

Foreword

This Performance Plan represents the vehicle to start to operationalize this Department's 2007/08-2009/10 Medium Term Strategic Plan. As such, its main focus is in setting measurable targets to inform in-year operations geared towards supporting the broader objectives of the Department in line with Provincial objectives emanating from the Free State Provincial Growth and Development Strategy.

This Plan is drawn such that it actively promotes collaborative ways of working with provincial Departments, Municipalities and Provincial Public Entities, so as to entrench provincial best-practice in public resource management.

As always, the overriding objective of this Plan is not only to promote prudent financial management as a desirable objective as such, but to use it as a vehicle to redress prevailing socio-economic disparities.

MR. P H I MAKGOE
MEC FOR FINANCE

Part A: Overview and strategic plan updates

1. Overview

This Plan is drawn against the backdrop of significant advances in recent years in the modernization of financial management and the enhancement of accountability and transparency in the Public Sector.

In addition to such developments:

- the alignment of budgets and strategic plans with measurable objectives;
- the institutionalization of the practice of actively and continuously managing budgets, and monitoring the ongoing use of resources for seamless service delivery throughout the year; and
- improved accountability of Provincial Public Entities;

places the Provincial Treasury in an even better position to use this Performance Plan to set measurable objectives, timeframes and processes, to guide efforts to promote prudent financial management of public provincial resources in support of the medium-term objectives of the Free State Provincial Growth and Development Strategy.

This Plan reflects the readiness of the Treasury, to utilize its in-year operations, to work towards delivering on its medium-term strategic goals and operational mandate.

2. Strategic plan update analysis

During the 2005/06 financial year, the department embarked on a vigorous process of strategic planning. All the chief directorates reviewed and amended their strategic objectives. The strategic plan was then tabled together with the due to the significant changes. The process followed in drafting this annual performance plan was not an intense one as much of the work was conducted in the past financial year. Chief directorates were requested to submit their progress, challenges, measures planned to overcome these new challenges and they were also asked to review the strategic objectives. However no changes were made except the Economic Analysis directorate and Corporate Services directorate.

The economic analysis added some few measurable objectives for 2007/08 financial year. A new senior manager for Corporate Services was appointed during 2006/07 financial year and the directorate had a strategic planning gathering where changes were then made to the current strategic plan.

Part B: Programme and sub-programme performance targets

3. Programme 1: (ADMINISTRATION)

This programme will provide leadership, strategic management in accordance with legislation, regulations and policies as well as to ensure there is appropriate support service to all other programmes. The programme is structured as follows:

1.1 Office of the MEC	Provide for the efficient operation of the Office of the MEC.
1.2 Management Services	Provide strategic leadership to the department.
1.3 Corporate Services	Provide an effective corporate support service to the Department.
1.4 Financial Management	Provide an effective financial management support service to the Department.
1.5 Internal Audit	Provide an effective internal audit service to the Department.

3.1 Specified policies, priorities and strategic objectives

Render effective management support to the department.

Strategic Objectives linked to this programme:

- To provide administrative support to the member of the executive council.
- Ensure good strategic support to the management team.
- To render personnel management services
- To manage human resource development
- To manage policy and transformation matters
- To manage labour relations provide legal advisory service
- To ensure effective communication
- To render effective security services
- To render effective IT support service
- To manage organizational efficiency services
- Support the department through sound financial administration.
- Promote sound financial and budget control in the department.
- Ensure sound supply chain management
- Provide high quality and professional internal audit services.
- Facilitate risk management within the department.
- Provide professional advisory and consulting services.

3.2 Progress analysis

- In the adjustment budget the funds are allocated to other directorates in need of additional funding to decrease the underspending. In order to fund over the MTEF period funds are also suspended in directorates and allocated to according to new needs.
- Currently all debt cases are being followed up on a regular basis. The debt in respect of the erroneously remuneration that officials received in respect of the upgrading was also taken on as debt during the 2006/2007 financial year and is in process of being followed up for recovering.
- The amount of R441 000 was recovered in respect of a supplier wrongly paid. The remaining balance of R112 000 will be refunded from further payments by the Department of Local Government and Housing. During the 2005/2006 financial year approval as granted to write off the amount of R2,8 million in respect of the former Qwa-Qwa government that will be implemented during the 2006/2007 financial year.
- The requesting of quotations was centralised within the department.
- The new establishment in respect of Supply Chain Management was approved and the vacant posts within the Supply Chain Management were advertised for filling.
- The accounting months on BAS is closed within the set timeframes and not forced closed by National Treasury. An average of 93.86% was achieved in respect of the key performance indicators set for the province for the first quarter and for the months July 2006 and September 2006, 100% was achieved.
- Employment Equity targets are updated quarterly and distributed to directorates

- An external news letter was published to inform external stakeholders about the purpose of existence of the Free State Provincial Treasury.
- The intranet sites were redesigned.
- Implementation of Performance and Development Management System (PDMS).
- Keeping officials and external clients abreast with departmental information.
- The department has enhanced its outreach programmes.

3.3 Analysis of constraints and measures planned to overcome them

Constraints:

The key challenges over the strategic plan period can be summarized as follows:

- The promotion of effective spending trends;
- To pay creditors within 30 days;
- To promote effective asset management;
- Implementation of the Preferential Procurement Policy Framework Act;
- To fully implement Supply Chain Management
- Capacity building remains an ongoing challenge
- Filling of posts to an acceptable level;
- High staff turnover;
- Proper job analysis of posts;
- Introduction of learnership programmes;
- Improving communication strategy and promote corporate culture.
- Review and distribution of Employment Equity targets on quarterly basis.
- To provide training in accordance with Skills Development Plan.
- Staff turnover for Internal Audit is 50%;
- Senior Manager: Internal audit resigned in October 2006
- The whole structure needs to be job evaluated
- Communication line with other stake holders namely Office of the Auditor General;
- Reliance of internal audit by external auditors namely Office of the Auditor General;
- Lack of IT audit skill / knowledge;
- Desired accreditation namely GIA or CIA;
- Compliance with internal auditing standards;

Measures planned to overcome constraints:

- Successful implementation of Supply Chain Management
- The payment of creditors within 30 days and to ensure that all invoices in respect of goods and services are paid. Monthly reconciliations and follow up actions to ensure that long outstanding orders/ invoices receive the necessary attention
- The promotion of effective spending trends
- To promote effective asset management;
- Improve the communication with all stakeholders.
- Streamlining the structure in order to reduce the vacancy rate;
- Building of capacity through training initiatives (current personnel);
- Information sessions to be held with all levels of officials regarding the flow of information;
- To develop a strategy on corporate culture;
- Review and distribution of Employment Equity targets on quarterly basis.
- To provide training in accordance to Skills Development Plan.
- Strengthen relationships with other stakeholders using the audit committee meetings;
- Continuous professional development;

3.4 Description of planned quality improvement measures

- Recruitment of skilled personnel;
- Implementation of a bar coding system;
- Continuous evaluation and motivation of personnel;
- Conduct skills audit;
- Capacity building of officials through Rotation of staff and course catalogue integration;
- Cultivation of corporate culture through revitalization of Batho Pele and adherence to departmental values;
- Implementation of internship programme;
- Improve communication strategy and promote corporate culture
- Internal / External Quality assurance reviews.
- Outsource IT audit

3.5 Sub-programme 1.1: (OFFICE OF THE MEC)

3.5.1 Specified policies, priorities and strategic objectives

This sub-programme provides for the efficient operation of the Office of the MEC.

Strategic objective linked to this subprogramme:

To provide administrative support to the member of the executive council.

3.5.2 Specification of measurable objectives and performance indicators

Sub-Programme 1.1: (Office of the MEC) Strategic Objectives, Measurable objectives, Performance Measures indicators and targets

Sub Programme 1.1 (Office of the MEC)			Strategic Goal: Contributing to the economic, efficient and effective service delivery.					
<i>Strategic Objective</i>	<i>Measurable Objective</i>	<i>FSGDS Linkage</i>	<i>Performance Measure Indicator</i>	<i>2005/06 Actual</i>	<i>2006/07 Target</i>	<i>2007/08 Target</i>	<i>2008/09 Target</i>	<i>2009/10 Target</i>
To provide administrative support to the member of the executive council.	Smooth and effective functioning of the MEC office.	Enhance Batho Pele Principles	Percentage satisfaction by the MEC.	N/A	90% compliance	95% compliance	100% compliance	100% compliance
			Day's turnaround time on documents submitted to the MEC.	N/A	5 days	5 days	5 days	5 days
To provide administrative support to the member of the executive council.	Strengthen linkage with Treasury, and Provincial Legislature.	Ensure effective implementation of Intergovernmental Relations	Establish a sound relationship and communication link.	N/A	90% compliance	90% compliance	90% compliance	90% compliance
To provide administrative support to the member of the executive council	Ensure good public profile for the MEC.	Maintain and consolidate constructive partnerships with all key provincial role players	Improve public image.	N/A	80% compliance	85% compliance	90% compliance	90% compliance
To provide administrative support to the member of the executive council.	Fulfilment of MEC legislative and political functions.	Coordinate strategic programmes	Good integration with departmental function.	N/A	85% compliance	90% compliance	95% compliance	95% compliance
			Provincial state of affairs in good shape.	N/A	75% compliance	80% compliance	85% compliance	85% compliance

3.6 Sub-programme 1.2: (MANAGEMENT SERVICES)

3.6.1 Specified policies, priorities and strategic objectives

This sub-programme consists of the office of the CEO and the CFO.

Strategic objective linked to this subprogramme:

Ensure good strategic support to the management team

3.6.2 Specification of measurable objectives and performance indicators

Sub-Programme 1.2: (MANAGEMENT SERVICE) Strategic Objectives, Measurable objectives, Performance Measures indicators and targets

Sub Programme 1.2 (MANAGEMENT SERVICE)			Strategic Goal: Contributing to the economic, efficient and effective service delivery.					
<i>Strategic Objective</i>	<i>Measurable Objective</i>	<i>FSGDS Linkage</i>	<i>Performance Measure Indicator</i>	<i>2005/06 Actual</i>	<i>2006/07 Target</i>	<i>2007/08 Target</i>	<i>2008/09 Target</i>	<i>2009/10 Target</i>
Ensure good strategic support to the management team.	Ensure good strategic support to the management team.	Implement the National and provincial Programme of Action	Percentage satisfaction	N/A	60%	70%	80%	90%
Ensure good strategic support to the Accounting officer and his management team.	Conduct overall planning to ensure that remaining management functions are conducted on such level that Provincial Treasury delivers on its responsibilities.	Coordinate strategic programmes	Percentage of planning mechanisms resulting in the right deliverables.	N/A	60%	70%	80%	90%

3.7 Sub-programme 1.3: (Corporate Services)

3.7.1 Specified policies, priorities and strategic objectives

Strategic objectives linked to this sub-programme:

- To render personnel management services
- To manage human resource development
- To manage policy and transformation matters
- To manage labour relations and provide legal advisory service
- To ensure effective communication
- To render effective security services
- To render effective IT support service
- To manage organisational efficiency services

3.7.2 Progress analysis

- Employment Equity targets are updated quarterly and distributed to directorates
- An external news letter was published to inform external stakeholders about the purpose of existence of the Free State Provincial Treasury.
- The intranet sites were redesigned.
- Implementation of Performance and Development Management System (PDMS).
- Keeping officials and external clients abreast with departmental information.
- Capacity building.
- The department has enhanced its outreach programmes

3.7.3 Analysis of constraints and measures planned to overcome them

The key challenges over the strategic plan period can be summarized as follows:

- Filling of posts to an acceptable level;
- High staff turnover;
- Proper job analysis of posts;
- Introduction of learnership programmes;

- Improving communication strategy and promote corporate culture.
- Review and distribution of Employment Equity targets on quarterly basis.
- To provide training in accordance with Skills Development Plan.

3.7.4 Description of planned quality improvement measures

Measures planned to overcome constraints:

- Improve the communication with all stakeholders.
- Streamlining the structure in order to reduce the vacancy rate;
- Building of capacity through training initiatives (current personnel);
- Information sessions to be held with all levels of officials regarding the flow of information;
- To develop a strategy on corporate culture;
- Review and distribution of Employment Equity targets on quarterly basis.
- To provide training in accordance to Skills Development Plan.
- Strengthen relationships with other stakeholders using the audit committee meetings.

3.7.5 Specification of measurable objectives and performance indicators

Sub-Programme 1.3: (Corporate Services) Strategic Objectives, Measurable objectives, Performance Measures indicators and targets

Sub Programme 1.3 (Corporate Services)			Strategic Goal: Contributing to the economic, efficient and effective service delivery.					
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual 2005/06	Estimate 2006/07	2007/08 Target	2008/09 Target	2009/10Target
To render personnel management services.	Promotion of sound human resources practices	Co-ordinate EE plan Co-ordinate retention strategy	Developed employment equity plan to increase the number of designated employees. Appointment, promotion and transfers of employees according to legislation.	Employment equity plan was updated on a quarterly basis. Appointments for 2005/06: Disabled = 0 Black females = 18 Black males = 17	1 plan reviewed and updated Appointments and promotions approved within three months after request. Transfers approved within two months after request.	1 Plan reviewed and updated. Appointments and promotions approved within three months after request. Transfers approved within two months after request.	1 Plan reviewed and updated. Appointments and promotions approved within three months after request. Transfers approved within two months after request.	1 Plan reviewed and updated. Appointments and promotions approved within three months after request. Transfers approved within two months after request.
To manage labour relations and provide legal advisory service.	Protect Departmental interest according to legal prescripts		Handling of grievances and disciplinary cases in line with applicable legislation		Grievances: 30 working days. Misconduct hearings: 10 working days after notice has been served.	Grievances: 30 working days. Misconduct Hearing: 10 working days after notice has been served. 4 Labour and Legal Services awareness campaigns	Grievances: 30 working days. Misconduct Hearing: 10 working days after notice has been served. 4 Labour and Legal Services awareness campaigns	Grievances: 30 working days. Misconduct Hearing: 10 working days after notice has been served. 4 Labour and Legal Services awareness campaigns

To manage policy and transformation matters.	Develop and implement approved special programmes policies	Co-ordinate employee assistance programme Create opportunities for BBBEE for woman, youth and people with disabilities	Developed and implemented special programmes policies.	Employee assistance Programme developed. HIV/AIDS policy developed.	1 Employee assistance programme policy	1 Gender equality policy. 2 Workshops on Maintenance Act 1 Special programmes marketing campaign Implement the Occupational Health and Safety policy for the benefit of the officials. Create awareness on mainstreaming Disability & gender within the department	1 Sexual harassment policy. N/A N/A Implement the Occupational Health and Safety policy for the benefit of the officials. Create awareness on mainstreaming Disability & gender within the department	Review policies. N/A N/A N/A Create awareness on mainstreaming Disability & gender within the department
To manage human resource development	Render effective Human Resource training and development.	Co-ordinate integrated HRD strategy	Developed and implemented HRD policy. Skills Audit Conducted Developed and implemented an annual Workplace Skills Plan. Developed and implemented induction manual. Developed and implemented internship and learnership policies	HRD approved Policy 1 Workplace Skills Plan 1 Induction manual developed Internship and learnership policies approved.	1 HRD policy implemented. 1 Workplace skills plan. 1 Induction manual Internship policy implemented	Review policy 1 Skills Audit 1 Workplace Skills Plan. Review Induction Manual Policy implemented.	Review policy 1 Skills Audit 1 Workplace Skills Plan. Review Induction Manual Review policy.	Review policy 1 skills Audit 1 Workplace Skills Plan. Review Induction Manual Review policy.

To ensure effective communication	Promotion of effective and efficient communication with internal & external clients.	Improve interaction between the government and the people	Communication policy developed and implemented.		Communication policy reviewed	Review communication policy.	Review communication policy.	Review communication policy.
			Number of newsletters published.	4 Internal newsletters (Treasury News were published)	4 Internal news letters	4 Internal Newsletters.	4 Internal Newsletters.	4 Internal Newsletters.
				The external newsletter was launched and published.	2 External newsletters	2 External Newsletters.	2 External Newsletters.	2 External Newsletters.
			Number of media briefings conducted.	2 Media briefings were held	2 Media briefings	2 Media briefings.	2 Media briefings.	2 Media briefings.
						Opening of Departmental Resource Centre		
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			Upgraded and redesigned network infrastructure Respond to logged calls within 24 hours	Logged calls 1460. Calls attended 1458.	Request attended with specific timeframe	2 database systems developed Review network and upgrade N/A	Review databases and upgrade Review network and upgrade N/A	Review databases and upgrade Review network and upgrade N/A
To manage organisational efficiency services.	Render effective work study services and implement performance management system.	Implement one stop government services	Developed organizational structure. Implemented Performance Management System.	1 Organizational structure Performance plans for all filled posts 100%	1 Organizational structure 100% implemented	1 Organizational Structure. 100 % implemented.	1 Organizational Structure. 100 % implemented.	1 Organizational Structure. 100 % implemented.
To render effective security service.	Promote the protection of information, personnel and infrastructure	Implement one stop government services	Informed employees on security awareness. Conduct research, inspections and investigations pertaining to all aspects of security.	Security awareness through emails, circulars and meetings. N/A	All Employees N/A	All Employees informed. Number of reports Number of inspections Number of investigations 12 security seminars	All Employees informed. Number of reports Number of inspections of Number of investigations of 12 security seminars	All Employees informed. Number of reports Number of inspections of Number of investigations of 12 security seminars

3.8 Sub-programme 1.4: (Financial Management)

3.8.1 Specified policies, priorities and strategic objectives

This sub-programme provides an effective financial management support service to the Department.

Strategic objectives linked to this subprogramme:

- Support the department through sound financial administration.
- Promote sound financial and budget control in the department.
- Ensure sound supply chain management.

3.8.2 Progress analysis

- In the adjustment budget the funds are allocated to other directorates in need of additional funding to decrease the underspending. In order to fund over the MTEF period funds are also suspended in directorates and allocated to according to new needs.
- Currently all debt cases are being followed up on a regular basis. The debt in respect of the erroneously remuneration that officials received in respect of the upgrading was also taken on as debt during the 2006/2007 financial year and is in process of being followed up for recovering.
- The amount of R441 000 was recovered in respect of a supplier wrongly paid. The remaining balance of R112 000 will be refunded from further payments by the Department of Local Government and Housing. During the 2005/2006 financial year approval as granted to write off the amount of R2,8 million in respect of the former Qwa-Qwa government that will be implemented during the 2006/2007 financial year.
- The requesting of quotations was centralised within the department.
- The new establishment in respect of Supply Chain Management was approved and the vacant posts within the Supply Chain Management were advertised for filling.
- The accounting months on BAS is closed within the set timeframes and not forced closed by National Treasury. An average of 93.86% was achieved in respect of the key performance indicators set for the province for the first quarter and for the months July 2006 and September 2006, 100% was achieved.

3.8.3 Analysis of constraints and measures planned to overcome them

The key challenges over the strategic plan period:

- The promotion of effective spending trends;
- To pay creditors within 30 days;
- To promote effective asset management;
- Implementation of the Preferential Procurement Policy Framework Act.
- To fully implement supply chain management

Measures planned to overcome constraints:

- Capacity building remains an ongoing challenge.
- Successful implementation of Supply Chain Management.
- The payment of creditors within 30 days and to ensure that all invoices in respect of goods and services are paid. Monthly reconciliations and follow up actions to ensure that long outstanding orders/ invoices receive the necessary attention.
- Improve communication with all stakeholders

3.8.4 Description of planned quality improvement measures

- Recruitment of skilled personnel;
- Implementation of a bar coding system;
- Building of capacity through training initiatives (current personnel);
- Continuous evaluation and motivation of personnel.

3.8.5 Specification of measurable objectives and performance indicators

Sub-Programme 1.4: (Financial Management) Strategic Objectives, Measurable objectives, Performance Measures indicators and targets

Sub Programme 1.4 (Financial Management)			Strategic Goal: Contributing to the economic, efficient and effective service delivery.					
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	2005/06 Actual	2006/07 Target	2007/08 Target	2008/09 Target	2009/10 Target
Ensure sound supply chain management.	Effective and efficient Supply Chain Management Service.	Create opportunities for BBBEE for woman, youth and people with disabilities	Comply and Implement legislation, policies and procedures	The Supply Chain Policy and Asset Policy was reviewed and distributed for inputs. 79.25% adherence to paying creditors within 30 days.N/A	N/A	60 % compliance	70 % compliance	100% compliance
Promote sound financial and budget control in the department.	Facilitate Strategic planning and Annual Performance Plan process. Effective application of resources in realising strategic goals. Submit Quarterly Performance Reports Accurate annual report	Improve and co-ordinate revenue measures and mechanisms	Published and tabled strategic plan Percentage expenditure in line with detailed budget per sub-programme. Performance Plan Timeous submission of the annual report	Strategic plan and Annual Performance Plan tabled in March 2006. 100% Annual report tabled.	March 2007 80 % 31 st August 2007	March 2008 85% 4 Reports 31 st August 2008	March 2009 90% 4 Reports 31 st August 2009	March 2010 95% 4 Reports 31 st August 2010
Support the department through sound financial administration.	To comply with Financial Management key performance indicators for Departments.	Strengthen financial management capacity in departments	Percentage adherence to predetermined KPI's.	100%	85%	90%	95%	100%

3.9 Sub-programme 1.5: (Internal Audit)

3.9.1 Specified policies, priorities and strategic objectives

This sub-programme provides an effective internal audit service to the Department.

Strategic objectives linked to this sub-programme:

- Provide high quality and professional internal audit services.
- Facilitate risk management within the department.
- Provide professional advisory and consulting services.

3.9.2 Progress analysis

- A three year rolling plan and a 12 month operational plan was prepared by the Internal Audit unit and approved by the Audit Committee.
- The Internal Audit Directorate successfully assisted the Chief Executive Officer in establishing the Risk Management Committee.
- Successfully facilitated the risk assessment within the Department

3.9.3 Analysis of constraints and measures planned to overcome them

The key challenges over the strategic plan period:

- Staff turnover is at 50%;
- Senior Manager resigned in October 2006
- The whole structure needs to be job evaluated
- Communication line with other stake holders namely Office of the Auditor General;
- Reliance by external auditors namely Office of the Auditor General;
- Lack of IT audit skill / knowledge;
- Desired accreditation namely GIA or CIA;
- Compliance with internal auditing standards; and

Measures planned to overcome constraints:

- Staff retention plan / Job evaluations;
- Strengthen relationships with other stakeholders using the audit committee meetings;
- Continuous professional development;
- Internal / External Quality assurance reviews.
- Outsource IT audit

3.9.4 Description of planned quality improvement measures

- Training and development;
- Information sessions and workshops;
- Communication facilitation;
- Continuous evaluation and motivation of personnel.

3.9.5 Specification of measurable objectives and performance indicators

Sub-Programme 1.5: (Internal Audit) Strategic Objectives, Measurable objectives, Performance Measures indicators and targets

Sub Programme 1.5(Internal Audit)			Strategic Goal: Contributing to the economic, efficient and effective service delivery.					
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	2005/06 Actual	2006/07 Target	2007/08 Target	2008/09 Target	2009/10 Target
Provide high quality and professional internal audit services. Provide professional advisory and consulting services.	To provide effective and professional internal audit services	Promote ethical behaviour in government.	Execution of the three (3) year rolling plan and Risk based Internal Audit Operational Plan	PROJECT COMPLETED:	100 %	100 %	100 %	100 %
			Provide advisory and consulting services through reports to Audit Committee, Auditor General & Stake Holder	<ul style="list-style-type: none"> Financial Administration Corporate Services Ongoing	100 %	100 %	100 %	100 %
Facilitate risk management process within the department	Facilitation of risk management process	Strengthen financial management capacity in department	Risk assessment report	1 Report	80%	100 %	100 %	100 %
	Assist with compilation and implementation of Integrity Promotion Strategy (including Fraud Prevention Plan)	Implement anti-corruption and fraud strategy	Implementation of a fraud hotline Implementation of detection reviews (Including completion of ad hoc or investigative assignments)	The strategy has been approved and the service provider identified fraud hotline to be implemented.	100 % 100 %	100 % 100 %	100 % 100 %	100 % 100 %

4. Programme 2: (SUSTAINABLE RESOURCE MANAGEMENT)

Provide professional advice and support to the MEC on provincial economic analysis, fiscal policy, public finance development and the management of the annual budget process. There are five operational sub-programmes:

2.1 Programme support	Provide for the cost related to efficient running of the programme
2.2 Economic Analysis	Provide for provincial economic and social research and analysis that informs fiscal policy development and the annual budget process thereby contributing to the provincial growth and development strategy.
2.3 Fiscal Policy	Provide fiscal policy advice, determine the Medium Term Fiscal framework, develop and optimise the provincial revenue base and develop the provincial borrowing framework.
2.4 Budget Management	Prepare the provincial budget in line with provincial growth and development strategy.
2.5 Public Finance	Provide policy advice and ensure budget implementation.

4.1 Specified policies, priorities and strategic objectives

The strategic objectives linked to the programme are:

- Determine and analyzing key economic variables for the Free State province and where possible, at district levels.
- Determine the potential sources and constraints for enhanced growth and development in the Free State province as framed in the Provincial Growth and Development Strategy.
- Assess the impact of various fiscal policy objectives on selected economic variables
- Develop and maintain a provincial economic model (e.g. Social accounting matrix and computable general equilibrium model) that will assess different impact scenarios on selected social economic indicators
- Develop and maintain a socio-economic database for the province and per district

- Assess and advise on the socio-economic part of the municipalities and the relevance for municipal budget
- Provide technical assistance and training in the application of economic analysis for both provincial and local governments
- To strengthen and provide technical and strategic support for institutional capacity of provincial government
- Alignment of budgets to Free State Growth and Development strategy, strategic and performance plans.
- Monitor compliance with the Public Finance Management Act, regulations and guidelines.
- Set credible expenditure and revenue budgets.

4.2 Progress analysis

- The Budget process has effectively been managed and substantial progress has been recorded with regard to the tabling of the provincial budget in February 2007.
- The process of job evaluation of posts for Economic Analysis was completed during 2006/07 financial period, the post of a Senior Manager was advertised three times, finally an appointment was made, the incumbent will resume duty on 1st February 2007. One of the Managers will also resume duty on the same day. The posts for 4 Assistant Managers were also advertised, but unfortunately they need to be re-advertised as suitable candidates could not be found.
- An official was transferred from Budget Management Directorate to Economic Analysis at a manager level; however, the official left the department in November 2006.
- Currently there is only one official in the Economic Analysis unit that is an intern.
- The revenue budget target was exceeded by 11% in 2004/05 and for 2005/06 financial year by 15%. For 2006/07 up to December it was exceeded by 70%
- All Revenue collection and tariff policies of departments had been reviewed.
- Compliance inspections were conducted at revenue collection institutions to oversee the implementation of new tariffs and the adherence to revenue collection policies at institutional levels.
- The Public Finance Directorate managed to create a financial data base where officials within the Provincial Treasury have access to information on provincial expenditure trends and figures.
- Quarterly presentations to the Executive Council, National Council of Provinces, the Finance Committee on the projected Provincial Budget outcome.
- Ensured that departments continuously adhere to the submission dates of the IYM on the 15th of each month and submit to National Treasury on the 22nd
- Timely submission of the IRM (Infrastructure Reporting Model) on a quarterly basis to National Treasury.

The department embarked on an exercise to conduct infrastructure visits at different projects in the Free State. A report was prepared after each visit and compared with information in the IRM model as well information provided by the provincial departments in their Infrastructure plans and IDIP processes; this resulted in better performance assessment of infrastructure delivery that also assists to assess the credibility of Infrastructure

Reporting Model information.

An Infrastructure review meeting was held with all provincial departments and the implementation agents, this heightened focus on infrastructure roll-out that will assist to further accelerate the rate of infrastructure delivery.

4.3 Analysis of constraints and measures planned to overcome them

Constraints:

- Publication such as Provincial Socio-economic outlook and the construction of the Social Accounting Matrix (SAM) poses further challenge since the unit will be performing this function for the first time
- Borrowing and taxation has never been the competency of Provincial Treasuries since this was only dealt with at National Treasury level. A borrowing and a research framework on new revenue sources needs to be developed
- The establishment of a revenue base for each department to address the credibility of the provincial own revenue budget figures
- Development of a forecasting model for own revenue estimates.
- The Fiscal Policy Directorate has been without a Senior Manager for 18 months and the post will be permanently filled from 1 February 2007.
- A huge number of posts (50%) are currently still vacant and a firm effort will be made during this year to finalize the positioning of the unit as well as the appointment of properly skilled officials to really add value to the organization.
- Ensure the alignment of Strategic and Performance Plans as well as Infrastructure plans with budgets and Free State Growth and Development Strategy
- Timeous tabling of the budget and strategic plans
- Improve the credibility and quality of the departmental budget inputs
- Ensure effective spending on infrastructure budgets
- Monitor the implementation of public entities budgets
- Monitoring and report on infrastructure spending in the province.
- Monitoring and report on financial performance of the province.
- Monitoring on the non-financial data and the unit's capacity to effectively evaluate the non-financial information.
- Monitoring the implementation of public entities budgets and non-financial information.

Measures planned to overcome the constraints:

- Build capacity through the provisioning of training to the newly recruited and existing personnel

- Begin the process of developing the borrowing and new sources framework
- The finalization of the revenue base for each department
- Implementation of the revenue forecasting model for tax receipts items.
- Provide continuous training to the budget division unit around strategic planning
- Enforce compliance by all departments to the budget process schedule in order to ensure tabling of the budget and strategic plans on time
- Ensure the completion of the departmental budget inputs in terms of the annual budget circular
- Provide training to the new and existing personnel around analysis of non-financial data and public entities
- Ensure the submission monthly or quarterly from public entities on the spending of their budgets
- Effective monitoring of the implementation of infrastructure budget by embarking on site visits and reporting on the progress made

4.4 Description of planned quality improvement measures

- The process of job evaluation of posts for economic analysis was completed during 2006/07 financial period, the post of a Senior Manager was advertised three times, finally an appointment was made, and the incumbent will resume duty on 1st February 2007. One of the Managers will also resume duty on the same day. The posts for 4 Assistant Managers were also advertised, but unfortunately they need to be re-advertised as suitable candidates could not be found.
- Provide training to new and existing personnel around the In-Year- Monitoring System and the Infrastructure Reporting Model and the analysis with regard to the non-financial data.
- Ensure the monthly and quarterly submission of reports of provincial departments as well as public entities.
- There will be an increased activity level in the Fiscal Policy Directorate in different revenue forums in the revenue collecting departments with more regular workshops and Bilaterals between the unit and the different departments.
- The total restructuring of Fiscal Policy Directorate will result in a more dynamic approach from the unit and an anticipated smarter method of working together with more credible outputs
- Suitable candidates with appropriate skills, knowledge and experience will be recruited in order to add value to the department.
- The skill levels of current employees will continue to improve as we learn more of our new environment as well as exactly what is expected from us and correctly skilled officials are appointed
- There will be an increased activity level in the Fiscal Policy Directorate in different revenue forums in the revenue collecting departments with more regular workshops and Bilaterals between the unit and the different departments.
- The Fiscal Policy directorate will undergo major re-structuring and strategic changes in the coming financial year in order to really position the unit strategically in order to fulfil its mandate as a unit that can provide true fiscal direction and leadership in the Province
- Officials will also visit other provinces in order to establish some best and worst practices in order to determine exactly how we should be positioned in the province/country.
- Capacity building and training within the Chief Directorate SRM requires attention. The Public Finance Directorate is faced with the

challenge to ensure improvement and accurate reporting by provincial departments and public entities on non-financial information. Budget Management needs to improve on the evaluation of the strategic plan.

4.5 Sub-programme 2.2: (Economic Analysis)

4.5.1 Specified policies, priorities and strategic objectives

This sub-programme provides for provincial economic and social research and analysis that informs fiscal policy development and the annual budget process thereby contributing to the provincial growth and development strategy.

Strategic objectives linked to this sub-programme:

- Determine and analyse key economic variables for the Free State province and where possible, at district levels.
- Determine the potential sources and constraints for enhanced growth and development in the Free State province as framed in the Provincial Growth and Development Strategy.
- Assess the impact of various fiscal policy objectives on selected economic variables
- Assess and advise on the socio-economic part of the municipalities and the relevance for municipal budget
- Provide technical assistance and training in the application of economic analysis for both provincial and local governments
 - To strengthen and provide technical and strategic support for institutional capacity of provincial government

4.5.2 Progress analysis

- The directorate is experiencing difficulty in obtaining acceptable levels for posts to attract people with the necessary and appropriate skills.
- The process of job evaluation of posts was completed during 2006/07 financial period, the post of a Senior Manager was advertised three times, finally an appointment was made, and the incumbent will resume duty on 1st February 2007. One of the Managers will also resume duty on the same day. The posts for 4 Assistant Managers were also advertised, but unfortunately they need to be re-advertised as suitable candidates could not be found.
- An official was transferred from Budget Management Directorate to Economic Analysis at a manager level; however, the official left the department in November 2006.
- Currently there is only one person in the unit that is an intern.

4.5.3 Analysis of constraints and measures planned to overcome them

- The sub-programme has to build capacity around this functions in terms of employing skilled personnel
- Put systems in place for the effective functioning of this unit
- Publication such as Provincial Socio-economic outlook and the construction of the Social Accounting Matrix (SAM) poses further challenge since the unit will be performing this function for the first time

4.5.4 Description of planned quality improvement measures

- Suitable candidates with appropriate skills, knowledge and experience will be recruited in order to perform these functions.
- Build capacity through the provisioning of training to the newly recruited person.

4.5.5 Specification of measurable objectives and performance indicators

Sub-Programme 2.2: (Economic Analysis) Strategic Objectives, Measurable objectives, Performance Measures indicators and targets

Sub Programme 2.2: (Economic Analysis)			Strategic Goal: Contributing to the economic, efficient and effective service delivery.					
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	2005/06 Actual	2006/07 Target	2007/08 Target	2008/09 Target	2009/10Target
Assess and analyse economic variables for the province.	Assess and analyse economic variables for the province.	Develop enabling strategies	Provincial labour market review per sector	N/A	Developed database	Updated quarterly	Updated quarterly	Updated quarterly
			Socio - economic review/outlook publication	N/A	Bi-annual publications	One publication	One publication	One publication
			Social Accounting Matrix table and analysis report	N/A	Updated SAM table and 1 analysis report	Updated SAM table and 1 analysis report	Updated SAM table and 1 analysis report	Updated SAM table and 1 analysis report
			Socio-economic outlook input in Budget Statement One	Inputs for Budget Statement One	Inputs for Budget Statement One	Inputs for Budget Statement One	Inputs for Budget Statement One	Inputs for Budget Statement One
Assess and analyse economic variables for the province.	Assess the impact of various budget objectives on selected economic variables	Establish development zones and corridors	Annual provincial economic review publication	N/A	N/A	Provincial economic review (2007)	Provincial economic review publication (2008)	Provincial economic review publication (2009)
Determining the potential sources and constraints for enhanced growth and development as framed in the PGDS	Develop and maintain a provincial economic model	Develop enabling strategies	1 Social Accounting Matrix (SAM) table and 1 analysis report.	N/A	1 updated SAM table and analysis report	Reviewed SAM table and analysis report	Reviewed SAM table and analysis report	Reviewed SAM table and analysis report

Assess the impact of various policy objectives on selected social and economic variables	Collection and analysis of socio economic statistics at Provincial and Municipal levels.	Establish development zones and corridors	Two qualitative research reports for 9 sectors.	25%	Provincial economic review publication (2006)	Provincial economic review publication (2007)	Provincial economic review publication (2008)	Provincial economic review publication (2009)
	Assess the socio-economic relevance of municipal IDPS	Align and co-ordinate IDP's and FSGDS. Ensure effective implementation of Intergovernmental relations	IDPs reflecting the socio-economic needs for municipalities	N/A	N/A	N/A	40%	50%

4.6 Sub-programme 2.3: (Fiscal Policy)

4.6.1 Specified policies, priorities and strategic objectives

This subprogramme provides fiscal policy advice, determine the Medium Term Fiscal framework, develop and optimise the provincial revenue base and develop the provincial borrowing framework.

Strategic objectives linked to this subprogramme:

- Oversee the implementation of policies for effective control of revenue
- Set credible revenue budgets
- Oversee compliance with revenue policies, financial directives, PFMA, and Treasury Regulations.
- Strengthen and provide technical and strategic support for institutional capacity of provincial government

4.6.2 Progress analysis

- The revenue budget target was exceeded by 11% in 2004/05 and for 2005/06 financial year by 15%. For 2006/07 up to December it was exceeded by 70%
- All Revenue collection and tariff policies of departments had been reviewed.
- Compliance inspections were conducted at revenue collection institutions to oversee the implementation of new tariffs and the adherence to revenue collection policies at institutional levels.

4.6.3 Analysis of constraints and measures planned to overcome them

- The Fiscal Policy Directorate has been without a Senior Manager for 18 months and the post will be permanently filled from 1 February 2007.
- The directorate will undergo major re-structuring and strategic changes in the coming financial year in order to really position the unit strategically in order to fulfil its mandate as a unit that can provide true fiscal direction and leadership in the Province.
- A huge number of posts (50%) are currently still vacant and a firm effort will be made during this year to finalize the positioning of the unit as well as the appointment of properly skilled officials to really add value to the organization.

4.6.4 Description of planned quality improvement measures

Some of the measures to overcome this, and other challenges listed above is to have proper systems in place to ensure the following:

- There will be an increased activity level in the Directorate in different revenue forums in the revenue collecting departments with more regular workshops and Bilaterals between the unit and the different departments.
- The total restructuring will result in a more dynamic approach from the unit and an anticipated smarter method of working together with more credible outputs
- Suitable candidates with appropriate skills, knowledge and experience will be recruited in order to add value to the department.
- The skill levels of current employees will continue to improve as we learn more of our new environment as well as exactly what is expected from us and correctly skilled officials are appointed
- There will be an increased activity level in the Directorate in different revenue forums in the revenue collecting departments with more regular workshops and Bilaterals between the unit and the different departments.
- The total restructuring will result in a more dynamic approach from the unit and an anticipated smarter method of working together with more credible outputs
- Officials will also visit other provinces in order to establish some best and worst practices in order to determine exactly how we should be positioned in the province/country.

4.6.5 Specification of measurable objectives and performance indicators

Sub-Programme 2.3: (Fiscal Policy) Strategic Objectives, Measurable objectives, Performance Measures indicators and targets

Sub Programme 2.3 (Fiscal Policy)			Strategic Goal: Provide fiscal policy advice, determine the Medium Term Fiscal framework, develop and optimise the provincial revenue base and develop the provincial borrowing framework.					
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	2005/06 Actual	2006/07 Target	2007/08 Target	2008/09 Target	2009/10 Target
To strengthen and provide technical and strategic support for institutional capacity of provincial government	Developed Borrowing framework	Improve and co-ordinate revenue measures and mechanisms	Appropriate framework developed and adjusted annually	The draft will only be completed in the 2006/07 financial year Workshop completed in Sep 2005 4 th Quarter meeting to be finalised in May 2006	1 st Draft	1 Framework	1 revised Framework	1 revised Framework
Set credible revenue budgets	Provincial own revenue sources optimized and expanded	Strengthen financial management capacity in departments	Develop a revenue base per department Develop framework of research into new revenue resources Options for provincial taxation investigated Involvement in capacity building	55% Data in respect of some departments still needs to be verified Framework to be finalized in 2007/08 Report to be finalized 2006/07 financial year	Annually reviewed N/A Research report 1 workshop & quarterly meetings	Annually reviewed 1 Framework Annual proposals tabled 1 workshop & quarterly meetings	Annually reviewed Annually reviewed Annual proposals tabled 1 workshop & quarterly meetings	Annually reviewed Annually reviewed Annual proposals tabled 1 workshop & quarterly meetings
Oversee compliance with revenue policies, financial directives, PFMA, and treasury regulations.	Compliance with Norms and standards of own revenue	Improve and co-ordinate revenue measures and mechanisms	Number of annual inspections executed Reports issued on findings Monthly revenue report Quarterly EXCO report	Target achieved 4th quarter report to be issued in April/May 2006	60 Inspections 60 Reports 12 reports 4 reports per department per year	60 Inspections 60 Reports 12 reports 4 reports per department per year	60 Inspections 60 Reports 12 reports 4 reports per department per year	60 Inspections 60 Reports 12 reports 4 reports per department per year

Oversee the implementation of policies for effective control of revenue	Effective management of revenue collection	Strengthen financial management capacity in departments	Reviewed revenue policies in line with fiscal framework Decrease in outstanding revenue	100% achieved	22 policies and 16 Tariff submissions reviewed annually CPIX target	22 policies and 16 Tariff submissions reviewed annually CPIX target	22 policies and 16 Tariff submissions reviewed annually CPIX target	22 policies and 16 Tariff submissions reviewed annually CPIX target
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4.7 Sub-programme 2.4: (Budget Management)

4.7.1 Specified policies, priorities and strategic objectives

This sub-programme prepares the provincial budget in line with provincial growth and development strategy.

Strategic objectives linked to this sub-programme:

- Alignment of budgets to FSGDS, strategic and annual performance plans
- Set credible expenditure and revenue budgets
- Monitor compliance with the public finance management act, regulations and guidelines.
- To strengthen and provide technical and strategic support for institutional capacity of provincial government

4.7.2 Progress analysis

- The sub-programme managed to prepare a credible and developmental budget for the period under review in pursuit of improved public expenditure management.
- Significant progress had been made with regard to preparation and tabling of strategic and performance plans, with measurable objectives, which remain a necessary condition for accountability
- Adjustment budget 2006/07 was tabled 30 days after the tabling of the National Adjustment Budget
- Intergovernmental Fiscal Review (IGFR) inputs were consolidated and thoroughly evaluated to ensure the quality of data provided by departments

4.7.3 Analysis of constraints and measures planned to overcome them

Constraints:

- Ensure the alignment of Strategic and Performance Plans as well as Infrastructure plans with budgets and Free State Growth and Development Strategy
- Timely tabling of the budget and strategic plans
- Improve the credibility and quality of the departmental budget inputs

Measures planned to overcome the constraints:

- Provide continuous training to the budget division unit around strategic planning
- Enforce compliance by all departments to the budget process schedule in order to ensure tabling of the budget and strategic plans on time
- Ensure the completion of the departmental budget inputs in terms of the annual budget circular

4.7.4 Description of planned quality improvement measures

- Budget Management sub-programme will ensure the preparation of the provincial budget in line with the provincial growth and development strategy. This entails ensuring that the provincial budgeting processes are aligned to the national planning processes.
- The sub-programme managed to prepare a credible and developmental budget for the period under review in pursuit of improved public expenditure management..
- Significant progress had been made with regard to preparation and tabling of strategic and performance plans, with measurable objectives, which remain a necessary condition for accountability.

4.7.5 Specification of measurable objectives and performance indicators

Sub-Programme 2.4: (Budget Management) Strategic Objectives, Measurable objectives, Performance Measures indicators and targets

Sub Programme 2.4: (Budget Management)			Strategic Goal: Provide policy advice and ensure budget implementation.					
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	2005/06 Actual	2006/07 Target	2007/08 Target	2008/09 Target	2009/10 target
Alignment of budgets to FSPGD's, strategic and annual performance plans	Prepare developmental budgets	Align and co-ordinate IDP's and FSGDS.	Tabled appropriation and provincial budget in line with National and Provincial Priorities	Budget tabled on 17 February 2006 100%	Table one weeks after the National Budget	Table not later than two weeks after the National Budget	Table not later than two weeks after the National Budget	Table not later than two weeks after the National Budget
Set credible expenditure and revenue budgets		Implement the National and Provincial Programme of Action	Accurate and credible budget statement	100% Budget tabled on 17 February 2006	Accurate Budget Statement be tabled with the bill	Accurate Budget Statement be tabled with the bill	Accurate Budget Statement be tabled with the bill	Accurate Budget Statement be tabled with the bill
Monitor compliance with the public finance management act, regulations and guidelines.		Co-ordinate strategic Planning programmes	Analysis report on the alignment of strategic plan	50% completed. Final document to be evaluated by National & Provincial Treasuries	Analysis report 30 day after submission of strategic plan	Analysis report 30 day after submission of strategic plan	Analysis report 30 day after submission of strategic plan	Analysis report 30 day after submission of strategic plan
To strengthen and provide technical and strategic support for institutional capacity of provincial government	Prepare credible adjustments budget	Implement the National and Provincial Programme of Action	Tabled adjustment budget and adjustment appropriation bill in line with National and Provincial Priorities	Adjustment budget tabled on 22 November 2005	Table adjustment budget 30 days after National Adjustment Budget	Table provincial budget 30 days after National Adjustment Budget	Table provincial budget 30 days after National Adjustment Budget	Table provincial budget 30 days after National Adjustment Budget
			Accurate and credible adjustment budget book	Tabled on 22 nd November 2005	Table adjustment budget book with the bill	Table adjustment budget book with the bill	Table adjustment budget book with the bill	Table adjustment budget book with the bill

4.8 Sub-programme 2.5: (Public Finance)

4.8.1 Specified policies, priorities and strategic objectives

This sub-programme provides policy advice and ensures budget implementation

Strategic objectives linked to this sub-programme:

- Provide policy advice and ensure budget implementation in provincial departments
- Effective monitoring and implementation of budgets for provincial departments and public entities.
- To strengthen and provide technical and strategic support for institutional capacity of provincial governments

4.8.2 Progress analysis

- The Directorate managed to create a financial data base where officials within the Provincial Treasury have access to information on provincial expenditure trends and figures.
- Quarterly presentations to the Executive Council, National Council of Provinces, the Finance Committee on the projected Provincial Budget outcome.
- Ensure that departments continuously adhere to the submission dates of the IYM on the 15th of each month and submit to National Treasury on the 22nd.
- Timeous submission of the IRM (Infrastructure Reporting Model) on a quarterly basis to National Treasury

The department embarked on an exercise to conduct infrastructure visits at different projects in the Free State. A report was prepared after each visit and compared with information in the IRM model as well information provided by the provincial departments in their Infrastructure plans and IDIP processes; this resulted in better performance assessment of infrastructure delivery that also assists to assess the credibility of Infrastructure Reporting Model information.

An Infrastructure review meeting was held with all provincial departments and the implementation agents, this heightened focus on infrastructure roll-out that will assist to further accelerate the rate of infrastructure delivery.

4.8.3 Analysis of constraints and measures planned to overcome them

- Monitor and report on infrastructure spending in the province.
- Monitor and report on financial performance of the province.
- Monitor on the non-financial data and the unit's capacity to effectively evaluate the non-financial information.
- Monitor the implementation of public entities budgets and non-financial information.

4.8.4 Description of planned quality improvement measures

- Provide training to new and existing personnel around the In-Year- Monitoring System and the Infrastructure Reporting Model and the analysis with regard to the non-financial data.
- Ensure the monthly and quarterly submission of reports of provincial departments as well as public entities.

4.8.5 Specification of measurable objectives and performance indicators

Sub-Programme 2.5: (Public Finance) Strategic Objectives, Measurable objectives, Performance Measures indicators and targets

Sub Programme 2.5: (Public Finance)			Strategic Goal: Provide policy advice and ensure budget implementation.					
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Target	2008/09 Target	2009/10 Target
Provide policy advice and ensure budget implementation in provincial departments Effective monitoring and implementation of budgets for provincial departments and public entities.	Monitoring of expenditure trends against budget figures	Strengthen financial management capacity in departments Improve and co-ordinate revenue measures and mechanisms	Monthly analyzed report per department	N/A	12 reports per department	12 reports per department	12 reports per department	12 reports per department
			Quarterly reporting on Infrastructure spending	N/A	4 Reports	4 Reports	4 Reports	4 Reports
			Quarterly review on expenditure trends	N/A	4 Reviews	4 Reviews	4 Reviews	4 Reviews
			Quarterly reporting on Infrastructure spending on public entities	N/A	4 reports	4 reports	4 reports	4 reports
Effective monitoring and implementation of budgets for provincial departments and public entities.	Maintain the Provincial budget database (Financial and Non-financial Information)	Improve and co-ordinate revenue measures and mechanisms	Monthly updated provincial database on financial information	N/A	Developed database	Maintained database	Maintained database	Maintained database
			Quarterly updated provincial database on non-financial information		In Progress of developing	Developed database	Maintained database	Maintained database
To strengthen and provide technical and strategic support for institutional capacity of provincial governments	Involvement in capacity building	Strengthen financial management capacity in departments	Quarterly forums in line with National directives	N/A	4 forums	4 forums	4 forums	4 forums

5. Programme 3: (Asset and Liability Management)

To provide policy direction, facilitate the effective and efficient management of assets, liabilities and financial management systems.

There are four sub-programmes:

3.1 Programme support	Provide for the cost related to efficient running of the programme
3.2 Asset Management	To facilitate the effective, efficient, economical and transparent management of physical and financial assets and the implementation of the PPP and SCM frameworks.
3.3 Liabilities Management	To facilitate the effective and efficient management of liabilities.
3.4 Support and Interlinked Financial Systems	To manage the implementation and maintenance of financial systems.

5.1 Specified policies, priorities and strategic objectives

The functions of this programme are directed mainly by the Public Finance Management Act (1 of 1999), Treasury Regulations, Division of Revenue Act and other guidelines and practice notes issued by the National Treasury. It is envisaged that during the strategic period under consideration, National Treasury will issue guidelines relating to grievance mechanisms regarding Supply Chain Management.

The strategic objectives linked to this programme are:

- Develop, promote and monitor the implementation of policies for effective management of assets.
- Provide strategic leadership, support and monitoring of Supply Chain Management, Infrastructure Delivery Models and Public-Private Partnership projects.
- Ensure proper and effective management of the Provincial Revenue Fund.
- To strengthen and provide technical and strategic support for the institutional capacity of provincial government.
- To provide for the implementation, management and support of existing financial management systems and the transition to the Integrated Financial Management System (IFMS) enhancing compliance with PFMA and other relevant legislation.
- Monitor compliance with the Public Finance Management Act, accounting policy, regulations and guidelines.

5.2 Progress analysis

- Liquidity was maintained throughout the year for the entire Province.
- There was a marked improvement with regard to cash flow forecasting capabilities of line departments.
- The first phase of the Infrastructure Delivery Improvement Programme was successfully rolled out to the Departments of Education and Health.
- The Asset Management Reform Programme was successfully initiated in all Departments as well as the establishment of an Asset Management Forum.
- Supply Chain Management was implemented in all departments and monitoring was sustained.
- Enhancement of Asset Management practices.
- The Province was able to successfully close 13 of the 15 “BAS Departments” at the end of the 2005/2006 financial year.
- The reconciliation between the LOGIS Asset Register and BAS was successfully done for ten departments.
- Targets were exceeded in the training of transversal system users.
- Call Centres for LOGIS, PERSAL, BAS and Transversal IT (Terminal Servers) were established, tested and currently in use.

5.3 Analysis of constraints and measures planned to overcome them

The key challenges over the strategic plan period:

- The implementation of Asset Management Reform Practices.
- To consolidate the capacity building efforts regarding the improvement of cash flow management practices in departments to be within the 10% variance.
- To promote full compliance with the Supply Chain Management policy.
- To foster effective roll-out of the Infrastructure Delivery Improvement Project in the Province.
- To promote and support departments with the successful implementation of PPP projects.
- Roll-out of the supplier database to all Provincial Departments.
- Purification of functions within the programme.
- Training of all users of the transversal systems.
- Lack of capacity and skills within the programme and departments.
- Clarity on the roles expected from role players within Treasury.
- Slow pace of the IFMS (Integrated Financial Management System) project.
- Time frames involved for the Job Evaluations and appointment of the Management Information Systems (MIS) units personnel.

- Frustration and problems experienced with BAS updates, releases and support.
- Dependency on third party involvement with Transversal Financial Systems e.g. Upgrading of System Software.

Measures planned to overcome them:

- Develop, promote and monitor the implementation of policies for effective management of assets
- Provide strategic leadership, support and monitoring of Supply Chain Management, Infrastructure Delivery Models and Public-Private Partnership projects.
- Ensure proper and effective management of the Provincial Revenue Fund.
- Improve capacity level.
- Clarification of roles for all role-players.
- Urge the National Treasury to expedite the IFMS project.
- Re-arranging of functions and skills transfer to current employees to overcome time frames.
- Closely related involvement with National Treasuries Technical team.
- Monthly meetings with the National Treasury Technical team.

5.4 Description of planned quality improvement measures

- Continuous training of departmental officials as well as co-ordination of training in departments.
- Continuous evaluation of the performance of officials in the programme and departments.
- Appointment of skilled employees

5.5 Sub-programme 3.2: (Asset Management)

5.5.1 Specified policies, priorities and strategic objectives

The aim of this sub-programme is to facilitate the effective, efficient, economical and transparent management of physical and financial assets and the implementation of the PPP and SCM frameworks.

Strategic objectives linked to this sub-programme:

- Develop, promote and monitor the implementation of policies for effective management of assets
- Provide strategic leadership, support and monitoring of Supply Chain Management, Infrastructure Delivery Models and Public-Private Partnership projects
- Ensure proper and effective management of the Provincial Revenue Fund
- To strengthen and provide technical and strategic support for the institutional capacity of provincial government

5.5.2 Progress analysis

- Liquidity was maintained throughout the year for the entire Province.
- There was a marked improvement with regard to cash flow forecasting capabilities of line departments.
- The first phase of the Infrastructure Delivery Improvement Programme was successfully rolled out to the Departments of Education and Health.
- The Asset Management Reform Programme was successfully initiated in all Departments as well as the establishment of an Asset Management Forum.
- Supply Chain Management was implemented in all departments and monitoring was sustained.
- Enhancement of Asset Management practices.

5.5.3 Analysis of constraints and measures planned to overcome them

The key challenges over the strategic plan period

- The implementation of Asset Management Reform Practices.
- To consolidate the capacity building efforts regarding the improvement of cash flow management practices in departments to be within the 10% variance.
- To promote full compliance with the Supply Chain Management policy.
- To foster effective roll-out of the Infrastructure Delivery Improvement Project in the Province.
- To promote and support departments with the successful implementation of PPP projects.
- Roll-out of the supplier database to all Provincial Departments.

Measures planned to overcome them:

- Develop, promote and monitor the implementation of policies for effective management of assets
- Provide strategic leadership, support and monitoring of Supply Chain Management, Infrastructure Delivery Models and Public-Private Partnership projects.
- Ensure proper and effective management of the Provincial Revenue Fund.

5.5.4 Description of planned quality improvement measures

- Enhance ability in the sub directorate to enforce compliance by departments, including increasing capacity level if necessary.
- Consolidate available capacity and resources in the sub programme to enhance the implementation of the IDIP.

5.5.5 Specification of measurable objectives and performance indicators

Sub-Programme 3.2: (Asset Management) Strategic Objectives, Measurable objectives, Performance Measures indicators and targets

Sub-Programme 3.2: (Asset Management)			Strategic Goal: Contributing to the economic, efficient and effective service delivery.					
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual 2005/06	2006/07 Estimates	2007/08 Target	2008/09 Target	2009/10 Target
Provide strategic leadership, support and monitoring of infrastructure Delivery Models and Public Private Partnership projects	Facilitate roll-out of infrastructure Delivery Improvement Programme and monitor its implementation in the departments	Improve cluster system across the two spheres of government in the province	Steering Committee meetings	Co-ordination of Steering Committee meetings (12) 6 training programmes coordinated (161 officials attended)	12 Meetings	12 Meetings	12 Meetings	12 Meetings
	Promote and monitor Public Private Partnerships in the Province	Ensure effective implementation of intergovernmental relations.	Quarterly reports	131 Reports Proposed PPP projects still at planning/feasibility stage.	4 Quarterly Reports	4 Quarterly Reports	4 Quarterly Reports	4 Quarterly Reports
	Develop capacity to deal with Public Private Partnership projects	Ensure effective implementation of intergovernmental relations.	Public Private Partnership delegation	Started the process of evaluating and advertising infrastructure and PPP personnel pots.	1st set of PPP delegations	1 st set of PPP delegation	Dependent on the developments at National Treasury	Dependent on the developments at National Treasury
Develop, promote and monitor the implementation of policies for effective management of assets	Promote and facilitate capacity building of officials responsible for asset management in provincial departments.	Strengthen financial management capacity in departments	Asset and SCM forum meetings, workshops and training sessions.	+ 326 Officials	17 Forums, Workshops and Training sessions	17 Forums, Workshops and Training sessions	17 Forums, Workshops and Training sessions	17 Forums, Workshops and Training sessions

Sub-Programme 3.2: (Asset Management)			Strategic Goal: Contributing to the economic, efficient and effective service delivery.					
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual 2005/06	2006/07 Estimates	2007/08 Target	2008/09 Target	2009/10 Target
Develop, promote and monitor the implementation of policies for effective management of assets	Promote effective and efficient utilization of movable and immovable asset in the province.	Improve control of assets and resources.	Evaluation reports.	131Reports	120 Reports	120 Reports	120 Reports2	120 Reports
Develop, promote and monitor the implementation of policies for effective management of assets	Promote and monitor the implementation of asset management reform project.	Improve control of assets and resources.	Progress and monitoring reports to Provincial Steering Committee	11 Sign-off Departmental Implementation Plans by CFO's. 3 x ARM Workshops	12 Reports	312 Reports	12 Reports	12 Reports
Provide strategic leadership, support and monitoring of Supply Chain Management.	Promote and facilitate capacity building of officials responsible for Supply Chain Management in the Provincial departments.	Strengthen financial management capacity in departments	SCM Forum. Training sessions and workshops.	+ - 326 Officials	17 Forums, Workshops and Training sessions	17 Forums, Workshops and Training sessions	17 Forums, Workshops and Training sessions	17 Forums, Workshops and Training sessions
	Promote and monitor the implementation of SCM framework	Strengthen financial management capacity in departments	Monitoring and Evaluation reports	131Reports	120 Reports	120 Reports	120 Reports	120 Reports
	Develop and implement Provincial Supplier Management System.	Strengthen financial management capacity in departments	Functional Supplier Management system	11 Sign-off Departmental Implementation Plans by CFO's. 3 x ARM Workshops	12 Reports	12 Reports	12 Reports	12 Reports
Develop, promote and monitor the implementation of policies for effective management of assets.	Promote effective cash flow management within provincial departments.	Strengthen financial management capacity in departments	% variance (favourable or unfavourable) between funds requested and actual funds withdrawn/used	On average 50% of departments. Were within 10%	Within 10% variance	Within 8%	Within 5%	Within 5%

Sub-Programme 3.2: (Asset Management)			Strategic Goal: Contributing to the economic, efficient and effective service delivery.					
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual 2005/06	2006/07 Estimates	2007/08 Target	2008/09 Target	2009/10 Target
Ensure proper and effective management of the Provincial Revenue Fund.	Maximize return on surplus funds	Improve control of assets and resources.	Collection of budgeted interest income	An amount of R52million collected as at 31 March 2006 for the year 2005/06. Over collection of Interest sitting at 37% above target which is R14million.		As set in the budget	As set in the budget	As set in the budget
	Maintain accurate financial accounting records for the Provincial Revenue Fund	Improve control of assets and resources.	Compiled PRF annual financial statements and monthly cash flow reports	Monthly reconciliation prepared up to 31 March 2006.	Accuracy of reconciliation statements and timely submission of AFS 31/05/06	12 reports together with Annual Financial Statements	12 reports together with Annual Financial Statements	12 reports together with Annual Financial Statements

5.6 Sub-programme 3.4 (Support and Interlinked Financial Systems)

5.6.1 Specified policies, priorities and strategic objectives

The aim of the sub-programme is to manage the implementation and maintenance of financial systems.

Strategic objectives are:

- To strengthen and provide technical and strategic support for the institutional capacity of provincial government.
- To provide for the implementation, management and support of existing financial management systems and the transition to the Integrated Financial Management System (IFMS) enhancing compliance with PFMA and other relevant legislation.
- Monitor compliance with the Public Finance Management Act, accounting policy, regulations and guidelines

5.6.2 Progress analysis

- The Province was able to successfully close 13 of the 15 "BAS Departments" at the end of the 2005/2006 financial year.
- The reconciliation between the LOGIS Asset Register and BAS was successfully done for ten departments.

- Targets were exceeded in the training of transversal system users.
- Call Centres for LOGIS, PERSAL, BAS and Transversal IT (Terminal Servers) were established, tested and currently in use.

5.6.3 Analysis of constraints and measures planned to overcome them

Constraints:

- Purification of functions within the programme.
- Training of all users of the transversal systems.
- Lack of capacity and skills within the programme and departments.
- Clarity on the roles expected from role players within Treasury.
- Slow pace of the IFMS (Integrated Financial Management System) project.
- Time frames involved for the Job Evaluations and appointment of the Management Information Systems (MIS) units personnel.
- Frustration and problems experienced with BAS updates, releases and support.
- Dependency on third party involvement with Transversal Financial Systems e.g. Upgrading of System Software.

Measures planned to overcome them:

- Improve capacity level.
- Clarification of roles for all role-players.
- Urge the National Treasury to expedite the IFMS project.
- Re-arranging of functions and skills transfer to current employees to overcome time frames.
- Closely related involvement with National Treasuries Technical team.
- Monthly meetings with the National Treasury Technical team.

5.6.4 Description of planned quality improvement measures

- Continuous training of departmental officials as well as co-ordination of training in departments.
- Continuous evaluation of the performance of officials in the programme and departments.
- Appointment of scarce skill employees with extensive experience and knowledge in the IT environment.

5.6.5 Specification of measurable objectives and performance indicators

Sub-Programme 3.4 (Support and Interlinked Financial Systems) Strategic Objectives, Measurable objectives, Performance Measures indicators and targets

Sub Programme 3.4 (Support and Interlinked Financial Systems)			Strategic Goal: Contributing to the economic, efficient and effective service delivery.					
<i>Strategic Objective</i>	<i>Measurable Objective</i>	<i>FSGDS Linkage</i>	<i>Performance Measure Indicator</i>	<i>2005/06 Actual</i>	<i>2006/07 Target</i>	<i>2007/08 Target</i>	<i>2008/09 Target</i>	<i>2009/10 Target</i>
To strengthen and provide technical and strategic support for the institutional capacity of provincial government.	Manage and maintain the Transversal Systems.	Improve cluster system across the two spheres of government in the province	Availability and stability of the Transversal systems	Systems were available 98% of working hours	95% of working hours	95% of working hours	95% of working hours	95% of working hours
To provide for the implementation, management and support of existing financial management systems and the transition to the Integrated Financial Management System (IFMS) enhancing compliance with PFMA and other relevant legislation.		Maintain and consolidate constructive partnerships with all key provincial role players	Provide technical and functional support to Provincial Departments Ensure a maintained Supplier Register and item master for Provincial Departments	Respond to calls within 8 working hours and solve problems within 24 working hours Suppliers registered and Items codified according to norms and standards	Respond to calls within 8 working hours Suppliers registered and Items codified according to norms and standards	Respond to calls within 8 working hours Suppliers registered and Items codified according to norms and standards	Respond to calls within 8 working hours Suppliers registered and Items codified according to norms and standards	Respond to calls within 8 working hours Suppliers registered and Items codified according to norms and standards
Monitor compliance with the Public Finance Management Act, accounting policy, regulations and guidelines.	Building capacity in respect of Transversal Systems.	Improve financial management capacity	Number of officials	PERSAL 300 LOGIS 500 BAS 450	BAS 450 PERSAL 300 LOGIS 500	BAS 250 PERSAL 300 LOGIS 400	BAS 250 PERSAL 250 LOGIS 350	BAS 250 PERSAL 250 LOGIS 350

6 Programme 4: (FINANCIAL GOVERNANCE)

Promote accountability through substantive reflection of financial activities of the province as well as compliance with financial norms and standards. This programme consists of the following sub programmes:

4.1 Programme support	Provide for the cost related to efficient running of the programme.
4.2 Accounting Services	Ensure the effective implementation of accounting practices in line with Generally Recognised Accounting Practice; prepare consolidated financial statements that reflect the financial position of the province.
4.3 Norms and Standards: PFMA	Ensure the development and implementation of norms and standards in the Provincial Departments and Public Entities.
4.4 Norms and Standards: MFMA	Promote, support, monitor and report on the implementation of the MFMA at delegated municipalities and Municipal Entities in the Province and ensure quality reports translate in service delivery performance.
4.5 Risk Management and Provincial Internal Audit	Promote effective optimal financial resource utilisation and Internal audit.

6.1 Specified policies, priorities and strategic objectives

Promote accountability through substantive reflection of financial activities of the province as well as compliance with financial norms and standards.

Strategic objectives linked to this programme:

- Development and implementation of accounting policies and practices to ensure compliance with GRAP standards.
- Consolidate Annual Financial Statements for the provincial departments and public entities.

- To strengthen and provide strategic support to provincial departments and public entities with regard to Accounting Policies, Practices and Annual Financial Statements.
- To monitor compliance with regard to Accounting Standards, Policies and relevant sections of PFMA.
- To strengthen and provide strategic support to provincial departments and public entities with regard to PFMA.
- To promote compliance with Provincial Norms and Standards.
- To promote effective implementation of Legislative resolutions.
- To monitor, implement, evaluate and report on the compliance with PFMA and Treasury Regulations.
- To strengthen and provide strategic support to provincial departments and public entities with regard to MFMA.
- To monitor, evaluate and report on compliance of the Municipal Finance Management Act.
- Facilitation of residual risk assessments and the availability of a risk profile per department.
- The provision of a consolidated risk profile for the provincial government as a whole and the ensuring of risk response strategies to mitigate transversal risks.
- Assessment of Internal Audit Units.
- Capacity building Internal Audit.

6.2 Progress analysis

- The Annual Financial Statements of 11 departments and the Provincial Legislature had been reviewed to assist the departments in enhancing the quality of financial statements that had to be submitted on 31 May 2006.
- All departments submitted their Annual Financial Statements for 2005/06 on 31 May 2006, except the PMU fund, which were not aware that it had to be submitted at the same time.
- Eight (8) departments and eight (8) public entities, trust funds and trading accounts received unqualified audit reports for 2005/06 compared to the six (6) departments and ten (10) public entities, trust funds and trading accounts for the 2004/05 financial year.
- Compiled consolidated Annual Financial Information for 2005/06 for provincial departments, the provincial legislature, public entities, trust funds and trading accounts, and printed and submitted annual report for tabling in the legislature in line with the requirements of the Public Finance Management Act.
- Guidelines for the regulation of expenditure by departments and entities on Annual Reports have been developed and successfully implemented in the province.
- Prepared a useful analysis report to PROPAC on the audit outcomes of provincial departments, the provincial legislature, public entities, trust funds and trading accounts for the 2005/06 financial year;
- Continued with Quarterly Chief Financial Officer (CFO) forums and an Asset Management Workshop was held to focus on related issues to Annexure 4 and 5 of the annual financial statements regarding the handling of fixed assets.
- Monthly compliance certificates based on the outcomes of the 2004/05 audit reports were amended to incorporate problem areas and to improve overall financial management in the Province.

- Key Financial Performance Indicators were used to measure the financial performance of all departments and trading accounts. Based on these KPI's the financial management of departments improved from an average of 72% in the first two quarters of 2005/06 to 85% in the same period for 2006/07. This is 4% higher than the minimum norm of 81% adherence which was set for the 2006/07 financial year.
- The first PAG Bilaterals on financial management were held with all departments during November 2006 to address issues raised in the 2005/06 audit reports as well as financial management issues of 2006/07.
- Capacity building in the form of training to 143 officials was done on various areas of financial management. Utilisation of Excel template for the compiling of Annual Financial Statements for 2005/06: 15 officials; Development of Debt policy- follow-up session to departments and entities: 40 officials; Telephone Control Account: 54 officials and Unauthorised, Irregular and Fruitless & Wasteful expenditure: 34 officials.
- Detail debt analyses of all debt types per department were done for the first time with the aim of improving on the management and recovery of debt in the province. Detail analyses were not done previously due to the unavailability of information. A report in this regard was also submitted to EXCO.
- The outstanding commitments of all departments in the province for the period prior 01 April 2006 at the end of the 2005/06 financial year reduced from R 349 million to R 150 million as at 31 October 2006.
- On site assistance were provided for two months at Nala Municipality.
- Issued two compliance reports to the Executive Council regarding progress in the implementation of, and compliance with the Act.
- Implement the newly approved PROPAC procedure. Preliminary assessments done within five working days.
- Organised training.
- Finance Bill enacted on 25 August 2006 dealing with unauthorised expenditure.
- Unauthorised expenditure since 1998 to date was presented in PROPAC during November 2006.
- Schedule 3c of the PFMA was rectified.
- Significant improvement in submission of returns to National Treasury
- Bilaterals held at municipalities to assess capacity
- Arranged logistics for SAMDI SCM training
- Facilitated and/or organised/co-ordinated training on municipal budgeting processes, AFS, completion of returns, SDBIP, REAL management, etc
- Established the CFO Forum at local government
- MOU Steering Committee with the Department of Local Government & Housing
- Established the MOU Technical Committee with the Department of Local Government & Housing
- Publication and tabling of the consolidated section 71 reports in the legislature
- Submitted 2 progress reports to PROPAC
- Evaluated municipal budgets and submitted report to National Treasury
- Publication of allocations to municipalities not covered in DoRA

6.3 Analysis of constraints and measures planned to overcome them

Constraints:

- Successful transformation to accrual accounting.
- Successful inclusion of fixed and moveable assets in the financial statements of all departments.
- Limited time to complete consolidated financial statements /information in the event that the audit reports of all departments and public entities are not signed by 31 July.
- Issues on template for the compiling of Annual Financial Statements not resolved as per agreements with National Treasury.
- Capacity building to officials of Local Government on the completion of annual financial statements.
- Unavailability of training manuals on the utilisation, interpretation and clearance of asset & liability items.
- Lack of relevant knowledge and skills to perform tasks in the Treasury environment.
- Vacancy level and timeframe to fill vacant posts.
- Non-compliance with target dates by departments.
- Delays/non compliance of new PROPAC procedure by other departments.
- Integration of AFS and Annual Reports at municipal level.
- Submission of quality budget evaluations for municipalities to National Treasury.
- Submission of credible IYM to National Treasury.
- Assessment of budget related policies at municipal level.
- Compilation of SDBIP and assessment of performance management systems.
- Alignment of IDPs with PGDS and national priorities linked to municipal budgets.
- Turnover rate of personnel.
- Reporting requirements of municipalities.
- Concretise working relations with the Department of Local Government & Housing.

6.4 Description of planned quality improvement measures

- Monitoring reports on Key Performance Indicators (KPI's) and issues raised by the Auditor General on 2005/06 Annual Financial Statements and facilitate corrective actions.
- Continue with Financial Management Bilaterals with departments: 2007.
- Introduction of Financial Management Bilaterals with public entities.
- National Treasury and Provincial Treasury to agree on way forward and provide guidance to eliminate problems regarding asset related problems.

- Identify problem areas in annual financial statements and provide guidance in the form of processes, procedures, workshops, prescriptive instructions and training.
- Continue capacity building of our own officials as well as officials from Departments, Trading entities and Local Government.
- Expand on the evaluation of financial management of public entities.
- Norms and Standards will be issued.
- Matters will be added to Financial Management Bilaterals in future.
- Assist Local Governments with the compilation of annual financial statements.
- Norms and Standards will be issued.
- Matters will be added to Financial Management Bilaterals in future.
- Skills and capacity building.
- Continuous capacity assessment of municipalities.
- Inter-governmental transfers to identified municipalities.
- Intensify municipal visits.
- Acquisition of procedure manuals.

6.5 Sub-programme 4.2: (Accounting Services)

6.5.1 Specified policies, priorities and strategic objectives

The Accounting Service component is a key link between the Financial Accounting teams of provincial departments and the Provincial Treasury to encourage the implementation of sound accounting practices and ensure that financial reporting is a full reflection of the financial position of the Provincial Government.

Strategic objectives linked to this sub-programme:

- Development and implementation of accounting policies and practices to ensure compliance with GRAP standards.
- Consolidate AFS for the provincial departments and public entities.
- To strengthen and provide strategic support to provincial departments and public entities with regard to Accounting Policies, Practices and Annual Financial Statements.
- To monitor compliance with regard to Accounting Standards, Policies and relevant sections of PFMA.

6.5.2 Progress analysis

- The Annual Financial Statements of 11 departments and the Provincial Legislature had been reviewed to assist the departments in enhancing the quality of financial statements that had to be submitted on 31 May 2006.
- All departments submitted their Annual Financial Statements for 2005/06 on 31 May 2006, except the PMU fund, which were not aware that it had to be submitted at the same time.
- Eight (8) departments and eight (8) public entities, trust funds and trading accounts received unqualified audit reports for 2005/06 compared to the six (6) departments and ten (10) public entities, trust funds and trading accounts for the 2004/05 financial year.
- Compiled consolidated Annual Financial Information for 2005/06 for provincial departments, the provincial legislature, public entities, trust funds and trading accounts, and printed and submitted annual report for tabling in the legislature in line with the requirements of the Public Finance Management Act.
- Guidelines for the regulation of expenditure by departments and entities on Annual Reports have been developed and successfully implemented in the province.
- Prepared a useful analysis report to PROPAC on the audit outcomes of provincial departments, the provincial legislature, public entities, trust funds and trading accounts for the 2005/06 financial year.
- Continued with Quarterly Chief Financial Officer (CFO) forums and an Asset Management Workshop was held to focus on related issues to Annexure 4 and 5 of the annual financial statements regarding the handling of fixed assets.
- Monthly compliance certificates based on the outcomes of the 2004/05 audit reports were amended to incorporate problem areas and to improve overall financial management in the Province.
- Key Financial Performance Indicators were used to measure the financial performance of all departments and trading accounts. Based on these KPI's the financial management of departments improved from an average of 72% in the first two quarters of 2005/06 to 85% in the same period for 2006/07. This is 4% higher than the minimum norm of 81% adherence which was set for the 2006/07 financial year.
- The first PAG bilaterals on financial management were held with all departments during November 2006 to address issues raised in the 2005/06 audit reports as well as financial management issues of 2006/07.
- Capacity building in the form of training to 143 officials was done on various areas of financial management. Utilisation of Excel template for the compiling of Annual Financial Statements for 2005/06: 15 officials; Development of Debt policy- follow-up session to departments and entities: 40 officials; Telephone Control Account: 54 officials and Unauthorised, Irregular and Fruitless & Wasteful expenditure: 34 officials.
- Detail debt analyses of all debt types per department were done for the first time with the aim of improving on the management and recovery of debt in the province. Detail analyses were not done previously due to the unavailability of information. A report in this regard was also submitted to EXCO.
- The outstanding commitments of all departments in the province for the period prior 01 April 2006 at the end of the 2005/06 financial year reduced from R 349 million to R 150 million as at 31 October 2006.
- On site assistance were provided for two months at Nala municipality.

6.5.3 Analysis of constraints and measures planned to overcome them

Constraints:

- Successful transformation to accrual accounting.
- Successful inclusion of fixed and moveable assets in the financial statements of all departments.
- Limited time to complete consolidated financial statements /information in the event that the audit reports of all departments and public entities are not signed by 31 July.
- Issues on template for the compiling of Annual Financial Statements not resolved as per agreements with National Treasury.
- Capacity building to officials of Local Government on the completion of annual financial statements.
- Unavailability of training manuals on the utilisation, interpretation and clearance of asset & liability items.
- Lack of relevant knowledge and skills to perform tasks in the Treasury environment.
- Vacancy level and timeframe to fill vacant posts.
- Non-compliance with target dates by departments.
- Delays/non compliance of new PROPAC procedure by other departments.

Measures:

- Inputs in respect of practical implementation on Accounting Standards Board exposure drafts and templates prepared by National Treasury.
- Regular consultation with the Office of the Auditor general and preparation of consolidated statements/information on draft statements.
- Promote quality of annual financial statements by providing inputs on templates prepared by national treasury and the evaluation of draft departmental statements with feedback to the departments.
- Prepare proper training manuals for capacity building of all officials in the financial environment..
- Exposure of officials in the directorate to Local Government environment, systems, accounting procedures and financial statements of municipalities.
- Treasury officials to attend necessary training as per their performance development plans.
- Maintain low vacancy rate by appointing new officials within the shortest possible timeframes.

6.5.4 Description of planned quality improvement measures

- Monitoring reports on Key Performance Indicators (KPI's) and issues raised by the Auditor General on 2005/06 Annual Financial Statements and facilitate corrective actions.
- Continue with Financial Management Bilaterals with departments: 2007.
- Introduction of Financial Management Bilaterals with public entities.
- National Treasury and Provincial Treasury to agree on way forward and provide guidance to eliminate problems regarding asset related problems.
- Identify problem areas in annual financial statements and provide guidance in the form of processes, procedures, workshops, prescriptive instructions and training.
- Continue capacity building of our own officials as well as officials from Departments, Trading entities and Local Government.
- Expand on the evaluation of financial management of public entities.
- Assist Local Governments with the compilation of annual financial statements.

6.5.5 Specification of measurable objectives and performance indicators

Sub-Programme 4.2: (Accounting Services) Strategic Objectives, Measurable objectives, Performance Measures indicators and targets

Sub Programme 4.2: (Accounting Services)			Strategic Goal: Contributing to the economic, efficient and effective service delivery.					
<i>Strategic Objective</i>	<i>Measurable Objective</i>	<i>FSGDS Linkage</i>	<i>Performance Measure Indicator</i>	<i>2005/06 Actual</i>	<i>2006/07 Target</i>	<i>2007/08 Target</i>	<i>2008/09 Target</i>	<i>2009/10 Target</i>
Development and implementation of accounting policies and practices to ensure compliance with GRAP standards. Consolidate Annual Financial Statements for the provincial departments and public entities.	Accounting policy, guidelines and practices Implemented in line with National Framework	Improve financial management capacity	Reports in line with formats and guidelines of GRAP Completed set of Accounting policies implemented accord to set timeframes	11 PAG circulars & 3 amendments were compiled and circulated Evaluated 9 exposure drafts from Accounting Standards Board	As per GRAP standards As per approved Accounting policy within set timeframe	As per GRAP standards As per approved Accounting policy within set timeframe	As per GRAP standards As per approved Accounting policy within set timeframe	As per GRAP standards As per approved Accounting policy within set timeframe
To strengthen and provide strategic support to provincial departments and public entities with regard to Accounting Policies, Practices and Annual Financial Statements.	Promote accurate compilation of Annual Financial statements	Improve and strategic planning, training, monitoring and evaluation	Percentage Correctness according to guide Evaluated Audit reports	100% Compliance with guide 25 Audit Reports received (Legislature, 11 Departments, 15 Public Entities) have been analysed and summarised in terms of Treasury Regulations	100% Analyse reports of Auditor General and take corrective steps	100% Analyse reports of Auditor General and take corrective steps	100% Analyse reports of Auditor General and take corrective steps	100% Analyse reports of Auditor General and take corrective steps
	To facilitate the timely submission of Annual Financial statements to Auditor General and National Treasury	Improve and strategic planning, training, monitoring and evaluation	Compliance with all statutory due dates. Unaudited Annual Financial Statements	All Departments and Public Entities submitted Annual Financial Statements by 31 May 2005 Received 27 audited AFS as at 31 March 2006	100% Compliance 31 May	100% Compliance 31 May	100% Compliance 31 May	100% Compliance 31 May

Consolidate Annual Financial Statements for the provincial departments and public entities.			Audited Annual Financial Statements		31 July	31 July	31 July	31 July
			Submit Annual Report	11 Departments, Legislature & 15 Entities submitted Annual Reports by 31 March 2006	31 August	31 August	31 August	31 August
			Table Annual Report	11 Departments, Legislature & 15 Entities tabled their Annual Reports by 31 March 2006.	30 Sept	30 Sept	30 Sept	30 Sept
	To prepare and submit annual consolidated financial statements	Improve and strategic planning, training, monitoring and evaluation	Percentage compliance with approved National Guidelines and timeframes	Unaudited draft Consolidated Financial Information was submitted 30 June 2005. Audit Report was signed on 30 November 2005. Consolidated Annual report was tabled in January 2006.	100% compliance 30 June Annual Report 31 October.	100% compliance 30 June Annual Report 31 October.	100% compliance 30 June Annual Report 31 October.	100% compliance 30 June Annual Report 31 October.
	Capacity Building	Improve financial management capacity	Number of officials trained	58 Officials was trained in respect of penalties on exceeding ACB limits 104 officials trained on SCOA. 30 Officials trained on Local Banking functionalities 8 Officials trained on analysis of audit reports i.r.o. Municipalities. Total officials trained = 200	300 Officials	350 Officials	400 Officials	450 Officials

To monitor compliance with regard to Accounting Standards, Policies and relevant sections of PFMA.	To promote Financial Management in the Province.	Improve and strategic planning, training, monitoring and evaluation	Percentage Adherence to predetermined KPI's	.Information will only be available after year end. Closure updated information will be submitted.	78%	81% and 12 reports	83% and 12 reports	85% and 12 reports
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6.6 Sub-programme 4.3: (Norms and Standards–PFMA)

6.6.1 Specified policies, priorities and strategic objectives

This sub-programme aims to ensure the development and implementation of norms and standards in the Provincial Departments and Public Entities.

Strategic objectives:

- To strengthen and provide strategic support to provincial departments and public entities with respect to PFMA.
- To promote compliance with Provincial Norms and Standards.
- To promote effective implementation of Legislative resolutions.
- To monitor, implement, evaluate and report on the compliance with PFMA and Treasury Regulations.

6.6.2 Progress analysis

- Issued two compliance reports to the Executive Council regarding progress in the implementation of, and compliance with the Act.
- Implement the newly approved PROPAC procedure. Preliminary assessments done within five working days.
- Organised training.
- Finance Bill enacted on 25 August 2006 dealing with unauthorised expenditure.
- Unauthorised expenditure since 1998 to date was presented in PROPAC during November 2006.
- Schedule 3c of the PFMA was rectified.

6.6.3 Analysis of constraints and measures planned to overcome them

- Non-compliance with target dates by departments.
- Delays/non compliance of new PROPAC procedure by other departments.

6.6.4 Description of planned quality improvement measures

- Norms and Standards will be issued.
- Matters will be added to Financial Management Bilaterals in future.

6.6.5 Specification of measurable objectives and performance indicators

Sub-Programme 4.3: (Norms and Standards–PFMA) Strategic Objectives, Measurable objectives, Performance Measures indicators and targets

Sub Programme 4.3: (Norms and Standards – PFMA)			Strategic Goal: Contributing to the economic, efficient and effective service delivery.					
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	2005/06 Actual	2006/07 Target	2007/08 Target	2008/09 Target	2009/10 Target
To strengthen and provide strategic support to provincial departments and public entities with regard to PFMA.	To promote compliance with PFMA in the Province	Strengthen financial management capacity in departments	Issue guideline, norms and standards in the province	5 PFMA Circulars	Guidelines & delegations must be 100% in line with the prescripts	Guidelines & delegations must be 100% in line with the prescripts	Guidelines & delegations must be 100% in line with the prescripts	Guidelines & delegations must be 100% in line with the prescripts
To promote compliance with Provincial Norms and Standards			Delegations updated annually	Delegations updated	April 2006	April 2007	April 2008	April 2009
To promote effective implementation of Legislation			Compliance reports to the Executive Council	4 EXCO Reports submitted	4 Reports	4 Reports	4 Reports	4 Reports
To monitor compliance with PFMA and Treasury Regulations			Number of officials trained with regard to PFMA	215 Officials	200 Officials	250 Officials	300 Officials	350officials

	Promote effective implementation of Legislation and render assistance to PROPAC	Strengthen financial management capacity in departments	Quarterly status report. Evaluation report	2 Reports 2 Reports (May and October 200)	Quarterly status report. Eight working days before PROPAC sitting	Quarterly status report. Eight working days before PROPAC sitting	Quarterly status report Eight working days before PROPAC sitting	Bi-monthly status report. Eight working days before PROPAC sitting
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6.7 Sub-programme 4.4: (Norms and Standards – MFMA)

6.7.1 Specified policies, priorities and strategic objectives

Aim: To promote, support, monitor and report on the implementation of the MFMA at delegated municipalities and Municipal Entities in the Province and ensure quality reports translates in service delivery performance.

Strategic objectives:

- To monitor, evaluate and report on compliance of the Municipal Finance Management Act.
- To strengthen and provide strategic support to provincial departments and public entities with regards to MFMA.

6.7.2 Progress analysis

- Significant improvement in submission of returns to National Treasury.
- Bilaterals held at municipalities to assess capacity.
- Arranged logistics for SAMDI SCM training.
- Facilitated and/or organised/co-ordinated training on municipal budgeting processes, AFS, completion of returns, SDBIP, REAL management, etc.
- Established the CFO Forum.
- MOU Steering Committee with the Department of Local Government & Housing.
- Established the MOU Technical Committee with the Department of Local Government & Housing
- Publication and tabling of the consolidated section 71 reports in the legislature.
- Submitted 2 progress reports to PROPAC.
- Evaluated municipal budgets and submitted report to National Treasury.
- Publication of allocations to municipalities not covered in DoRA.

6.7.3 Analysis of constraints and measures planned to overcome them

- Integration of AFS and Annual Reports.
- Submission of quality budget evaluations to National Treasury.
- Submission of credible IYM to National Treasury.
- Assessment of budget related policies.
- Compilation of SDBIP and assessment of performance management systems.
- Alignment of IDPs with PGDS and national priorities linked to municipal budgets.
- Turnover rate of personnel.
- Reporting requirements of municipalities.
- Concretise working relations with the Department of Local Government & Housing.

6.7.4 Description of planned quality improvement measures

- Skills and capacity building.
- Continuous capacity assessment of municipalities.
- Inter-governmental transfers to identified municipalities.
- Intensify municipal visits.
- Acquisition of procedure manuals.

6.7.5 Specification of measurable objectives and performance indicators

Sub-Programme 4.4: (Norms and Standards – MFMA) Strategic Objectives, Measurable objectives, Performance Measures indicators and targets

Sub Programme 4.4: (Norms and Standards – MFMA)			Strategic Goal: Maintain fiscal discipline through policies and control expenditure and revenue.					
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	2005/06 Actual	2006/07 Estimate	2007/08 Target	2008/09 Target	2009/10 Target
To monitor, evaluate and report on compliance of the Municipal Finance Management Act.	Monitor budget Preparation process for the local government sphere	Strengthen financial management capacity in municipalities	Compliance with set due dates	N/A	Budget Timeliness	Budget Timeliness	Budget Timeliness	Budget Timeliness
	Promote credible Municipal budget	Improve and co-ordinate revenue measures and mechanisms	Evaluation Reports	21 Delegated municipalities' budgets were evaluated and comments issued	21 Reports	21 Reports	21 Reports	21 Reports
	Monitor, consolidate and analyse IYM of Municipalities	Strengthen financial management capacity in municipalities	Analyse, reports according to prescribed timeframes	Submitted reports to National Treasury Report presented to MEC Delegated high capacity municipalities 30 August 2005	21 Reports	21 Reports	21 Reports	21 Reports
	Promote, monitor and evaluate effective implementation of municipal PROPAC resolution	Strengthen financial management capacity in municipalities	Status Report Evaluation Report	1 report submitted to PROPAC	2 Reports eight working days before PROPAC sitting	3 Reports eight working days before PROPAC sitting	4 Reports eight working days before PROPAC sitting	4 Reports eight working days before PROPAC sitting
	Facilitate publication of Section 71 financial reports	Improve and co-ordinate revenue measures and mechanisms	Analyse, consolidate reports according to prescribed timeframes	N/A	4 Publications 25 April 25 July 25 Oct 25 Jan	4 Publications 25 April 25 July 25 Oct 25 Jan	4 Publications 25 April 25 July 25 Oct 25 Jan	4 Publications 25 April 25 July 25 Oct 25 Jan

To strengthen and provide strategic support to provincial departments and public entities with regard to MFMA.	Monitor compliance of MFMA by municipalities	Improve and co-ordinate revenue measures and mechanisms	Submission of compliance reports	80 returns submitted	4 Reports	4 Reports	4 Reports	4 Reports
	Co-ordinate training and build capacity at municipalities	Strengthen financial management capacity in municipalities	Number of officials trained	N/A	300 Officials trained	400 Officials trained	500 Officials trained	500 Officials trained
	Governance and Administration: Ensure improvement in Financial management	Improve and co-ordinate revenue measures and mechanisms	Status Reports	N/A	21 Reports	21 Reports	21 Reports	21 Reports

6.8 Sub-programme 4.5: (Risk Management and Provincial Internal Audit)

6.8.1 Specified policies, priorities and strategic objectives

Aim: Promote effective optimal financial resource utilisation and Internal audit.

Strategic objectives linked to this sub-programme:

- Facilitation of residual risk assessments and the availability of a risk profile per department.
- The provision of a consolidated risk profile for the provincial government as a whole and the ensuring of risk response strategies to mitigate transversal risks.
- Assessment of Internal Audit Units.
- Capacity building Internal Audit.

6.8.2 Progress analysis

This unit is not yet established.

6.8.3 Analysis of constraints and measures planned to overcome them

The main constraint is to get buy-in and to build capacity

6.8.4 Description of planned quality improvement measures

Skills and capacity building

6.8.5 Specification of measurable objectives and performance indicators

Sub-Programme 4.5: (Risk Management and Provincial Internal Audit) Strategic Objectives, Measurable objectives, Performance Measures indicators and targets

Sub Programme 4.5: (Risk Management and Provincial Internal Audit)			Strategic Goal: Promote effective optimal financial resource utilisation and Internal audit.					
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual 2005/06	2006/07 Estimate	2007/08 Target	2008/09 Target	2009/10 Target
Facilitation of residual risk assessments and the availability of a risk profile per department.	Facilitation of residual risk assessments and the availability of a risk profile per department.	Improve and coordinate revenue measures and mechanisms	Percentage risk assessments reviewed within departments	N/A	N/A	80%	100%	100%
			Percentage progress and control maps completed per department	N/A	N/A	80% of processes mapped	100% of processes mapped	100% of processes mapped
			Percentage accounting officers are supplied with updated risk profiles	N/A	N/A	100% of departments	100% of departments	100% of departments
The provision of a consolidated risk profile for the provincial government as a whole and the ensuring of risk response strategies to mitigate transversal risks.	The provision of a consolidated risk profile for the provincial government as a whole and the ensuring of risk response strategies to mitigate transversal risks	Improve and Coordinate revenue measures and mechanisms	Existence of a consolidated risk profile for the Province.	N/A	N/A	100% of departments included in consolidation.	100% of departments included in consolidation.	100% of departments included in consolidation.
			Transversal risks identified and allocated to transversal risk owners	N/A	N/A	70% transversal risks allocated	100% transversal risks allocated	100% transversal risks allocate

Assessment of Internal Audit Units	Assessment of Internal Audit Units	Improve and Coordinate revenue measures and mechanisms	Compliance with National Framework and evaluation report	N/A	N/A	70 % Departments & Public entities	100 % Departments & Public entities	100 % Departments & Public entities
Capacity building Internal Audit	Capacity building Internal Audit	Strengthen financial management capacity in departments	Number of officials trained.	N/A	N/A	35 Officials trained	45 Officials trained	50officials trained
			Quarterly Forums	N/A	N/A	3 Quarterly forums	4 Quarterly forums	4 Quarterly forums

7. Reconciliation of budget with plan

7.1 Table 1: Programme 1: Programme budget by sub-programme (R million) ¹

Sub-programme	Year 1 2005/06 (Actual)	Year 2 2006/07 (Revised Estimate)	Year 3 2007/08	Year 4 2008/09	Year 5 2009/10
Office of the MEC	4 767	3 567	3 218	3 381	3 533
Management Services	2 901	2 644	3 805	4 010	4 191
Corporate Services	10 955	13 357	15 291	14 760	15 424
Financial Management	13 390	17 665	17 760	17 779	18 866
Internal Audit	2 334	2 524	3 228	3 372	3 524
Total programme	34 347	39 757	43 302	43 283	45 538

7.2 Table 2: Programme 2: Programme budget by sub-programme (R million) ¹

<i>Sub-programme</i>	<i>Year 1 2005/06 (Actual)</i>	<i>Year 2 2006/07 (Revised Estimate)</i>	<i>Year 3 2007/08</i>	<i>Year 4 2008/09</i>	<i>Year 5 2009/10</i>
Programme Support	1 071	1 074	1 233	1 295	1 353
Economic Analysis	163	1 095	1 999	2 006	2 197
Fiscal Policy	2 792	2 937	4 163	4 439	4 639
Budget Management	3 727	3 254	4 118	4 347	4 543
Public Finance	3 573	1 694	1 994	2 001	2 091
Total programme	11 326	10 054	13 507	14 088	14 823

7.3 Table 3: Programme 3: Programme budget by sub-programme (R million) ¹

<i>Sub-programme</i>	<i>Year 1 2005/06 (Actual)</i>	<i>Year 2 2006/07 (Revised Estimate)</i>	<i>Year 3 2007/08</i>	<i>Year 4 2008/09</i>	<i>Year 5 2009/10</i>
Programme Support	896	842	1 018	1 067	1 115
Asset Management	7 316	7 979	9 656	11 469	11 262
Liability Management	0	0	0	0	0
Support and Interlinked Financial Systems	35 583	36 796	41 324	47 593	49 858
Total programme	43 795	45 617	51 998	60 129	62 235

7.4 Table 4: Programme 4: Programme budget by sub-programme (R million) ¹

<i>Sub-programme</i>	<i>Year 1 2005/06 (Actual)</i>	<i>Year 2 2006/07 (Revised Estimate)</i>	<i>Year 3 2007/08</i>	<i>Year 4 2008/09</i>	<i>Year 5 2009/10</i>
Programme Support	1 259	1 351	1 501	1 576	1 631
Accounting Services	4 355	4 746	5 674	5 958	6 240
Norms and Standards – PFMA	2 212	2 655	3 152	3 262	3 410
Norms and Standards – MFMA	0	6 099	7 330	7 257	9 955
Risk Management and Provincial Internal Audit	0	0	648	802	2 625
Total programme	7 826	14 851	18 305	18 855	23 861

8. Implementation of the capital investment, maintenance and asset management plan

This department does not have any capital investments.

9. Medium-term revenues

9.1 Summary of revenue

The following sources of funding are used for the Vote:

Table 5: Summary of revenue: (Provincial Treasury)

<i>R 000</i>	<i>Actual 2004/05</i>	<i>Actual 2005/06</i>	<i>2006/07 Target</i>	<i>2007/08 Target</i>	<i>2008/09 Target</i>	<i>2009/10 Target</i>
Voted by legislature	130 602	109 538	103 569	122 379	130 946	140 758
Conditional grants						
Departmental receipts	3 420	4 510	4 555	4 733	5 428	5 699
Total revenue	134022	114 048	108 124	127 112	136 374	146 457

9.2 Departmental revenue collection

The table below should give a summary of the revenue the department is responsible for collecting.

Table 6: Departmental revenue collection: (Provincial Treasury)

<i>R million</i>	<i>2004/05 Actual</i>	<i>2005/06 Actual</i>	<i>2006/07 Budget</i>	<i>2007/08 Target</i>	<i>2008/09 Target</i>	<i>2009/10 Target</i>
Current revenue	71 258	53 457	29 470	55 886	59 231	62 777
Tax revenue						
Non-tax revenue						
Capital revenue	1	5	9	10	10	10
Departmental revenue	71 259	53 462	29 479	55 896	59 241	62 787

9.3 Conditional grants

None

9.4 Donor funding

None

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

10.1 Interdepartmental linkages

As Provincial Treasury, there is an involvement with all departmental and public entity activities and resource use.

10.2 Local government linkages

National Treasury delegated 21 of 25 municipalities to the Free State Provincial treasury in July 2005. The role of FSPT is to monitor and coordinate activities of delegated municipalities. The Constitution require all spheres of government to cooperate with one another because of the interdependence and interrelated nature.

10.3 Public entities

This department does not have any public entities.

10.4 Public, private partnerships, outsourcing etc.

None

11 Financial Management:

11.1 Strategies to address audit queries

Each and every audit query received from the Auditor-General is forwarded to the finance and budget control component within the CFO's office where it is registered in an audit-register specifically drawn up for this purpose. It is then marked out to the applicable component with a request to present a written answer to the query at a specific date. A system of reminders is also in place to ensure that the due date is met. A formal answer to the query is then forwarded to the Auditor General via the CFO's office and the necessary inscriptions made in the audit register and copies thereof kept on file specifically opened for this purpose. As evidence that this system is working well, it is hereby stated that at no stage are any audit queries outstanding unnecessary.

12. Implementation of the Public Finance Management Act, 1999 (PFMA)

All financial staff underwent intensive training on the content of the PFMA, the National Treasury Regulations and the Provincial Treasury Instructions.

A component was established to systematically implement the PFMA and quarterly reporting on progress is presented to EXCO. This component continues to capacitate departments and public entities.

Part C: Annual Performance Plan of Year- One

Sub-programme 1.1: Office of the MEC			Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
To provide administrative support to the member of the executive council.	Smooth and effective functioning of the MEC office.	Enhance Batho Pele Principles	Percentage satisfaction by the MEC.	N/A	85%	3 218	90%	90%	90%	90%
			Day's turnaround time on documents submitted to the minister.	N/A	5 days		5 days.	5 days.	5 days.	5 days.
To provide administrative support to the member of the executive council.	Strengthen linkage with Treasury, and Provincial Legislature	Ensure effective implementation of Intergovernmental Relations	Establish a sound relationship and communication link.	N/A	85%		90%	90%	90%	90%
To provide administrative support to the member of the executive council.	Ensure good public profile for the MEC.	Maintain and consolidate constructive partnerships with all key provincial role players	Improve public image.	N/A	80%		80%	80%	80%	80%

To provide administrative support to the member of the executive council.	Fulfilment of MEC legislative and political functions.	Coordinate strategic programmes	Good integration with departmental function.	N/A	80%		65%	65%	65%	65%
			Provincial state of affairs in good shape.	N/A	70%		75%	75%	75%	75%

The attached table is the annual performance plan of year one.

Sub-programme 1.2: Management Services			Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Ensure good strategic support to the management team.	Ensure good strategic support to the management team.	Implement the National and provincial Programme of Action	Percentage satisfaction	N/A	55%	3 805	60%	60%	60%	60%
Ensure good strategic support to the Accounting officer and his management team.	Conduct overall planning to ensure that remaining management functions are conducted on such level that Provincial Treasury delivers on its responsibilities.	Coordinate strategic programmes	Percentage of planning mechanisms resulting in the right deliverables.	N/A	55%		60%	60%	60%	60%

Sub-programme 1.3: Corporate Services			Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
To render personnel management services	Promotion of sound human resources practices	Co-ordinate EE plan	Developed employment equity plan to increase the number of designated employees	Employment equity plan was updated on a quarterly basis.	1 plan reviewed and updated	15 291	1 Plan reviewed & updated	1 Plan reviewed & updated	1 Plan reviewed & updated	1 Plan reviewed & updated
		Co-ordinate retention strategy	Appointment, promotion and transfers of employees according to legislation	Appointments for 2005/06: Disabled = 0 Black females = 18 Black males = 17	Appointments and promotions approved within three months after request. Transfers approved within two months after request.		Appointments and promotions approved within three months after request Transfers approved within two months after request	Appointments and promotions approved within three months after request Transfers approved within two months after request	Appointments and promotions approved within three months after request Transfers approved within two months after request	Appointments and promotions approved within three months after request Transfers approved within two months after request
To manage labour relations and provide legal advisory service	Protect Departmental interest according to legal prescripts		Handling of grievances and disciplinary cases in line with applicable legislation		Grievances: 30 working days. Misconduct hearings: 10 working days after notice has been served.		Grievances: 30 working days Misconduct hearing: 10 days after notice has been served 1 Legal and Labour services awareness campaign	Grievances: 30 working days Misconduct hearing: 10 days after notice has been served 1 Legal and Labour services awareness campaign	Grievances: 30 working days Misconduct hearing: 10 days after notice has been served 1 Legal and Labour services awareness campaign	Grievances: 30 working days Misconduct hearing: 10 days after notice has been served 1 Legal and Labour services awareness campaign

Sub-programme 1.3: Corporate Services			Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
To manage policy and transformation matters	Develop & implement special programmes policies	Co-ordinate employee assistance programme	Developed and implemented special programmes policies	Employee assistance Programme developed. HIV/AIDS policy developed.	1 Employee assistance programme policy		1 Gender equality developed Implement the Occupational Health safety policy Create awareness on mainstreaming disability and gender Review policies	Implement Gender equality policy Implement the Occupational Health safety policy Create awareness on mainstreaming disability and gender Special Programmes Marketing Campaign Review Policies	Review policy Implement the Occupational Health safety policy Create awareness on mainstreaming disability and gender Review Policies	Review policy Implement the Occupational Health safety policy Create awareness on mainstreaming disability and gender Review policies
To manage human resource development	Render effective Human Resource training & development	Create opportunities for BBBEE for woman, youth and people with disabilities	Developed & implemented HRD Policy Developed & implemented an annual Workplace Skills Plan Developed & implemented induction manual Developed & implemented internship and learnership policies	HRD Policy approved 1 Workplace Skills Plan 1 Induction manual developed Internship and learnership policies approved.	1 HRD policy implemented. 1 Workplace skills plan. 1 Induction manual 1 Internship policy developed/ 1 learnership policy developed		Review HRD policy Conduct 1 Skills Audit	1 Workplace Skills Plan	Review induction manual	

Sub-programme 1.3: Corporate Services			Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
To ensure effective communication	Promotion of effective and efficient communication with internal & external clients	Improve interaction between the government and the people	Communication policy developed & implemented		Communication policy reviewed		Review communication policy	Review communication policy	Review com policy	Review com policy
			Number of newsletters published	4 Internal newsletters (Treasury News were published	4 Internal news letters		Publish internal newsletter (Treasury News)	Publish internal newsletter	Publish internal newsletter	Publish internal newsletter
				The external newsletter was launched and published.	2 External newsletters			Publish external newsletter		Publish external newsletter
			Number of media briefings conducted.	2 Media briefings were held	2 Media briefings		Opening of Departmental Resource Centre		Organise media briefing for the Adjustment budget	Organise media briefing for the budget speech
			Improved signage and identity of the department				Nametag campaign (Batho Pele Revitalization)	Nametag campaign (Batho Pele Revitalization)	Nametag campaign (Batho Pele Revitalization)	
							Updating of signage	Updating of signage	Updating of signage	

Sub-programme 1.3: Corporate Services			Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
To render effective IT support service	Provide IT infrastructure and maintenance services to all offices	Implement e-governance	IT Audit conducted ICT Strategy developed and implemented IT policies reviewed 100% Revamped websites Developed and fully functional database Upgraded and redesigned network infrastructure	2 Policies approved. Logged calls 1460. Calls attended 1458. 1 Website 1 Intranet site	1 Disaster recovery plan developed 1 Email policy Request attended with specific timeframe Upgraded intranet		Review policies Develop ICT Strategy Conduct IT Audit Review websites Develop 1 database	Review Policies Implement ICT Strategy Upgrade network Develop 1 database	Review policies Implement ICT Strategy Upgrade network	Review policies Implement ICT Strategy Upgrade network
To manage organisational efficiency services	Render effective work study services and implement performance management system.	Implement one stop government services	Developed organizational structure Implemented Performance Management System	1 Approved Organisational Structure Performance plans for all filled posts 100%	1 Organizational structure 100% implemented		Approved Organizational structure	Updated organizational structure Performance plans in place for 01/04/2007 – 30/09/2007	Updated organizational structure Performance plans in place for 01/10/2007 – 31/03/2008	Updated organizational structure

Sub-programme 1.3: Corporate Services			Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
To render effective security services	Promote the protection of information, personnel and infrastructure	Implement one stop government services	Informed employees on security Conduct research, inspections and investigations pertaining to all aspects of security.	Security awareness through emails, circulars and meetings. N/A	All Employees N/A		All Employees Conduct security awareness campaign Number of reports Number of inspections Number of investigations 3 Security seminars	All Employees Conduct information security sessions Number of reports Number of inspections Number of investigations 3 Security seminars	All Employees Review Security awareness Number of reports Number of inspections Number of investigations 3 Security seminars	All Employees Review compliance with information security Number of reports Number of inspections Number of investigation 3 Security seminars

Sub-programme 1.4: Financial Management			Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Ensure Sound Supply Chain Management	Effective and efficient Supply Chain Management Services	Create opportunities for BBBEE for woman, youth and people with disabilities	Comply and implement legislation, policies and procedures	The Supply Chain Policy and Asset Policy was reviewed and distributed for inputs. 79.25% adherence to paying creditors within 30 days.N/A	50%	17 760	50 %	55 %	60 %	65 %

Sub-programme 1.4: Financial Management			Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Promote sound financial and budget control in the department	Facilitate Strategic planning and annual performance plan procedures.	Improve and co-ordinate revenue measures and mechanisms	Publish and table strategic and annual performance plans.	Strategic plan and Annual Performance Plan tabled in March 2006.	March 2007		N/A	N/A	N/A	1 APP March 2007
	Effective application of resources in realising strategic goals.			100%	80 %		80 %	80 %	80 %	80 %
	Accurate annual report		Percentage expenditure in line with detailed budget per sub-programme. Timeous submission of the annual report	Annual report tabled.	31 st August 2007		N/A	N/A	1 Report 31 st August 2006	N/A
Support the department through sound financial administration.	To compl with Financial Management key performance indicators (KPI'S)	Strengthen financial management capacity in departments	Percentage adherence to predetermined key performance indicators (KPI'S)	100%	85%		85 %	85 %	85 %	85 %

Sub-programme 1.5: Internal Audit			Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Provide high quality and professional internal audit services. Provide professional advisory and consulting services. Facilitate risk management process within the Department.	To provide effective and professional Internal Audit Services.	Promote ethical behaviour in government.	Execution of the Operational Plan and three (3) year Strategic Rolling Plan	Project Completed:	80%	3 228	25%	25/%	25%	25%
			Provide advisory and consulting services through reports to Audit Committee, Management, AG & Other State Holders.	Financial Administration	80%		Ongoing	Ongoing	Ongoing	Ongoing
				Corporate Services						
	Facilitate of risk assessment process	Strengthen financial management capacity in department	Risk assessment report	1 Report	60%		100%	100%	100%	100%
	Assist with compilation and implementation of Integrity Promotion Strategy(incorporating Fraud Prevention Plan	Implement anti-corruption and fraud strategy	Monitoring of fraud hotline Implementation of detective reviews (Including completion of ad hoc or investigative assignments).	The strategy has been approved and the service provider identified fraud hotline to be implemented.	80% 80%		100% 100%	100% 100%	100% 100%	100% 100%

Sub Programme 2.2: Economic Analysis			Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Assess and analyse economic variables for the province.	Assess and analyse economic variables for the province.	Develop enabling strategies	Provincial labour market review per sector	N/A	Developed database	1 999	35% of sectors reviewed	70% review	100 % review of sectors	Review of all 9 sectors and publication
			Socio-economic review/ outlook publication	N/A	Bi-annual publications		Data collection	N/A	1 report	3 reports
			Annual provincial economic review (PER) publication	N/A	Updated SAM table and 1 analysis report		Data collection	Data collection	1 publication	Data collection and update
			Inputs on socio-economic outlook that will inform the budget allocation	N/A	Inputs for Budget Statement One		N/A	N/A	Draft document	Final inputs
	Develop and maintain a provincial economic model	Develop enabling strategies	1 Social Accounting Matrix (SAM) table and 1 analysis report	N/A	N/A		Analysis report of the 2005/06 SAM	2nd quarter update report	3rd quarter report	Final annual update
Assess and analyse economic variables for the province.	Assess the impact of various budget objectives on selected economic variables	Establish development zones and corridors	Annual provincial economic review publication	N/A	1 updated SAM table and analysis report		N/A	N/A	N/A	N/A

Sub Programme 2.2: Economic Analysis			Strategic Goal: Contributing to the economic, efficient and effective service delivery.								
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Assess the impact of various policy objectives on selected social and economic variables	Construct and maintain a socio-economic and demographics' database for province and per district	Establish development zones and corridors	Developed and functional provincial socio-economic and demographics' database	N/A	Provincial economic review publication (2006)			25% Construction and data collection	50% Construction and data collection	75% Construction and data collection	Functional database (100%)
Determining the potential sources and constraints for enhanced growth and development as framed in the PGDS	Collection and analysis of social and economic statistics at provincial and municipal levels	Develop enabling strategies	2 Qualitative research report for 9 sectors	N/A	N/A			Data collection and review report	1st bi-annual report	Review	2nd bi-annual report
	Assess the socio-economic relevance of municipal IDPS	Align and co-ordinate IDP's and FSGDS. Ensure effective implementation of Intergovernmental relations	IDPs reflecting the socio-economic needs for municipalities	N/A	N/A		N/A	N/A	N/A	N/A	

Sub Programme 2.3: Fiscal Policy			Strategic Goal: Maintain fiscal discipline through policies and control expenditure and revenue.							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
To strengthen and provide technical and strategic support for institutional capacity of provincial government	Developed borrowing framework Capacity building in departments	Improve and co-ordinate revenue measures and mechanisms	Appropriate framework developed and adjusted annually Involvement in capacity building/ meetings, workshop and one on one training	The draft will only be completed in the 2006/07 financial year Workshop completed in Sep 2005 4th Quarter meeting to be finalised in May 2006	1 st Draft	4 163	Research/ Data gathering Quarterly meetings, 15 inspections	Compiled research report Quarterly meetings, 15 inspections	Discussions with role players 1 Workshop, 15 inspections	1 st draft completed Quarterly meetings, 15 inspections
Set credible revenue budgets	Provincial own revenue sources optimized and expanded	Strengthen financial management capacity in departments	Develop a revenue base per dept Develop a framework of research into new revenue resources Options for provincial taxation investigated	55% Data in respect of some departments still needs to be verified Framework to be finalized in 2007/08 Report to be finalized 2006/07 financial year	Annually reviewed N/A Research report 1 workshop & quarterly meetings		2 depts. Reviewed N/A Research/ Data gathering	2 depts. Reviewed N/A Compiled research report	2 depts. Reviewed N/A Discussions with role players	3 depts. Reviewed N/A Finalized research report

Sub Programme 2.3: Fiscal Policy			Strategic Goal: Maintain fiscal discipline through policies and control expenditure and revenue.							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Oversee compliance with revenue policies, financial directives, PFMA and Treasury regulations	Compliance with Norms and Standards of own revenue	Co-ordinate strategic Planning programmes	Number of annual inspections executed Reports issued on findings Monthly revenue report Quarterly EXCO report	Target achieved 4th quarter report to be issued in April/May 2006	60 Inspections 60 Reports 12 reports 4 reports per department per year		15 15 reports 3 Reports 1 Report	15 15 reports 3 Reports 1 Report	15 15 reports 3Reports 1 Report	15 15 reports 3 Reports 1 Report
Oversee the implementation of policies for effective control of revenue	Effective management of revenue collection	Implement the National and Provincial Programme of Action	Reviewed revenue policies in line with fiscal framework	100% achieved	22 policies and 16 Tariff submissions reviewed annually CPIX target		N/A	10 Policies and 8 Tariff submissions reviewed	10 Policies and 8 Tariff submissions reviewed	2 Policies reviewed

Sub Programme 2.4: Budget Management			Strategic Goal: Allocating resources in line with Government Priorities							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
<p>Alignment of budgets to FSPGD's, strategic and annual performance plans,</p> <p>Set credible expenditure and revenue budgets,</p> <p>Monitor compliance with the public finance management act, regulations and guidelines</p>	Prepare developmental budgets	Align and co-ordinate IDP's and FSGDS.	Tabled appropriation and provincial budget in line with National and Provincial Priorities	Budget tabled on 17 February 2006 100%	Table one week after National Budget	4 118	N/A	N/A	N/A	Budget to be tabled in the fourth quarter
		Implement the National and Provincial Programme of Action	Accurate and credible budget statement	100% Budget tabled on 17 February 2006	Accurate budget Statement tabled with the bi		N/A	N/A	N/A	One credible budget statement
		Co-ordinate strategic Planning programmes	Analysis report on the alignment of strategic plan	50% completed. Final document to be evaluated by National & Provincial Treasuries	Analysis report 30 days after receipt of the strategic plan		N/A	N/A	Analysis report on the first draft strategic plans	Analysis report on the second draft strategic plans
To strengthen and provide technical and strategic support for constitutional capacity of provincial government.	Prepare credible adjustment budget	Implement the National and Provincial Programme of Action	Tabled adjustment budget and adjustment appropriation bill in line with National and Provincial Priorities	Adjustment budget tabled on 22 November 2005	Tabled adjustment budget 30 days after National Adjustment Budget. and adjustment appropriation bill		N/A	N/A	Adjustment Budget to be tabled	N/A

Sub Programme 2.4: Budget Management			Strategic Goal: Allocating resources in line with Government Priorities							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
			Accurate and credible adjustment budget book	Tabled on 22nd November 2005	Tabled adjustment budget book		N/A	N/A	Accurate and credible Adjustment Budget book	N/A

Sub Programme 2.5: Public Finance			Strategic Goal: Maintain fiscal discipline through policies and control expenditure and revenue							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Provide policy advice and ensure budget implementation in provincial departments	Monitoring of expenditure trends against budget figures	Strengthen financial management capacity in departments	Monthly analyzed report per department	N/A		1 994	3 reports	3 reports	3 reports	3 reports
			Quarterly reporting on Infrastructure spending	N/A			1 st quarter report	2 nd quarter report	3 rd quarter report	4 th quarter report
Effective monitoring and implementation of budgets for provincial departments and public entities	Monitoring of expenditure trends against budget figures	Improve and co-ordinate revenue measures and mechanisms	Quarterly review on expenditure trends	N/A			1 st review	2 nd review	3 rd review	4 th review
			Quarterly analyzed report on public entities	N/A			1 st quarterly report	2 nd quarterly report	3 rd quarterly report	4 th quarterly report

Sub Programme 2.5: Public Finance		Strategic Goal: Maintain fiscal discipline through policies and control expenditure and revenue								
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
	Maintain the Provincial budget database (Financial and Non Financial Information)	Improve and co-ordinate revenue measures and mechanisms	Monthly updated database on financial information Quarterly updated database on non-financial information	N/A N/A			Reviewed and refined Develop a database with non-financial information	Reviewed and refined Reviewed and refined	Maintain Maintain	Maintain Maintain
To strengthen and provide technical and strategic support for institutional capacity of provincial departments	Involvement in capacity building	Strengthen financial management capacity in departments	Quarterly forums with line departments and public entities	N/A	N/A		1 st Forum	2 nd Forum	3 rd Forum	4 th Forum

Sub-Programme 3.2: ASSET MANAGEMENT			Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Provide strategic leadership, support and monitoring of infrastructure Delivery Models and Public Private Partnership projects	Facilitate roll-out of infrastructure Delivery Improvement Programme and monitor its implementation in the departments	Improve cluster system across the two spheres of government in the province	Steering Committee meetings	Co-ordination of Steering Committee meetings (12)	12 Meetings	9 656	3	3	3	3
	Promote and monitor Public Private Partnerships in the Province	Ensure effective implementation of intergovernmental relations.	Quarterly reports	N/A Proposed PPP projects still at planning/feasibility stage.	4 Quarterly Reports		1	1	1	1
	Develop capacity to deal with Public Private Partnership projects	Ensure effective implementation of intergovernmental relations.	Public Private Partnership delegation	Started the process of evaluating and advertising infrastructure and PPP personnel pots.	1st set of PPP delegations		-	-	-	-
Develop, promote and monitor the implementation of policies for effective management of assets	Promote and facilitate capacity building of officials responsible for asset management in provincial departments.	Strengthen financial management capacity in departments	Asset and SCM forum meetings, workshops and training sessions.	+/- 326 Officials	17 Forums, Workshops and Training sessions		2	2	1	1
Develop, promote and monitor the implementation of policies for effective management of assets	Promote effective and efficient utilization of movable and immovable asset in the province.		Evaluation reports.	131 Reports	120 Reports		12	12	12	12

Sub-Programme 3.2: ASSET MANAGEMENT			Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Develop, promote and monitor the implementation of policies for effective management of assets	Promote and monitor the implementation of asset management reform project.		Progress and monitoring reports to Provincial Steering Committee	11 Sign-off Departmental Implementation Plans by CFO's. 3 x ARM Workshops	12 Reports		3.	3	3	3
Provide strategic leadership, support and monitoring of Supply Chain Management.	Promote and facilitate capacity building of officials responsible for Supply Chain Management in the Provincial departments.		SCM Forum. Training sessions and workshops.	+ 326 Officials	17 Forums, Workshops and Training sessions		2	2	1	1
	Promote and monitor the implementation of SCM framework		Monitoring and Evaluation reports	131 Reports	120 Reports		6	6	6	6
	Develop and implement Provincial Supplier Management System.		Functional Supplier Management system	11 Sign-off Departmental Implementation Plans by CFO's. 3 x ARM Workshops	12 Reports		Quarterly report-	Quarterly report-	Quarterly report-	-
Develop, promote and monitor the implementation of policies for effective management of assets. Ensure proper and effective management of the	Promote effective cash flow management within provincial departments.	Strengthen financial management capacity in departments	% variance (favourable or unfavourable) between funds requested and actual funds withdrawn/used	On average 50% of departments. Were within 10%	Within 10% variance Timely transfer of Requested funds		Within 10%	Within 10%	Within 10%	Within 10%

Sub-Programme 3.2: ASSET MANAGEMENT			Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Provincial Revenue Fund.	Maximize return on surplus funds	Improve control of assets and resources.	Collection of budgeted interest income	An amount of R52million collected as at 31 March 2006 for the year 2005/06. Over collection of Interest sitting at 37% above target which is R14million	R38m by 31ST March 2006		25%	25%	25%	25%
	Maintain accurate financial accounting records for the Provincial Revenue Fund	Improve control of assets and resources.	Compiled PRF annual financial statements and monthly cash flow reports	Monthly reconciliation prepared up to 31 March 2006.	Accuracy of reconciliation statements and timely submission of AFS 31/05/06				1 set of AFS	

Sub Programme 3.4: Support and Interlinked Financial Systems			Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
To strengthen and provide technical and strategic support for the institutional capacity of provincial government.		Improve cluster system across the two spheres of government in the province	Availability and stability of the Transversal systems	Systems were available 98% of working hours	Systems were available 97% of working hours	41 324	95% of working hours	95% of working hours	95% of working hours	95% of working hours
To provide for the implementation, management and support of existing financial management systems and the transition to the Integrated Financial Management System (IFMS) enhancing compliance with PFMA and other relevant legislation.	Manage and maintain the Transversal Systems.	Maintain and consolidate constructive partnerships with all key provincial role players	Provide technical and functional support to Provincial Departments Ensure a maintained Supplier Register and item master for Provincial Departments	Respond to calls within 8 working hours and solve problems within 24 working hours Suppliers registered and Items codified according to norms and standards	Respond to calls within 8 working hours and solve problems within 24 working hours Suppliers registered and Items codified according to norms and standards		Respond to calls within 8 working hours Suppliers registered and Items codified according to norms and standards	Respond to calls within 8 working hours Suppliers registered and Items codified according to norms and standards	Respond to calls within 8 working hours Suppliers registered and Items codified according to norms and standards	Respond to calls within 8 working hours Suppliers registered and Items codified according to norms and standards
Monitor compliance with the Public Finance Management Act, accounting policy, regulations and guidelines.	Building capacity in respect of Transversal Systems.	Improve financial management capacity	Number of officials trained	PERSAL 508 LOGIS 577 BAS 551	BAS 300 PERSAL 300 LOGIS 500		BAS 150 PERSAL 120 LOGIS 150	BAS 175 PERSAL 120 LOGIS 180	BAS 125 PERSAL 90 LOGIS 70	BAS 0 PERSAL 70 LOGIS 100

Sub Programme 4.2: Accounting Services			Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Development and implementation of accounting policies and practices to ensure compliance with GRAP standards. To strengthen and provide strategic support to provincial departments and public entities with regard to Accounting Policies, Practices and Annual Financial Statements.	Accounting policy, guidelines and practices implemented in line with National Framework Promote accurate compilation of AFS	Improve financial management capacity	Prescripts in line with formats and guidelines of GRAP	11 PAG circulars & 3 amendments were compiled and circulated	As per GRAP standards	5 674	Issue guidelines of GRAP and other legislative mandates on identified areas.	Issue guidelines of GRAP and other legislative mandates on identified areas.	Revise existing Circulars /Practice notes.	Issue guidelines of closing of Financial year and compiling of Financial Statements
	Promote accurate compilation Of Annual Financial statements	Improve and strategic planning, training, monitoring and evaluation	Inputs i.r.o. evaluation results of draft Accounting policies/standard according to set timeframes	Evaluated 9 exposure drafts from Accounting Standards Board	As per Accounting Standards Board's Approvals		Evaluate exposure drafts/policies as per release by the Accounting Standards Board/National Treasury	Evaluate exposure drafts/policies as per release by the Accounting Standards Board/National Treasury	Evaluate exposure drafts/policies as per release by the Accounting Standards Board/National Treasury	Evaluate exposure drafts/policies as per release by the Accounting Standards Board/National Treasury
			Percentage correctness according to guide	100% Compliance with guide	100%		Evaluate AFS before 31 May	N/A	N/A	N/A
			Evaluation Reports	25 Audit Reports received (Legislature, 11 Departments, 15 Public Entities) have been analysed and summarised in terms of Treasury Regulations	Analyse Audit Reports and take corrective steps		N/A	Analyse all audited Financial statements/audit reports	Request action plans from Accounting Officers /CEO's	Monitor implementation of action plans

Sub Programme 4.2: Accounting Services			Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1 st Quarter	2 nd Quarter	3 ^d Quarter	4 th Quarter
Consolidate AFS for the provincial departments and Entities	To facilitate the timely submission of Annual Financial Statements to A/G and National Treasury	Improve and strategic planning, training, monitoring and evaluation	Promote Compliance with all statutory timeframes in respect of:	All Departments and Public Entities submitted Annual Financial Statements by 31 May 2005	100% compliance 30 June Annual report 31 October		Issue circular for preparation of AFS Evaluate and comment on draft AFS.	N/A	Evaluate and comment on 2006/07 AFS templates	Practical testing of 2006/07AF templates
	<u>Unaudited AFS 31 May</u>		Received 27 audited AFS as at 31 March 2006	N/A			Receive and forward Audited AFS to National Treasury	N/A	N/A	
	<u>Audited AFS 31 July</u>		11 Departments, Legislature & 15 Entities submitted Annual Reports by 31 March 2006	N/A			Monitor tabling of Annual reports and forward to National Treasury	N/A	N/A	
	<u>Table Annual Report 31 August</u>		11 Departments, Legislature & 15 Entities tabled their Annual Reports by 31 March 2006.							

Sub Programme 4.2: Accounting Services			Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
			<p>Compliance with approved National Guidelines and statutory timeframes</p> <p><u>Unaudited CAFS</u> 30 June & 31 August</p> <p><u>Audited CAFS</u> 30 September</p> <p><u>Table Annual Report</u> 30 October</p>	<p>Unaudited draft Consolidated Financial Information was submitted 30 June 2005. Audit Report was signed on 30 November 2005.</p> <p>Consolidated Annual report was tabled in January 2006.</p>	<p>Finalised consolidated Annual Financial Statements by 31 October</p>		<p>Prepare consolidated financial statements</p> <p>N/A</p> <p>N/A</p>	<p>Adjust Consolidated Financial Statements with audited figures</p> <p>Receive audited Consolidated Financial Statements</p> <p>N/A</p>	<p>N/A</p> <p>Submit to National Treasury</p> <p>Table Annual report</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p>

Sub Programme 4.2: Accounting Services			Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
	Capacity Building	Improve financial management capacity	Number of officials trained	58 Officials was trained in respect of penalties on exceeding ACB limits 104 officials trained on SCOA. 30 Officials trained on Local Banking functionalities 8 Officials trained on analysis of audit reports i.r.o. Municipalities. Total officials trained = 200	300 Officials		60 Officials	70 Officials	80 Officials	90 Officials
To monitor compliance with regard to Accounting Standards, Policies and relevant sections of PFMA.	To promote Financial Management in the Province	Improve and strategic planning, training, monitoring and evaluation	Percentage adherence to pre-determined KPI's	Information will only be available after year end. Closure updated information will be submitted.	78% Adherence to Key Performance Indicators		81% Compliance	81% Compliance	81% Compliance	81% Compliance

Sub Programme 4.3: Norms and Standards PFMA			Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
To monitor, implement, evaluate and report on compliance of the PFMA	To promote compliance with PFMA in the province	Strengthen financial management capacity in departments	Guidelines, norms and standards in line with National Framework	5 PFMA Circulars	Guidelines must be 100% in line with prescripts	3 152	Reviewed existing guidelines	Issue guidelines	Identified guidelines required	Issue guidelines
			Annually updated Delegations	Delegations updated	April 2006		April	Evaluate delegations	Evaluate delegations	Request new delegations
			Compliance reports to Executive Council on Departments / Entities	4 EXCO Reports submitted	4		1	1	1	1
			Number of officials trained with regard to PFMA	215 officials trained	200		30	100	n/a	70
To promote effective implementation of Legislative resolutions	To promote effective implementation of Legislative resolutions	Strengthen financial management capacity in departments	Quarterly Status Reports	2 Reports	4 reports		1	1	1	1
			Evaluation Reports	2 Reports (May and October 2005)	8 working days before PROPAC sitting		8 working days before PROPAC sitting	8 working days before PROPAC sitting	8 working days before PROPAC sitting	8 working days before PROPAC sitting

Sub Programme 4.4: NORMS & STANDARDS (MFMA)			Strategic Goal: Maintain fiscal discipline through policies and control expenditure and revenue.							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
To monitor, evaluate and report on compliance of the Municipal Finance Management Act.	Monitor budget preparation process for the local government sphere.	Strengthen financial management capacity in municipalities	Compliance with set due dates.	N/A	Budget Timeliness	7 330		21 municipalities	-	-
	Promote credible municipal budgets.	Improve and co-ordinate revenue measures and mechanisms	Evaluation reports.	21 Delegated municipalities' budgets were evaluated and comments issued	21 Reports		21 comments on draft budgets	-	21 comments on approved budget	21 comments on adjustment budget
	Monitor, consolidate and analyse IYM of municipalities.	Strengthen financial management capacity in municipalities	Analyse reports according to prescribed timeframes.	Submitted reports to National Treasury Report presented to MEC . Delegated high capacity municipalities 30 August 2005	22nd of each month , 21 Reports		63 monthly reports of municipalities	63 monthly reports of municipalities	63 monthly reports of municipalities	63 monthly reports of municipalities
	Promote, monitor and evaluate effective implementation of municipal Legislative Resolutions.	Strengthen financial management capacity in	Status Report Evaluation Report	1 report submitted to PROPAC	4 Reports 8 working days before PROPAC		Quarterly status reports within set due dates 8 days before PROPAC sitting	Quarterly status reports within set due dates 8 days before PROPAC sitting	Quarterly status reports within set due dates 8 days before PROPAC sitting	Quarterly status reports within set due dates 8 days before PROPAC sitting

Sub Programme 4.4: NORMS & STANDARDS (MFMA)			Strategic Goal: Maintain fiscal discipline through policies and control expenditure and revenue.							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs 2005/06	Estimates 2006/07	Budget 2007/08 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
	Facilitate publication of Section 71 financial reports	Improve and co-ordinate revenue measures and mechanisms	Analyse, consolidate reports according to prescribed timeframes.	N/A	4 Publications 25 April 25 July 25 Oct 25 Jan		1 publication	1 publication	1 publication	1 publication
	Monitor compliance of MFMA of Legislative Resolutions	Improve and co-ordinate revenue measures and mechanisms	Submission of compliance returns.	80 returns submitted	4 Compliance Reports		21 status reports	21 action plans	21 compliance reports	21 compliance reports
To strength and provide support to provincial departments and public entities with regard to MFMA.	Co-ordinate training and build capacity at municipalities.	Strengthen financial management capacity in municipalities	Number of officials trained.	N/A	300 Officials trained		60	60	100	80
	Review the annual financial statements and audit report for compliance and appropriateness.	Improve and co-ordinate revenue measures and mechanisms	Status Reports	N/A	21 Reports		-	-	-	21 reports

Sub Programme 4.5: (Risk Management and Provincial Internal Audit)			Strategic Goal: Promote effective optimal financial resource utilisation and Internal audit.							
Strategic Objective	Measurable Objective	FSGDS Linkage	Performance Measure Indicator	Actual Outputs	Estimates 2006/2007	Budget 2007/20088	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Facilitation of residual risk assessments and the availability of a risk profile per department.	Facilitation of residual risk assessments and the availability of a risk profile per department.	Improve and Coordinate revenue measures and mechanisms	Percentage risk assessments reviewed within departments	N/A	N/A	648	N/A	60 %	80 %	80 %
			Percentage progress and control maps completed per department	N/A	N/A		N/A	20 %	60 %	100 %
			Percentage accounting officers are supplied with updated risk profiles	N/A	N/A				50 %	
The provision of a consolidated risk profile for the provincial government as a whole and the ensuring of risk response strategies to mitigate transversal risks.	The provision of a consolidated risk profile for the provincial government as a whole and the ensuring of risk response strategies to mitigate transversal risks	Improve and Coordinate revenue measures and mechanisms	Existence of a consolidated risk profile for the Province.	N/A	N/A		N/A	20 %	50 %	100 %
			Transversal risks identified and allocated to transversal risk owners	N/A	N/A		N/A			70 %
Assessment of Internal Audit Units	Assessment of Internal Audit Units	Improve and Coordinate revenue measures and mechanisms	Compliance with National Framework and evaluation report	N/A	N/A		40 %	60 %	70 %	-
Capacity building Internal Audit	Capacity building Internal Audit	Strengthen financial management capacity in	Number of officials trained.	N/A	N/A		N/A	35 officials		

		departments	Quarterly Forums	N/A	N/A			1	1	1
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Part D: Analysis of changes to programmes

Not applicable to this department.