

Vote 8

Provincial Treasury

AMOUNT TO BE APPROPRIATED:	R 89 351 000
RESPONSIBLE EXECUTIVE AUTHORITY:	MEC FOR PROVINCIAL TREASURY
ADMINISTERING DEPARTMENT:	PROVINCIAL TREASURY
ACCOUNTING OFFICER:	HEAD OF DEPARTMENT

1. OVERVIEW

Vision

We strive to promote efficient, effective and transparent economic use of provincial resources

Mission

Render timeous and responsive service delivery to clients through :-

Enforcing the implementation of the Public Finance Management Act and Municipal Finance Management Act;
 Preparation of sound, sustainable and developmental provincial budgets;
 Promotion and monitoring of the sustainability of local government budgets;
 Sound management of departmental provincial government's financial assets and liabilities;
 Promotion of sound supply chain management practices at provincial and local government level;
 Optimisation of provincially collected revenue;
 Ensuring alignment of strategic plans and budgets to Provincial Growth and Development Strategy

Core Function and Responsibilities

The core function and responsibilities of a Provincial Treasury are outlined in the Public Finance Management Act and the Municipalities Finance Management Act and they briefly entail the following:

The preparation of the Province Budget.

- Exercising control over the implementation of the Province Budget.
- Promoting and enforcing transparency and effective management of revenue, expenditure, assets and liabilities of the provincial departments and public entities.
- Issuing provincial treasury instructions.
- Complying with the annual Division of Revenue Act.
- Assisting provincial departments and public entities in their respective capacity building efforts for effective, efficient and transparent financial management.
- Providing provincial treasury instructions
- Preparing the consolidated financial statements.
- Monitoring Local Government budgets.
- Investigating of any system of financial management and internal controls applied by the provincial department or public entity

Types of Services Rendered

The services rendered by the department are directed to the provincial department, public entities and local municipalities and they range from assisting departments to plan, implement and monitor their budgets. To ensure that departments optimise their revenue collection, to monitor the performance of local government budgets, to assist the provincial departments to implement and maintain personnel salary systems, basic accounting system and to properly implement supply chain management best practices. To promote proper management of assets, to provide assistance in the implementation and maintenance of proper accounting records, to prepare consolidated annual financial statements and to monitor the implementation of the Public Financial Management Act and the Municipal Finance Management Act.

Acts and regulations administered by the Department

- Public Finance Management Act 1 of 1999
- Municipal Finance Management Act of 2003
- Treasury Regulations issued in terms of the PFMA
- Northern Cape Provincial Tender Board Act 2, 1994
- Preferential Procurement Policy Framework Act 5, 2000 and its Regulations
- Basic Conditions of Employment Act
- Public Service Act, 2001
- Employment Equity Act 55 of 1998
- Public Service Regulations
- PSCBC Resolutions
- Skills Development Act
- Skills Development Levy Act
- Labour Relations Act 1995, Act 66 of 1995
- Promotion of access to Information Act 2 of 2000
- Constitution Act 108 of 1996
- Qualification Authority Act, 1995

2. REVIEW OF THE CURRENT FINANCIAL YEAR (2006/2007)

The review and development of HRM, HRD, Health and Wellness policies took place and the draft policies have been completed.

The capacity of the directorate was improved by appointing additional staff. This led to an improvement in monitoring and supporting municipalities.

The level of reporting by municipalities has improved. The directorate begun to report to National Treasury on the monthly outcome of municipalities budgets. In addition to that, the quarterly outcome of municipal budgets in the province was made public and tabled in the legislature.

One of the major challenges this department faced during the year under review was the successful migration from the utilization of the ACB to the direct link to commercial banks, viz. Bulk Electronic Funds Transfer (BEFT) method of making electronic payments.

3. OUTLOOK FOR THE COMING FINANCIAL YEAR (2007/2008)

The new financial year will see maximum effort made to comply with all HR Legislation and regulations as well as to ensure that the Performance Management System is up and running.

To improve on the level of compliance with the Municipal Finance Management Act (MFMA) by municipalities in the province.

The budget preparation of municipalities will be monitored closely to ensure that all municipalities table and approve their budgets, in the prescribed format, on the due dates. The approval of the Service Delivery and Budget Implementation Plan (SDBIP's) will also be monitored. Treasury will co-operate closely with Department of Housing and Local Government to realise better performance by municipalities in the province.

Supporting and Interlinked Financial Systems will be challenged by explaining the comparison between the financial transversal systems and the information management tool, Vulindlela, to senior management.

4. RECEIPTS AND FINANCING

4.1 Summary of Receipts

The following sources of funding are used for the Vote: 8

Table 4.1: Summary of Receipts: Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
				2006/07					
Treasury Funding									
Equitable share	67,677	45,183	39,910	80,101	53,109	44,933	89,351	93,893	99,041
Conditional grants									
Departmental Receipts	1,708	631	1,470	2,500	2,500	2,500	2,625	2,756	2,908
Total receipts	69,385	45,814	41,380	82,601	55,609	47,433	91,976	96,649	101,949

4.2: Departmental receipts: Provincial Treasury

Table 4.2: Departmental receipts: Provincial Treasury

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
R thousand	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
Tax receipts									
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licenses									
Sales of goods and services other than capital assets		37							
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land	1,708	587	1,470	2,500	2,500	2,500	2,625	2,756	2,908
Sales of capital assets									
Financial transactions in assets and liabilities		7							
Total departmental receipts	1,708	631	1,470	2,500	2,500	2,500	2,625	2,756	2,908

Table 4.3 Summary of Receipts: Provincial Treasury

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
R thousand	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
Treasury Funding									
Equitable share	67,677	45,183	39,910	80,101	53,109	44,933	89,351	93,893	99,041
Conditional grants									
Other									
Total Treasury Funding	67,677	45,183	39,910	80,101	53,109	44,933	89,351	93,893	99,041
Departmental receipts									
Tax receipts									
Sales of goods and services other than capital assets		37							
Transfers received from:									
Fines, penalties and forfeits									
Interest, dividends and rent on land	1,708	587	1,470	2,500	2,500	2,500	2,625	2,756	2,908
Sales of capital assets									
Financial transactions in assets and liabilities		7							
Total departmental receipts	1,708	631	1,470	2,500	2,500	2,500	2,625	2,756	2,908
Total receipts	69,385	45,814	41,380	82,601	55,609	47,433	91,976	96,649	101,949

5. PAYMENT SUMMARY

The MTEF Baseline Allocations For The Period 2007/08 TO 2009/10 ARE:

Financial year: 2007/08: R89 351 000

Financial year: 2008/09: R93 893 000

Financial year: 2009/10: R99 041 000

Table 5.1: Summary of Payments and Estimates: Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
					2006/07				
Administration	12,519	14,505	18,840	24,731	24,739	23,607	40,743	42,686	44,578
Sustainable Resource Management	33,191	17,333	10,544	19,495	11,695	10,961	29,652	30,659	31,837
Asset And Liabilities Management	18,303	11,778	5,103	27,651	8,451	5,963	10,294	11,281	12,389
Financial Governance	3,664	1,567	5,423	8,224	8,224	4,402	8,662	9,267	10,237
Statutory Amount									
Total payments and estimates	67,677	45,183	39,910	80,101	53,109	44,933	89,351	93,893	99,041

^a 2007/08: MEC remuneration payable. Salary: R535,410. Car allowance: R143,851.

Table 5.2 Summary of Provincial Payments and Estimates by Economic Classification: Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
					2006/07				
Current payments	67,501	44,252	38,971	77,952	50,960	43,843	84,689	92,115	97,478
Compensation of employees	18,313	21,612	24,587	46,484	36,164	25,197	57,240	59,360	62,377
Goods and services	49,188	22,640	14,384	31,468	14,796	18,646	27,449	32,755	35,101
Interest and rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies:	63	92	78	21	21	24	57	59	62
Provinces and municipalities	63	92	78	21	21	24			
Departmental agencies and accounts									
Universities and technikons							57	59	62
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets	113	839	861	2,128	2,128	1,066	4,605	1,719	1,501
Buildings and other fixed structures									
Machinery and equipment	113	828	861	2,091	2,091	1,066	4,605	1,719	1,501
Cultivated assets									
Software and other intangible assets		11		37	37				
Land and subsoil assets									
Total economic classification	67,677	45,183	39,910	80,101	53,109	44,933	89,351	93,893	99,041

6. PROGRAMME DESCRIPTION

6.1 PROGRAMME 1: ADMINISTRATION

AIM: Provides for the determination of political priorities, special projects and policy formulation by the Member of the Executive Committee as well as management within the Department tasked with the effective, efficient and economic implementation of such policies.

Table 6.1: Summary of payments and estimates: Programme 1 Administration

Table 2: Summary of payments and estimated programme performance									
R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
Office of the MEC ^a	3,051	5,156	4,870	5,145	5,153	7,635	5,424	5,695	6,027
Management Services	1,848	1,314	2,371	2,059	2,059	2,318	7,194	7,554	8,007
Corporate Services	6,698	4,693	5,398	8,767	8,767	5,642	13,982	14,681	15,561
Financial Management (CFO)	922	3,342	6,201	8,760	8,760	8,012	14,143	14,756	14,983
Total	12,519	14,505	18,840	24,731	24,739	23,607	40,743	42,686	44,578

^a 2007/08: MEC remuneration payable. Salary: R535,410. Car allowance: R143,851.

Table 6.1.1: Summary of payments and estimates by economic classification: Programme 1 Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
				2006/07					
Current payments	12,383	13,688	18,626	23,858	23,866	23,127	38,124	41,411	43,566
Compensation of employees	6,860	8,286	8,746	15,258	15,266	10,257	22,637	24,287	25,743
Goods and services	5,523	5,402	9,880	8,600	8,600	12,870	15,487	17,124	17,823
Interest and rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies:	23	50	27	6	6	12	57	59	62
Provinces and municipalities	23	50	27	6	6	12			
Departmental agencies and accounts									
Universities and technikons							57	59	62
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets	113	767	187	867	867	468	2,562	1,216	950
Buildings and other fixed structures									
Machinery and equipment	113	767	187	830	830	468	2,562	1,216	950
Cultivated assets									
Software and other intangible assets				37	37				
Land and subsoil assets									
Total economic classification	12,519	14,505	18,840	24,731	24,739	23,607	40,743	42,686	44,578

Service Delivery Measures

Table 1.1: Sub-programme 1.1: Office of the Provincial MEC

Measurable Objectives	Performance Measure	2007/08
Create the operational environment to assist the MEC to exercise his constitutional obligations	An annual working programme	Working plan implemented
Monitor implementation of policies by the department	Recorded analysis of quarterly reports of the department	At least 4 reports from the Office to the department
Ensure effective communication of the activities of the MEC	Articles on newspapers, media statements, press conferences	4 reports to the MEC on progress
Liaise with cabinet, Legislature and cluster committee meetings	Submission of Cabinet memos	Cabinet memos on request

Manage monthly budget of the office of the MEC	Signed reports	12 reports
Manage stakeholder relations and ensure that the MEC is in regular contact with stakeholders	Briefing sessions and meetings held with stakeholders	4 reports
Develop a policy for projects to be financed from the fund	An approved policy exists	Policy implemented
Implementation of approved projects	Submit quarterly a report to the MEC on progress	4 reports
	Number of projects implemented successfully	6 reports
Strengthen linkage between Treasury, and Provincial Cabinet	Establish a sound relationship and communication link	4 reports

Table 1.2: Sub-programme 1.2: Management Services

Measurable Objectives	Performance Measure	2007\08
Regular management meetings	Decisions implemented	24 Meetings
Regular financial management meetings and reports	Monthly reports to the MEC timeously	12 reports
Regular reports on performance	Quarterly reports to the MEC timeously	4 reports
Develop processes for preparing strategic planning, operational plans, quarterly reports, and annual reports	Processes and procedures documented and implemented	Draft 5 year Strategic plan 3 Year Annual Performance Plan tabled in March 2006 Operational plans submitted to MEC in April 2005 Annual report published in September 2005
Feedback to MEC on strategic developments	Regular benchmark reports on motivational and international direction	2 Reports per programme
Delegate responsibilities to appropriate levels	An approved document with delegations	Revised July 2005
Strategic and operational plans	Approved plans	Complete March 2005
Performance Agreements and duty sheets	Signed documents	100%
Budget managements	Compile and Monitor budgets	Meet target dates of the treasury with the PR 1: Administration budget
Performance Measurement	Document approved by accounting officer	100%
Feedback to MEC and Management on strategic developments	Regular benchmark reports on motivational and international directions	2 reports per programme
Internal audit reports to management	Quarterly reports and corrective steps taken	4 internal audit reports

Table 1.3: Sub-programme 1.3: Corporate Services

Measurable Objectives	Performance Measure	2007/08
Development of HR-related policies: EE, Recruitment, HRD	Policies are approved and implemented	Policies are in place
Populate the organogram on the persal system	Organogram is populated on the persal system	Organogram is approved
Ensure that personnel is placed against the posts in the organogram as populated in persal	All employees are appointed against the posts on the persal	100%
Promote awareness of and compliance with HR policies	Minimized audit queries.	<i>Less than 10% of all audit queries</i>
Ensure that the HR Plan is in place	HR Plan is in place	HR Plan approved and implemented
Ensure that the Workplace Skills Plan (WSP) is in place	<ul style="list-style-type: none"> WSP is approved and submitted to SETA All processes are followed and committees established 	<ul style="list-style-type: none"> Data-base of trainers and service providers is consolidated Training takes place as per WSP 10 experiential learning opportunities created 10 learner ships registered and implemented
Ensure that the Employment Equity Plan is in place	<ul style="list-style-type: none"> EEP is approved and implemented Report submitted to Department of Labour 	<ul style="list-style-type: none"> EEP implemented and 50% target met. Report submitted to Labour Department on time (1 Oct.)
Ensure Organisational Efficiency Unit is established	Unit is established	Middle-Management positions filled
Ensure Performance Management Development System (PMDS) unit is established	<ul style="list-style-type: none"> Unit is established PMDS is in place All employees trained on the PMDS 	<ul style="list-style-type: none"> Middle-Management positions filled PMDS implemented Few complaints/disputes experienced
Ensure that the Health Promotion Programme is put in place for the department	Programme is approved	<ul style="list-style-type: none"> Special Programmes Unit is established and Middle-Management positions filled Programme is implemented Employee Assistance Programme is established
Ensure that there is a functioning Registry System for the department	Space found to establish registry section Registry system is operational	Registry manual developed and filling system put in place Registry clerks trained to operate efficient and effective registry system
Ensure compliance with	Access to information manual	Full compliance

Promotion of Access to information	developed Manual is submitted to Human Rights Commission Manual is published in the Provincial Gazette Manual is published in the departmental website	
Ensure better communication	Communication unit is established Communication Strategy is developed and implemented Web-site is designed and managed	Fully achieved
Ensure sound labour relations environment	Training conducted on misconducts Training conducted on grievance procedures Employees are consulted on matters affecting them	Fewer cases of misconduct Fewer grievance cases Staff indaba is held
Develop service delivery implementation plan	Plan is approved and implemented	Plan exists
Ensure conducive working environment for all employees	Anti-harassment and Anti-discrimination policies are developed Health and Safety Inspections take place	0% harassment and discrimination cases 0% casualties

Table 1.4: Sub-programme 1.4: Financial Management (Office of the CFO)

Measurable Objective	Performance Measure Indicator	2007/08 Target
Finalise implementation of SCM structure.	Fully fledged structure	Completed
Establish sound relationship with Corporate Services (Logistics) review (clear distinction)	No audit queries smooth flow of information	80% reduction.
Draft and review Departmental SCM Policy and Procedure document.	Completed Policy and Procurement document issued	100% complete
Training of staff	Ongoing	Ongoing
Conduct workshops to sensitise Responsibility Managers and other users to SCM Processes.	All departments users trained	100%
Prepare Procurement Plan.	Completed Policy and Procurement document.	
Establish business processes (Bas and Final procurement plan)	Final business processes and BAS implementation.	100%

Measurable Objective	Performance Measure Indicator	2007/08 Target
Conduct workshops to sensitise managers on financial management	All departments users trained	100% complete
Draft and review department Policy and Procedure document	Completed Policy and Procurement document	100% Completed
Establish Internal Control unit	Fully functional unit	100%
Draft and review business processes and Policies Procedure	Ongoing	Polices completed
Workshop to Management/Users.	Ongoing	Ongoing
Instill Financial discipline.	Ongoing (No audit queries)	Reduce audit query by 80%
Accurate Management Accounts	Set standards according to the practice note on financial reporting	10 th of each month to Accounting Officer
Annual Financial Statements	According to GRAP and guidelines from National Treasury and Provincial Treasury	100% compliance to format
<i>Consolidated AFS</i>	According to guidelines by Provincial Treasury	100%
To clear ledger accounts Maintain accurate finance records.	Balances at month end.	Nil account balances for suspense accounts Reduced balances by 5%.

6.2 PROGRAMME 2 – SUSTAINABLE RESOURCE MANAGEMENT

Aim: To provide professional advise and support to HOD on provincial Fiscal policy, Public finance development and management of the annual Provincial budget process, and overall to manage the provincial government's fiscal resources effectively.

- Fiscal Policy, to provide fiscal policy advise, determine Medium Term Fiscal framework, develop and optimize the Provincial revenue base and develop the provincial borrowing framework;
- Budget Management, To oversee the Provincial allocation process aligned with provincial policies/growth and development strategy;
- Public finance, To provide departmental policy advise, ensure budget implementation and enhance service delivery

Table 6.2: Summary of payments and estimates: Programme 2 Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
				954	954		1,005	1,155	1,713
Programme Support									
Economic Analysis	29,280	12,588	3,539						
Fiscal Policy	535	1,328	1,442	3,191	3,191	4,672	3,369	3,569	3,747
Budget Management	1,813	2,524	4,684	8,549	4,799	4,719	14,191	14,294	14,431
Public Finance	1,563	893	879	6,801	2,751	1,570	11,087	11,641	11,946
Total	33,191	17,333	10,544	19,495	11,695	10,961	29,652	30,659	31,837

Table 6.2.1: Summary of payments and estimates by economic classification: Programme 2 Sustainable Resource Management

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
R thousand	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
Current payments	33,179	17,262	10,119	18,756	10,830	10,783	28,956	30,467	31,614
Compensation of employees	3,882	5,113	6,731	14,888	6,728	5,961	19,994	20,675	21,546
Goods and services	29,297	12,149	3,388	3,868	4,102	4,822	8,962	9,792	10,068
Interest and rent on land									
Financial transactions in assets and									
Unauthorised expenditure									
Transfers and subsidies:	12	16	22	5	6	4			
Provinces and municipalities	12	16	22	5	6	4			
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets		55	403	734	734	174	696	192	223
Buildings and other fixed structures									
Machinery and equipment		44	403	734	734	174	696	192	223
Cultivated assets									
Software and other intangible assets		11							
Land and subsoil assets									
Total economic classification	33,191	17,333	10,544	19,495	11,570	10,961	29,652	30,659	31,837

Service delivery Measures

Table 2.1: Sub-programme 2.1: Fiscal Policy

Measurable Objective	Performance Measure	2007/08
Formulate provincial own revenue policies	Provincial own revenue policies formulated	1 Policy Document

Ensure departments set credible provincial own revenue targets. Promote the attainment of revenue targets Assess revenue trends and compile reports	Revenue targets in line with CPI-X. Provincial own revenue assessment report Revenue budgets credibility report. Revenue trends assessment report	CPI-X Rate 1 Revenue Assessment Report 1 Revenue Credibility Report 13 Trend assessment reports
Develop research methodology for provincial own revenue	Research Methodology	1 Research Methodology Report
Develop debt management policy	Debt management policy developed	1 Debt Management Guidelines
Prepare medium term revenue estimates	Medium Term Revenue Estimates Report	1 MTRE Report
Produce medium term revenue planning cycle	Revenue planning cycle	1 Planning Cycle
Review FFC recommendation Review equitable share and conditional grants allocations	FFC Review Report Equitable Share and Conditional Grant review report	FFC Review Report Equitable share & Conditional Grant Reports

Table 2.2: Sub-programme 2.2: Budget Management

Measurable Objective	Performance Measure	2007/08
Annual Provincial Framework and Division of Revenue	Annual Budget Circular and timetable schedule produced Provincial Treasury Guidelines produced in line with National Guidelines	Guidelines, Budget Circulars produced
Consolidate and compile annual medium-term budget policy objectives targeted to address and eliminate the socio economic disparities.	Submission of provincial medium-term budget policy statement to Executive Council (EXCO).	NC – MTBS 2007 – 2010 100% Compliance
Determine and make recommendations on allocation per function to ensure the realization of policy priorities and further ensure alignment to PGDS and IDPs.	Equitable allocation of resources per function Acceptance of allocation by Executive Council Allocations are in line with policy priorities Meeting of all due dates and timely corrective measures	Outcome based allocations Allocations aligned with PGDs and IDPs 100% Compliance
Consolidation and Preparation budget document and ensure the credible budget and ensure that Budget Statement 1 and 2 are reliable, accurate and in line with national guidelines	Bilateral Medium-term Expenditure (MTEC) hearings Expenditure Review	Continuous Assessments and analysis 1 Review
Tabling of Provincial Annual Budget (Appropriation Act)	Submission of Budget documentation in line with prescribed formats and timelines to the Provincial Legislature	Within 7 days after the tabling of National Budget

Tabling of the Provincial Adjustments Budget (Adjustment Appropriation Act)	Submission of Budget documentation in line with prescribed formats and timelines to the Provincial Legislature	November
Co-ordinate Benchmark Exercise	Alignment of Budget with PGDs, provincial priorities and IDPs	January
Approve service delivery and budget implementation plan	Submission of departmental operational plans linked to strategic plans	Linkages of operational plans to strategic plans and PGDs
Provide advise on sectoral policy issues for sustainable growth and development	Analyse financial and non financial information for each sector to assess the alignment of strategic plans to PGDs and IDPs	Improved alignment between budgets, strategic plans and PGDs
Consolidate and compile In-Year-Monitoring reports and ensure that in – year spending monitoring is effective and of good quality, (monthly, quarterly, half year and yearly reports for the province produced	Expenditure in line with overall policy goals of the province Reports in line with prescribed i.t.o. both sections 32 and 40 of the PFMA	All reports compiled in terms of section 32(2) and 40(4) and submitted to the relevant stakeholders on time
Co-ordinate the Budgets and Expenditure Review	Timely submission of information	Financial and non-financial data to reconcile to ensure service delivery improvement
Co-ordinate and analyse departmental infrastructure business plans	Submission of Departmental Infrastructure Improvement Plan (IDIP)	Linkages to policy priorities and PGDs
Analyse and report on infrastructure expenditure trends	Credible expenditure reports	Reports in compliance with prescribed reporting formats
Ensure the development and maintenance of provincial database	Update provincial budget database	Monthly updated in line with Expenditure and MTEF Allocation

Cash Management		
Measurable Objective	Performance Measure	2007/08
Effective Cash Flow management System	Daily, Weekly, Monthly and Annual Cash Flow Reports Analysis of Expenditure Reports Policy Statements	Reports Reports
Effective transfer of funds in line with cash flow projections	Obtain requisition from (13) departments Analysis of requisition reports Transfer of funds timeously	Requisition reports
Implementation & maintain provincial banking services	Verification of bank charges agreement	

	Verification of interest agreement Evaluating banking services	
Maintain Provincial Liquidity	Limit overdraft facility maximize interest on surplus funds limit funding to departments In line with available funds	
Maintain Provincial Revenue Funds Operating Systems	Maintain BAS CPD Business online	

Table 2.4: Sub-programme 2.3: Public Finance

Measurable Objectives	Performance Measure	2007/08
Participate in all IDP making processes at municipalities to ensure alignment with PGDS.	All approved IDP's are aligned with the PDGS.	1 Annual Alignment Assessment Report.
Encourage effective and efficient expenditure control.	All municipalities comply with regulations.	As required.
Advocate and train municipalities on budget reform (i.e. SDBIP and 3 year budgets)	At least 1 programme arranged per region.	Normative measure report.
Arrange accredited training programme on budget management matters.	At least 1 programme arranged per region.	4 Training workshops.
To provide technical support to municipalities.	Delegate or second financial experts.	As required.
Ensure compliance with the MFMA.	Analyse all municipal budgets for compliance	2 Annual reports on compliance – draft and final budgets.

6.1 PROGRAMME 3- ASSET AND LIABILITIES MANAGEMENT

Aim: To provide policy direction, facilitating the effective and efficient management of physical and financial assets, PPPs and liabilities.

Table 6.3: Summary of payments and estimates: Programme 3 Asset And Liabilities Management

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Programme Support				970			1,005	1,155	1,713
Asset Management	1,636	2,036	2,296	5,148	2,418	3,098	5,512	5,736	6,023
Liabilities Management	1,704	2,568		16,672	3,672				
Support and Interlinked Financial Systems	14,963	7,174	2,807	4,861	2,361	2,865	3,777	4,390	4,653
Total	18,303	11,778	5,103	27,651	8,451	5,963	10,294	11,281	12,389

Table 6.3.1: Summary of payments and estimates by economic classification: Programme 3 Asset And Liabilities Management

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Current payments	18,282	11,735	5,054	27,268	8,194	5,557	9,441	11,157	12,246
Compensation of employees	5,739	8,213	4,405	9,164	6,996	4,867	7,641	7,100	7,508
Goods and services	12,543	3,522	649	18,104	1,198	690	1,800	4,057	4,738
Interest and rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies:	21	26	14	5	4	4			
Provinces and municipalities	21	26	14	5	4	4			
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets		17	35	378	378	402	853	124	143
Buildings and other fixed structures									
Machinery and equipment		17	35	378	378	402	853	124	143
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification	18,303	11,778	5,103	27,651	8,576	5,963	10,294	11,281	12,389

Service delivery measures

Table 3.1 Sub-programme 3.1: Asset Management

Measurable Objective	Performance Measure	2007/08
Guidelines and Standard issued to Departments	Full compliance with Asset Management Guidelines and Standards	Achieved
Develop new standards and best practices	In line with the National and International best practice	Achieved
Training Asset management staff in line departments	In line with National and International best practice	Achieved
Effective and efficient asset management in line departments	Number of reports on effective and efficient asset management	Achieved

Economic life cycle and value for money asset management in line departments	Number of reports on asset performance evaluations in line department	Achieved
Support to Senior Management of line departments on decisions for proper asset management	One report per department annually	Achieved

Table 3.2 Sub-programme 3.2: Supply Chain Management

Measurable Objective	Performance Measure	2007/08
Development and implementation of policies for the effective management of assets	Credible policies developed and implemented for SCM and PPP consistent with National policies and frameworks	SCM circulars issued. PPP policy guidelines updated.
Promote access to Government procurement processes and maintain a provincial suppliers database	Provide basic training courses for entrepreneurs within the province in procurement processes. Maintain and update a provincial suppliers database. Collate and analyze monthly procurement statistics	Target to train 200 entrepreneurs. Population of database ongoing and updating of information.
Provide training and support to SCM practitioners.	Coordinate training courses on a need basis Provincial forum with a view of providing assistance and mentorship.	2 SCM I courses to be presented. Provincial SCM forum to meet monthly.
Ensure compliance with SCM policies, procedures and processes	Attend all Departmental Specification and adjudication Committee meetings	Attend Specification and Adjudication Committee meetings Investigate vendor complaints
	Monitor vendor performance. Manage the restriction of suppliers via compliance committee. Monitor Departmental compliance	Co-ordinate compliance committee to restrict suppliers Investigate vendors complaints against department compliance and visa versa
Manage transversal contracts	Coordinate provincial participation Coordinate strategic sourcing projects to maximize cost effectiveness within BEE policy framework	Liase with provincial departments to maximize participation Participate in National and Provincial strategic sourcing exercises on a needs basis
Implement a provincial logistic management system	Liase with National Treasury to determine the appropriate route to follow.	Acquire system/tool and implement (depending on financial resources available) using phased-in approach.

Table 3.3: Sub-programme 3.3: Support and Interlinked Financial System

Measurable Objective	Performance Measure	2007/08
To ensure that the financial transversal systems and information management tool are effectively, efficiently and economically implemented, utilized and managed	Monitoring of the financial transversal system to ensure optimal utilization (BAS, PERSAL)	100% achieved
	Ensuring proper interfaces between sub-systems and financial system (BAS)	100% achieved
	Monitoring the optimal utilization of the management tool – Vulindlela (WEB application)	100% utilization of the management tool
	Keeping financial transversal systems users abreast of all new developments, etc	100% achieved
Ensuring the availability, stability and accessibility of the financial transversal system and information management tool	Monitoring the availability and stability of the financial transversal systems to ensure an up-time of at least 95%	95% uptime
Ensure that financial transversal system functionalities comply to norms and standards	Assessing and monitoring of enhancement made by Nat. Treasury to the financial transversal system	All user requirements submitted to National Treasury and rolled out within 2 weeks after release,
Ensuring fully skilled and capacitated financial transversal system users	Rendering of helpdesk function to all financial transversal system users, as well as the management tool to ensure effective users	100% availability and accessibility of the help-desk on a daily basis.
	Training users of the financial transversal system users, as well as the management	95% of the users to be targeted.
Ensuring a seamless and cost effective transition to the Integrated Financial Management System (IFMS)	Monitoring the status of the IFMS, i.e the development of specification, organization preparations required for implementation and the different modules	Monitoring Phase III- National rolling out of different releases of new system
Monitoring the cost effective of the transversal system	Ensure that tariffs changed are in accordance with the tariffs agreed upon by National Treasury and the DPSA	100%

PROGRAMME 4 –FINANCIAL GOVERNANCE

Aim: To promote accountability through substantive reflection of financial activities of the province as well as compliance with financial norms and standards.

Table 6.4: Summary of payments and estimates: Programme 4 Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Programme Support				970	970		1,005	1,155	1,713
Accounting Services	3,664	1,567	5,423	5,054	5,054	4,402	5,333	5,654	5,943
Norms and Standards				2,200	2,200		2,324	2,458	2,581
Total	3,664	1,567	5,423	8,224	8,224	4,402	8,662	9,267	10,237

Table 6.4.1: Summary of payments and estimates by economic classification: Programme 4 Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
Current payments	3,667	1,567	5,172	8,070	8,070	4,376	8,168	9,080	10,052
Compensation of employees	1,832		4,705	7,174	7,174	4,112	6,968	7,298	7,580
Goods and services	1,825	1,567	467	896	896	264	1,200	1,782	2,472
Interest and rent on land									
Financial transactions in assets and liabilities									
Unauthorised expenditure									
Transfers and subsidies:	7		15	5	5	4			
Provinces and municipalities	7		15	5	5	4			
Departmental agencies and accounts									
Universities and technikons									
Public corporations and private enterprises									
Foreign governments and international organisations									
Non-profit institutions									
Households									
Payments for capital assets			236	149	149	22	494	187	185
Buildings and other fixed structures									
Machinery and equipment			236	149	149	22	494	187	185
Cultivated assets									
Software and other intangible assets									
Land and subsoil assets									
Total economic classification	3,664	1,567	5,423	8,224	8,224	4,402	8,662	9,267	10,237

Sub-programme 4.1: Accounting Service

Measurable Objective	Performance Measure	2007/08
All transactions recorded and Financial Statements in line with formats and guidelines	Documented programme communicating procedure and due dates. Documented monitoring mechanism compliance with statutory due dates and timely corrective measures. Unqualified Auditor-General reports percentage qualified Auditor General report. Percentage compliance with Generally Recognised accounting Practice (GRAP) requirements. Roll out Standard Chart of Accounts (SCOA) to public entities. Clear old balance inherited from previous government dispensation.	100% compliance Analyse report of Auditor General and take corrective steps. 100% compliance Monitor Finalised.

Financial data analysed and interpreted	<p>Percentage compliance with and a 18-day turn around time for Provincial Treasury Interpretive narrative responses o departmental in-year monitoring reports.</p> <p>Produce an Accounting Review within deadline.</p> <p>Chief Financial Officer(CFO's) trained.</p> <p>Provide training on the interpretation of annual financial statements to CFO's</p> <p>Improve on the disclosure of the financial data and transactions in terms of Revenue, Expenditure Assets and Liabilities (REAL)</p> <p>Documented programme communicating procedures and due dates. Percentage compliance with statutory due dates and timely corrective measure.</p>	<p>80% achieved</p> <p>80% achieved</p> <p>Target achieved.</p> <p>Disclosure notes assessed</p> <p>Achieved</p>
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Table 4.2 Sub-programme 4.2 Norms and Standards (include PFMA/MFMA compliance)

Measurable Objective	Performance Measure	2007/08
Guidelines norms and standards issued to departments	Full compliance by accounting officers of normative standards	
Evaluation of current norms and standards	According to relevant guidelines and statutes	
Develop new standards and best practices	In line with best practices	
To prepare annual audit plan	Annually in line with risk assessment	
Conduct risk assessment	Quality risk assessment report	
To conduct regularity, performance and forensic audits	In line with audit plan	
Measure all SCOPA queries issued by departments	Amount of queries per department Check and verify responses provided	Achieved
Monitor all queries raised by the Auditor General	Responses per department 100% achieved Satisfactory finalisation of queries	Achieved

7. OTHER PROGRAMME INFORMATION

Table 7.1: Personnel numbers and costs: Provincial Treasury

	As at 31 March 2004	As at 31 March 2005	As at 31 March 2006	As at 31 March 2007	As at 31 March 2008	As at 31 March 2009	As at 31 March 2010
Personnel numbers							
Administration	68	60	69	82	119	119	119
Sustainable Resource Management	48	35	34	39	87	87	87
Asset And Liabilities Management	21	32	21	24	40	40	40
Financial Governance				32	25	25	25
Total personnel numbers *	137	127	124	177	271	271	271
Total personnel cost (R thousand)	18,313	21,612	24,587	46,484	57,240	25,831	57,240
Unit cost (R thousand)	134	170	198	263	211	95	211

* Full-time equivalent

Table 7.2: Summary of departmental personnel numbers and costs

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06	2006/07					
Total for the department									
Personnel numbers	137	127	124	177	328	328	271	271	271
Personnel costs	18,313	21,612	24,587	46,484	36,164	25,197	57,240	59,360	62,377
Human resources component									
Personnel numbers (head count)	128	125	123	126	126	126	235	235	235
Personnel cost	4,044	2,210	1,980	3,609	3,609	3,340	7,493	7,703	8,077
Head count as % of total for department	93%	98%	99%	71%	38%	38%	87%	87%	87%
Personnel cost as % of total for department	22%	10%	8%	8%	10%	13%	13%	13%	13%
Finance component									
Personnel numbers (head count)	20	19	28	38	20	20	57	57	57
Personnel cost	4,044	2,210	1,980	3,609	3,609	3,340	7,493	7,703	8,077
Head count as % of total for department	15%	15%	23%	21%	6%	6%	21%	21%	21%
Personnel cost as % of total for department	22%	10%	8%	8%	10%	13%	13%	13%	13%
Full time workers									
Personnel numbers (head count)	137	127	124	177	328	328	271	271	271
Personnel cost	18,313	21,612	24,587	46,484	36,164	25,197	57,240	59,360	62,377
Head count as % of total for department	100%	100%	100%	100%	100%	100%	100%	100%	100%
Personnel cost as % of total for department	100%	100%	100%	100%	100%	100%	100%	100%	100%

8. TRAINING

Table 8.1: Summary of training: Provincial Treasury

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited				2007/08	2008/09	2009/10
	2003/04	2004/05	2005/06						
R thousand	2003/04	2004/05	2005/06						
Programme 1: Administration of which	58	68	90	102	102	102	119	135	154
Subsistence and travel									
Payments on tuition	58	68	90	102	102	102	119	135	154
Programme 2: Sustainable Resource Management	145	203	334	268	268	268	303	333	368
Subsistence and travel									
Payments on tuition	145	203	334	268	268	268	303	333	368
Programme 3: Asset And Liabilities Management	108	250	155	140	140	140	177	197	208
Subsistence and travel									
Payments on tuition	108	250	155	140	140	140	177	197	208
Programme 4: Financial Governance			42				66	73	82
Subsistence and travel									
Payments on tuition			42				66	73	82
Total payments on training	311	521	621	510	510	510	665	738	812

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Table 8.2: Information on training: Provincial Treasury

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	Audited	Audited	Audited						
R thousand	2003/04	2004/05	2005/06	2006/07			2007/08	2008/09	2009/10
Number of staff									
Number of personnel trained									
of which									
Male	19	18	33	25	25	25	25	40	45
Female	38	44	49	45	45	45	45	50	60
Number of training opportunities									
of which									
Tertiary							20	40	
Workshops	14	12	10	15	15	15	20	25	
Seminars									
Other							5	10	10
Number of bursaries offered							35	40	50
Numbers of interns appointed			10				10	65	15
Number of learnerships appointed			29				25	25	25
Number of days spent on training	65	40	38	50	50	50	45	65	80