Senior Manager have been appointed with effect from 1 February 2007 and this Office is expected to facilitate the formulation and implementation of the department's strategy. This office will also support the HOD on all strategic management issues.

(iii) Analysis of Constraints and Planned Corrective Measures

1. The Office of Strategic Management comprised only one individual in an acting capacity but this has been addressed through the employment of one General Manager and one Senior Manager

(iv) Planned Quality Improvement Measures

1. The preparation of Strategic Plans and Annual Performance Plans with clear goals, objectives, performance measures and targets
2. Budgets that are aligned with Strategic Plans

(v) Measurable Objectives and Performance Indicators

Strategic Objectives	Measurable Objectives	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To support the core business of the department	To facilitate the formulation and implementation/ execution of the department's strategy	Conduct strategic analysis and review of the departmental strategy	Bi-annual analysis	Not Available	30 Sept 31 Mar	30 Sept 31 Mar	30 Sept 31 Mar	GM: OSM
			Annual strategy impact review	Not Available	31 Aug	31 Aug	31 Aug	DG:OSM
		Formulate and translate the department's strategy into execution	Approved strategic plan and developed APPs	Not Available	31 August	31 August	31 August	SM:OSM
		Provide strategy implementation and quality management support to the department's programmes	APPs linked to strategic plan QMS integrated in OSM and Office of MEC	Not Available	Nov 07	Nov 08	30 Nov 2009 Nov 09	SM:OSM
		Monitor and evaluate departmental performance	Monthly, quarterly and annual performance reports	Not Available	15 th day of each month	15 th day of each month	15 th day of each month	SM:OSM
		Formulate and implement a departmental communication strategy	Developed & implemented communication strategy	Not Available	Nov 07 Mar 08	Nov 7	Nov 7	GM:OSM
		Ensure effective & efficient strategic support to the HoD	% of work acceptable to HoD the first time	Not Available	60%	60%	60%	GM:OSM
To develop and maintain a dynamic and learning organisation	To coordinate and monitor the implementation of the PMDS in the department	Monitor the implementation of performance management reviews	Quarterly and annual performance management monitoring reports	Yes	Yes	Yes	Yes	SM:OSM
		Coordinate the functioning of the performance management structures	Annual status report of performance management committees	Yes	Yes	Yes	Yes	SM:OSM

Strategic Objectives	Measurable Objectives	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
		Monitor the alignment of the departmental skills development plan with the APP's	Approved skills development plan.	Yes	Yes	Yes	Yes	SM:OSM
		Monitor the alignment of Workplans\Performance Agreements with the APPs.	% approved Workplan/ Performance Agreements	Yes	Yes	Yes	Yes	SM:OSM
	Facilitating the infusion and filtering of new ideas and innovations	Develop, implement and monitor a system of identifying and recognising new ideas and innovations.	% Number of feasible ideas implemented	Not Available	10%	20%	30%	GM:OSM
		Promote ownership and sharing of information	% Number of approved distributed documents	Not Available	100%	100%	100%	GM:OSM
	To facilitate the development and the implementation of organizational learning systems	Participate in benchmarking and learning platforms	% Number of identified best practises implemented	Not Available	10%	20%	30%	GM:OSM
To enhance the agility and efficiency of the department	To review and improve the business processes in the department to address client needs	Review and improve operational frameworks and standards	Service standards integrated and monitored Approved Operational Manuals	Yes	Yes	Yes	Yes	GM:OSM
		Assess and analyse business departmental process	Approved process maps	Yes	Yes	Yes	Yes	SM:OSM
To ensure effective, efficient, economical, responsible and transparent use of public resources	To investigate and resolve reported financial misconduct cases	Register and respond to reported cases of misconduct	Number of registered and reported cases	Not Available	400	350	300	SM: Financial Intelligence
		Investigate and resolve the registered cases	% of cases investigated and resolved	Not Available	50%	60%	70%	SM: Financial Intelligence
	To facilitate the recovery of financial losses to the province	Develop and implement the provincial financial recovery plan	Approved Financial Recovery Plan	Yes	Yes	Yes	Yes	SM: Financial Intelligence

Strategic Objectives	Measurable Objectives	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
		Monitor the implementation of the plan	Increased % of recovered funds	Not Available	60%	70%	80%	SM: Financial Intelligence
		To implement programmes/plan that lead to the detection and prevention of fraud and financial misconduct in the province	Develop and implement an annual fraud prevention programme/plan	Yes	Yes	Yes	Yes	SM: Financial Intelligence
		Facilitate the prosecution of employees guilty of fraud	% of cases successfully prosecuted	Not Available	60%	70%	80%	SM: Financial Intelligence
		Facilitate the preparation of a Provincial Fraud Prevention Plan and Risk Assessments	No. of departments with Fraud Prevention Plans	13	13	13	13	SM: Financial Intelligence
			No. of departments that have performed Risk Assessments	13	13	13	13	SM: Financial Intelligence
	To ensure alignment between the departmental MTSF and MTEF processes	Implement an integrated departmental strategy and budget process	Aligned departmental strategic plans and budget	Yes	Yes	Yes	Yes	SM: Financial Intelligence
To ensure compliance with relevant financial legislation and regulations	To report on financial misconduct in the province to ensure compliance with legislation	Prepare and table a Provincial Financial Misconduct Report	Report tabled to the Legislature annually	Yes	Yes	Yes	Yes	SM: Financial Intelligence
	To facilitate the formulation of the departments Strategic Plan, Annual Performance Plan and Operational Plan (The Plans) to ensure compliance with legislation and regulations	Ensure the Plans encompass the full spectrum of a Provincial Treasury's mandate	% compliance of The Plans to PFMA, MFMA and Treasury Regulations	Not Available	100%	100%	100%	SM:OSM
	To ensure the departmental, strategic and annual performance plans are submitted to the Provincial Legislature and National Treasury	Ensure the Plans are presented in a format as prescribed by National Treasury	% compliance of The Plans to the Strategic Planning Guidelines	Not Available	95%	95%	95%	SM:OSM
		Co-ordinate the consolidation and submission of departmental strategic plan and programme APP's and other relevant documents	Approved departmental APP	Yes	Yes	Yes	Yes	SM:OSM

Strategic Objectives	Measurable Objectives	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
		Ensure the Plans are tabled in accordance with the prescripts	Tabled departmental APP	Yes	Yes	Yes	Yes	SM:OSM
		Facilitate the formulation, approval and implementation of a Service Delivery Improvement Plan (SDIP)	No. of service delivery improvements per programme incorporated into the SDIP	Not Available	8	5	5	GM:OSM
			No. of Batho Pele principles incorporated into the SDIP	Not Available	8	8	8	GM:OSM
			% implementation of the SDIP	Not Available	20%	20%	20%	GM:OSM
			% improvement in compliance to the SDIP	Not Available	10%	10%	20%	GM:OSM

SUB-PROGRAM 1.3: CORPORATE SERVICES

i. **Policies, Priorities, Strategic Goals and Strategic Objectives**

Strategic Goals	Strategic Objectives
Become an employer of choice	To support the core business of the department
	To develop and maintain a dynamic and learning organisation
	To enhance the agility and efficiency of the department
	To develop and implement an effective human resource strategy
	To actively promote non discrimination

ii. **Progress Analysis**

A tremendous progress has been made with regard to the evaluation for new posts. A Recruitment and Retention was drafted and circulated for comments. Upon implementation, the final document will seek to address the high turnover rate the department is experiencing.

A departmental DIGITO unit was established. This unit will serve to enhance the effectiveness of the department with regard to the knowledge management.

iii. **Analysis of Constraints and Planned Corrective Measures**

There currently is a high vacancy rate in the sub-programme. There also is need to align function such that the current HRM models proposed by the DPSA and the Provincial Administration are taken into account.

The recruitment exercise will be intensified in order to reduce the high vacancy rate. The HRM function will be re-structured.

iv. **Planned Quality Improvement Measures**

All HRM policies will be reviewed to ensure that best practices are included in the practices of the department. A revised HR plan will be finalised. This plan will reflect the current values embraced by the department and also take into account the strategic goals of the department.

v. Measurable Objectives and Performance Indicators

Strategic Objectives	Measurable Objectives	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To support the core business of the department	To build capacity to improve the efficiency and efficacy of the sub programme	Implement the new HRM model adopted by the Province	Re-structured and appropriately staffed HRM organisation	Continuous	Continuous	30 June 2008	Yes	General Manager: Corporate Services
	To efficiently and effectively manage human resources to ensure the objectives of the sub programme are achieved	Revise all HRM business processes	Business processes fully aligned to the new HRM model and re-structured organisational structure	Not Available	Continuous	31 March 2009	Yes	General Manager: Corporate Services
	To align employees' competency development plans with the department's strategic objectives	To facilitate individual development in line with competency development plans	Compiled and timeous submission of the department's skills development plan % of individual development interventions fully utilised	Not Available	Continuous	30 June 2008 90%	30 June 2009 95%	General Manager: Corporate Services
To develop and maintain a dynamic and learning organisation	To develop and maintain a conducive working environment to attract and retain skilled and competent employees	Conduct competency and human resource needs analysis Develop and implement an appropriate HR plan and policies	Data base of competencies required Data base of available competencies Determine competency gap (%)	Continuous	Continuous	30 June 2008 30 June 2008 < 25%	30 June 2009 30 June 2009 < 20%	General Manager: Corporate Services
	To develop and implement a Performance Management Development System (PMDS) that supports the achievements of the department's strategic objectives	Review and improve current PMDS	Provide clear linkages with departmental strategy and associated systems Clear differentiation between organisation and individual performance Provide for alignment between organisation and individual performance	Continuous	Continuous	30 June 2008 30 June 2008 100%	Yes	General Manager: Corporate Services
	To recruit unemployed graduates and interns to close the skills gaps and shortages in the department	Develop database of unemployed graduates and interns to support the shortages of skills	Number of retained unemployed graduates and interns per year in Provincial Treasury	7	20	20	20	General Manager: Corporate Services

Strategic Objectives	Measurable Objectives	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To enhance the agility and efficiency of the department	To improve functioning of the corporate services to enhance the efficiency of the department	Review all corporate support service business processes	Number of process improvement projects finalised	Not Available	80%	90%	95%	General Manager: Corporate Services
	To support employee physical and emotional wellness to contribute to a productive and conducive working environment	Implement an efficient and effective employee wellness programme	Appropriate employee wellness policies developed and implemented	100% < 5 working days	100% < 5 working days	100% < 5 working days	100% < 4 working days	General Manager: Corporate Services
	To implement and manage the requirements of the Occupational Health and Safety Act in order to ensure a safe and healthy working environment	Conduct compliance audit	% compliance	100%	100%	100%	100%	General Manager: Corporate Services
To develop and implement an effective human resource strategy	To consult and develop a draft HR strategy for the department	Conduct preliminary research on HR strategy Compile draft HR strategy for the department Consult draft strategy with all relevant stakeholders and compile final strategy	Finalised HR strategy	Continuous	Continuous	01 April 2008 01 April 2008	01 April 2009 01 April 2009	General Manager: Corporate Services
To actively promote non discrimination	To promote HIV and AIDS education and awareness in order to minimise the impact of the disease on employee wellness	Facilitate HIV/AIDS education and awareness	% of staff informed of HIV/AIDS and desirability to be aware of their status	100%	100%	100%	100%	General Manager: Corporate Services
	To promote fair employment relations and work practices	Facilitate information flow on fair employment practices Facilitate resolution of employment relations conflicts	% of staff informed of fair employment practices % of staff aware of remedies available for work conflict resolution	100%	100%	100% 100%	100% 100%	General Manager: Corporate Services
To Support the core business of the department	Provide information technology requirements of the department	Introduce sound system for information management.	% of employees having access to functioning equipment.	100%	100%	100%	100%	General Manager: Corporate Services

Strategic Objectives	Measurable Objectives	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
	Introduce sound system for information management	Promote effective management of information technology and network as enabler as a strategic resource	% security of computers and network	100%	100%	100%	100%	General Manager: Corporate Services
	Effective utilization of budgeted funds	Spend the funds of the sub program according to the established priorities	% Budget spent	100%	100%	100%	100%	General Manager: Corporate Services
	Align and customize departmental information management system with strategic direction of department	Manage the SITA relationship and other service providers and utilize security mechanisms to ensure compliance to the relevant regulatory framework	% of updated equipment according to requirements	100%	100%	100%	100%	General Manager: Corporate Services
	To implement effective and efficient records management and registry system for the department	Develop and implement a proper filing and archive system		100%	100%	100%	100%	General Manager: Corporate Services

SUB-PROGRAM 1.4: FINANCIAL MANAGEMENT (OFFICE OF THE CFO)

(i) Policies, Priorities, Strategic Goals and Strategic Objectives

Strategic Goals	Strategic Objectives
Maintain fiscal discipline in the province	To ensure that financial, managerial and operating information reported is fair, reliable and relevant
	To ensure efficient, effective and transparent financial management
	To ensure compliance with relevant financial legislation and regulations
	To plan and implement a sound provincial budget
	To achieve financial stability
Become an employer of choice	To support the core business of the department
	To develop and maintain a dynamic and learning organisation
	To enhance the agility and efficiency of the department

(ii) Progress Analysis

The sub-programme has made tremendous efforts to ensure that the department is improving its financial management of the department and the provincial administration but much must still be done to elevate the current state of affairs. In 07/08 financial the following initiatives will be embarked upon, improving the implementation of the IYM system, cash and liability management as well as budgeting by programme managers. Attempts are being made to ensure that renovations of the building are being completed so that there could more office space for staff. In 2007/2008 financial year the office of the CFO will continue to intensify its efforts in order to maintain the trajectory of making Provincial Treasury a quality treasury as far as its financial management is concerned.

(iii) Analysis of Constraints and Planned Corrective Measures

- Under-spending due to the slow filling of vacancies within the department.

- Office accommodation and security still poses major threat to the department.
- Poor planning due to the fact that the Office Of Strategic Management has not been functional up until the last quarter of the 06/07 financial year.

(iv) Planned Quality Improvement Measures

- Improve integration between budgeting and planning through initiatives between the Office of Strategic Management (OSM) and the office of the Chief Financial Officer (CFO).
- Continue to implement internal control measures and internal audit measures to ensure that the department receives unqualified audit in 07/8 financial year.
- Capacitate managers and key officials in expenditure management within the department.

(v) Measurable Objectives and Performance Indicators

Strategic Objectives	Measurable Objectives	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To support the core business of the department	To accurately report the financial status of the department to ensure that information communicated to stakeholders is fair, reliable and relevant	Prepare accurate Annual Financial Statements	% reduction in except for items in the Audit Report	100%	100%	100%	100%	CFO
			% reduction in matters of emphasis in the Audit Report	40%	50%	60%	70%	CFO
			% reduction in Management Letter items raised by the Auditors	70%	90%	90%	90%	CFO
	To provide accurate and timeous accounting services and creditors management to support the financial management of the department	Prepare and clear the bank reconciliation on a monthly basis	% No. of acceptable and approved monthly IYM Reports	100%	100%	100%	100%	CFO
			% No. of months an item will remain un-cleared on the bank reconciliation	0%	0%	0%	0%	CFO
			% reduction in value of un-cleared items on the bank reconciliation	0%	0%	0%	0%	CFO
			Timeous Payment of creditors within 30 days	100%	100%	100%	100%	CFO
		Safeguard and store all supporting documents	% No. of transactions in suspense due to missing supporting vouchers	10%	10%	10%	10%	CFO
			% Decline in R value of transactions in suspense due to missing supporting vouchers	N/A				CFO
			% Decline in No. of items raised in the Audit Report or Management Letter due to missing supporting documentation	N/A	80%	90%	90%	CFO

Strategic Objectives	Measurable Objectives	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
		Clear suspense accounts n a monthly basis	% of suspense accounts with a zero balance	N/A	100%	100%	100%	CFO
			% reduction in the value of suspense accounts	N/A	100%	100%	100%	CFO
		Ensure the correct amount is paid to creditors	No. of invoices paid twice	N/A	0	0	0	CFO
			% of creditors reconciled monthly	N/A	100%	100%	100%	CFO
		Ensure employees are paid accurately, timeously and in terms of policy	No. of employees who receive incorrect pay	0	0	0	0	CFO
			No. of days taken to pay an employee's claim	10	10	10	10	CFO
			No. of employees who are paid their salaries late	0	0	0	0	CFO
		Implement effective salaries administration systems	% No. of times BAS and PERSAL are reconciled and balanced	100%	100%	100%	100%	CFO
			R value of reconciling items on the BAS / PERSAL reconciliation	N/A	0	0	0	CFO
			% No. of items on the BAS / PERSAL reconciliation	N/A	100%	100%	100%	CFO
			No. of salary rejections due to item limits	N/A	0	0	0	CFO
			No. of payroll reports not certified	N/A	0	0	0	CFO
		Recover the outstanding debt of employees	% reduction in the value of the debt of terminated employees	90%	90%	90%	90%	CFO
			% of employees from whom debt is recovered prior to or in the final salary payout	100%	100%	100%	100%	CFO
			No. of employees who receive incorrect pay	0	0	0	0	CFO
		Effectively manage exception reports and clearance accounts for efficient BAS closure	No. of days the year end procedure is run after due date	0	0	0	0	CFO

Strategic Objectives	Measurable Objectives	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
		Prepare monthly IYM Reports	No. of acceptable and approved monthly IYM Reports	100%	100%	100%	100%	CFO
			No. of Programmes that submit acceptable monthly IYM Reports	100%	100%	100%	100%	CFO
		Conduct monthly financial review meetings	Conduct monthly financial review meetings	100%	100%	100%	100%	CFO
	To improve departmental internal control compliance to contribute to improved financial management	To monitor and control expenditure	No. of approved monthly Financial Review Reports	100%	100%	100%	100%	CFO
			No. of Budget Review Reports sent to programmes	100%	100%	100%	100%	CFO
	To prepare the Annual Financial Statements (AFS) and the Annual Report to ensure compliance with the PFMA, Treasury Regulations and GRAP	Prepare the Annual Financial Statements in accordance with GRAP	% compliance of the AFS with GRAP	100%	100%	100%	100%	CFO
		Prepare the AFS in accordance with the PFMA and Treasury Regulations	No. of days the AFS are submitted to the Auditor General within due date	100%	100%	100%	100%	CFO
			% reduction in except for items in the Audit Report as a result of non compliance	40%	50%	60%	70%	CFO
			% reduction in matters of emphasis in the Audit Report as a result of non compliance	70%	90%	90%	90%	CFO
			% reduction in Management Letter items raised by the Auditors as a result of non compliance	100%	100%	100%	100%	CFO
	To ensure that commitments are paid accordance with the requirements of the PFMA and Treasury Regulations	Prepare the Annual Report on time and in accordance with the PFMA and Treasury Regulations	timeous submission of Annual Report to the Legislature	100%	100%	100%	100%	CFO
			Timeous response and implementation of SCOPA resolutions	100%	100%	100%	100%	CFO
			% compliance of the AR with the PFMA and Treasury Regulations	100%	100%	100%	100%	CFO
		Pay creditors within the prescribed 30 days	No. (average) days taken to pay creditors	25	14	10	7	CFO
			No. of invoices that are paid over 30 days	N/A	0	0	0	CFO
	To prepare a sound departmental budget to ensure all the activities of the department are efficiently, effectively and economically	Provide guidance to programme managers on preparation of the budget	No. of sub programmes that over / under spend their budget by more than 5%	N/A	0	0	0	CFO
		Analyse budget inputs and provide budget allocations	Ensure budget alignment with APP's	80%	100%	100%	100%	CFO

Strategic Objectives	Measurable Objectives	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
		Monitor the utilization of budget	% maximum annual virements between economic classifications of Vote 12	0	0	0	0	CFO
			% of actual expenditure to budget expenditure	60%	80%	100%	100%	CFO
			% maximum annual virements the between programmes	20%	20%	20%	20%	CFO
			% of budget surrendered for the year	30%	0%	0%	0%	CFO
	To maintain an effective and efficient salary administration to support the financial management of the department	Ensure improvement to audit processes and opinions	% reduction in items of non compliance with internal controls and procedures - management letter and in the Audit Report	20%	10%	5%	5%	CFO
	To provide accurate information on the department's expenditure and revenue collection for effective decision making	Prepare a realistic and accurate Annual Cash Plan	% deviation of cash flow from budget expenditure	10%	10%	10%	10%	CFO
			% deviation of revenue collection from budgeted revenue collected per month	10%	10%	10%	10%	CFO
	To manage the PMG account in a manner that will avoid an overdraft and / or the accumulation of surplus funds	Monitor the utilization of the PMG account by the department	No. of times the PMG Account runs into overdraft	5%	5%	5%	5%	CFO
			No. of times the PMG Accounts runs into excess of R 10m	N/A	0%	0%	0%	CFO
	To develop and maintain a dynamic and learning organization	To provide facilities and appropriate equipment to all staff to ensure conducive working environment	Implement and monitor asset and facilities management and utilisation strategy for the department.	Asset Management Utilization Reports	100%	100%	100%	100%
To enhance the agility and efficiency of the department	To ensure that all departmental strategic and operational activities that aimed at ensuring agility and efficiency are well resourced	Identify and budget for all approved innovations with the department.	Approval annual innovations budget	100%	100%	100%	100%	CFO
		Monitor departmental spending on approved innovations	Annual Innovations Expenditure Report	100%	100%	100%	100%	CFO
To render effective financial management support to Provincial Departments	To provide advisory and consulting financial management services to other CFO's and their chief directorates in the province	Provide financial management support to departments	Number of departments supported	13	13	13	13	CFO
		Ensure implementation of Auditor General and SCOPA recommendations by departments	% reduction in the qualifying items in the audit reports	50%	50%	50%	50%	CFO
		Ensure implementation of the EU local economic development donor funding by key host departments.	% Number of beneficiaries awarded funding per grant	100%	100%	100%	100%	CFO

Strategic Objectives	Measurable Objectives	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To ensure that financial, managerial and operating information reported is fair, reliable and relevant	To ensure financial management reported by departments to Provincial Treasury is properly assessed and suitable for public consumption	Assess all relevant financial management information submitted for decision making	% Improvement in quality of information submitted to Treasury by departments	50%	80%	100%	100%	CFO
		Approve and communicate the assessed financial management information to the relevant stakeholders	Number of correct submissions communicated and approved	100%	100%	100%	100%	CFO
To ensure compliance with relevant financial legislation and regulations	To provide support to departmental CFO's in order to comply with relevant legislation and regulations	Conduct workshops to departmental CFO's	Number of workshops conducted	3	4	5	6	CFO
		Communicate to other CFO's new policy reviews made by National Treasury	Number of departments that have successfully implemented new National Treasury policy recommendations	13	13	13	13	CFO
To plan and implement a credible budget	To support the planning and the implementation of the Provincial Budget	Coordinate the compilation and printing of the provincial budget	Approved Provincial Budget	100%	100%	100%	100%	CFO
		Coordinate the compilation and the tabling of the provincial Appropriation Bill	Approved Provincial Appropriation Bill	100%	100%	100%	100%	CFO
To ensure efficient, effective and transparent financial management	To provide advisory and consulting financial management services to other CFO's and their chief directorates in the province	Provide financial management support to departments	Number of departments supported	13	14	14	14	CFO
		Ensure implementation of Auditor General and SCOPA recommendations by departments	% reduction in the qualifying items in the audit reports	50%	50%	50%	50%	CFO
		Ensure implementation of the EU local economic development donor funding by key host departments	% Number of beneficiaries awarded funding per grant	100%	100%	100%	100%	CFO
To manage the provincial finances to achieve financial stability	To manage the Provincial Revenue Fund	Assess the reliability of cash flow projections	Approved departmental cash flow projections	100%	100%	100%	100%	CFO
		Allocate cash to as per approved departmental requisitions	Allocated cash to departments	100%	100%	100%	100%	CFO
		Ensure efficient investments in surplus cash	% interest on investments	100%	100%	100%	100%	CFO

RECONCILIATION OF BUDGET WITH PLAN

Programme 1: Administration									
Sub Programmes				Estimate	Average	Budget	Target		Average
		2004/5	2005/6	2006/7	Annual	2007/8	2008/9	2009/10	Annual
					Change				Change
1.1	Office of the MEC	1,517	3,394	4,844	67.75%	3,993	4,201	4,421	5.22%
1.2	Office of the HOD	2,877	5,447	9,209	76.07%	34,181	32,268	33,219	-1.45%
1.3	Corporate Services	8,459	5,965	11,572	21.58%	28,590	29,986	31,450	4.88%
1.4	Financial Management	27,688	21,191	29,769	4.26%	41,405	43,447	45,592	4.93%
Total Programme		40,541	35,997	55,394	19.41%	108,169	109,902	114,682	2.99%

B PROGRAM 2: SUSTAINABLE RESOURCE MANAGEMENT

(i) Key Functions

- To execute provincial budget allocation process thereby ensure optimal funding of government priorities.
- To implement budget reforms towards promoting consultation, transparency and accountability through planning.
- To develop and implement monitoring systems for the efficient spending of the provincial budget.
- To monitor the implementation of the budget and provide support to departments towards efficient expenditure management and funding of sector priorities.
- To facilitate the fulfillment of provincial reporting obligations to comply with principles of transparency, fairness, and accountability in executing government programmes.
- To provide fiscal policy advice to inform the division of revenue and optimize the provincial revenue base, thereby determine the Medium Term Fiscal Framework.
- To determine the overall financing envelope for the MTEF including the administering the medium term revenue planning process, assessing and optimizing national revenue, ensure effective and efficient development of provincial revenue including the assessments of revenue trends and compilation and submission of revenue reports.
- To provide for provincial socio-economic analysis and research to inform fiscal policy development and the annual budget process thereby contributing to the success of the provincial growth and development strategy.
- To provide technical support and strengthen the financial management capacity of municipalities in the area of budgeting, reporting, procurement, treasury management and Infrastructure delivery.
- Promote compliance with Municipal Financial Management Act.

(ii) Structure

Overall objective: To provide professional advice and support on Provincial economic analysis, fiscal policy, public finance development and management of the annual Provincial budget process and co-ordinate the implementation of the Municipal Finance Management Act (Act 56 of 2003) (MFMA) and ensure that municipalities develop the skills to comply with the Act. There are five sub-programs in this programme:

SUB-PROGRAMS	Purpose
2.1. Program Support	To provide for the administrative cost, capacity development and the salary of the program manager.
2.2 Economic Analysis	To provide for provincial economic and social research and analysis, that informs the fiscal policy development and annual budget process, thereby contributing to the provincial growth and development plan.
2.3 Fiscal Policy	To provide fiscal policy advice, determine the Medium Term Fiscal Framework, develop and optimize the provincial revenue base and develop a provincial borrowing framework.

SUB-PROGRAMS	Purpose
	To determine the overall financing envelope for the MTEF including the administering the medium term revenue planning process, assessing and optimizing national revenue, ensure effective and efficient development of provincial revenue including the assessments of revenue trends and compilation and submission of revenue reports.
2.4 Budget Management	To oversee the departmental allocation process aligned with provincial policies/growth and development plan.
	To provide advice, drive the MTEF and annual budget process and determine annual budget allocations per department including resource shifts between departments.
2.5 Public Finance	
2.5.1 Provincial Government	To ensure sound financial management through providing technical support towards budget execution by provincial departments and general compliance with Public Finance Management Act (PFMA) and other prescripts.
2.5.2 Municipal Finance	To drive and coordinate the Provincial Treasury responsibilities in terms of the Municipal Finance Management Act, 2003 (MFMA).

(iii) **Policies, Priorities, Strategic Goals and Strategic Objectives**

Strategic Goals	Strategic Objectives
Maintain fiscal discipline in the Province	<ul style="list-style-type: none"> To plan and implement a credible budget To ensure that budget and expenditure management is sound To develop and implement policies for the effective control and monitoring of the budget To ensure full compliance with all relevant financial legislation and regulations To assist municipalities in building capacity for efficient, effective and transparent financial management To manage the provincial finances to achieve financial stability To ensure that the financial, managerial and operating information reported is fair, reliable, and relevant
Efficient allocation of financial resources to support Government policy priorities	<ul style="list-style-type: none"> To facilitate the provision of infrastructure facilities and services to support the growth and development of the Province To contribute to the eradication of poverty in the Province To ensure alignment of the provincial budgets with Government priorities To facilitate the implementation of programmes to build financial management capacity in line with the PGDP and relevant legislation
Contribute to economic, efficient and effective service delivery	<ul style="list-style-type: none"> To render effective financial management support to Provincial departments To assist municipalities in building capacity for efficient, effective and transparent financial management
Develop and maintain a dynamic and learning organisation	<ul style="list-style-type: none"> To develop and implement an effective human resource strategy that gives support to the core business of the department To implement strategies to enhance the agility and efficiency of the department

(iv) Progress Analysis

The programme objectives remain the provision of a financial management service through consolidation of the provincial revenue and expenditure budget, monitor the implementation of such budgets and promoting compliance by departments and municipalities with legislation and treasury regulations. The monitoring of the budget implementation includes the publication of both the financial and non-financial information. Through reporting a process of oversight by Legislature, Auditor General and the public through civic organisations is facilitated, making the accuracy, relevance and timing of the information that is reported much more critical.

An equally critical aspect in the ability of the programme to deliver on its mandate is the co-operation that must exist between treasury and the departments. Recognising this treasury has been engaged in focusing a lot in building effective relationship with departments and this is bearing fruits. Continued focus will be given to under spending as this area is not improving despite our efforts in the past year. The programme will build on the strategies developed in the previous year as these have not been fully implemented because of the capacity constraints. The strategies include increasing the capacity of departments in the areas of forecasting, planning, procurement and filling of vacant posts in critical areas of operation. Another area that will receive attention in the current year is the reporting on non-financial data to support financial reporting.

The other challenges that continue to confront us and for which some interventions began in the previous year are as follows:

Inadequate human resource capacity within Provincial Treasury and the departments

Most of the programmes executed in this programme rest heavily on human resource and for some time the department have been struggling to attract and retain competent personnel. Vacancies have constrained the programme in realising some of its objectives, with particular emphasis on the provision of socio-economic data and its analysis. In other areas where there has been achievement it has come at great human cost in terms of employee morale resulting from long hours and general work pressures. Some of the work pressure can be traced to apparent lack of requisite capacity in the departments themselves as evidence by the levels of over / under spending and general quality of the submissions. Even with interventions like CFO support programme (and recently Mentorship programme) we have had difficulty in attracting the necessary skill and this has forced Provincial Treasury to have a long term view in dealing with skills shortage in financial management.

Fluctuations in spending trends

Looking at the past experiences one notes a lot of fluctuations in our spending trends and this creates uncertainties in future planning. Such fluctuations could indicate that the policies are not properly costed and/or deviations are not followed up, resulting in wrong allocations in subsequent years. This is receiving serious attention and vigorous review of baseline figures will be undertaken to ensure optimal funding of policies. A more aggressive campaign will also be taken to ensure that In Year Monitoring is used as a management tool by programme managers and this will start by improving the creditability of the figures.

Alignment of budget with PGDP priorities

Alignment of the budget with PGDP priorities is an area that needs further improvements. This is caused by the fact that PGDP priorities are still at the level higher than the new economic classification that our budget is reported on. While the departments give information on the funding of these priorities it becomes very difficult to identify them from the generic programmes and economic classification, which makes budget verification difficult. This is made difficult by the fact that conventional monitoring systems do not lend themselves to measuring attainment of the targets on an annual basis. This is receiving attention as the province, led by Office of The Premier, is developing a system that will assist in tracking PGDP priorities as they are budgeted and progress through expenditure until targets are achieved. From our side the review of baseline that is planned will also establish baseline information on the funding of these priorities, which will be used for future budget decisions.

Strengthening the capacity of municipalities in financial management

There is a growing urgency to impact very aggressively in the area of strong local government and within the context Provincial Treasury needs to support the municipalities in the areas of Revenue and Cash

Management, Planning and Budgeting, Supply Chain Management and Financial Governance as part of phased implementation of the Municipal Finance Management Act. This places a lot of demands on the human resource capacity and the programme is therefore challenged with the availability of skills. Vigorous effort will be made to ensure that the high vacancy rate that has been facing this programme is addressed to have the required impact in supporting the municipalities towards financial building management capacity.

Proper Functioning of Economic Analysis Unit

The Economic Analysis unit was set up two years ago to determine the macroeconomic and socio-economic environment, within which the provincial budget is formulated and implemented. Faced with inability to attract the required skills Provincial Treasury in collaboration with the University of Fort Hare established the Joint Economic Policy and Research Unit (JEPRU) for the assessment of impact of budget policy objectives on selected economic variables but this has not taken off. The strategy is currently being reviewed alongside the vigorous attempt to build internal capacity within the programme and at the same time making use of the economic research institutions within the province.

Strengthening Fiscal Policy Unit

Initially the work of this unit focused on provincial own revenue and with the current strategic direction that treasuries are taking the unit will extend to include the research and analysis of socio-economic variables that impact on the division of national revenue to determine the provincial fiscal framework. This will need a reconfiguration of the human resource to align to the new thinking and this increases the training needs of the existing staff and puts more pressure on human resource capacity indicated above.

Other challenges include concerted efforts to optimize own revenue by broadening revenue base while increasing the efficiency in the current revenue sources. The coming year will take forward the improvements made in mitigating these challenges.

(v) Analysis of Constraints and Measures Planned to Overcome Them

Inadequate human resource capacity within Provincial Treasury

One notes that most of the challenges derive from the human resource constraints and addressing them is part of the financial improvement reform programme that will be undertaken in the coming year. The strategy entails increasing our recruitment efforts to ensure we get the required competencies with options of getting people on contracts where the salary demands are above those that are offered with the current structure. Another initiative is the planned study to determine the financial management capacity in the departments to inform other interventions that will be targeted in building financial management skill in the departments.

Business process improvements

Treasury plans to investigate the reasons of under spending in the province and this will include re-examination of the baselines so that appropriate solutions are found in curbing the under expenditure. To increase effective ness of the planned interventions and as a measure to increasing human resource capacity the programme has also identified the need to improve processes on budget processing formats, budget guidelines and training of staff in non-financial performance monitoring.

(vi) Description of Planned Quality Improvement Measures

A long term solution, which is part of the departmental strategy, is to realign and integrate our skills development programme to increase a skills base in the province. This will see integration of CFO and Mentorship programme, Bursary Policy and Learnership programmes. From a programme perspective the improvement initiatives includes the implementation of the new In Year Monitoring model that will make extensive use of Vulindlela to extract expenditure information. Other improvement area is the strengthening of the Performance Management System, including continuous training of personnel on budget reforms.

(vii) Measurable Objectives, Performance Indicators

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2008/10	
To plan and implement a credible budget	To implement the budget to ensure that the programme outlays fully match the available resources	To adequately fund programmes of departments	Ratio of actual to budgeted expenditure	100%	100%	100%	100%	GM & SM: Budget Management
		To put measures to avoid over/under-expenditure	Implemented policies and protocols to avoid over/under expenditure	0	3	3	3	GM & SM: Budget Management
		To conduct workshops on budget implementation tools	Number of workshops conducted	1	4	4	4	GM & SM: Budget Management
		To prepare monthly IYM reports	Number of acceptable and approved IYM reports	13	52	52	52	GM & SM: Budget Management
	To ensure congruence of budget intents and outcomes	Ensure the budget is aligned to PGDP priorities	% Number of PGDP priorities budgeted for		52	52	52	GM & SM: Budget Management

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2008/10	
		Ensure that all funds are allocated	% Amounts of unallocated funds not authorized		100	100	100	GM & SM: Budget Management
	To monitor and identify areas where economies in expenditure can be gained	Review the baseline budgets of all departments	Ratio of actual savings to total expenditure		5	5	5	GM: Sustainable Resource Management
	Ensure that the budget process promotes output orientation	Investigate the alignment of PGDP priorities into the budget process	The number of departments that have operationalised their priorities in terms of their budget		13	13	13	GM: Sustainable Resource Management
			% increase of funds allocated to PGDP priorities		10	15	20	GM: Sustainable Resource Management
	To provide budget information that is timeous, fair and accurate	Monitor and improve the quality of departmental budget submissions	% number of audit queries raised on the budget		0	0	0	SM: Budget Management
			% number of exceptions raised on the budget		0	0	0	GM & SM: Budget Management
			% number of times the budget document is revised as a result of inadequate information and inaccuracies	5	0	0	0	GM & SM: Budget Management
		Ensure that departments adhere to budget timeframes as stipulated in the budget cycle process	Increased % number of departments that responded to stipulated timeframes		0	0	0	GM & SM: Budget Management

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2008/10	
	To ensure that municipal budget outlays fully match the resources	To assist and monitor the development of the MFMA Implementation Plan	% municipalities with approved implementation plans		50	75	100	SM: Municipal Finance
			% municipalities that have implemented the plans		50	75	100	SM: Municipal Finance
To ensure that budget and expenditure management is sound	To ensure that budget planning and expenditures is reflective of all provincial activities	To evaluate the submissions of departments, to ensure they are comprehensive	The number of revisions made to budget estimates in a budget year		0	0	0	GM: Sustainable Resource Management
			The number of audit queries raised on the budget as a result of omissions		0	0	0	GM: Sustainable Resource Management
		Scrutinise departmental submissions for completeness and accuracy	Number of reports scrutinised for completeness and accuracy		13	13	13	GM & SM: Budget Management
			Number of audit queries raised as a result of incompleteness and inaccuracies		0	0	0	GM & SM: Budget Management
	To ensure that the budget complies with national prescripts, norms, and standards	Enforce compliance to the new economic reporting format	Increased % number of compliant departments		0	0	0	GM & SM: Budget Management
	To plan and table a budget for which the estimates are based on reasonable revenue projections	Develop and implement a revenue forecasting model	Model approved and implemented	5	5	5	5	SM: Fiscal Policy GM & SM: Budget Management SM: Municipal Finance

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2008/10	
					0	0	0	SM: Fiscal Policy GM & SM: Budget Management SM: Municipal Finance
	To plan and table a budget with realistic expenditure projections	Develop and implement an expenditure forecasting tool	Expenditure forecasting tool developed and implemented		5	5	5	SM: Budget Management
		Provide advice on cost estimation of policies, including function shifts	% Number of departments consulted on policies		0	0	0	GM & SM: Budget Management
	To align the budget with the government's policy priorities	Conduct sector analysis to identify priority area and budgets	% of policy priorities operationalised in the budget		100	100	100	SM: Economic Analysis
To develop and implement policies for the effective control and monitoring of the budget	Monitor the implementation of IYM reporting system	Continuous review of the effectiveness of the IYM system to ensure that departments remain within budget	Number of departments that remain within budget		13	13	13	GM & SM: Budget Management
					0	0	0	GM & SM: Budget Management
					13	13	13	GM & SM: Budget Management
		To develop and publish quarterly budget reviews to promote transparency and accountability	Number of budget reviews published		4	4	4	GM & SM: Budget Management

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2008/10	
		Compile provincial budget guidelines from the national budget guidelines	Approved and Implemented provincial guidelines		0	0	0	GM & SM: Budget Management
	To render fiscal policy advice through economic analysis and research	Conduct macroeconomic and sector analysis to inform the budget process	Number of relevant studies undertaken and completed		4	4	4	SM: Economic Analysis
			Number of policy recommendations adopted		10	10	10	SM: Economic Analysis
	To advise policymakers on the feasibility and desirability of budget proposals	Develop the province's own Medium Term Budget Policy Statement (MTBPS)	Number of fiscal policies adopted and implemented		10	10	10	SM: Economic Analysis
To ensure full compliance with all relevant financial legislation and regulations	To monitor expenditures to ensure that they comply with the organic budget laws, financial regulations and instructions and the annual budget laws	Perform quality checks on documents and reports submitted by departments using the PFMA and NTR's as guidelines	Number of departments that fully comply with the relevant legislation and regulations		13	13	13	GM & SM: Budget Management
	To build capacity to enhance expenditure management	To develop and implement training programmes for planners	Number of budget planners trained		52	52	52	GM & SM: Budget Management
			Number of departments that have shown improvement in compliance		13	13	13	GM & SM: Budget Management

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2008/10	
	To develop and implement measures to enhance own revenue mobilization and administration	To undertake studies on own source revenue	% real growth in revenue from current sources		5	5	5	SM: Fiscal Policy
			Number of newly identified revenue sources		3	3	3	SM: Fiscal Policy
			Amount collected from newly identified revenue sources					SM: Fiscal Policy
		To develop a revenue analysis forecasting model	Model approved and implemented		75	100	100	SM: Fiscal Policy
		Assist departments with debt management	% outstanding debt to total revenue		60%	55%	50%	SM: Fiscal Policy
			% Amount of outstanding debt collected		50%	55%	65%	SM: Fiscal Policy
		Encourage departments to create dedicated revenue units with staff	Number of departments with dedicated Revue Collection Units	0	13	13	13	SM: Fiscal Policy
To assist municipalities in building capacity for efficient, effective and transparent financial management	To assist and monitor municipalities to allocate appropriate responsibilities to the Accounting Officer and other senior managers	Develop and implement a system to monitor municipalities	Approved municipal M & E System implemented.	0	20	30	39	SM: Municipal Finance

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2008/10	
		To assist in developing financial and personnel delegations OK	Number of municipalities for which financial delegations have been developed.	0	20	30	39	SM: Municipal Finance
			Number of municipalities for which personnel delegations have been developed. OK	0	20	30	39	SM: Municipal Finance
	To assist and monitor municipalities to build appropriate financial management capacity and governance structures	To assist in establishing budget and treasury offices	Number of municipalities that have budget and treasury offices	0	10	30	39	SM: Municipal Finance
	To build capacity in the MFMA unit to support the implementation of the MFMA	To assist municipalities to recruit skilled staff	% vacancy rate		40	10	0	SM: Municipal Finance
		To assist municipalities in developing and implementing a Skills Development Plan	Number of courses successfully attended by staff		5	6	7	SM: Municipal Finance
			% Number of Staff exposed to training		60%	70%	80%	SM: Municipal Finance
To manage the provincial finances to achieve financial stability	To monitor budget execution and implement measures to prevent under spending on infrastructure and conditional grants	Prepare Consolidated In-Year-Monitoring Reports in line with NT guidelines.	% provincial financial stability improvement Number of exceptions raised by National Treasury on the IYM reports		0	0	0	GM & SM: Budget Management

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2008/10	
	Ensure proper alignment of the strategic plans and the budgets	Review strategic plans and budget submissions	Number of strategic plans assessed to ensure the alignment of the plan with the budget		13	13	13	GM & SM: Budget Management
	Ensure that essential services are not cut due to a lack of funds	Develop and implement appropriate funding model for essential services	Essential Services Funding Model implemented		0	0	0	GM & SM: Budget Management
		Ensure departments adhere to their original priorities	Number of departments that deviate from their original priorities		13	13	13	GM & SM: Budget Management
		Ensure that all departments are adequately funded	% Increase on the number of departments that are adequately funded Number of departments that are inadequately funded		0	0	0	GM & SM: Budget Management
	To develop and implement an Expenditure Monitoring and Evaluation System	Develop and implement a) A Budget Information System	Approved Budget Information System is implemented. Number of departments with inadequate and inaccurate budget information		0	0	0	GM: Sustainable Resource Management
		b) An In Year Monitoring System	Approved In Year Monitoring System is implemented. Number of departments with under / over spending		0	0	0	GM: Sustainable Resource Management
			Number of audit queries raised on M & E system		0	0	0	GM: Sustainable Resource Management

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2008/10	
		c) A Performance Management System	Number of performance evaluations undertaken		26	26	26	GM: Sustainable Resource Management
		d) An Internal Audit System	Number of audit queries raised on M & E system		0	0	0	GM: Sustainable Resource Management
		e) A Reporting System	Reporting system approved for implementation		1	0	0	GM: Sustainable Resource Management
			Number of complaints received on the reporting system		0	0	0	GM: Sustainable Resource Management
	To assist and monitor municipalities to develop effective banking, cash and debt management frameworks	To ensure that municipalities have effective Cash Management systems	Number of municipalities that have developed and adopted approved Cash Management Plan		20	39	39	SM: Municipal Finance
			Number of municipalities that have approved bank accounts.		20	39	39	SM: Municipal Finance
		To assist municipalities to develop Debt Management frameworks	Number of municipalities that have developed approved Debt Management frameworks		20	39	39	SM: Municipal Finance

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2008/10	
			Number of municipalities that have implemented Debt Management frameworks		20	39	39	SM: Municipal Finance
To ensure that the financial, managerial and operating information reported is fair, reliable, and relevant	To provide accurate information on the state of the municipalities finances for effective decision making	To assist and monitor municipalities to prepare Annual Reports and Annual Financial Statements	Number of municipalities that comply with the submission of AFS for auditing on the 31 August		39	39	39	SM: Municipal Finance
			Number of municipalities that produce acceptable reports:					SM: Municipal Finance
			Monthly		39	39	39	SM: Municipal Finance
			Quarterly		39	39	39	SM: Municipal Finance
			Half Yearly		39	39	39	SM: Municipal Finance
			Annually		39	39	39	SM: Municipal Finance
			Number of municipalities with audit queries, emphasis of matter and unqualified audit reports		39	39	39	SM: Municipal Finance
To render effective financial management support to Provincial departments	To assist and monitor municipalities to implement Supply Chain Management policies	To workshop and train municipal staff on SCM policies	Number of municipalities that have adopted revised SCM policies		20	30	39	SM: Municipal Finance

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2008/10	
	To assist and monitor municipalities to implement financial management reforms	To assist municipalities to prepare long term contracts	Number of municipalities that have submitted a list of: <ul style="list-style-type: none"> Corporate Entities PPP's Long Term Contracts Municipal Borrowing 		39	39	39	SM: Municipal Finance
		To assist municipalities to comply with the MFMA and the MSA	Number of municipalities receiving unqualified reports due to MFMA and MSA compliance		39	39	39	SM: Municipal Finance
		To assist and monitor municipalities to comply with MFMA and DORA	Number of municipalities receiving unqualified reports due to MFMA and DORA compliance		39	39	39	SM: Municipal Finance
		Monitor and report on the progress of the implementation of the 1 st phase of the MFMA	Number of approved reports on the progress of implementation		12 * 39	12 * 39	12 * 39	SM: Municipal Finance
	To interact with municipalities and other stakeholders to secure cooperation in the implementation of the MFMA	To facilitate discussions between the municipalities and their key stakeholders	Adoption of MOU with department of Local Government		July	Nil	Nil	SM: Municipal Finance
			Adoption of MOU with SALGA		July	Nil	Nil	SM: Municipal Finance
			Number of interactions at municipal forums		4	4	4	SM: Municipal Finance

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2008/10	
To develop and implement an effective human resource strategy that gives support to the core business of the department	To accelerate the establishment and capacitating the Municipal Finance Unit	Final the unit's structure and align it with the strategic plan	% of structural alignment completed		100%	100%	100%	GM: Municipal Finance
		Fill all critical posts	% actual posts filled		70%	80%	90%	GM: Municipal Finance
To implement strategies to enhance the agility and efficiency of the department	To explore and develop innovative ways to improve business processes	Develop new creative ways of doing business	Number of new innovations adopted and implemented	1	4	4	4	GM: Sustainable Resource Management

SUB-PROGRAM 2.1 : PROGRAMME SUPPORT
(i) Policies and objectives

Strategic Objective	Measurable Objective	Strategies	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To support the core business of the department	Develop and implement programme plan and strategy that aims at realizing the objectives of the organization	Coordinate the development and the implementation of programme annual performance plan in support of the departmental strategic plan	Approved and implemented Programme Annual Performance Plan	Complete	Continuous	Continuous	Continuous	Programme Manager
To develop and maintain a dynamic learning organisation	Develop and implement resource management plan and strategy to ensure programme's contribution in realizing departmental objectives	Coordinate the development and implementation of programme HR plan in support of the department objectives	Approved and implemented Programme Annual Human Resource Plan	Complete	Continuous	Continuous	Continuous	Programme Manager
		Coordinate the development and implementation of programme Financial Management plan in support of the departmental objectives	Approved and implemented Programme Annual Financial Management Plan	Complete	Continuous	Continuous	Continuous	Programme Manager
To implement strategies to enhance the agility and efficiency of the department	Provide strategic leadership in implementing departmental strategies of improving work processes within the programme	Identify strategic bottlenecks that are affecting the programme not to contribute effectively in realizing departmental goals	Number of strategic bottlenecks identified	2	2	2	2	Programme Manager

Strategic Objective	Measurable Objective	Strategies	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
		Develop and implement a annual programme service delivery improvement plan to improve programme efficacy in realizing the set strategic objectives	Approved and implemented service delivery improvement plan for the programme	Complete	Continuous	Continuous	Continuous	Programme Manager
To actively promote non discrimination	Develop and implement change management plan to address programme's response to issues of discrimination.	Implement policies that promotes equity within programme in realizing equity goals for the department	Approved and implemented change management plan for the programme	Complete	Continuous	Continuous	Continuous	Programme Manager

SUB-PROGRAM 2.2 : ECONOMIC ANALYSIS

i) Policies and objectives

Strategic Goals	Strategic Objectives
Maintain fiscal discipline in the Province	To ensure that budget and expenditure management is sound To develop and implement policies for the effective control and monitoring of the budget To ensure that the financial, managerial and operating information reported is fair, reliable, and relevant
Efficient allocation of financial resources to support Government policy priorities	To ensure alignment of the provincial budgets with Government priorities

ii) Progress Analysis

The responsibility of the unit would be to check the macroeconomic forecast in particular in growth and their impact on the provincial sphere & equitable share. It also looks at the economic and social benefit on the decision that is taken by both the National and Provincial government on certain policies.

The unit has not been active in the past year due to recruitment processes that took longer than expected.

iii) Analysis of Constraints and Planned Corrective Measures

The constraints have been around processes in the approval of the organizational structure but this has now been finalized.

iv) Planned Quality Improvement Measures

The recruitment process will be fastracked up to address the high vacancy rate in the unit.

v) **Measurable objectives and Performance Indicators**

Strategic Objective	Measurable Objective	Strategies	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To ensure that budget and expenditure management is sound	To align the budget with the government's policy priorities	Conduct sector analysis to identify priority area and budgets	% of policy priorities operationalised in the budget		100	100	100	SM: Economic Analysis
To develop and implement policies for the effective control and monitoring of the budget	To render fiscal policy advice through economic analysis and research	Conduct macroeconomic and sector analysis to inform the budget process	Number of relevant studies undertaken and completed		4	4	4	SM: Economic Analysis
			Number of policy recommendations adopted		1	1	1	SM: Economic Analysis
	To advise policymakers on the feasibility and desirability of budget proposals	Develop the province's own Medium Term Budget Policy Statement (MTBPS)	Number of fiscal policies adopted and implemented		1	1	1	SM: Economic Analysis

SUB-PROGRAM 2.3 FISCAL POLICY

i) Policies and objectives

Strategic Goals	Strategic Objectives
Maintain fiscal discipline in the Province	To ensure that budget and expenditure management is sound To develop and implement policies for the effective control and monitoring of the budget To ensure that the financial, managerial and operating information reported is fair, reliable, and relevant
Efficient allocation of financial resources to support Government policy priorities	To ensure alignment of the provincial budgets with Government priorities

ii) Progress Analysis

In the Unit's policy advice function, the unit must design tax instruments that can optimally fulfill their revenue raising function. In the 2007/08 financial year there will an increased focus on reviewing the own revenue baseline for all key revenue generating departments. A comprehensive own revenue study will be undertaken to look and socio-economic situation of the province with a view to explore the opportunities of widening the tax base, whilst not imposing the additional the tax burden on the poor.

iii) Analysis of Constraints and Planned Corrective Measures

The unit works with socio-economic data and therefore has to work hand in hand with Economic Analysis unit. Both units are hamstrung buy the inability to attract the critical skills.

iv) Planned Quality Improvement Measures

The recruitment process will be fastracked up to address the high vacancy rate in the unit.

v) **Measurable objectives and Performance Indicators**

Strategic Objective	Measurable Objective	Strategies	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2008/10	
To ensure that budget and expenditure management is sound	To plan and table a budget for which the estimates are based on reasonable revenue projections	Develop and implement a revenue forecasting model	% of budget cuts attributed to inadequate revenue	Preliminary studies conducted	Finalise study	Implement study results	Implement study results	SM: Fiscal Policy
			% deviation of actual own revenue collected to budgeted revenue	Less than 5 %	Less than 5 %	Less than 5 %	Less than 5 %	SM: Fiscal Policy
To ensure full compliance with all relevant financial legislation and regulations	To develop and implement measures to enhance own revenue mobilization and administration	Provide revenue input for monthly IYM report Provide revenue input for quarterly budget performance report	% real growth in revenue from current sources	5 %	5 %	5 %	5 %	SM: Fiscal Policy
			Number of newly identified revenue sources	nil	3	3	3	SM: Fiscal Policy
		To develop a revenue analysis forecasting model	% of project completed	0 %	50 %	100 %	100 %	SM: Fiscal Policy
		Assist departments with debt management	% outstanding debt to total revenue	0 %	20 %	15 %	15 %	SM: Fiscal Policy
			Amount of outstanding debt collected	0 %	R0,5m to R2,5	R0,5m to R2,5	R0,5m to R2,5	SM: Fiscal Policy
		Encourage departments to create dedicated revenue units with staff	Number of departments with dedicated Revue Collection Units	10	13	13	13	SM: Fiscal Policy

SUB-PROGRAM 2.4: BUDGET MANAGEMENT

i) Policies and objectives

Strategic Goals	Strategic Objectives
Maintain fiscal discipline in the Province	To plan and implement a credible budget To ensure that budget and expenditure management is sound To develop and implement policies for the effective control and monitoring of the budget To ensure full compliance with all relevant financial legislation and regulations To ensure that the financial, managerial and operating information reported is fair, reliable, and relevant
Efficient allocation of financial resources to support Government policy priorities	To facilitate the provision of infrastructure facilities and services to support the growth and development of the Province To contribute to the eradication of poverty in the Province To ensure alignment of the provincial budgets with Government priorities To facilitate the implementation of programmes to build financial management capacity in line with the PGDP and relevant legislation
Contribute to economic, efficient and effective service delivery	To render effective financial management support to Provincial departments

ii) Progress Analysis

Budget Management is responsible for the execution of the provincial budget function. The unit will continue working with departments to enhance and strengthen the measurable objectives, outputs measures and service delivery targets information. The costing of the various departmental policies would have to be maintained carefully for better fiscal management and planning. Working together with the physical infrastructure unit would assist in improving the planning, co-ordination and monitoring of infrastructure spending and projects of a capital nature.

iii) Analysis of Constraints and Planned Corrective Measures

The unit has also been experiencing an acute shortage of critical staff but all the critical functions have been performed, albeit with a lot of strain on the human resources. The other operational challenge for the unit is the lack of reliable information to measure the impact of the provincial budget to the PGDP programmes.

iv) Planned Quality Improvement Measures

The recruitment process will be fastracked up to address the high vacancy rate in the unit. Provincial initiatives to measure progress on the implementation of the PGDP will be effected during the year.

v) **Measurable objectives and Performance Indicators**

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To plan and implement a credible budget	To implement the budget to ensure that the programme outlays fully match the available resources	To adequately fund programmes of departments	Ratio of actual to budgeted expenditure		100%	100%	100%	SM: Budget Management
		To conduct workshops on budget implementation tools	Number of workshops conducted	1	4	4	4	SM: Budget Management
	To ensure congruence of budget intents and outcomes	Ensure the budget is aligned to PGDP priorities	% number of PGDP priorities budgeted for		52	52	52	SM: Budget Management
		Ensure that all funds are allocated	% Amounts of unallocated funds not authorized		100	100	100	SM: Budget Management
	To provide budget information that is timeous, fair and accurate	Monitor and improve the quality of departmental budget submissions	& number of audit queries raised on the budget		0	0	0	SM: Budget Management
			% number of exceptions raised on the budget		0	0	0	SM: Budget Management
			number of times the budget document is revised as a result of inadequate information and inaccuracies	5	0	0	0	SM: Budget Management
		Ensure that departments adhere to budget timeframes as stipulated in the budget cycle process	Increased % number of departments that responded to stipulated timeframes in the budget cycle process		0	0	0	SM: Budget Management

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To ensure that budget and expenditure management is sound	To ensure that budget planning and expenditure are reflective of all provincial government	To evaluate submissions of departments to ensure comprehensiveness	The number of revisions made to budget estimates in a budget year		13	13	13	SM: Budget Management
			The number of audit queries raised as a result of omissions		0	0	0	SM: Budget Management
	To ensure that the budget complies with national prescripts, norms, and standards	Enforce compliance to the new economic reporting format	Increased % number of compliant departments		0	0	0	SM: Budget Management
	To plan and table a budget with realistic expenditure projections	Develop and implement an expenditure forecasting tool	Expenditure forecasting tool developed and implemented		5	5	5	SM: Budget Management
		Provide advice on cost estimation of policies, including function shifts	% number of departments consulted		0	0	0	SM: Budget Management
To develop and implement policies for the effective control and monitoring of the budget	Monitor the implementation of the IYM system	Continuous monitor and evaluate expenditure to ensure that departments remain within budget.	Number departments that remained within budget		13	13	13	SM: Budget Management
		To compile and publish quarterly budget reviews to promote transparency and accountability	Number of budget reviews published		4	4	4	SM: Budget Management
		Compile provincial budget guidelines from the national budget guidelines	Approved and implemented provincial guidelines		0	0	0	SM: Budget Management

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To ensure full compliance with all relevant financial legislation and regulations	To monitor expenditures to ensure that they comply with the organic budget laws, financial regulations and instructions and the annual budget laws	Perform quality checks on documents and reports submitted by departments using the PFMA and NTR's as guidelines	Number of departments that fully comply with the relevant legislation and regulations		13	13	13	SM: Budget Management
	To build capacity to enhance expenditure management	To develop and implement training programmes for planners	Number of budget planners trained		52	52	52	SM: Budget Management
			Number of departments that have shown improvement in compliance		13	13	13	SM: Budget Management
	Ensure proper alignment of the strategic plans and the budgets	Review strategic plans and budget submissions	Number of strategic plans assessed to ensure the alignment of the plan with the budget		13	13	13	SM: Budget Management
	Ensure that essential services are not cut due to a lack of funds	Develop and implement appropriate funding model for essential services	Essential Funding Service Model implemented		Yes	Yes	Yes	SM: Budget Management
		Ensure departments adhere to their original priorities	Number of departments that deviate from their original priorities		0	0	0	SM: Budget Management
		Ensure that all departments are adequately funded	% increase of the number of departments that are adequately funded		0	0	0	SM: Budget Management

SUB-PROGRAM 2.5: PUBLIC FINANCE**i) Policies and objectives**

Strategic Goals	Strategic Objectives
Maintain fiscal discipline in the Province	To plan and implement a credible budget To ensure that budget and expenditure management is sound To develop and implement policies for the effective control and monitoring of the budget To ensure full compliance with all relevant financial legislation and regulations To assist municipalities in building capacity for efficient, effective and transparent financial management To ensure that the financial, managerial and operating information reported is fair, reliable, and relevant
Efficient allocation of financial resources to support Government policy priorities	To facilitate the provision of infrastructure facilities and services to support the growth and development of the Province To contribute to the eradication of poverty in the Province To ensure alignment of the provincial budgets with Government priorities To facilitate the implementation of programmes to build financial management capacity in line with the PGDP and relevant legislation
Contribute to economic, efficient and effective service delivery	To render effective financial management support to Provincial departments To assist municipalities in building capacity for efficient, effective and transparent financial management

ii) Progress Analysis

The responsibility of the unit is to ensure sound financial management through providing technical support towards budget execution by provincial departments as well as the implementation of Municipal Finance Management Act (MFMA) by the municipalities. Some progress has been made in assessing the capacity levels of municipalities towards the MFMA implementation, and the information will be used to design the intervention measures in the 2007/08 financial year. Another encouraging area is the progress being made in building capacity within the unit.

iii) Analysis of Constraints and Planned Corrective Measures

Like all the other programmes the unit has been limited by the high vacancy rate. Another operational challenge has been the slow spending in the 2006/07 financial year.

iv) Planned Quality Improvement Measures

The recruitment process will be fasttracked up to address the high vacancy rate in the unit.

v) **Measurable objectives and Performance Indicators**

Strategic Objective	Measurable Objective	Strategies	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To manage the provincial finances to achieve financial stability	To monitor budget execution and implement measures to prevent under spending on infrastructure and conditional grants	Prepare Consolidated In-Year-Monitoring Reports in line with NT guidelines	% provincial financial stability improvement Number of exceptions raised by National Treasury on the IYM reports	0 0	0 0	0 0	0 0	SM: Budget Management
To ensure full compliance with all relevant financial legislation and regulations	To build capacity to enhance Budget Planning and expenditure management	To develop and implement training programmes for planners	Number of people trained	nil	52	52	52	SM: Budget Management
			Number of departments that have shown improvement in compliance		13	13	13	SM: Budget Management
To develop and implement policies for the effective control and monitoring of the budget	Monitor the implementation of the IYM system	To compile and publish quarterly budget reviews to promote transparency and accountability	Number of budget reviews published		4	4	4	
To ensure that budget and expenditure management is sound	To plan and table a budget for which the estimates are based on reasonable revenue projections	Develop and implement an expenditure forecasting tool	Expenditure forecasting tool developed and implemented	5	5	5	5	SM: Fiscal Policy SM: Budget Management SM: Municipal Finance
To develop and implement policies for the effective control and monitoring of the budget	Monitor the implementation of the IYM system	Continuous monitor and evaluate expenditure to ensure that departments remain within budget.	Number departments that remained within budget	13	13	13	13	SM: Budget Management
To plan and implement a credible budget	To implement the budget to ensure that the programme outlays fully match the available resources	To take measures to avoid over/under-expenditure	Implemented policies and protocols to avoid over/under expenditure	1	3	3	3	SM: Budget Management

Strategic Objective	Measurable Objective	Strategies	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
		To prepare monthly IYM reports	Number of acceptable and approved IYM reports	13	52	52	52	SM: Budget Management
	To ensure that budget outlays fully match the resources	To assist and monitor the development of the MFMA Implementation Plan	% municipalities with approved implementation plans	N/A	50	75	100	GM: Municipal Finance
			% municipalities that have implemented the plans	N/A	50	75	100	GM: Municipal Finance
To assist municipalities in building capacity for efficient, effective and transparent financial management	To assist and monitor municipalities to allocate appropriate responsibilities to the Accounting Officer and other senior managers	To develop and implement a system to monitor municipalities To assist in developing financial and personnel delegations.	Approved monitoring and evaluation system implemented	0	20	30	39	GM: Municipal Finance
			Number of municipalities that have implemented financial delegations	0	20	30	39	GM: Municipal Finance
			Number of municipalities that have personnel delegations	0	20	30	39	GM: Municipal Finance
			Number of municipalities that have implemented personnel delegations	0	20	30	39	GM: Municipal Finance
	To assist and monitor municipalities to build appropriate financial management capacity and governance structures	To assist in establishing budget and treasury offices	Number of municipalities that have budget and treasury offices	0	10	30	39	GM: Municipal Finance

Strategic Objective	Measurable Objective	Strategies	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
	To build capacity in the MFMA unit to support the implementation of the MFMA	To assist municipalities to recruit skilled staff	% vacancy rate		40	10	0	GM: Municipal Finance

RECONCILIATION OF BUDGET WITH PLAN

Programme 2: Sustainable Resource Management									
Sub Programmes				Estimate	Average	Budget	Target		Average
		2004/5	2005/6	2006/7	Annual	2007/8	2008/9	2009/10	Annual
					Change				Change
2.1	Programme Support	2,223	2,139	1,044	-27.03%	1,956	2,060	2,170	5.33%
2.2	Economic Analysis			183		1,766	1,858	1,955	5.22%
2.3	Fiscal Policy	1,511	1,083	1,848	12.99%	5,700	5,984	6,281	4.97%
2.4	Budget Management	1,661	936	1,015	-24.87%	13,684	14,392	15,136	5.17%
2.5	Public Finance	5,146	5,682	10,032	45.12%	30,691	32,291	33,976	5.22%
Total Programme		10,541	9,840	14,122	17.57%	53,797	56,585	59,518	5.18%

PROGRAM 3: ASSET AND LIABILITY MANAGEMENT

(i) Key Functions

- To align provincial Supply Chain Management policies with national prescripts
- To facilitate the uniform implementation of provincial Supply Chain Management policies
- To facilitate the establishment and management of transversal / period contracts
- To monitor provincial compliance with Supply Chain Management policies and procedures
- To procure, monitor, implement, support and train on the financial management systems
- To facilitate the application of best practice in asset management in the province
- To provide transversal financial systems support
- To manage cash resources in the care of Provincial Treasury, to the best advantage of the province

(ii) Structure

Sub Programme Name	Purpose
3.1 Program Support	To provide for the cost related to efficient running of the program
3.2 Asset Management	<p>To facilitate the effective and efficient management of physical and financial assets.</p> <p>Management and oversight over government procurement to ensure fair, equitable and transparent acquisition and disposal of assets.</p> <p>Economic development through infrastructure and targeted government procurement</p> <p>Stewardship over financial and physical assets.</p>
3.3 Liabilities Management	To facilitate the effective and efficient management of liabilities.
3.4 Supporting Interlinked Financial Systems	<p>To provide for the oversight and management of existing financial systems and the transition to the Integrated Financial Management System enhancing compliance with the PFMA and other relevant legislation.</p> <p>To provide, support and enhancement of systems to support the Business processes of government.</p> <p>To provide capacity building in financial skills aimed at better Provincial financial management.</p>

(iii) Policies, Priorities, Strategic Goals and Strategic Objectives

Strategic Goals	Strategic Objectives
Maintain fiscal discipline in the Province	To ensure effective, efficient and transparent financial management
	To ensure compliance with relevant financial legislation and regulations
Contribute to the eradication of poverty in the Province	To support growth and development in the province
Become an Employer of choice	To support the core business of the department
	To develop and maintain a dynamic and learning organisation
	To enhance the agility and efficiency of the department

(iv) Progress Analysis

Although considerable progress has been made in all functional areas residing within this Programme, various fundamental constraints still impact negatively on even more progress being made. As much as it was within the power of Provincial Treasury, departmental training was expanded, financial systems implementation within departments was augmented and existing processes and procedures were enhanced, as are set out in detail below, in respect of each individual sub-programme. It is therefore clear that a concerted effort must be made to find sustainable solutions over the medium and long term to address the recurring impediments to high administrative performance. A number of such proposed solutions are listed under (vi) below.

(v) Analysis of Constraints and Planned Corrective Measures

The broad challenges facing this programme include:

- Poor or non-existent Infrastructure plans in departments as well as the lack of an integrated provincial infrastructure plan.
- Fully entrenching the Supply Chain Management system in provincial government, local government and in public entities.
- Poor management of Government contracts.
- Lack of capacity – especially in Project Management, financial systems and Supply Chain Management (SCM)
- Non-integration of existing Financial Information Systems
- Inaccurate cash flow projections by departments, resulting in overdrafts.
- Non-submission of procurement plans, coupled to poor quality of those that are submitted.

The following corrective measures have been identified:

- Training interventions will be intensified in conjunction with PFSA, as a way of addressing the aforementioned challenges.
- The introduction of a well manned and functional financial systems helpdesk will serve as a first point of call for users of financial systems in the Province.
- Existing forums aimed at fostering communication with departments will be emphasized
- Filling of vacant posts with suitably skilled incumbents will receive special attention.

(vi) Planned Quality Improvement Measures

The following solutions are proposed:

- Involving Heads of Department and their CFO to a greater extent in the development of departmental procurement plans .
- Expand the sourcing of expertise with respect to Infrastructure delivery in the province.
- Implementation of an integrated electronic SCM support system, rolled out throughout the Provincial Administration.
- Develop PFSA into a specialist training centre for public sector financial management disciplines.

SUB-PROGRAMME 3. 1 : PROGRAMME SUPPORT

Strategic Objective	Measurable Objective	Strategies	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To support the core business of the department	Develop and implement programme plan and strategy that aims at realizing the objectives of the organization	Coordinate the development and the implementation of programme annual performance plan in support of the departmental strategic plan	Approved and implemented Programme Annual Performance Plan	Complete	Continuous	Continuous	Continuous	Programme Manager
To develop and maintain a dynamic learning organisation	Develop and implement resource management plan and strategy to ensure programme's contribution in realizing departmental objectives	Coordinate the development and implementation of programme HR plan in support of the department objectives	Approved and implemented Programme Annual Human Resource Plan	Complete	Continuous	Continuous	Continuous	Programme Manager

Strategic Objective	Measurable Objective	Strategies	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
		Coordinate the development and implementation of programme Financial Management plan in support of the departmental objectives	Approved and implemented Programme Annual Financial Management Plan	Complete	Continuous	Continuous	Continuous	Programme Manager
To implement strategies to enhance the agility and efficiency of the department	Provide strategic leadership in implementing departmental strategies of improving work processes within the programme	Identify strategic bottle necks that are affecting the programme not to contribute effectively in realizing departmental goals	Number of strategic bottlenecks identified	2	2	2	2	Programme Manager
		Develop and implement a annual programme service delivery improvement plan to improve programme efficacy in realizing the set strategic objectives	Approved and implemented service delivery improvement plan for the programme	Complete	Continuous	Continuous	Continuous	Programme Manager
To actively promote non discrimination	Develop and implement change management plan to address programme's response to issues of discrimination.	Implement policies that promotes equity within programme in realizing equity goals for the department	Approved and implemented change management plan for the programme	Complete	Continuous	Continuous	Continuous	Programme Manager

SUB-PROGRAM 3.2: ASSET MANAGEMENT

(i) Policies, Priorities, Strategic Goals and Strategic Objectives

Strategic Goals	Strategic Objectives
Maintain fiscal discipline in the Province	To ensure compliance with relevant financial legislation and regulations
	To manage the provincial finances to achieve financial stability
	To ensure effective, efficient, economical and responsible use of public resources
	To ensure that financial, managerial and operating information reported is fair, reliable and relevant
	To ensure effective, efficient, economical and responsible use of public resources
Contribute to economic, efficient and effective service delivery	To provide financial management support to departments, public entities and municipalities
Contribute to the eradication of poverty in the Province	To support growth and development in the province
Become an Employer of choice	To support the core business of the department
	To develop and maintain a dynamic and learning organisation
	To enhance the agility and efficiency of the department

(ii) Progress Analysis

The information is presented in terms of the following three areas:

Cash

Cash Management Plan has been implemented. This has resulted in surplus cash being optimally invested thus earning interest. Overspending by departments has been avoided. The Corporate Access Management System (CAMS), which is an electronic banking system provided by the provincial bankers FNB, is used to make daily transfers to PMG accounts of departments and is also used by both Cash Management and departments to view daily bank balances. Overdrafts have been managed appropriately by departments due to proactive monitoring.

Infrastructure

The significance of infrastructure facilities and services in the province's economic transformation and growth has been widely recognized in the Provincial Growth and Development Plan (PGDP). The transformation of the provincial economy to create jobs, generate income, and thus reduce poverty is the single most important challenge confronting the government of this province.

As a response to this an attempt at improving the spending and the quality of infrastructure in the Province, the Province is currently engaged in the Infrastructure Delivery Improvement Program (IDIP). The IDIP provides a systematic approach covering the full cycle of infrastructure delivery from needs identification, planning and budgeting through to procurement, construction, handover and maintenance. In this regard two Provincial Technical Assistants have been deployed from National Treasury to assist in the Provincial IDIP process.

This involvement coupled with other measures such as the development of a system for the monitoring of infrastructure in the Province has resulted in the Province spending more than 90 percent of its allocated infrastructure budget compared to other Provinces in recent financial years.

In addition the province is currently exploring the use of the private sector in meeting infrastructure backlog requirements which will benefit the public sector as the private sector has access to financial resources, people skills and experience that the public sector does not easily have access to.

In preparation for the delegation of Treasury Regulation 16, to Provinces, by National Treasury The Eastern Cape Provincial Treasury, has established dedicated PPP unit to take on this responsibility. There are also currently 5 registered PPP projects, at various PPP life cycle stages underway within the Province and we anticipate to register further PPP projects in the coming financial year.

In order to effectively manage the Provincial Assets an Asset Management Strategy (hereafter AMS) has been introduced to facilitate the implementation of a comprehensive asset management reform. This initiative forms part of the Financial Management Improvement Programme (FMIP) that monitors and controls financial reforms in the Public Sector in South Africa. The asset management implementation process is an element of the major financial transformation initiative, whereas the aim, amongst others is, the movement from cash based accounting to accrual based accounting.

The Public Finance Management Act, 1999 (PFMA) sets out many principles that constitute sound asset management. The major aim of this AMS is to coordinate and guide departments across the public sector to not only comply to the legislation as set out in the PFMA, but to also focus on the qualitative aspects of asset management within the departments. Improving asset management across the board, will bring many benefits by ensuring that scarce resources are utilized in the most economic and productive way.

Supply Chain Management

Supply Chain Management (SCM) was rolled out in the Eastern Cape Province in December 2004 and thereafter Provincial Treasury was instrumental in assisting departments with the implementation process. Accounting Officers were provided with a policy blueprint to enable their department to customize the standard SCM Policy Framework to departmental specific requirements. The Provincial Treasury also issued SCM Instructions to provincial departments to further facilitate the establishment of SCM processes, procedures and best practice.

The Tender Board was disbanded in December 2004. The Technical Review Committee (TRC), consisting of departmental senior managers, was established to assist the Accounting Officers of all departments in evaluating bids above R5 million. Ultimately all procurement powers will be devolved to departments once sufficient capacity has been developed to deal satisfactorily with the increased responsibility.

(iii) Analysis of Constraints and Planned Corrective Measures

- The broad challenges facing this sub-program include;
- Addressing infrastructure backlogs in terms of New Works, Rehabilitation and Maintenance
- Lack of comprehensive departmental infrastructure plans
- Management of Government Infrastructure contracts
- Lack of the relevant infrastructure capacity which includes project management
- Fully capacitating the PPP unit with the appropriate skills
- Lack of departmental asset registers that meet the minimum requirements
- Developing an integrated Provincial Asset Register
- Lack of rapid response from departments to satisfy Provincial Treasuries transversal function pertaining to Asset Management, PPPs and Infrastructure.
- High vacancy rates within the sub programme
- Low competency levels of the existing SCM office staff
- Unavailability of a centrally managed Provincial Electronic Suppliers Database and Procurement System
- Poor cooperation from departments
- Inaccurate cash flow projections by departments still remains a challenge. Training on cash flow management to staff involved in cash flow management in the departments is planned for 2007/08 financial year.

The Infrastructure Delivery Improvement Program (IDIP) initiative is seen as alleviating to a certain extent some of the challenges pertaining to infrastructure identified above. In addition, the building of in-house capacity at Provincial Treasury is also seen as a means of providing support to departments to address some of the above challenges.

A process of taking forward the development of the departmental infrastructure plans to an acceptable level has already commenced at Provincial Treasury.

It is planned that the capacitation of the Provincial Treasury PPP unit with the appropriate skill, and the provision of support to departments with PPP projects will prepare the province in taking on the delegation of Treasury Regulation 16. The securing of funding for Infrastructure by exploring alternate funding mechanisms is also seen as alleviating the challenge of addressing the backlogs in infrastructure that the Province currently faces.

The provision of support to departments through the recently established Asset management unit, will prioritize the commitment to obtain departmental asset registers and therefore a Provincial Asset Register. The availability of this provincial register will ensure that that scarce resources are utilized in the most economic and productive way

The department will subscribe to the Integrated Service Delivery Plan (ISDP) driven by the Office of the Premier, at the level of Top Management.

(iv) Planned Quality Improvement Measures

- Communication to share and disseminate information through holding of regular meetings with all stakeholders.
- Setting up of advisory and specialist project teams to make recommendations
- Ensuring that training is only provided by accredited and validated service providers
- Peer review within the program and intra departmentally will be encouraged
- Strict adherence to performance agreements by all officials of the sub program.
- Use of information and communication technology to enhance efficiency, compliance, reliability and effectiveness.
- Filling approximately 80% of the approved posts in the sub programme with suitably skilled individuals
- Training existing staff on the different aspects of SCM to address the skills gap
- Implementation of a centralised electronic supplier database and electronic procurement system
- Improve the team spirit in the sub programme
- Improve staff supervision, monitoring and support
- There will be continuous training programmes on cash flow management by the provincial banker and other service providers.
- Preparing Standard Operating Procedures in the Cash and Liability Management section to standardize the processes and procedures.

(v) Measurable Objectives and Performance Indicators

Strategic Objectives	Measurable Objectives	Activities	Performance Indicators	Actual	Budget	Targets	Estimate	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To manage the provincial finances to achieve financial stability	To develop and implement effective cash management policies	Review Cash management policies	Updated cash management policy	Yes	Yes	Yes	Yes	GM : Cash & Liability
	Ensure that all monies due to the Provincial Revenue Fund are collected	Develop & Implement a cash management plan	Updated cash management plan implemented	Yes	Yes	Yes	Yes	GM : Cash & Liability
		Training of officials on cash management by the provincial banker & other service providers	Number of departmental officials trained on cash management	40	40	40	40	GM : Cash & Liability
	To prudently & effectively invest surplus funds with reputable financial institutions	Analyze and Review the provincial debtor's ledger and rigorously pursue the debtors	Declining debtors ledger balances for Departments affected	13	13	13	13	GM: Cash & Liability
		Encourage Departments to report on a monthly basis on debtors	Monthly reports on debtors by Departments	13	13	13	13	Manager: Cash & Liability
To ensure that financial, managerial and operating information reported	To effectively and efficiently manage the Provincial Revenue Fund	Daily recording and reporting on all the Provincial Revenue Fund transactions	Number of approved reports on the Provincial Revenue Fund	12	12	12	12	Manager: Cash & Liability

Strategic Objectives	Measurable Objectives	Activities	Performance Indicators	Actual	Budget	Targets	Estimate	Responsibility
				2006/7	2007/8	2008/9	2009/10	
		Review policy/regulation on debtors and write off those that have been outstanding beyond the threshold as per regulation	Report on write-offs debtors	Yes	Yes	Yes	Yes	GM: Cash & Liability
To develop and maintain a dynamic and learning organization	To ensure that departmental physical assets are ergonomically sound	Provide advise in the procurement and utilization of physical assets within the departments	% improvement in departmental asset management	33	33	60	100	3.1 General Manager: Physical Asset Management
	To ensure effective and efficient use of departmental assets	Assist the SCM unit in the utilization of departmental assets	% improvement in departmental asset management	33	33	60	100	3.1 General Manager: Physical Asset Management
To develop and maintain a dynamic and learning organisation	To assist in the implementation of HR and OD initiatives	Fill vacant funded posts	% increase in occupancy rate in the sub programme	20%	30%	50%	70%	General Manager: Provincial Supply Chain Management
		Improve the competency levels of staff	% of staff trained against their Skills Development Plans	40%	50%	80%	100%	General Manager: Provincial Supply Chain Management
To enhance the agility and efficiency of the department	To ensure sound best practice asset management in the departments	Review and align departmental asset management practices with prescribed Asset Management policies	% improvement of Provincial Treasury Compliance	33	33	60	100	3.1 General Manager: Physical Asset Management
		Communicate new Asset Management policies within the department	Number of managers who have been consulted/work-shopped on new policies	20	33	60	100	3.1 General Manager: Physical Asset Management
	To assist in the implementation of strategic and operational efficiency initiatives	Build team spirit, instill discipline and manage performance	% of the sub programme's measurable objectives achieved	Not Available	70%	85%	100%	General Manager: Provincial Supply Chain Management

Strategic Objectives	Measurable Objectives	Activities	Performance Indicators	Actual	Budget	Targets	Estimate	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To ensure compliance with relevant financial legislation and regulations	To ensure that departments' asset registers are recorded and maintained in accordance with legislation and Asset Management Guidelines	Establish a baseline level of compliance to the prescripts in departments	No. of departments reviewed to establish baseline compliance	13	13	13	13	3.1.1 Senior Manager: Asset Management
		Advise departments on Asset Register improvements / compliance	% increase in compliance over baseline	15	33	60	100	3.1.1 Senior Manager: Asset Management
		Prepare a coordinated Provincial Asset Register	No. of departments with improved compliance	2	4	8	13	3.1.1 Senior Manager: Asset Management
To ensure effective, efficient, economical and responsible use of public resources	To ensure the efficient, effective and responsible use of physical assets in the province	To develop and implement policies and procedures for effective and efficient use of physical assets	% decline in the audit findings on Asset Management in the province	33	33	60	100	3.1.1 Senior Manager: Asset Management
		Monitor departmental compliance with physical assets policies and procedures	No. of departments that show an improvement on Asset Management	2	4	8	13	3.1.1 Senior Manager: Asset Management
To provide financial management support to departments, public entities and municipalities	To facilitate the provision of infrastructure facilities and services to ensure all financial resources available are utilised	Prepare and submit and annual 10 Year Infrastructure Plan to National Treasury	Infrastructural plan approved by National Treasury	100%	100%	100%	100%	Senior Manager: Infrastructure Development
		Monitor expenditure on Infrastructure Budget	Infrastructural budget M&E reports	4	12	12	12	Senior Manager: Infrastructure Development
			No. of departments that have spend at-least 95% of their infrastructure budget	5	6	7	8	Senior Manager: Infrastructure Development
To support growth and development in the province	To facilitate the provision of infrastructure facilities and services to support infrastructure	Coordinate and facilitate the development of departmental infrastructure plans	No. of PGDP infrastructure priorities completed	2	2	2	2	Senior Manager: Infrastructure Development

Strategic Objectives	Measurable Objectives	Activities	Performance Indicators	Actual	Budget	Targets	Estimate	Responsibility
				2006/7	2007/8	2008/9	2009/10	
			No. of completed infrastructure projects	65	70	75	80	Senior Manager: Infrastructure Development
	To facilitate private sector contribution to government projects to increase the funds base for mega projects and infrastructure in the province	Maximize the use of PPPs as an alternative source of funding	No. of new PPPs signed	1	2	3	3	Senior Manager: PPP Unit
			R value of "Value for Money" of new PPPs signed	0	200 million	250 million	300 million	Senior Manager: PPP Unit
			R value of infrastructure spending in the new PPPs signed	0	50 million	100 million	150 million	Senior Manager: PPP Unit
		Facilitate investment summits, conferences and workshops to attract alternate funding	R value of direct private sector investment	0	50 million	100 million	100 million	Senior Manager: PPP Unit
To support growth and development in the province	To implement the Supply Chain Management Framework to support SMMEs, BEEs and HDIs	Develop policies that support and promote SMMEs, BEEs and HDIs	% of tenders that are awarded to SMMEs, BEEs and HDIs	Not Available	50%	60%	70%	General Manager: Provincial Supply Chain Management and departments
		Establish Tender Advice Centers in collaboration with the Department of Economic Affairs, Environment and Tourism	No. of operational Tender Advice Centers for SMMEs, BEEs and HDIs	4	4	6	8	General Manager: Provincial Supply Chain Management Dept. of Economic Affairs
		Develop a Provincial Suppliers Database	No. of workshops at the Tender Advice Centers on tender procedures for SMMEs, BEEs and HDIs	Not Available	4	6	8	General Manager: Provincial Supply Chain Management Dept. of Economic Affairs
To support the core business of the department	To contribute to the core business by promoting sound financial management in supply chain management	Prepare, monitor and support the implementation of a Consolidated Provincial Procurement Plan	No. of Provincial Procurement Plan monitoring reports submitted to the HOD.	4	4	5	6	General Manager: Provincial Supply Chain Management

Strategic Objectives	Measurable Objectives	Activities	Performance Indicators	Actual	Budget	Targets	Estimate	Responsibility
				2006/7	2007/8	2008/9	2009/10	
			No. of SCM advisory interventions	Not Available	20	20	20	General Manager: Provincial Supply Chain Management
	To facilitate the application of SCM best practices in the province	Develop a SCM compliance assessment tool	Completed assessment tool.	Continuous	1	1	1	General Manager: Provincial Supply Chain Management
		Implement interventions to improve compliance	No. of departments audited to establish a provincial compliance baseline	Not Available	4	8	13	General Manager: Provincial Supply Chain Management
			No. of advisory interventions undertaken to improve departmental compliance	Not Available	6	5	4	General Manager: Provincial Supply Chain Management
		Reassess departmental compliance to the prescripts	% improvement in compliance over baseline	Not Available	10%	10%	10%	General Manager: Provincial Supply Chain Management

SUB-PROGRAM 3.3 LIABILITY MANAGEMENT

(i) Policies, Priorities, Strategic Goals and Strategic Objectives

Strategic Goals	Strategic Objective
Maintain fiscal discipline in the province	To manage the provincial finances to achieve financial stability
	To ensure that financial, managerial and operating information reported is fair, reliable and relevant
	Ensure full compliance to the relevant financial legislation

(ii) Progress Analysis

Using the manual system, departments have reduced the creditor's payment cycle from an average of 60 days to 45 days. Using the excel spreadsheet model, the intention is to reduce the period to an average of 30 days.

(iii) Analysis of constraints & planned interventions

- The tool for monitoring the adherence to the 30 days payment of suppliers still remains a challenge. Different models are being explored to monitor the extent to which the departments are complying with the 30 days payment requirement. State guarantees are not being update by departments.
- Treasury is building capacity to improve the monitoring of the management of state guarantees.

(iv) Planned quality improvement measures

Development of a data base of housing state guarantees and issuing of Provincial Treasury Circular on the handling of state guarantees in accordance with the National Treasury guidelines.

An excel spreadsheet driven model to monitor payment to suppliers

(v) **Measurable Objectives and Performance Indicators**

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
Ensure full compliance to the relevant financial legislation	To monitor the payment of creditors by departments to ensure that they comply with the 30 days prescribed period	To develop and implement a system to monitor the payment cycle of departments	Number of days within which payment is made	30	30	30	30	Manager : Cash & Liability
	To monitor the management of state guarantees by departments	Develop a database of all state guarantees	A developed database and the financial reports thereof	Yes	Yes	Yes	Yes	GM : Cash & Liability
		Monitor and evaluate the application of state guarantee policy	Approved management report regarding the application of state guarantee policy by all departments	12	12	12	12	Manager : Cash & Liability

SUB-PROGRAM 3.4: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS

(i) Policies, Priorities, Strategic Goals and Strategic Objectives

Strategic Goals	Strategic Objectives
Maintain fiscal discipline in the Province	To promote accountability and good governance in the management of the province's finances
	To ensure that financial, managerial and operating information reported is fair, reliable and relevant
	To ensure effective, efficient, economical, responsible and transparent use of public resources
Contribute to economic, efficient and effective service delivery	To provide financial management support to departments, public entities and municipalities
	To assist departments, public entities and municipalities in building financial management capacity
Become an Employer of choice	To support the core business of the department
	To enhance the agility and efficiency of the department

(ii) Progress Analysis

Financial systems used by government (BAS, PERSAL and LOGIS) have been implemented in all departments. Training of officials in the use of these systems took place, albeit at a slow rate. Decision Support, Management Information Systems and system generated exception reports have assisted the province in informed analysis of its financial situation. Provincial telecommunication costs were reduced substantially by 40% as a result of innovative cost saving mechanisms.

(iii) Analysis of Constraints and Planned Corrective Measures

- There is a human resource capacity constraint. The requisite capacity and skills on financial systems is generally lacking and it is even more difficult to attract skilled staff on legacy systems
- The Supply Chain Management Framework has vast reporting requirements from the systems
- Current financial systems are not fully integrated
- Current systems do not cater for all business requirements
- The database in the Telephone Management System (TMS) requires updating in order to improve the integrity of the billing reports sent to departments.

(iv) **Planned Quality Improvement Measures**

- Establishment of a call centre to centrally attend to all queries from users
- Upgrades on the Telephone Management Infrastructure in readiness for decentralized management
- Intensified training on financial systems
- Recruitment of more staff to support the financial systems

(v) **Measurable Objectives and Performance Indicators**

Strategic Objectives	Measurable Objectives	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To support the core business of the department	To support the financial business processes of the departments through provision of Financial Management Systems	Support and maintain the existing financial management systems in the province	% Utilization of financial system	100%	100%	100%	100%	GM: Financial Information Management Systems
		Review and plan the implementation of new financial management system	Number of departments with adequate financial systems	13	13	13	13	GM: Financial Information Management Systems
		Support decision making in the province through provision of financial information	% increase in the number of Management Information and exception reports generated and disseminated to departments	10%	10%	15%	20%	GM: Financial Information Management Systems
To enhance the agility and efficiency of the department	To ensure effective and efficient functioning of departmental financial management system	Build departmental capacity in the utilization of financial systems	Number of training session provided	Not Available	30	40	50	GM: Financial Information Management Systems
		Provide functional and technical support on the utilization of Financial Systems	% Number requests responded	100%	100%	100%	100%	GM: Financial Information Management Systems

Strategic Objectives	Measurable Objectives	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To provide financial management support to departments, public entities and municipalities	To implement and support financial management information systems to enhance business processes in departments	Support and maintain the existing financial management systems in the province	% Utilization of financial system	Not Available	100%	100%	100%	GM: Financial Information Management Systems
		Review and plan the implementation of new financial management system	Number of departments with adequate financial systems	13	13	13	13	GM: Financial Information Management Systems
		Support decision making in the province through provision of financial information	% increase in the number of Management Information and exception reports generated and disseminated to departments	10	10	15	20	GM: Financial Information Management Systems
	To provide functional and technical support on management information systems to ensure the efficient functioning of systems in departments	Provide a Provincial Helpdesk that gives functional and technical support	% of helpdesk calls resolved	90%	100%	100%	100%	GM: Financial Information Management Systems
			No. of days taken to resolve a query	1	1	1	1	GM: Financial Information Management Systems
			Customer satisfaction index on helpdesk effectiveness and efficiency	50%	60%	80%	100%	GM: Financial Information Management Systems
	To assist departments, public entities and municipalities in building financial management capacity	Facilitate targeted skills development training for all departments on the management information systems	No. of people trained on the Accounting System	50	200	300	400	GM: Financial Information Management Systems
			No. of people trained on the SCM System	50	100	200	350	GM: Financial Information Management Systems
			No. of people trained on the HR System	100	200	300	400	GM: Financial Information Management Systems

Strategic Objectives	Measurable Objectives	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To ensure that financial, managerial and operating information reported is fair, reliable and relevant	Perform data management analysis and data warehousing on key financial data to minimise financial risk	To monitor the data integrity of the management information systems	No. of financial analysis reports submitted to the HOD for action	30	52	52	52	GM: Financial Information Management Systems
			No. of departments to whom financial analysis reports are submitted for their action	13	13	13	13	GM: Financial Information Management Systems
			No. of departments with access to the data warehouse for own analysis purposes	3	8	13	13	GM: Financial Information Management Systems
To promote accountability and good governance in the management of the province's finances	To decentralise the management of the Bhisho telephone system to promote financial accountability	Provide a telephone system that can invoice each department linked to the Bhisho PABX separately and directly	% of departments that receive separate telephone invoices directly from the service providers	10%	100%	100%	100%	GM: Financial Information Management Systems
			% reduction in the telephone debt owed to Provincial Treasury by departments	90%	100%	100%	100%	GM: Financial Information Management Systems
To ensure effective, efficient, economical, responsible and transparent use of public resources	To provide custodianship over key reports / documents printed from the management information systems to minimise fraud and corruption	Maintain and control a provincial cheque register	No. of provincial cheques not accounted for	0	0	0	0	GM: Financial Information Management Systems
			R value of losses as a result of missing cheques	R 0	R 0	R 0	R 0	GM: Financial Information Management Systems
			No. of audit queries raised on the control over provincial cheques	0	0	0	0	GM: Financial Information Management Systems

RECONCILIATION OF BUDGET WITH PLAN

Programme 3: Asset and Liability Management									
Sub Programmes				Estimate	Average	Budget	Target		Average
		2004/5	2005/6	2006/7	Annual	2007/8	2008/9	2009/10	Annual
					Change				Change
3.1	Programme Support	435	1,411	551	6.28%	940	990	1,043	5.34%
3.2	Asset Management	28,160	17,811	14,263	-30.23%	36,125	33,879	29,912	-8.88%
3.3	Liability Management	12,783	13,532	10,551	-8.48%	3,418	3,605	3,803	5.48%
3.4	Supporting and Interlinked Financial Systems	37,123	21,373	27,623	-16.24%	7,537	7,924	8,329	5.12%
Total Programme		78,501	54,127	52,988	-19.24%	48,020	46,398	43,087	-5.22%

PROGRAM 4: FINANCIAL GOVERNANCE

(i) Key Functions

- The program has a responsibility to mobilize, ensure and maintain effective, efficient and transparent systems of financial recording and reporting, norms and standards, risk management and internal control in all departments. In addition, it has a responsibility to account for this financial data to the general public. It is further challenged to account in a manner that will show how much funding went to the final beneficiaries, how much was retained by the intermediaries.
- The program is responsible for reporting on the effective, efficient, economical and transparent use of the resources of the Province. To discharge this mandate the sub-program must, in the main, ensure compilation of annual financial statements in terms of Section 40 and production of Consolidated Annual Financial Statements for both departments and Public Entities.
- The program is responsible for setting norms and standards on the use of the resources of the Province, must ensure compliance with prescribed Provincial conditions, must seek the prior written consent of National Treasury on any entity and lastly must ensure compliance with all applicable laws, in particular section 18 (2) of the PFMA.
- The program is responsible for Risk Management must take an active interest in the proper collection and disbursement of moneys and smooth management of working capital. It must ensure compliance with tax, levy, duty and pension commitments of the Province and in so doing ensure settlement of all contractual obligations. In particular it becomes an instrument of Treasury in the discharge of section 18 responsibilities.
- The program consists of a Shared Internal Audit Service (SIAS) which renders a service to all Departments (excluding Health, Education, Social Development and Public Works) by providing an independent objective oriented assurance and consulting service on the provincial internal control systems, financial, operating performance, governance issues and risk management, with a view to adding value and improving performance, accountability and service delivery.

(ii) Structure

Sub-Program	Purpose
4.1 Program support /Administration	Provide planning, wherewithal, motivation, leadership and guidance in accordance with law to the other programs and be the program's window to the rest of the Province. The office of the Provincial Accountant-General is located in this program
4.2 Accounting Services	To ensure the effective implementation of accounting practices in line with Generally Recognized Accounting Practice (GRAP), Generally Accepted Accounting Practice (GAAP) and applicable laws, prepare consolidated financial statements that reflect the financial position of the province and interpret the same to the general public.
4.3 Norms and Standards	To develop and implement financial and associated governance norms and standards to enhance performance orientated financial results and accountability within provincial departments as prescribed.
4.4 Shared Internal Audit Services	To render an effective risk based internal audit (IA) service and to provide support services to the Provincial Audit Committee

(iii) **Policies, Priorities and Strategic Objectives**

Strategic Goals	Strategic Objectives
1) Maintain fiscal discipline in the Province	a) To ensure full compliance with all relevant financial legislation and regulations b) To manage the provincial finances to achieve financial stability c) To enforce financial accountability to ensure effective, responsive, and responsible use of public resources d) To ensure that the financial, managerial and operating information reported is fair, reliable, and relevant e) To render an effective risk based internal audit (IA) service and to provide support services to the Provincial Audit Committee
2) Contribute to economic, efficient and effective service delivery	a) To render effective financial management support to Provincial departments
3) Develop and maintain a dynamic and learning organisation	a) To implement strategies to enhance the agility and efficiency of the department b) To support the core business of the department

(iv) **Progress Analysis**

Financial management capacity building and skills development in both the provincial administration and municipalities also received significant attention during the review period. In terms of section 18 (2) (e) of the PFMA, a Provincial treasury may assist provincial departments and provincial public entities in building their capacity for efficient, effective and transparent financial management. During the review period, the following were achieved in the financial management capacity building process in the province:

- The Treasury approved for a number of finance officials from various departments to be enrolled in various Financial Management Courses run the Public Finance Services Agency (PFSA).
- The Treasury also assisted the PFSA in getting the AFREC Institute in the University of Cape Town to run courses on Performance Budgeting for a number of officials in the province
- The Treasury facilitated discussions between the South African Institute of Public Finance and Auditing (IPFA) and PFSA, leading to the conclusion of a twinning arrangement under which IPFA will run some of their courses under the banner of PFSA in the Eastern Cape province.
- The Treasury had numerous discussions with the Management and the Board of the PFSA around the courses being offered by the Agency, with the view to reviewing the courses to make them respond to the needs of the provincial administration. In particular, the Treasury informed the PFSA to consider including the following courses in the program they run for the provincial administration: strategic planning and performance budgeting; policy analysis; project management; fiscal/financial forecasting; and economic intelligence.
- In line with National Treasury best practice, the Shared Internal Audit Service (SIAS) is relocated from the Office of the Premier to Provincial Treasury. SIAS has made significant strides in the appointment of a new Provincial Audit Committee, risk management awareness in Provincial Departments, improved relations with its clients and other external oversight groups, audit methodologies applicable to the current IA audit services, performing annual risk assessment and development of internal audit plans and the completion of service level agreements between SIAS and the 8 departments it currently provides a service to.

(v) Analysis of Constraints

- Vestment and entrenchment of appropriate financial governance within department's remains a compelling business imperative for the Province. This necessitates the adoption of an integrated approach in order to bring about flexible uniformity, lateral focus and a well - defined destiny. This therefore militates against blind ring-fencing, compartmentalisation and rigid definition of domains.
- Identifiable constraints within and outside the program was due to lack of synergy resulting in unexpected financial outcomes. To overcome this constraint a concerted effort is being made to have regular meetings for planning and reporting purposes across the board.
- National Treasury's new accounting paradigm which introduces not only new accounting concepts, but also frequent changes in accounting templates presents a real challenge. To overcome this constraint it has already been agreed that Provinces will be taken on board before finalization of any such innovations.
- The Province is inheriting a blemished Balance Sheet from previous years which will take some time to clean up. To overcome this constraint, a turnaround strategy, manifesting itself in belt-tightening and cost-cutting exercises has resulted in future savings to compensate for these past excesses.
- Change Management is equidistant with department's readiness. As a result a number of initiatives are being undertaken aimed at transforming the departments and its personnel.
- Non- clearance of Treasury Balance and suspense accounts as required by Chapter 17 of the Treasury Regulations. This has got an impact on the reliability of IYM which is submitted monthly in terms of Section 32 of the Act. Non- clearances of suspense accounts on a monthly basis may understate expenditure.
- Submission of AFS of poor quality to AG.
- Transition from the current cash basis of accounting systems to the accrual basis of accounting.
- Lack of capacity in departments and delays in filling vacant posts.
- Availability of CFOs for progress on audit queries.
- Incomplete and unreliable information submitted by departments and public entities for consolidation.
- Interpretation of the spirit of the Public Finance Management Act is still a challenge and planned training interventions are intended to overcome this.
- The quality of reporting and co-ordination of the public entities. This will be overcome by regular intervention strategies and training initiatives in concert with other units in the Treasury.
- Lengthy turnaround time in resolving acts of financial misconduct and the implementation of preventative measures. The cause of delays is complex and mostly outside the control of Treasury. However, we will continuously research best practices to overcome obstacles.
- The staff levels approved for the current structure are not sufficient to attract competent, qualified and experienced internal auditors.
- Inadequate funding provided for the execution of internal audit activities.

(vi) Description of Planned Quality Improvement Measures

Planned targeted interventions to enable achievement of the abovementioned objectives include the following:

- training on financial accounting
- financial reporting and control

- Development and deployment of an over - arching risk management framework for the departments
- Proposal on the take-on or effective engagement of internal audit by Provincial Treasury.
- Develop tools to monitor follow up on audit issues.
- To improve the working relationship between programs in Treasury, Provincial Departments and Public Entities.
- To improve the quality of tools used for monitoring and tracking of departmental requests.
- Quality measures built into reporting to forensic cases ensuring delivery on expectations.
- Monitor compliance on minimum financial management indicators.
- Finalise the development of an Accounting Handbook, National Treasury road shows and Provincial Workshops.
- Develop tools to monitor follow up on audit issues.
- Ensure that Unauthorised Expenditure Bills are passed by May 2007.
- Develop a project plan for an Audit Process and Itinerary
- To improve the quality of financial and non-financial information in the provincial publications inclusive of effective use of the in year monitoring tool
- The Programme is also looking forward to improving the current structure, and moving it to the next level of the Internal Auditor's Paradigm to ensure a functional internal audit unit that performs at the level of the professions' competitive market as well as the associated and appropriate funding.

(v) Measurable Objectives and Performance Indicators

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To ensure full compliance with all relevant financial legislation and regulations	Adherence of departments to financial laws and regulations	Review and analyse departmental reports for compliance.	% number of departments that complied fully with the legislation	100%	100%	100%	100%	SM: Accounting Services
		Monitor that departments manage the resources in line with PFMA	% number of departments that complied fully with the PFMA	100%	100%	100%	100%	SM: Accounting Services

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To manage the provincial finances to achieve financial stability	Regularization of irregular, wasteful and unauthorized expenditure by departments	Implement a system of recording irregular and wasteful expenditure of departments	System developed & implemented	Yes	Yes	Yes	Yes	M&SM: Accounting Services
		Encourage reporting of irregular, wasteful and unauthorized expenditure by departments	100% number of departments that report timeously irregular, wasteful and unauthorized expenditure	100%	100%	100%	100%	M&SM: Accounting Services
		Coordinate the implementation of the recommendations/resolutions made by the Provincial Audit Committee (PAC) on departments	Report on the follow up on monitoring and the implementation of recommendations/resolutions made by the PAC % of resolutions passed by PAC are effectively communicate to affected departments	Yes 100%	Yes 100%	Yes 100%	Yes 100%	SM: Financial Governance
To enforce financial accountability to ensure effective, responsive, and responsible use of public resources	Departmental compliance with all relevant regulations and prescripts	Monitor the submission of all relevant documentation & reports to PT by departments	Number of submission made by the departments	13	13	13	13	SM: Financial Governance
		Monitor and Review departmental compliance with regulations and prescripts	Number of submissions reviewed.	13	13	13	13	SM: Financial Governance
To ensure that financial, managerial and operating information reported is fair, reliable and relevant	Assist departments in implementation of accounting practices to ensure compliance with GRAP	Constantly reviewing the accounting work of departments to ensure that they are up to date & in compliance with GRAP	Number of departments with 100% compliance with GRAP statements	13	13	13	13	SM: Accounting Services

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
	Implement accounting policy, guidelines and practices in line with National Framework	Roll out workshops on new GRAP statements to departments	Number of workshops conducted.	3	3	3	3	SM: Accounting Services
To render effective financial management support to Provincial departments	Facilitate the timely submission of Departments, Revenue Fund and Public Entities AFS to the Provincial Treasury and AG on 31 May	Prepare an Audit Process Itinerary	Number of departments that submitted before 31 May.	13	13	13	13	SM: Accounting Services
		Prepare check list and develop templates for monitoring accounting records and audit queries	Number of departments that have resolved all audit issues.	8	7	8	9	SM: Accounting Services
	Facilitate the timely submission of Annual Reports by departments and Public Entities	Communicate with departments and provide to resources to those that need assistance	Number of Annual Reports submitted on time.	13	13	13	13	SM: Accounting Services
	Prepare Consolidated Annual Financial Statements (CAFS) for the Province on time	Co-ordination of interdepartmental balances. Consolidation of AFS for the province in time for submission to NT	Consolidation of all department's Annual Financial Statements with complete and relevant information	13	13	13	13	SM: Accounting Services
To implement strategies that will improve service delivery by departments	To support all initiatives and programmes aimed at improving service delivery	Participate in all initiatives and programmes that are aimed at improving service delivery	Number of initiatives and programmes supported	3	5	7	9	GM: Financial Governance

To position the department to become an employer of choice	PT is the best complying department in the province	Timeous submission of PT reports and relevant documentation as prescribed by legislation and regulations	100% PT compliance with all relevant legislation and regulations	100%	100%	100%	100%	GM: Financial Governance
To support the core business of the department	Observance of financial governance practices by all departments	Analyze & Review financial reports of government departments for observance and compliance to financial governance issues	% compliance by all departments	100%	100%	100%	100%	GM: Financial Governance
To implement strategies to enhance the agility and efficiency of the department	To support all initiatives and programmes aimed at enhancing agility and efficiency of the departments	Participate in initiatives and programmes that are aimed at enhancing departmental agility and efficiency	Number of initiatives and programmes supported	3	5	7	9	GM: Financial Governance

SUB-PROGRAM 4.1: PROGRAMME SUPPORT

(i) Progress Analysis

- This sub-programme plays a supportive role in achieving the Provincial Treasury's outcomes.
- It manages the resources of the program

(ii) Analysis of Constraints and Planned Corrective Measures

- Poor coordination between sub-programs
- Breaking down the "silo mentality" within sub-programs through better program support and management

(iii) Planned Quality Improvement Measures

- To improve the working relationship between programs in Treasury and the provincial departments
- To improve the quality of financial and non-financial information in the provincial publications inclusive of effective use of the IYM

(iv) Measurable Objectives and Performance Indicators

Strategic Objective	Measurable Objective	Strategies	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To support the core business of the department	Develop and implement programme plan and strategy that aims at realizing the objectives of the organization	Coordinate the development and the implementation of programme annual performance plan in support of the departmental strategic plan	Approved and implemented Programme Annual Performance Plan	Complete	Continuous	Continuous	Continuous	Programme Manager

Strategic Objective	Measurable Objective	Strategies	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To develop and maintain a dynamic learning organisation	Develop and implement resource management plan and strategy to ensure programme's contribution in realizing departmental objectives	Coordinate the development and implementation of programme HR plan in support of the department objectives	Approved and implemented Programme Annual Human Resource Plan	Complete	Continuous	Continuous	Continuous	Programme Manager
		Coordinate the development and implementation of programme Financial Management plan in support of the departmental objectives	Approved and implemented Programme Annual Financial Management Plan	Complete	Continuous	Continuous	Continuous	Programme Manager
To implement strategies to enhance the agility and efficiency of the department	Provide strategic leadership in implementing departmental strategies of improving work processes within the programme	Identify strategic bottle necks that are affecting the programme not to contribute effectively in realizing departmental goals	Number of strategic bottlenecks identified	2	2	2	2	Programme Manager
		Develop and implement a annual programme service delivery improvement plan to improve programme efficacy in realizing the set strategic objectives	Approved and implemented service delivery improvement plan for the programme	Complete	Continuous	Continuous	Continuous	Programme Manager
To actively promote non discrimination	Develop and implement change management plan to address programme's response to issues of discrimination.	Implement policies that promotes equity within programme in realizing equity goals for the department	Approved and implemented change management plan for the programme	Complete	Continuous	Continuous	Continuous	Programme Manager

SUB-PROGRAM 4.2: ACCOUNTING SERVICES

(i) Progress Analysis

- This sub-program ensures the effective implementation of accounting practices in line with Generally Recognized Accounting Practice. It prepares consolidated financial statements that reflect the financial position and financial performance of the province. It has been able to prepare the consolidated AFS for 2005/06 financial year within the prescribed time frame

(ii) Analysis of Constraints and Planned Corrective Measures

- Shortage of suitably qualified personnel to deliver on the mandate of the programme. The senior manager in the sub-programme has been on suspension for the past six months. Corporate services is fast tracking the disciplinary hearing in order to resolve the problem.

(iii) Planned Quality Improvement Measures

- To improve the audit audit outcomes
- To improve the quality of financial reporting

(iv) Measurable Objectives and Performance Indicators

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To ensure full compliance with all relevant financial legislation and regulations	Adherence of departments to financial laws and regulations	Review and analyse departmental reports for compliance.	% number of departments that complied fully with the legislation	100%	100%	100%	100%	SM: Accounting Services
		Monitor that departments manage the resources in line with PFMA	% number of departments that complied fully with the legislation	100%	100%	100%	100%	SM: Accounting Services
To manage the provincial finances to achieve financial stability	Regularization of irregular, wasteful and unauthorized expenditure by departments	Encourage reporting of irregular, wasteful and unauthorized expenditure by departments	100% of departments that report timeously irregular, wasteful and unauthorized expenditure	100%	100%	100%	100%	SM: Accounting Services
		Implement a system of recording irregular and wasteful expenditure of departments	System developed & implemented	Yes	Yes	Yes	Yes	SM: Accounting Services

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To ensure that financial, managerial and operating information reported is fair, reliable and relevant	Assist departments in implementation of accounting practices to ensure compliance with GRAP	Constantly reviewing the accounting work of departments to ensure that they are up to date & in compliance with GRAP	Number of departments with 100% compliance with GRAP statements	13	13	13	13	SM: Accounting Services
	Implement accounting policy, guidelines and practices in line with National Framework	Roll out workshops on new GRAP statements to departments	Number of workshops conducted.	3	3	3	3	SM: Accounting Services
To render effective financial management support to Provincial departments	Facilitate the timely submission of Departments, Revenue Fund and Public Entities AFS to the Provincial Treasury and AG on 31 May	Prepare an Audit Process Itinerary	Number of departments that submitted before 31 May.	13	13	13	13	SM: Accounting Services
		Prepare check list and develop templates for monitoring accounting records and audit queries	Number of departments that have resolved all audit issues.	8	7	8	9	SM: Accounting Services
	Facilitate the timely submission of Annual Reports by departments	Communicate with departments and provide resources to those that need assistance	Number of Annual Reports submitted on time.	13	13	13	13	SM: Accounting Services
	Prepare Consolidated Annual Financial Statements (CAFS) for the Province on time	Co-ordination of interdepartmental balances.	Consolidation of all department's Annual Financial Statements.	13	13	13	13	SM: Accounting Services
To implement strategies to enhance the agility and efficiency of the department	To support all initiatives and programmes aimed at enhancing agility and efficiency of the departments	Participate in initiatives and programmes that are aimed at enhancing departmental agility and efficiency	Number of initiatives and programmes supported	3	5	7	9	GM: Financial Governance

SUB-PROGRAM 4.3: NORMS AND STANDARDS

(i) Progress Analysis

The sub-programme ensures the development and implementation of norms and standards for the province. This sub-programme is a significant partner in the development and integration of new policies and norms and the implementation and monitoring thereof. It ensures that such policies and norms are consistent with existing prescripts and integrated with other financial management disciplines.

(ii) Analysis of Constraints and Planned Corrective Measures

- Lack of cooperation by provincial departments. Improve communication channels between and among departments.
- Lack of skills by staff within the sub-programme. Engage incapacity building initiatives in the province.

(iii) Planned Quality Improvement Measures

- Filling the post of Senior Management and middle management positions which are currently vacant
- Implementing measures to ensure cooperation from departments which include amongst others engagements of the HOD on matters affecting issues of compliance with norms and standards

(iv) Measurable Objectives and Performance Indicators

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To ensure full compliance with all relevant financial legislation and regulations	Adherence of departments to financial laws and regulations	Review and analyse departmental reports for compliance.	% number of departments that complied fully with the legislation	100%	100%	100%	100	SM: Accounting Services
		Monitor that departments manage the resources in line with PFMA	% number of departments that complied fully with the legislation	100%	100%	100%	100%	SM :Norms & Standards
To manage the provincial finances to achieve financial stability	Regularization of irregular, wasteful and unauthorized expenditure by departments	Encourage reporting of irregular, wasteful and unauthorized expenditure by departments	100% of departments that report timeously irregular, wasteful and unauthorized expenditure	100%	100%	100%	100%	SM :Norms & Standards

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
		Implement a system of recording irregular and wasteful expenditure of departments	System developed & implemented	Yes	Yes	Yes	Yes	SM :Norms & Standards
To enforce financial accountability to ensure effective, responsive, and responsible use of public resources	Departmental compliance with all relevant regulations and prescripts	Monitor the submission of all relevant documentation & reports to PT by departments	Number submission made by the departments	13	13	13	13	SM :Norms & Standards
		Monitor and Review departmental compliance with regulations and prescripts	Number of submissions reviewed.	13	13	13	13	

Sub-Program 4.4: Risk Management

(i) Progress Analysis

This sub-programme promotes effective optimal financial resource utilization and risk management

(ii) Analysis of Constraints and Planned Corrective Measures

Shortage of suitably qualified personnel to deliver on the mandate of the programme remains a challenge. The process of recruiting senior managers in the sub-programme is at an advanced stage.

(iii) Planned Quality Improvement Measures

- To improve the working relationship between programs in Treasury and the provincial departments
- To improve the quality of financial and non-financial information in the provincial publications inclusive of effective use of the IYM tool

(iv) Measurable Objectives and Performance Indicators

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To enforce financial accountability to ensure effective, responsive, and responsible use of public resources	Update risk management framework and align it with new developments in the risk management field.	Regularly review risk management framework	Updated risk framework for the Departments	Continuous	Continuous	Continuous	Continuous	SM: Risk Management
		Roll out the risk management framework and provide focused training to ensure proper implementation	Number of people trained to ensure proper implementation		10	12	24	SM: Risk Management

SUB-PROGRAM 4.5: SHARED INTERNAL AUDIT SERVICES

(i) Progress Analysis

The internal audit function have been operating sufficiently in order to render effective services to the departments, but the quantity and volumes that the unit was faced with made the task very massive. The presence of the internal audit committee has provided a platform for the unit to assess its impact and to improve its strategies but much still needs to be done as one of the main concern facing the province is the increase of qualifications and disclaimers by some departments.

(ii) Analysis of Constraints and Planned Corrective Measures

The turn overate of the unit still poses a threat to the success of the unit in terms of rendering its services to departments. Secondly given the fact that this function is in demand, market conditions like better remuneration have made this function as a scarce skills.

(iii) Planned Quality Improvement Measures

The restructuring of the Internal Audit functions and benefits will help to alleviate the problem experienced due to market conditions.

(iv) Measurable Objectives and Performance Indicators

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
To support the core business of the department	Risk-based internal audit services	Facilitation of risk profiles.	Percentage of internal audit plan approved by the Audit Committee completed	100%	100%	100%	100%	GM:SIAS
		Planning, execution and reporting on IA engagements	Number of audit reports issued	46	76	84	92	GM:SIAS
		Internal Audit Steering Committee meetings	Percentage of audit findings accepted by management	100%	100%	100%	100%	GM:SIAS
		Quality Assessment Review	Internal Audit services performed in accordance with IIA Standards	Nil	100%	100%	100%	GM:SIAS
		Continuous development and review of audit methodology		75%	100%	100%	100%	
	Building internal capacity	Appointment of staff Review of the structure	Percentage of posts filled	80%	100%	100%	100%	GM:SIAS

Strategic Objective	Measurable Objective	Activities	Performance Indicators	Actual	Budget	Estimate	Targets	Responsibility
				2006/7	2007/8	2008/9	2009/10	
		Continued professional development	Hours of training per auditor	32	40	50	60	GM:SIAS
	Marketing of SIAS	Formulation of marketing material	Logo, brochures, intranet website info and Induction/ Orientation pack	Nil	100%	100%	100%	GM:SIAS
Provide support services to Provincial Audit Committee	Fully functional, competent and independent Audit Committee under whose guidance and control Internal Audit resorts	Audit Committee meetings	Minutes and meeting packs prepared for all meetings Quarterly & annual reports	100% 3 and 1	100% 3 and 1	100% 3 and 1	100% 3 and 1	GM:SIAS

RECONCILIATION OF BUDGET WITH PLAN

Programme 4: Financial Governance									
Sub Programmes				Estimate	Average	Budget	Target		Average
		2004/5	2005/6	2006/7	Annual	2007/8	2008/9	2009/10	Annual
					Change				Change
4.1	Programme Support	648	930	970	20.41%	1,565	1,644	1,726	5.02%
4.2	Accounting Services	4,626	4,209	5,473	9.59%	7,385	7,776	8,187	5.29%
4.3	Risk Management			848		1,048	1,103	1,161	5.25%
4.4	Norms and Standards	3,661	3,668	2,942	-9.81%	4,188	4,417	4,659	5.47%
4.5	Internal Audit Services	9,232	10,221	15,422	31.82%	19,687	19,024	20,016	0.85%
Total Programme		18,167	19,028	25,655	20.13%	33,873	33,964	35,749	2.77%

7) IMPLEMENTATION OF THE CAPITAL INVESTMENT, MAINTENANCE AND ASSET MANAGEMENT PLAN

The departmental assets comprise mainly of computer equipment and furniture and fittings. Computer and other IT equipment is purchased as and when required and is dependant upon the efficient operation of the software being utilised or new software acquired. A project of bar coding all assets has been completed. An assets register is in place, in compliance with National Treasury requirements. The department has purchased an additional server to ensure that EU-LED project is managed effectively without overloading the existing server.

(8) MEDIUM TERM REVENUES

a) Summary of Revenue

The following sources of funding are used for the Vote:

Summary of Revenue: Provincial Treasury						
			Estimate	Budget	Target	
	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10
Voted by Legislature	147,750	118,992	148,159	243,859	246,849	253,037
Conditional Grants						
Other						
Total Revenue	147,750	118,992	148,159	243,859	246,849	253,037

(b) Departmental Revenue Collection

The table below provides a summary of the revenue the Provincial Treasury is responsible for collecting.

Departmental Revenue Collection: Provincial Treasury						
			Estimate	Budget	Target	
	2004/5	2005/6	2006/7	2007/8	2008/9	2009/10
Sales of Goods and services other than capital assets	1,102	232	99	100	105	110
Interest, dividends and rent on land	16,425	105,195	195,567	193,316	193,316	193,316
Financial transactions in assets and liabilities	508	188				
Total Revenue	18,035	105,615	195,666	193,416	193,421	193,426

c) Conditional Grants

The Provincial Treasury department receives a Provincial Infrastructure Grant (PIG). In Commencing in the 2007 / 2008 budget year the PIG has been redistributed to ensure that all beneficiary departments are allocated their share of the grant. In the past this grant was allocated solely to the Department of Roads and Transport. The expenditure of the conditional grant is reported under the relevant votes with Provincial Treasury accountable for the expenditure in terms of the related approved conditions. The PIG has been distributed as follows:

Provincial Infrastructure Grant			
	Budget	Target	
	2007/8	2008/9	2009/10
Department of Health	150,000	194,370	194,370
Department of Education	50,000	64,000	64,000
Department of Agriculture	42,886	54,894	54,894
	838,937	877,966	1,024,873
Department of Roads and Transport			
Department of Sport , Recreation, Art and Culture	41,800	58,247	143,430
Total Revenue	1,123,623	1,249,477	1,481,567

d) Donor Funding

The department as also been involved in the European Union Local Economic Development (ED – LED) donor funding Programme as the contracting authority. The objective of the program is to reduce the number of households living below the poverty line, in support of the Provincial Growth and Development Plan (PGDP) target of reducing poverty by 60% - 80% by 2014. Funding is facilitated by Provincial Treasury and hosted by the Eastern Cape Development Corporation (ECDC) and the Department of Housing, Local Government and Traditional Affairs (DHLG&TA). Two invitations for proposals have been issued for the following three grant funds, the Local Government Support Fund (LGSF), the Local Competitiveness Funds (LCF) and the Financial Innovation Fund (FIF) with a total of 24,5 Million and will be disbursed to successful beneficiaries.

8) CO-ORDINATION, CO-OPERATION AND OUTSOURCING PLANS

a) Interdepartmental Linkages

The nature of the role of Treasury is transversal. Its mission is: "To provide strategic and technical leadership in the allocation of financial resources in order to improve the quality of life in the province". As such the Treasury has linkages with all departments in a financial advisory and support role and has legislative role and responsibilities in terms of the Public Finance Management Act. The linkages with other departments will therefore be addressed in terms of financial issues that affect all departments, rather than each department individually.

b) Local Government Linkages

The Eastern Cape Province has 45 municipalities, including the Nelson Mandela Metropolitan Municipality. The municipalities in the province are among the poorest in the country. The size of municipal budgets also varies substantially. The overall budget of municipalities in the Eastern Cape was R10,8 billion in financial year 2005/2006, compared to R41,2 billion in Gauteng, R20,4 billion in KwaZulu-Natal and R21,7 billion in Western Cape.

i) Role of the Provincial Treasury

Thirty nine municipalities in the province have been assigned to the Provincial Treasury for financial oversight. In these municipalities, the Provincial Treasury has the following responsibilities to undertake:

- Monitor the planning and preparation of budgets
- Monitor the in-year monitoring implementation of the budgets
- Ensure timely submission of Annual Financial Statements and Audit Reports
- Institute financial interventions, whenever necessary
- Ensure the implementation of a Supply Chain Management Framework
- Assist in the establishment of such structures as internal audit and budget offices
- Assist in building financial management capacity
- Offer training in financial management
- Ensure harmonization of Provincial Ordinances (if any) with the MFMA

While the initial focus has been on budgeting and financial reporting, the Treasury is required to ascertain the extent of compliance with other reform priorities. These priorities appear in the National Treasury's "12 Urgent Implementation Priorities" checklist and the "MFMA Implementation Plan" template. In these areas, the Treasury is required to review the 12 urgent implementation priority checklist and return each quarter to ascertain ongoing compliance with the reforms; review municipal implementation plan each quarter to examine and discuss progress against planned outputs; review and catalogue in a Provincial Treasury database returns for municipal entities, Public Private Partnerships, long term contracts each quarter. For contracts having future budgetary implications beyond three years, the views of the Treasury should be solicited before their conclusion {s33(1)(a)(ii)(aa) of the MFMA}

In relation to urgent priorities, it is the Treasury's responsibility to seek copies of reports to the Municipal Council advising of the municipal progress to supply chain management; ensure that municipalities provide details of bank accounts and withdrawals; ensure that municipalities provide appropriate certifications and approval for shifting funds between multi-year appropriations; ensure that municipalities invite Treasury's comments concerning the securing of debts, forming entities; verify and provide bank account details for municipalities to the National Treasury; and monitor reduction in short term debt by 25% per annum {s45(4)(a) of the MFMA}.

(c) Public Entities

According to its mandate, the Treasury has an oversight role in Public Entities. The Treasury is currently establishing the following baselines and records of Public Entities in the province:

(i) Maintenance of a register of Public Entities together with the following records:

- Feasibility studies
- Feasibility approvals
- Budgets
- Strategic Plans
- Annual Reports

- i. The status of Governance Structures within all provincial Public Entities
- ii. The level of compliance of the Strategic Plans of all provincial Public Entities with the National Treasury Guidelines
- iii. The level of alignment of all provincial Public Entities' budgets to the PGDP
- iv. The level of adherence of all provincial Public Entities to the National Treasury's Regulations on Supply Chain Management
- v. The level of compliance of all provincial Public Entities' Annual Financial Statements with GAAP
- vi. The level of compliance of all provincial Public Entities' Annual Reports to the PFMA and National Treasury Guidelines
- vii. Verification of the share ownership of all provincial Public Entities
- viii. The progress of the implementation of the new Regulatory and Governance Framework for all provincial Public Entities

(iv) Public Private Partnerships and Outsourcing

Development in the 21st century entails more than solving technical economic problems to enhance efficiency in resource mobilization and allocation. It focuses on institutions, such as those that promote competition and good governance, as well as the distribution of income. The focus of development has thus shifted to the deeper question of how to transform society or foster change. The role of government in this context is not only to address the serious imperfections in the marketplace, but also to facilitate the transformation of the society by identifying the barriers to and potential catalysts for change. To achieve this, the development strategy must take as its core objective, development, i.e., the transformation of people and society. Economic growth, for its part, is affected by changes in the quantity or quality of resources, technological innovations, and changes in the incentive structure in society. To enhance the province's growth potential would require a combination of factors, including the following:

- increasing public investment in the economic infrastructure (the term "infrastructure" usually refers to public investment in constructing and maintaining roads, bridges, airports, railroads, communications networks, water supplies, solid waste management, electricity production and distribution systems, the legal system, police and fire protection services, etc.),
- increasing public investment in education (human capital),
- providing increased incentives for private investment, and
- providing incentives for research and development that may lead to technological improvements.

The first two interventions suggest a larger role for direct government involvement. Those who believe that markets are more efficient tend to advocate for the last two interventions. What has been proven though is that, achieving the first two objectives enhances that of the latter. In such case, the fundamental role of the state is to create a favorable environment for the private sector to thrive and the benefits thereof shared amongst all the participants in the economy. This underscores the government calls for well-designed public-private partnership initiatives that would support the growth and distribution agenda.

The following major services have been outsourced:

Service	Service Provider
LOGIS implementation	SITA
PERSAL user support	SITA
Computer processing services for the transversal systems	SITA
BAS support	SITA
Financial Management Capacity Training	PFSA
Telecommunications	Telkom / Phillips
Fleet Maintenance and Management	Fleet Africa
Cleaning Services	Nolizwe Cleaning and Catering Services

b) FINANCIAL MANAGEMENT

(ii) Strategies to Address Audit Queries

To address the qualifications items and matters of emphasis outlined in the audit reports of all departments, the Treasury has embarked on comprehensive intervention plans in conjunction with some departments. Essentially, the plans seek to achieve three objectives:

- i. They seek to pull together all the audit qualification items and matters of emphasis raised by the Auditor General. They also identify other issues not raised by the AG but may become qualification items in future. These are then placed under three categories for resolution, viz.
 - Issues requiring immediate or short term intervention - issues to be addressed before the end of the current financial year
 - Issues requiring medium term (6-12 months) response - issues relating to skills and capacity, systems, training, response to new accounting/financial management reforms, etc.
 - Issues requiring long term (12 months and over) intervention - issues to address to sustain enhanced financial management and accountability.
- ii. Detailed actions required to address each category of issues, including time frames, monitoring and reporting mechanisms are formulated.
- iii. The resources (human and funds) required for the implementation of the plans are identified.

Intervention strategies in the form of Audit Readiness Program have been put in motion to assist departments prepare for the 2006/2007 audit. A post PFMA Audit Review workshop on the 2005/2006 audit outcomes was held on 29 January 2007. This was attended by all Accounting Officers (those Accounting Officers who could not attend sent representatives), provincial Chief Financial Officers, the Provincial Auditor General (AG) and his staff, and the National Accountant General. In this meeting, the AG outlined the new issues that his office will focus on during the 2006/07 audit. They include the following:

- HR Management issues
- Supply Chain Management
- HIV/AIDS grants (Health only)
- Revitalization grants.
- Infrastructure grants.
- Fiscal dumping.

The platform created by the workshops will also be used to engage intensively with the National Treasury, Auditor General, departments and public entities on interpretations and misunderstandings of many of the new policies and accounting reforms that gave rise to qualifications for many departments and public entities in the province.

In addition the Internal Control Unit within the department has been tasked with the responsibility of following up on the audit queries as they appear in the audit report and in the management letter. The strategy adopted is as follows:

- Internal control unit analyses the audit queries per programme
- Queries are allocated to specific directorates and Senior Managers are allocated to each query
- An action plan template is developed recording the query, responsible person, agreed due date and status
- At regular intervals, follow up meetings are held with managers to monitor the progress of items not yet resolved
- An evaluation of the implemented controls will be done to establish whether the controls are adequate thereby ensuring that such queries are prevented in the future
- General systems and controls will be documented and evaluated to ensure that an adequate system of preventative and detective internal controls are in place to ensure an efficient and effective operation of the department.

(iii) **Implementation of the PFMA**

The following projects are aimed at successful implementation of the PFMA:

- PFSA integrated financial management training project.
- CFO Support and Mentorship Programme.
- Norms & Standards sub directorate

The level of compliance to the PFMA in the department is as follows:

PFMA Compliance Area	% Compliance
Monitoring & Reporting	90%
Internal audit linkage status	65%
Revenue & Expenditure Management	73%
Asset & Liability Management	78%
Delegations & Organisational Design	75%
Oversight Arrangements for public entities	N/A
Fraud Prevention Implementation Plans	90%
Statutory appointments	100%
Integrated Planning and Budgeting	100%
Resource Management	93%

PART C: ANNUAL PERFORMANCE PLAN OF YEAR 1

This part will not be tabled.

PART D: ANALYSIS OF CHANGES TO PROGRAMMES

There were no changes to the structure of programmes during the 2006 / 2007 financial year and the structure remains compliant with the uniform budget & programme structures

PART E: SERVICE DELIVERY IMPROVEMENT PLAN

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD		DESIRED STANDARD	
Training Facilitation	All Provincial Departments (Votes) Training Providers Provincial Treasury	Quantity:	Annually	Quantity:	Quarterly
Provincial Treasury shall facilitate the identification of training needs for public finance management officials within all provincial departments throughout the province throughout the year.		Quality:		Quality:	
		<ul style="list-style-type: none">Consultation	Questionnaires	<ul style="list-style-type: none">Consultation	Questionnaires Workshops
		<ul style="list-style-type: none">Access	Training	<ul style="list-style-type: none">Access	Training
		<ul style="list-style-type: none">Courtesy		<ul style="list-style-type: none">Courtesy	
		<ul style="list-style-type: none">Open & Transparency	Provincial Training Schedule	<ul style="list-style-type: none">Open & Transparency	Provincial Training Schedule
		<ul style="list-style-type: none">Information		<ul style="list-style-type: none">Information	
		<ul style="list-style-type: none">Redress		<ul style="list-style-type: none">Redress	Evaluation
		<ul style="list-style-type: none">Value for Money		<ul style="list-style-type: none">Value for Money	SLA Revised
		Time:		Time:	Quarterly
		Cost:		Cost:	
		Human Resources:	2	Human Resources:	10

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD		DESIRED STANDARD	
Coordination of Public Finance Management Training Provincial Treasury shall coordinate the provision of training interventions on Public Finance Management on the basis of needs from departments once a minimum number of 12 trainees identified.	All Provincial Departments (Votes) Public Finance Services Agency (PFSA)	Quantity:	Annually	Quantity:	Quarterly
		Quality:		Quality:	
		• Consultation	Questionnaires	• Consultation	Questionnaires Workshops
		• Access	Training Schedule	• Access	Training Schedule Nomination Forms
		• Courtesy		• Courtesy	Written and Verbal communication
		• Open & Transparency	Provincial Training Schedule	• Open & Transparency	Provincial Training Schedule
		• Information	Training Material	• Information	Brochures Website Training Material
		• Redress		• Redress	
		• Value for Money		• Value for Money	
		Time:		Time:	
		Cost:		Cost:	
		Human Resources:	2	Human Resources:	10
Bid Adjudication - Disqualifications Provincial Treasury shall advise bidders of disqualifications of their bids within 10 days of closure of bids and reasons	Service Providers (Bidders)	Quantity:	All Bids	Quantity:	All Bids
		Quality:		Quality:	
		• Consultation	Briefings	• Consultation	Written Correspondence Briefings

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD		DESIRED STANDARD	
		• Access	Bidding Documentation	• Access	Bidding Documentation Disqualification Notice Disqualification Reasons
		• Courtesy		• Courtesy	Written Correspondence
		• Open & Transparency		• Open & Transparency	Disqualification Reasons
		• Information		• Information	
		• Redress		• Redress	
		• Value for Money		• Value for Money	
		Time:		Time:	
		Cost:		Cost:	
		Human Resources:	9	Human Resources:	17
Bid Adjudication - Outcome	Service Providers (Bidders)	Quantity:	All Bids	Quantity:	All Bids
		Quality:		Quality:	
Provincial Treasury shall advise bidders of the outcome of each tender and why they have not been successful. Bidders requiring further information shall obtain it through the Promotion of Access to Information Act.		• Consultation	Briefings	• Consultation	Written Correspondence Briefings
		• Access	Bidding Documentation	• Access	Bidding Documentation Reasons for not being successful
		• Courtesy		• Courtesy	Written Correspondence
		• Open & Transparency		• Open & Transparency	Reasons for not being successful
		• Information		• Information	More information as per PAIA

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD		DESIRED STANDARD	
		<ul style="list-style-type: none">Redress		<ul style="list-style-type: none">Redress	
		<ul style="list-style-type: none">Value for Money		<ul style="list-style-type: none">Value for Money	
		Time:		Time:	
		Cost:		Cost:	
		Human Resources:	9	Human Resources:	17
Budgeting Processes - Planning	All Provincial Departments (Votes)	Quantity:	Continuous	Quantity:	Continuous
Provincial Treasury shall assist departments with budget processes throughout the financial year.		Quality:		Quality:	
		<ul style="list-style-type: none">Consultation	Meetings Correspondence Workshops	<ul style="list-style-type: none">Consultation	Meetings Correspondence Workshops
		<ul style="list-style-type: none">Access		<ul style="list-style-type: none">Access	Training Sessions
		<ul style="list-style-type: none">Courtesy		<ul style="list-style-type: none">Courtesy	Support
		<ul style="list-style-type: none">Open & Transparency		<ul style="list-style-type: none">Open & Transparency	
		<ul style="list-style-type: none">Information		<ul style="list-style-type: none">Information	
		<ul style="list-style-type: none">Redress		<ul style="list-style-type: none">Redress	
		<ul style="list-style-type: none">Value for Money		<ul style="list-style-type: none">Value for Money	
		Time:		Time:	
		Cost:		Cost:	
		Human Resources:	2	Human Resources:	13

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD		DESIRED STANDARD	
Budgeting Processes – Analysis	All Provincial Departments (Votes)	Quantity:	Continuous	Quantity:	Continuous
Provincial Treasury shall evaluate budget submissions from departments and give feedback within 30 working days on the extent to which these conform to Treasury guidelines.		Quality:		Quality:	
		<ul style="list-style-type: none">Consultation	Meetings Workshops Correspondence	<ul style="list-style-type: none">Consultation	Meetings Workshops Correspondence
		<ul style="list-style-type: none">Access		<ul style="list-style-type: none">Access	Electronic publication Analysis Feedback
		<ul style="list-style-type: none">Courtesy		<ul style="list-style-type: none">Courtesy	Access to Network
		<ul style="list-style-type: none">Open & Transparency		<ul style="list-style-type: none">Open & Transparency	
		<ul style="list-style-type: none">Information		<ul style="list-style-type: none">Information	
		<ul style="list-style-type: none">Redress		<ul style="list-style-type: none">Redress	
		<ul style="list-style-type: none">Value for Money		<ul style="list-style-type: none">Value for Money	
		Time:		Time:	30 days
		Cost:		Cost:	
		Human Resources:	13	Human Resources:	13
Expenditure Analysis – Monitoring and Reporting		All Provincial Departments (Votes)	Quantity:	Monthly	Quantity:
Quality:			Quality:		
Provincial Treasury shall monitor monthly expenditure of departments and advise accordingly within 5 working days of submission of reports	<ul style="list-style-type: none">Consultation		Correspondence	<ul style="list-style-type: none">Consultation	Correspondence Meetings Workshops

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD		DESIRED STANDARD	
		<ul style="list-style-type: none">Access		<ul style="list-style-type: none">Access	Response
		<ul style="list-style-type: none">Courtesy		<ul style="list-style-type: none">Courtesy	Support
		<ul style="list-style-type: none">Open & Transparency		<ul style="list-style-type: none">Open & Transparency	
		<ul style="list-style-type: none">Information		<ul style="list-style-type: none">Information	
		<ul style="list-style-type: none">Redress		<ul style="list-style-type: none">Redress	
		<ul style="list-style-type: none">Value for Money		<ul style="list-style-type: none">Value for Money	
		Time:		Time:	5 working days
		Cost:		Cost:	
		Human Resources:	13	Human Resources:	13
Municipal Finance – Budgeting Processes Support	All Local Municipalities in a District Municipal Demarcation	Quantity:	All (39)	Quantity:	All (39)
Quality:			Quality:		
<ul style="list-style-type: none">Consultation		Meetings	<ul style="list-style-type: none">Consultation	Meetings Workshops Brochures	
<ul style="list-style-type: none">Access			<ul style="list-style-type: none">Access	Support	
<ul style="list-style-type: none">Courtesy			<ul style="list-style-type: none">Courtesy		
<ul style="list-style-type: none">Open & Transparency			<ul style="list-style-type: none">Open & Transparency		
<ul style="list-style-type: none">Information			<ul style="list-style-type: none">Information		
<ul style="list-style-type: none">Redress			<ul style="list-style-type: none">Redress		
<ul style="list-style-type: none">Value for Money			<ul style="list-style-type: none">Value for Money		

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD		DESIRED STANDARD	
		Time:		Time:	
		Cost:		Cost:	
		Human Resources:	49	Human Resources:	7
Supply Chain Management– Monitoring & Support	All Provincial Departments (Votes)	Quantity:	Monthly	Quantity:	Monthly
		Quality:		Quality:	
<ul style="list-style-type: none">Consultation		Questionnaire	<ul style="list-style-type: none">Consultation	Questionnaire Workshops	
<ul style="list-style-type: none">Access		Feedback	<ul style="list-style-type: none">Access	Feedback	
<ul style="list-style-type: none">Courtesy			<ul style="list-style-type: none">Courtesy		
<ul style="list-style-type: none">Open & Transparency			<ul style="list-style-type: none">Open & Transparency		
<ul style="list-style-type: none">Information			<ul style="list-style-type: none">Information		
<ul style="list-style-type: none">Redress			<ul style="list-style-type: none">Redress		
<ul style="list-style-type: none">Value for Money			<ul style="list-style-type: none">Value for Money		
Time:			Time:	10 days	
Cost:			Cost:		
Human Resources:		3	Human Resources:	7	
Infrastructure Management – Monitoring and Support	All Provincial Infrastructure Departments (Votes)	Quantity:	Quarterly	Quantity:	Quarterly
		Quality:		Quality:	

KEY SERVICE	SERVICE BENEFICIARY	CURRENT STANDARD		DESIRED STANDARD	
Provincial Treasury shall analyse departmental Infrastructure monthly reports to ensure proper spending of the infrastructure budget		<ul style="list-style-type: none"> Consultation 	Meetings Correspondence	<ul style="list-style-type: none"> Consultation 	Questionnaire Meetings Community Imbizo's Workshops Conferences
		<ul style="list-style-type: none"> Access 		<ul style="list-style-type: none"> Access 	Monthly feedback based on IYM reports
		<ul style="list-style-type: none"> Courtesy 		<ul style="list-style-type: none"> Courtesy 	
		<ul style="list-style-type: none"> Open & Transparency 		<ul style="list-style-type: none"> Open & Transparency 	
		<ul style="list-style-type: none"> Information 		<ul style="list-style-type: none"> Information 	
		<ul style="list-style-type: none"> Redress 		<ul style="list-style-type: none"> Redress 	
		<ul style="list-style-type: none"> Value for Money 		<ul style="list-style-type: none"> Value for Money 	
		Time:		Time:	
		Cost:		Cost:	
		Human Resources:	3	Human Resources:	5

Financial Information Systems – Support	All Provincial Departments (Votes)	Quantity:	Continuous	Quantity:	Continuous
		Quality:		Quality:	
<ul style="list-style-type: none">Consultation			<ul style="list-style-type: none">Consultation	Workshops	
<ul style="list-style-type: none">Access		Telephone User Support	<ul style="list-style-type: none">Access	User Support - Telephone User Support - Physical	
<ul style="list-style-type: none">Courtesy		Reporting interruptions immediately to National Treasury	<ul style="list-style-type: none">Courtesy	Reporting interruptions immediately to National Treasury	
<ul style="list-style-type: none">Open & Transparency			<ul style="list-style-type: none">Open & Transparency		
<ul style="list-style-type: none">Information			<ul style="list-style-type: none">Information		
<ul style="list-style-type: none">Redress			<ul style="list-style-type: none">Redress		
<ul style="list-style-type: none">Value for Money			<ul style="list-style-type: none">Value for Money		
Time:		As per Need	Time:	As per Need	
Cost:		Nil	Cost:	Nil	
Human Resources:		16	Human Resources:	22	