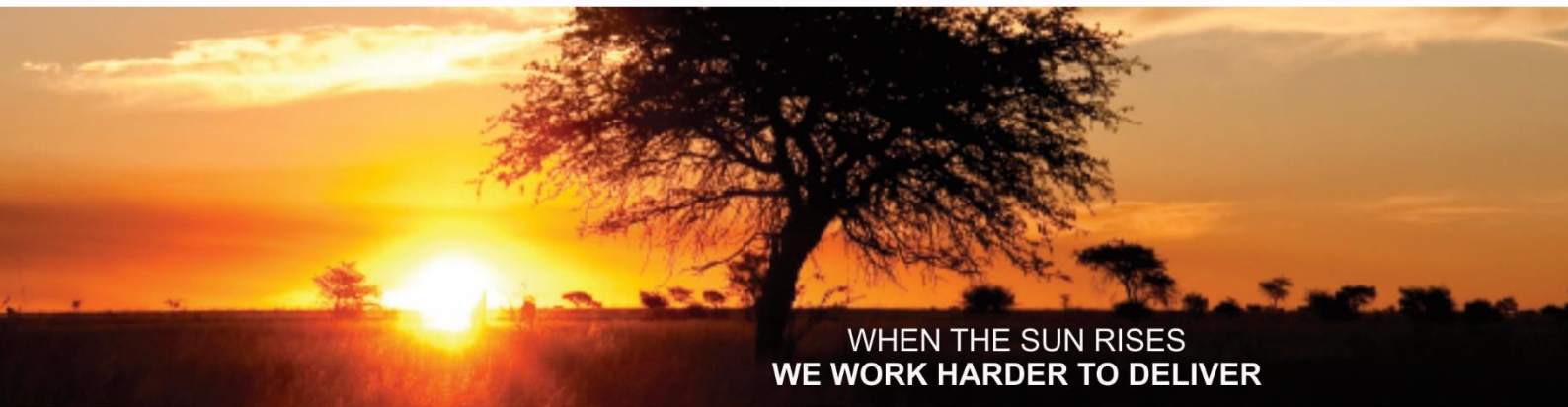




finance
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

STRATEGIC PLAN



WHEN THE SUN RISES
WE WORK HARDER TO DELIVER

FOR THE FISCAL YEARS
2015/16 - 2019/20



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FOREWORD

By MEC SE KHOLWANE (MPL)

The five year **strategic** outlook and plan for the Provincial Treasury is prepared during the phase of our transition – the phase of radical economic transformation. This phase has aptly found expression in the National Development Plan, Vision 2030 and Mpumalanga Economic Development and Growth Path.

The economic environment that underscores our planning for sustainable delivery of the Provincial Treasury mandate and services for the period 2015/6 to 2019/20 remains constrained. Mpumalanga experienced an average growth rate of 2.7 per cent per annum between 1995 and 2013 and an average annual growth rate of around just more than 1.9 per cent is forecasted for Mpumalanga for the period 2013 - 2018.

Despite the current economic discourse, our posture to protect the dignity of the poor and the unemployed, particularly the youth during the term of the administration remains unchanged.

Government faces an extremely tight fiscal environment and expenditure over the 2015 MTEF. For this reason there must be total adherence to the demands for prudent allocation and management of resources in the Province. The attainment of the transformational goals requires that the spending of the limited resources must result in significant change in the material conditions of the people of Mpumalanga.

There is therefore no space for material deviations in neither in our mandate and nor administrative processes related to the attainment of the programme of assuring our people of a better life for all.

The key priorities for the Department in the period ahead are articulated in the inaugural State of the Province Address which ushered the term of the administration in 2014. These are:

- Investing in infrastructure built programmes;
- Investing in broadband infrastructure and deploy information and communication technology to improve service delivery;
- Improving business processes and build transparency and accountability into financial management and procurement practices;
- Scaling up capacity and strategic support to Departments. Public entities and municipalities on financial management;
- Leveraging private sector investment to improve public service and infrastructure, and
- Preventing wastage of public resources.

Considerable attention will be devoted to fiscal impact on development through improved efficiency in government spending, and maintaining appropriate balance between investment and consumption expenditure – **National Development Plan**

Our progress will be measured by the integrity, coherence and alignment of the provincial budget and public expenditure to the imperatives of National Development Plan, Vision 2030 and Mpumalanga Economic Development and Growth Path.

Together We Move the Place of the Rising Sun Forward.

Executive Authority
Finance, Economic Development and Tourism

Strategic Plan for 2015/16 – 2019/20
Department of Finance, Mpumalanga Province

OFFICIAL SIGN-OFF

It is hereby certified that this Strategic Plan:

- Was developed by the Management of the Department of Finance under the guidance of the Honourable MEC SE KHOLWANE, MPL;
- Takes into account all relevant policies, legislation and other mandates for which the Department is responsible, and
- Accurately reflects the strategic outcome orientated goals and objectives which the Department of Finance will endeavour to achieve over the period 2015/16 -2019/20.

Ms LC Mlambo
Acting Chief Financial Officer

Signature: _____

Ms JE Nel
Head of Planning

Signature: _____

Ms NZ Nkamba
Accounting Officer

Signature: _____

Approved by:

Mr SE Kholwane (MPL)
Executive Authority

Signature: _____

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LIST OF ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
BBBEE	Broad Based Black Economic Empowerment
BAS	Basic Accounting System
CFO	Chief Financial Officer
CoGTA	Department of Cooperative Governance and Traditional Affairs
CRDP	Comprehensive Rural Development Programme
DEDET	Department of Economic Development Environment and Tourism
DoE	Department of Education
DPSA	Department of Public Service and Administration
DRP	Disaster Recovery Plan
EPRE	Estimates of Provincial Revenue and Expenditure
ERM	Enterprise Risk Management
EXCO	Executive Committee
FET	Further Education Training
FMCM	Financial Management Capability Maturity Model
HANIS	Home Affairs National Identification System
HOD	Head of the Department
HRD	Human Resource Development
ICT	Information Communication Technology
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure Delivery Management System
IGCC	Inter-Governmental Cash Coordination
IIA	Institute of Internal Auditors
IMSP	Integrated Municipal Support Plan
IT	Information Technology
IYM	In-Year-Monitoring
LED	Local Economic Development
LGMTEC	Local Government Medium Term Expenditure Committee
LOGIS	Logistical Information System
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
MPG	Mpumalanga Provincial Government

LIST OF ACRONYMS

MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
MUNIMEC	Municipality and MEC
NATIS	National Traffic Information System
N/A	Not applicable
NDP	National Development Plan
NMIR	National Minimum Information Requirements
NPI's	Non Profit Institutions
NPO's	Non Profit Organisations
OTP	Office of the Premier
PAB	Patient Administration and Billing
PERO	Provincial Economic Review and Outlook
PERSAL	Personnel Salary System
PFMA	Public Finance Management Act, 1999 (Act No. 1 of 1999)
PGDS	Provincial Growth and Development Strategy
PGITO	Provincial Government Information Technology Officer
PMC	Provincial Management Committee
PPP	Public Private Partnership
PSCM	Provincial Supply Chain Management
StatsSA	Statistics South Africa
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Plan
SER	Socio-Economic Review
SERO	Socio-Economic Review and Outlook
SITA	State Information Technology Agency
SONA	State of the Nation Address
SOPA	State of the Province Address
SSP	Strategic Support Plan
TR	Treasury Regulations

STRATEGIC OVERVIEW

PART A

Part A: Strategic overview

1. Vision

A dynamic Provincial Treasury leading in service excellence.

2. Mission

The equitable allocation and optimal utilization of provincial financial resources to ensure quality service delivery and better life for all through:

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

3. Values

We commit ourselves to the following core values:

Dedication	: To perform our tasks in a dedicated manner.
Excellence	: Professional excellence in performing our responsibilities.
Integrity	: To conduct business in a consistent, objective, honest, fair, just and trustworthy manner.
Accountability	: To be accountable for our actions.

4. Legislative and other mandate

4.1 Constitutional mandates

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

The Constitution provides a framework for the improvement of the quality of life of all citizens. It does so by enshrining the rights of all people, which have to be respected, protected, promoted and fulfilled by the State.

4.2 Legislative mandates

4.2.1. The Department derives its mandate from the following key legislation:

Division of Revenue Act (DORA)

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

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

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

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

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

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

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

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

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

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

The Act serves to give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996, and to provide for matters incidental thereto.

Protection of Personal Information Act, 2013 (Act No. 4 of 2013)

The Act promotes the protection of personal information processed by public and private bodies; It also introduces certain conditions so as to establish minimum requirements for the processing of personal information; It also provides for the establishment of an Information Regulator to exercise certain powers and to perform certain duties and functions in terms of this Act and the Promotion of Access to Information Act, 2000; The Act further provides for the issuing of codes of conduct; It also provides for the rights of persons regarding unsolicited electronic communications and automated decision making; It also regulates the flow of personal information across the borders of the Republic; and also provides for matters connected therewith.

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

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

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

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

Public Service Regulations

The Public Service Regulations were issued by the Department of Public Service and Administration in terms of and in compliance with section 41 of the Public Service Act, No. 103 of 1994 to prescribe any matter that requires or is permitted to be prescribed by the Act.

Treasury Regulations

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

4.2.2. List of legislation tabled in the Mpumalanga Provincial Legislature during the 2014/15 financial year:

Mpumalanga Appropriation Act, 2014 (Act No 4 of 2014)

The Act provides for the appropriation of money from the Provincial Revenue Fund for the requirements of the Province for the 2013/14 financial year; and to provide for matters incidental thereto

Mpumalanga Adjustment Appropriation Act, 2014 (Act No 5 of 2014)

The Act provides for the appropriation of additional money for the requirements of the Mpumalanga Province in respect of the financial year ending 31 March 2014 (2013/14).

4.3 Policy mandates

The Medium Term Strategic Framework

The Medium Term Strategic Framework (MTSF) is a Government's strategic plan for the 2014 - 2019 electoral term. It reflects the commitments made in the election manifesto of the governing party, including the commitment to implement the National Development Plan. The MTSF sets out the actions Government will take and targets to be achieved. It also provides a framework for departmental plan.

4.4 Relevant court rulings

Nyathi v Mec Health, Gauteng and Department of Justice

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

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

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

4.5 Planned policy initiatives

The Department will continue to review on an annual basis its already existing policies.

5. Situation analysis

The allocation of resources, which is the responsibility of the Department, was done under a very stringent global and domestic economic situation. The Department continues to do well on Audit Outcomes. The Department is supporting and monitoring Provincial Departments, Public Entities and Municipalities that continue to struggle with financial management and compliance with legislative requirements. It is therefore expected that the Department will upscale its support to these institutions.

The current financial year has been affected by policy development or policy changes in line with the Back to Basics programme. In line with the Back to Basic programme and in its quest to improve and strengthen its capacity to support Municipalities, the Department, as directed by the Provincial Executive Council, is in the process of establishing a dedicated unit in Provincial Treasury that will only focus on the work of Municipalities. The view of the Executive Council is that Municipalities should direct their effort to service delivery to their communities. The process of establishing the dedicated unit is underway.

The need to strengthen Provincial Treasury's support and monitoring to Municipalities and Public Entities is informed by the continuous negative Audit outcomes, especially in Municipalities. Municipalities have regressed in terms of audit outcomes for 2013/14, and that means that Provincial Treasury's intervention to support Municipalities should be intensified although the Department's budget only grew by a meagre 1% when compared to the previous financial year. The Department is committed to perform in terms of its PFMA and MFMA mandates.

The Department will continue to improve its system to enhance its responsibility to support Provincial Departments, Municipalities and Public Entities. One of the improvements include the implementation and going "live" of the Payment Clearing and Fraud detection Banking Solutions

In terms of legislative requirements, a quality assurance review must be performed every five years to determine if the internal audit processes are performed in accordance with IIA standards. In line with this requirement, the Department is busy evaluating internal audit units in the Province to prepare them for the Quality Assurance Reviews.

Great emphasis will therefore be on the priorities of the Province derived from the Delivery Agreements and priorities, informed by the MTEF, the Provincial Growth and Development Path and State of the Province Address.

ECONOMIC LANDSCAPE

South Africa and also Mpumalanga still experience an environment of continued economic and fiscal uncertainty. The global economy continues to exhibit mixed signals regarding the economic growth outlook. The domestic economic growth outlook has deteriorated recently against the backdrop of protracted strike action in the mining and manufacturing industries.

It is expected that the provincial economy will perform in line with national growth expectations at a growth rate of 2 per cent in 2015. While the national and provincial economies are expected to improve in the next year or two, the downside risks remain.

Mpumalanga experienced an average growth rate of 2.7 per cent per annum between 1995 and 2013 and an average annual growth rate of around just more than 2 per cent is forecasted for Mpumalanga for the 2013-2018 period. This is much lower than the 5 per cent growth required in terms of the Mpumalanga Economic Growth and Development Path (MEGDP) and Provincial Vision 2030.

The coming financial year will be characterized by diminishing budgets, largely as a result of slow global economic recovery and the country's dwindling Gross Domestic Product (GDP) current and projected figures. The direct impact of economic poor performance is the loss of jobs, which means that people who contribute towards paying tax, are not employed. The less tax the country collects, the less money is available for distribution to service delivery priorities.

Government faces an extremely tight fiscal environment and expenditure over the 2015 MTEF will be well contained. Poor economic performance, relatively high interest rates and levels of inflation, place

additional pressure on Government's fiscal programme, which seems to stabilize the growth of debt and restore fiscal sustainability.

The relatively weak economic performance and outlook, has placed public finances in South Africa (including Mpumalanga) under increasing pressure. Rising debt levels would absorb more and more of government spending. The end result would be less money to spend on improving the lives of our people – especially those living in poverty.

We should respond to the fiscal consolidation proposals of the Honourable Minister of Finance in his MTBPS Speech on 22 October 2014. Government proposes a medium-term fiscal policy package to re-establish a sustainable foundation for public finances in the decade ahead. The proposals represent a course adjustment in line with the weak economic growth the last couple of years and a moderate GDP growth outlook.

Government's fiscal package to reinforce sustainability, includes elements such as reducing growth in government spending, adjusting tax policy and administration, strengthening budget preparations with greater emphasis on long term planning and efficient resource allocation, and also freezing government personnel headcounts.

All these proposals should not impact negatively on service delivery. We must maximize efficiency in Government which should include the focus on procurement costs, cost containment measures, a culture of doing more with less and also continue to fight waste and corruption. We must achieve better value for money in public expenditure.

Mpumalanga is not performing very well in the labour market where the Province is experiencing a high unemployment rate of around 30 per cent and where the net job gains per annum is below the target of more than 80 000 new jobs per annum. There is a concern especially about the agriculture industry which is experiencing job losses where it is supposed to be one the job drivers of Mpumalanga.

Both the public and private sector should respond to the provincial growth and job creation challenge. Together, they must bring the high unemployment rate down by creating decent and sustainable jobs and also targeting the youth with our employment creation programmes in all industries/sectors of the provincial economy.

The reduction of unemployment, poverty and inequality remain the central challenges of our province. It is therefore important that Government budgets respond to the triple challenges continuously. The budget must be utilized as a tool for growth and development of the 4.2 million Mpumalanga citizens.

1. Performance Delivery Environment

The Provincial Treasury's responsibilities to support Municipalities will see greater demand for support in the coming period as municipalities continue to receive negative Audit Outcomes and Provincial Treasury will step up the support and oversight to poor performing Municipalities. During the Departmental Strategic Planning session it was decided that more focus will be placed on supporting and assisting poor performing Municipalities and monitoring those Municipalities with positive outcomes. It is envisaged that this decision will see improvement in municipal performance.

The focus of the Department will be on assisting Municipalities in particular, to improve their audit outcomes and financial performance. The governance area in Municipalities has proved to be a big challenge and therefore more effort will be directed towards improving their Financial Management Capability Maturity levels. Municipal Support will be enhanced further with the establishment of a dedicated unit that will focus on the work of Municipalities.

In **Administration**, the Department experienced challenges in the filling of critical vacant funded post. The internship programmes were successfully implemented with some participants being absorbed within the Department while others were appointed elsewhere. The Department also intensified its support for the internship Programme by extending the period from 12 months to 18 months in order to address the course requirements for interns who were enrolled with FET Colleges. The Department is in the process of reviewing the Organisational structure for implementation in the 2015/16 financial year in order to be more efficient in carrying-out its mandate.

The **Sustainable Resource Management Programme** aims to efficiently and effectively manage fiscal resources towards achieving inclusive growth and improving living standards. We will continue to conduct socio-economic research to inform the provincial and municipal planning and budget processes. Quality, accurate and credible research reports are essential for developing, implementing and monitoring socio-economic policy, determining budget priorities and ensure that Departments and Municipalities respond to the socio-economic challenges and priorities of the Province and relevant Municipal Areas. Guidance will be provided to ensure that budgets are spent in the right areas to maximise the impact on the well-being of the more than 4 million provincial citizens.

We will work closely with COGTA, Department of Economic Development and Tourism and Municipalities, to ensure active and viable LED structures, Forums and strategies at a municipal level. The objective of this support is to contribute to higher economic growth as well as job creation at local level in Mpumalanga.

The Programme supports provincial Departments in generating and maximization of own revenue through monthly monitoring of revenue collection performance by departments. The Department will be investing in the development of a Revenue Generation Strategy. Special attention will be given to collection of revenues owed by various Municipalities in line with agency agreements entered into between the Department of Community Safety, Security and Liaison with regards to Road Traffic Act fees.

The Programme will continue to support and monitor the delivery of infrastructure by provincial Departments, Public Entities as well as Municipalities. This will include support to Departments with the implementation of an IDMS, which entails the preparation of budgets two years in advance related to Infrastructure Grant Reform processes and general funding of infrastructure. Currently the Province has not benefitted on the Incentive process. A lot needs to be done in relation to improvements in planning for Infrastructure.

The **Assets and Liabilities Management Programme** is responsible for the monitoring and support of Assets, Liabilities, Provincial Supply Chain management, Public Private Partnerships, Transversal Systems and Information Technology Services as well as the provisioning of information technology infrastructure to Votes, Municipalities and Public Entities.

The past five years (2009-2014) focus was on improving compliance to reporting provisions as set out by National Treasury including on monitoring the payment of suppliers within 30 days, rotation of SCM practitioners, particularly in departments and Public Entities, vetting of officials working in SCM, training of practitioners in all spheres of government and creation and establishment of bid committees.

More work will also be done to support advise and provide guidance to departments and Public Entities on the management of debtors as well as liabilities including putting a particular focus on Municipalities.

Standardisation of prices of frequently procured commodities to avoid paying huge premiums by Government is being implemented. This process will lead to pricing structures which are acceptable,

affordable and compliant to value for money provisions. Cross cutting goods and services will be subjected to transversal contracts.

The programme will strengthen the management of cash in line with approved cash flow schedule and institute measures to prevent overdrafts in departments.

Asset Management has become a critical unit in institutions as it moved away from a stocktaking exercise to the management and accounting for assets. The legacy of the past in the appointment of officials without the necessary skills is addressed through workshops and hands-on training. The accounting for inventory management will commence during this period and the Votes will be supported and monitored on the implementation thereof.

The current environment on liabilities management is such that there are great improvements in terms of the acceptance of the role the unit is playing in the various government institutions the Department is responsible for. There are still challenges with regard to the local sphere of government with regard to timeous submission of the required information.

The sophistication of information technology (IT) at all levels of organisations has rapidly increased in recent years. Gone are the days when IT was simply a basic support function that automated business activities. IT now plays many fundamental and highly beneficial roles in businesses.

Given the increasing complexity of technology and the common assignment of the audit committee, Internal Audit to couple risk and IT oversight with financial reporting oversight, IT literacy is an essential competency for the audit committee, Internal Audit, Executive Management and other Oversight bodies in Municipalities and Provincial departments. This knowledge is often gained through the expertise of a committee member or through external specialists as needed

Audit committees and Executive Management can enhance their effectiveness by adopting a proactive and communicative approach to monitoring Corporate Governance of ICT. When the audit committee and Executive Management members are familiar with and comfortable discussing technology risks and initiatives, they are more likely to ask the right questions and focus on the right issues when the unexpected occurs. The Business Continuity Plan and the IT Disaster Recovery Plan has been revised and approve and will assist in terms of risk management.

The **Financial Governance Programme** will continue to monitor Votes, Municipalities and Public Entities with regard to the implementation of and compliance with prescribed policies and Acts and also provide hands-on support and capacity building where necessary.

The programme plays an important role in mediating between the auditors and the auditees in the interpretation of the legislation and prescribed standards to facilitate the finalisation of the audit process. Votes have improved their financial reporting through the introduction of quarterly interim financial statements. The Interim Financial Statements have been introduced to Municipalities as well. The programme introduced the implementation of Standard Chart of Accounts (SCOA) to two pilot Municipalities (Nkangala District and Victor Khanye Municipalities) to standardise and improve their financial reporting.

The facilitation and analysis of the FMCMM has assisted Departments and Public Entities to improve their financial maturity levels in all key areas assessed. FMCMM will also be introduced to Municipalities to improve the financial maturity levels. The programme will further develop the template to address the gaps identified, and coordinate the completion and monitoring of the Action plans by Votes and entities. Poor management and administration of fleet by Votes has been identified and this raises a need to pay more attention to this area of work. The programme will also assist Municipalities

in the filing and storage of documents. Some Municipalities got disclaimers because of no or inadequate record keeping that leads to the limitation of scope.

The programme has developed a Risk management Committee Evaluation tool to assess the effectiveness of the committees to improve the risk management maturity level and ensure value add. The programme will ensure that risk assessments are performed in all Municipalities and will continue to evaluate the adequacy and effectiveness of the risk identification processes to improve the audit results and enhance good governance.

The programme continues to evaluate the Internal Audit Annual plans to enhance the quality and ensuring that internal audit efforts add value to the institutions in achieving their objectives. The programme will continue to attend and evaluate the effectiveness of the Audit Committees utilising the audit committee toolkit and providing recommendations for improvement. Internal Quality Assurance Reviews are performed to ensure that Internal Audit Functions comply with Internal Audit Standards and Provincial Internal Audit Manual.

The programme looks forward to establishing a governance outlook document in order to profile challenges of departments, Public Entities and Municipalities and provide recommendations for improvement of audit outcomes in 2015/16 and beyond.

5.1. Organizational environment

The Department has an approved organogram with 433 posts and which organogram is currently under review in order to adequately respond to the Department's Legislative mandate, which focuses on the role of Treasury in the implementation of MFMA to delegated Municipalities.

The structure makes provision for four programmes. Programme 1 is responsible for the political, financial and administrative management of the department. The other three programmes are focusing on sustainable resource management, asset and liabilities management and financial governance. The Department operates in both the PFMA and MFMA space. It is therefore important that the Department is correctly positioned in order to provide maximum value to its clients.

The Department has an approved establishment of 339 posts after the *Persal* clean-up process, and 312 are filled. An instant moratorium has been declared on all vacant funded positions and thus leaving the Department with no vacancies.

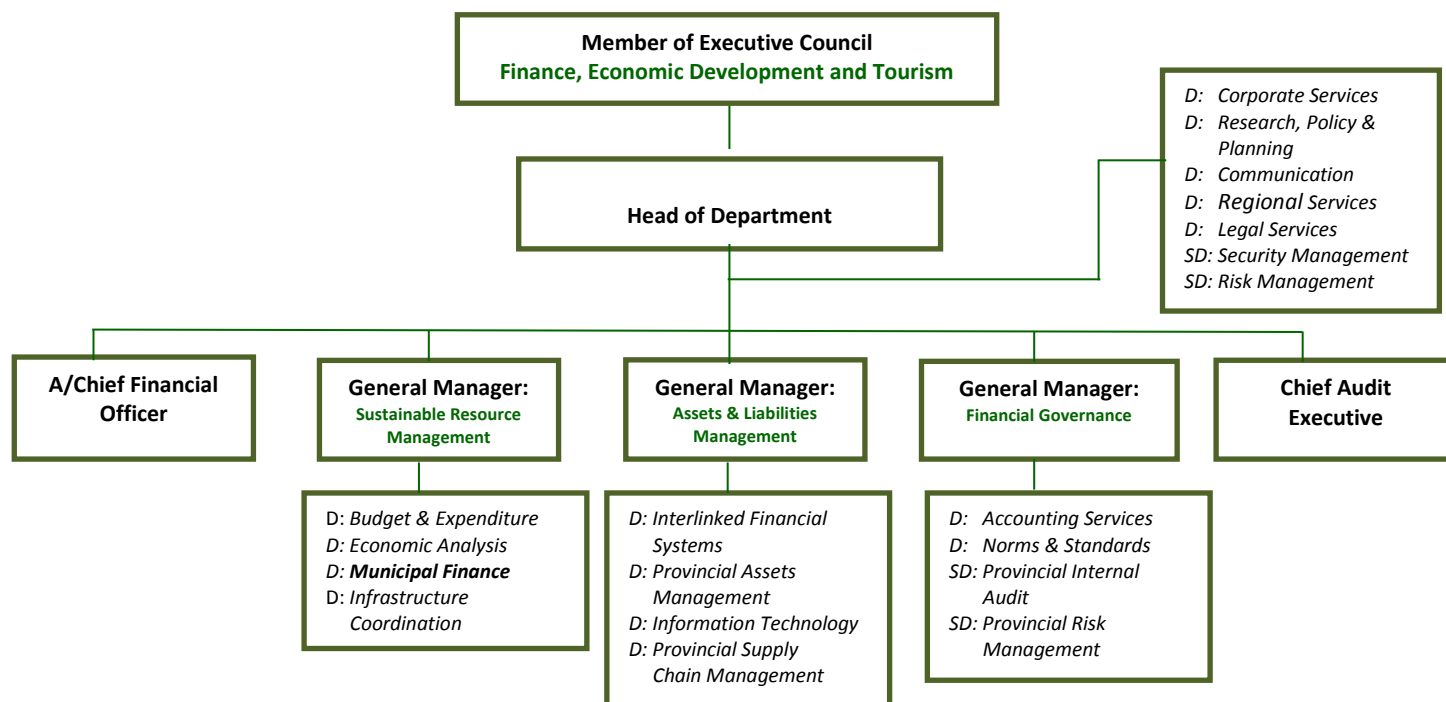
The functions of the treasury programmes are specialised and depend on skilled resources to ensure the delivery of services. The staff turnover experienced during this reporting period was a major challenge. Although the recruitment of personnel by other Departments and Provinces is not unique to the Department, it has implication to the overall operations of the Department. The Department will take steps to improve its retention strategy.

Overall Organizational Analysis

Programmes	Approved establishment	Number of Posts Filled	Number of funded vacant posts	Number of Posts Filled additional to the Establishment
Programme 1	141	126	0	0
Programme 2	52	48	0	5
Programme 3	110	103	0	13
Programme 4	36	35	0	0
Total	339	312	0	18

In considering the Provincial Budget for the 2015/16 financial year, the Budget and Finance Committee resolved on 11 March 2015 to place an immediate moratorium on the filling of all vacant posts (funded and unfunded) across all provincial departments. The Committee further resolved that all Provincial Departments must with, immediate effect abolish all vacant post (funded and unfunded) from their organisational structures.

The organisational organogram below depicts the management structure



5.2. Description of the strategic planning process

To compile the new strategic plan every programme manager undertook their own sub-strategic planning session to relook at their deliverables and to improve on their objectives to ensure improvement on measurability and clarity of their purpose.

Then the departmental strategic planning session was convened where all Programmes presented their pre-planned strategic plan information. The session was attended by the management of the Department. The Office of the Premier was invited to the planning session. Deliberations on planned objectives for the next five years was finalised and agree on. The technical indicator descriptions were also finalised.

A draft strategic plan was developed. The strategic plan was together with supporting documents submitted to National and Provincial Treasury, Office of the Premier, Department of Monitoring and Evaluation and the relevant Portfolio Committee for consideration.

6. Strategic outcome oriented goals of the Department

Strategic Goal 1	Administrative Support Services
Goal Statement	Provide prompt, continuous, effective and efficient administrative support to all line functions in the Department.
Justification	Achieving sustained benefit across the Department by achieving goals and improving service delivery in terms of Departmental policies.

Links	MTSF priority 12: An efficient, effective and development orientated public service. Compliance to PSA, PFMA, MFMA, MTSF and other related legislative frameworks.
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Strategic Goal 2	Maintain fiscal discipline in the province
Goal Statement	Provide quality advice and support on Provincial and Municipal Fiscal policy, Budget and expenditure management and economic impact of provincial public policy and expenditure and Infrastructure Coordination.
Justification	To ensure that there is service delivery in the province through efficient resources allocation and sound financial management practices.
Links	MTSF priority 9: responsive, accountable, effective and efficient developmental local government system and the PFMA, MFMA, MTSF, NDP, Vision 2030 and MEGDP

Strategic Goal 3	Asset and Liabilities support
Goal Statement	Monitor and support the implementation of Transversal Systems, Information Technology Services, Assets, Liabilities, Public Private Partnerships and Provincial Supply Chain management to Votes, public entities and municipalities, to achieve full compliance to applicable legislative frameworks in the next five years.
Justification	To ensure Votes, public entities and municipalities comply with PFMA, MFMA and other relevant legislations to support service delivery.
Links	Strengthening performance and management of public resources in provincial departments, public entities and municipalities. MTSF priority 9: responsive, accountable, effective and efficient developmental local government system, PFMA, MFMA & other relevant legislations

Strategic Goal 4	Efficient and effective financial and corporate governance.
Goal Statement	Ensure efficient and effective financial and corporate governance in the province in line with legislation by 2020.
Justification	Improved compliance to prescribed frameworks and legislation by Departments, public entities and municipalities
Links	MTSF priority 9: responsive, accountable, effective and efficient developmental local government system and the PFMA, MFMA, MTSF, NDP, Vision 2030 and MEGDP

STRATEGIC OBJECTIVES

PART B

Part B: Strategic Objectives

7. Programme 1: Administration

This programme is responsible for the political, financial and administrative management of the Department. The programme provides prompt, continuous, effective and efficient administrative support services to all line functions in the Department. Informed by the Budget Structure as provided for by the National Treasury, the Programmes consist of the following sub-programmes:

- Member of Executive Council: Office of the MEC;
- Management Services: Office of the HOD;
- Financial Management; and
- Internal Audit.

7.1 Strategic objectives

Strategic Objectives of Programme 1: Administration	
	Provide policy and political directives in order to achieve Provincial objectives
	Translate policies and priorities into strategies for effective service delivery
	Provide sound financial and supply chain management services to the Department
	Provide efficient and effective internal audit services in the Department

Member of Executive Council: Office of the MEC	
Strategic Objective 1	Provide policy and political directives in order to achieve Provincial objectives
Objective Statement	Provide policy and political directives in terms of Treasury functions Table 2 Provincial and 1 Policy and Budget Statement
Baseline	Budget and Finance committee, MuniMec, MTech Hearings to determine provincial priorities and resource allocations
Justification	MTSF, PFMA, MFMA and Treasury Regulations
Links	MTSF priority 12: An efficient, effective and development orientated public service. MTSF priority 9: responsive, accountable, effective and efficient developmental local government system. Compliance to PSA, PFMA, MFMA, MTSF and other related legislative frameworks.

Management Services: Office of the HOD	
Strategic Objective 1	Translate policies and priorities into strategies for effective service delivery
Objective Statement	Manage, monitor and control performance of the 4 programmes to ensure implementation of policies and priorities through 5 legislative reports.
Baseline	Continuous monitoring of programme performance through quarterly and annual reporting
Justification	MTSF, PFMA, MFMA and Treasury Regulations
Links	MTSF priority 12: An efficient, effective and development orientated public service. MTSF priority 9: responsive, accountable, effective and efficient developmental local government system. Compliance to PSA, PFMA, MFMA, MTSF and other related legislative frameworks.

Financial Management : Office of the Chief Financial Officer	
Strategic Objective 1	Provide sound financial management and Supply Chain Management services to the Department
Objective Statement	Render efficient and effective management accounting, financial accounting, supply chain management and risks management support by 12 financial reports
Baseline	12 IYM reports and 1 annual financial statement
Justification	Sound financial management as prescribed in PFMA
Links	MTSF priority 12: An efficient, effective and development oriented public service. Compliance to PSA, PFMA, MFMA, MTSF and other related legislative frameworks.

Internal Audit	
Strategic Objective 1	Provide efficient and effective internal audit services in the Department
Objective Statement	Provide a responsive, value added and effective internal audit service to evaluate and improve the effectiveness of risk management, control and governance processes in the 4 department programmes in 1 audit plan
Baseline	Internal Audit conducts its activities in accordance with an approved risk based audit plan and in compliance with the IIA Standards
Justification	Section 38(1)(a)(ii) of the PFMA requires each department to have a system of internal audit under the control and direction of an Audit Committee
Links	MTSF priority 12: An efficient, effective and development oriented public service. Compliance to PSA, PFMA, MFMA, MTSF and other related legislative frameworks.

7.2 Resource consideration

Expenditure Trends: Programme 1: Administration

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Member of Executive Council	4 876	5 193	6 319	5 851	1 912	1 912	-	690	907
Management Services	25 168	28 132	29 246	32 866	31 327	31 327	32 356	35 289	37 669
Financial Management	32 564	34 192	34 527	36 992	39 625	39 625	38 185	41 283	46 222
Internal Audit	3 450	3 678	3 612	4 210	3 780	3 780	4 147	4 494	4 724
Total	66 058	71 195	73 704	79 919	76 644	76 644	74 688	81 756	89 522

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Expenditure Trends per economic classification: Programme 1: Administration

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Current payments	63 462	70 442	70 977	77 250	73 863	73 863	72 826	80 521	88 226
Compensation of employees	37 701	41 358	43 351	49 017	43 247	43 247	45 194	51 814	55 858
Goods and services	25 761	29 064	27 626	28 233	30 616	30 616	27 632	28 707	32 368
Transfers and subsidies to:	1 571	219	686	509	621	621	531	570	599
Provinces and municipalities	4	2	11	13	13	13	8	15	16
Departmental agencies and accounts	-	-	435	463	463	378	488	518	544
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	1 567	217	240	33	145	145	35	37	39
Payments for capital assets	1 025	552	2 041	2 160	2 160	2 160	1 331	655	697
Building and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 025	552	1 966	2 160	2 160	2 160	1 331	665	697
Software and other intangible assets	-	-	75	-	-	-	-	-	-
Payment of financial assets	-	2	-	-	-	-	-	-	-
Total	66 058	71 195	73 704	79 919	76 644	76 644	74 688	81 756	89 522

The programme has received a decrease of 6.5 percent in 2015/16 financial year when compared to 2014/15 financial year. This is as a result of the budget allocated to the Statutory which was transferred to the Department of Economic Development and Tourism and non-funding of the vacant positions previously funded.

Trends in the number of key staff

Salary Band	Approved establishment	Number of posts filled	Number of funded vacant posts	Number of posts filled additional to establishment
Senior Managers (Level 13 - 16) including MEC	11	9	0	0
Managers (Level 11 – 12)	13	11	0	0
Assistant Managers (Level 9 – 10)	19	17	0	0
High Level Skilled (Level 6 – 8)	49	45	0	0
Skilled (Level 3 – 5)	30	29	0	0
Unskilled (Level 1 – 2)	19	19	0	0
Total	141	129	0	0

7.3 Risk management

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

Risk identified	Mitigation Measure/ Action Plan
1. Vacant posts impacting achievement of objectives	<ul style="list-style-type: none"> Evaluate, assess and advertise vacant posts within stipulated time frames.
2. Ineffective Communication within the Department	<ul style="list-style-type: none"> MANCO Meetings to communicate strategic matters held bi-monthly
3. Inadequate disaster management plan	<ul style="list-style-type: none"> Business Continuity Plan (BCP) and the Information Technology (IT) Disaster Recovery Plan (DRP)

8. Programme 2: Sustainable and Resource Management

The programme promotes optimal and effective Provincial resource allocation and utilization, efficient Provincial budget management, accurate financial reporting on Provincial revenue generation and maximization. It is tasked to provide quality and accurate socio-economic research reports to inform the Provincial and municipal planning and budget processes, promote efficient planning. Another area of performance is the implementation and management of infrastructure by Provincial Departments and Municipalities, and lastly, it provide technical support to delegated Municipalities on the implementation of the MFMA.

The sub-programmes of Sustainable Resource Management are:

- Economic Analysis
- Provincial Administration Fiscal Discipline
- Budget and Expenditure Management
- Municipal Finance
- Infrastructure Co-ordination

8.1 Strategic objectives

Strategic objectives of Programme 2	
	Conduct socio-economic research to inform the Provincial and Municipal planning and budget processes
	Support Provincial Votes to maximise and expand sustainable revenue generation and collection in the province, Effective management of Provincial Revenue Fund. Effective management of Provincial Revenue Fund
	Promote effective and optimal financial resource allocation and expenditure management for provincial government
	Provide support and monitor municipalities on the implementation of the MFMA
	Promote Provincial Efficiency in Financial Planning and Implementation of Infrastructure Delivery Management System (IDMS)

Economic Analysis	
Strategic Objective 1	Conduct socio-economic research to inform the Provincial and Municipal planning and budget processes
Objective Statement	Provide quality and accurate annual socio-economic reports that inform provincial and municipal fiscal policy development and the annual budget processes, thereby contributing to the provincial growth and development strategy – 20 quarterly, 4 bi-annual and 5 annual reports
Baseline	Publication of quarterly, bi-annual and annual socio-economic reports on provincial and municipal level
Justification	Socio-economic research reports should be essential for developing and implementing policy, determining budget priorities and should also quantify the impact of public policy and spending on the quality of life of provincial citizens
Links	PFMA, MFMA, MTSF, NDP, Vision 2030, MEGDP and MTSF priority 9 & 12.

Provincial Administration Fiscal Discipline	
Strategic Objective 1	Support Provincial Votes to maximise and expand sustainable revenue generation and collection in the province, Effective management of Provincial Revenue Fund. Effective management of Provincial Revenue
Objective Statement	Support Provincial Votes to maximise and expand sustainable revenue generation and collection in the province in 12 Votes
Baseline	Support 12 Votes
Justification	Ensure revenue generation and collection
Links	Public Finance Management Act, Medium Term Strategic Framework, Division of Revenue Act MTSF priority 12: An efficient, effective and development orientated public service.

Budget and Expenditure Management	
Strategic Objective 1	Effective and optimal financial resource allocation, preparation and exercise control over implementation of provincial budget
Objective Statement	To prepare budget and monitor budget implementation in 13 Votes
Baseline	13 Provincial Votes
Justification	Ensure preparation of provincial budget and that Votes spend according to their plans and within allocated funds
Links	Public Finance Management Act, Medium Term Strategic Framework, Division of Revenue Act MTSF priority 12: An efficient, effective and development orientated public

Budget and Expenditure Management	
	service.

Municipal Finance	
Strategic Objective 1	Provide support and monitor municipalities on the implementation of the MFMA
Baseline	Provide support and monitor 21 municipalities
Justification	Ensure the fiscal discipline and enhancement of service delivery in the municipalities
Links	MTSF priority 9: responsive, accountable, effective and efficient developmental local government system. Compliance to PFMA, MFMA, MTSF and legislative frameworks.

Infrastructure Co-ordination	
Strategic Objective 1	Promote Provincial Efficiency in Financial Planning and Implementation of Infrastructure, in line with approved Infrastructure Delivery Management System (IDMS). (Coordinate the delivery of Infrastructure in the province).
Objective Statement	Provide support and monitor 7 provincial departments, and 3 delegated District municipalities.
Baseline	Currently supporting 7 infrastructure departments.
Justification	Infrastructure is directly linked to Provincial Economic Growth.
Links	National Development Plan; Public Finance Management Act; Division of Revenue Act; Provincial Growth and Development Strategy; Mpumalanga Infrastructure Delivery Management System. MTSF priority 12: An efficient, effective and development orientated public service.

8.2 Resource consideration

Expenditure Trends: Programme 2: Sustainable Resource Management

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Programme Support	1 385	2 141	5 991	1 746	1 746	1 746	13 772	1 969	2 012
Economic Analysis	3 245	3 339	3 186	3 721	3 661	3 661	3 714	4 819	4 406
Provincial Administration Fiscal Discipline	3 818	4 361	4 586	6 137	4 789	4 789	4 405	6 092	6 959
Budget and Expenditure Management	7 123	7 490	7 825	9 052	9 162	9 162	10 644	10 172	11 075
Municipal Finance	15 632	15 581	19 755	21 758	23 690	23 690	26 895	24 805	24 559
Infrastructure Co-ordination	2 337	2 653	3 146	4 528	4 082	4 082	3 644	4 470	5 104
Total	33 540	35 565	44 489	46 946	47 130	47 130	63 074	52 327	54 205

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

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Current payments	33 458	35 457	41 412	43 896	41 402	41 090	60 021	52 271	54 205
Compensation of employees	26 921	28 211	30 875	36 389	33 885	33 573	36 075	42 585	45 612
Goods and services	6 537	7 246	10 537	7 507	7 517	7 517	23 946	9 686	8 593
Transfers and subsidies to:	-	10	3 035	3 000	5 688	6 000	3 000	-	-
Provinces and municipalities	-	-	3 000	3 000	5 688	6 000	3 000	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	-	10	35	-	-	-	-	-	-
Payments for capital assets	82	98	42	50	40	40	53	56	-
Building and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	82	98	-	-	-	-	-	-	-
Software and other intangible assets	-	-	42	50	40	40	53	56	-
Total	33 540	35 565	44 489	46 946	47 130	47 130	63 074	52 327	54 205

The programme has received an increase of 9.5 percent in 2015/16 financial year when compared to 2014/15 financial year. The increase is mainly additional funds received for the development of revenue enhancement strategy.

Trends in the number of key staff

Salary Band	Approved establishment	Number of posts filled	Number of funded vacant posts
Senior Managers (Level 13 - 16)	6	5	0
Managers (Level 11 – 12)	23	21	0
Assistant Managers (Level 9 – 10)	17	16	0
High Level Skilled (Level 6 – 8)	0	0	0
Skilled (Level 3 – 5)	6	6	0
Unskilled (Level 1 – 2)	0	0	0
Total	52	48	0

8.3 Risk management

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

Risk identified	Mitigation measure/ Action Plan
1. Lack of fiscal discipline by Departments and Municipalities	<ul style="list-style-type: none"> DORA, IYM, IRM, socio-economic reports and relevant decision making forums on provincial and municipal level utilised to maintain fiscal discipline

9. Programme 3: Assets and Liabilities Management

The Programme is responsible for the monitoring and support of Assets-, Liabilities-, Provincial Supply Chain management, Public Private Partnerships, Transversal Systems as well as the provisioning of information technology services in the Mpumalanga Provincial Government.

The sub-programmes of Assets and Liabilities Management are:

- Provincial Supply Chain Management
- Financial Asset Management
- Public Sector Liabilities Management
- Physical Asset Management
- Interlinked Financial Systems
- Information Technology

9.1 Strategic objectives

Strategic objective of Programme 3
Monitor and support the implementation of Supply Chain Management Framework
Coordinate identified Public Private Partnership projects
Monitor and support the management of financial assets
Monitor and support the management of public sector liabilities
Monitor and support the management of physical assets
Monitor and support the management and utilisation of transversal systems
Provide Information Communication Technology (ICT) services in the Mpumalanga Provincial

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Strategic objective of Programme 3

Government

Provincial Supply Chain Management

Strategic Objective1	Monitor and support the implementation of Supply Chain Management Framework
Objective Statement	Oversee and monitor the implementation of Supply Chain Management framework by providing guidance and support to enhance sound financial management and accountability.- 12 Votes, 21 municipalities and 4 public entities
Baseline	12 Votes, 21 municipalities and 4 Public Entities
Justification	Improve compliance on supply chain management framework
Links	MTSF priority 12: An efficient, effective and development orientated public service. MTSF priority 9: responsive, accountable, effective and efficient developmental local government system. Compliance to PFMA, MFMA, MTSF and legislative frameworks.

Provincial Supply Chain Management

Strategic Objective 2	Coordinate identified Public Private Partnership projects
Objective Statement	This involves creating and conducting awareness on Public Private Partnerships and support in the implementation of the framework through 4 progress reports
Baseline	2 projects
Justification	Enhancing service delivery and infrastructure development.
Links	MTSF priority 12: An efficient, effective and development orientated public service. MTSF priority 9: responsive, accountable, effective and efficient developmental local government system. Compliance to PFMA, MFMA, MTSF and legislative frameworks.

Financial Assets Management

Strategic Objective 1	Monitor and support the management of financial assets
Objective Statement	To monitor and support the management of cash in the province in 12 Votes and Provincial Legislature
Baseline	12 Votes and Provincial Legislature
Justification	Timely availability of cash to ensure that Votes pay their service providers
Links	MTSF priority 12: An efficient, effective and development orientated public service. MTSF priority 9: responsive, accountable, effective and efficient developmental local government system. Compliance to PFMA, MFMA, MTSF and legislative frameworks.

Public Sector Liabilities

Strategic Objective 1	Monitor and support the management of public sector liabilities
Objective Statement	To monitor and support provincial institutions on the effective management of liabilities in 12 Votes, 21 municipalities and 4 Public Entities.
Baseline	12 Votes, 21 municipality and 4 Public Entities
Justification	Improve compliance to liabilities management guidelines
Links	MTSF priority 12: An efficient, effective and development orientated public service. MTSF priority 9: responsive, accountable, effective and efficient

Public Sector Liabilities

developmental local government system. Compliance to PFMA, MFMA, MTSF and legislative frameworks.

Physical Asset Management

Strategic Objective 1	Monitor and support the management of physical assets
Objective Statement	To monitor and support provincial institutions on the effective management of physical asset in 12 Votes, 21 municipalities and 4 Public Entities
Baseline	12 Votes, 21 municipalities and 4 Public Entities
Justification	Improve compliance to physical asset management framework
Links	MTSF priority 12: An efficient, effective and development orientated public service. MTSF priority 9: responsive, accountable, effective and efficient developmental local government system. Compliance to PFMA, MFMA, MTSF and legislative frameworks.

Interlinked Financial Systems

Strategic Objective 1	Monitor and support the management and utilisation of transversal systems
Objective Statement	To provide business support on transversal systems in 12 Votes
Baseline	12 Votes
Justification	Improve effective and efficient management and utilisation of transversal systems
Links	MTSF priority 12: An efficient, effective and development orientated public service. MTSF priority 9: responsive, accountable, effective and efficient developmental local government system. Compliance to PFMA, MFMA, MTSF and legislative frameworks.

Information Technology

Strategic Objective 1	Provide Information Communication Technology (ICT) services in the Mpumalanga Provincial Government
Objective Statement	To provide ICT infrastructure to 12 Votes; Monitor and support the implementation of ICT Governance Framework in 12 Votes and 21 municipalities
Baseline	12 Votes and 21 municipalities
Justification	Improve operational efficiency by applying ICT as strategic enabler to accelerate service delivery
Links	MTSF priority 12: An efficient, effective and development orientated public service. MTSF priority 9: responsive, accountable, effective and efficient developmental local government system. Compliance to PFMA, MFMA, MTSF and legislative frameworks.

9.2 Resource consideration

Expenditure Trends: Programme 3: Assets and Liabilities Management

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Programme Support	1 627	1 818	1 843	1 666	1 666	1 666	1 662	1 868	2 056

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	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Provincial Supply Chain Management	13 139	14 038	16 095	16 960	17 113	17 113	16 769	18 136	20 618
Financial Assets Management	1 743	1 841	2 577	3 003	2 952	2 952	3 189	3 376	3 618
Public sector Liabilities	2 301	2 518	3 498	4 024	5 095	5 095	4 985	5 234	5 632
Physical assets Management	4 285	4 264	4 482	5 014	5 014	5 014	4 715	5 307	5 465
Interlinked Financial Systems	7 995	9 599	11 413	12 444	11 744	11 744	11 470	13 162	15 262
Information Technology	63 539	73 539	66 128	70 679	72 864	72 864	72 286	64 606	75 552
Total	94 629	107 617	106 036	113 790	116 448	116 448	115 076	111 689	128 203

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

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Current payments	92 003	103 356	104 310	111 573	114 135	114 136	113 376	110 392	127 271
Compensation of employees	38 779	41 356	45 387	50 388	50 117	50 100	51 319	56 445	60 587
Goods and services	53 224	62 000	58 923	61 185	64 018	64 036	62 057	53 947	66 684
Transfers and subsidies to:	157	16	139	-	96	95	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Universities and Technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	157	16	139	-	96	95	-	-	-
Payments for capital	2 469	4 243	1 587	2 217	2 217	2 217	1 700	1 297	932

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
assets									
Building and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 469	2 690	1 404	2 217	2149	2 149	1 700	1 297	932
Software and other intangible assets	-	1 553	183	-		68	-	-	-
Payments for financial assets	-	2	-	-	-	-	-	-	-
Total	94 629	107 617	106 036	113 790	116 448	116 448	115 076	111 689	128 203

The programme has received 1.1 percent increase in its total budget for 2015/16 financial year when compared to 2014/15 financial year.

Trends in the number of key staff

Salary Band	Approved establishment	Number of posts filled	Vacancy rate	Number of posts filled additional to establishment
Senior Managers (Level 13 - 16)	5	5	0	0
Managers (Level 11 – 12)	19	19	0	0
Assistant Managers (Level 9 – 10)	39	39	0	7
High Level Skilled (Level 6 – 8)	37	37	0	0
Skilled (Level 3 – 5)	10	10	0	1
Unskilled (Level 1 – 2)	0	0	0	0
Total	110	110	0	9

9.3 Risk management

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

Risk identified	Mitigation measure/ Action Plan
1. Non-Compliance to Acts, regulations, frameworks, relevant policies and prescripts.	<ul style="list-style-type: none"> Analyse reports and provide written feedback Identify gaps and provide support Strengthen capacity and skills of officials in Votes, public entities and municipalities. Issuing of circulars and practice notes,
2. Disruption of Business Continuity	<ul style="list-style-type: none"> Conduct Disaster testing. Disaster Recovery Plan (DRP) in place. Updating, implementing and communication of the Business Continuity plan (BCP)

10. Programme 4: Financial Governance

This Programme facilitates, monitors, supports and provides professional advice to ensure good governance in the Province.

The sub-programmes of Financial Governance are:

- Accounting Services
- Norms and Standard
- Risk Management
- Provincial Internal Audit

10.1 Strategic objectives

Strategic objectives of Programme 4	
	Provide advisory services, support and monitor public sector institutions in terms of accounting standards and financial statements to ensure accountability
	Improve the systems of internal controls in public sector institutions
	Facilitate effective implementation of risk management processes
	Improve the effectiveness of Internal Audit processes

Accounting Services	
Strategic Objective 1	Provide advisory services, support and monitor public sector institutions in terms of accounting standards and financial statements to ensure accountability
Objective Statement	To advise, support and monitor 12 Votes, 21 municipalities and 4 public entities in terms of accounting standards and financial statements
Baseline	12 Departments, 4 Public Entities and 21 Municipalities
Justification	Improved compliance to Accounting standards and reporting frameworks by Departments, municipalities and public entities
Links	MTSF priority 12: An efficient, effective and development orientated public service. MTSF priority 9: responsive, accountable, effective and efficient developmental local government system. Compliance to PFMA, MFMA, MTSF and legislative frameworks.

Norms and Standards	
Strategic Objective 1	Improve the systems of internal controls in public sector institutions
Objective Statement	Facilitate completion of FCMMS in 12 Votes 4 Public Entities and monitor 21 municipalities on filing and storage of documents and policy and procedure manual
Baseline	12 Votes, 4 public entities and 21 Municipalities
Justification	Effective systems of internal control
Links	Improved level of maturity and compliance with policies and procedure manual

Risk Management	
Strategic Objective 1	Facilitate effective implementation of Risk Management processes
Objective Statement	Monitor, Support and Build capacity in 12 Votes, 4 Public Entities and 21 Municipalities on effective implementation of Risk Management Processes.

Risk Management	
Baseline	12 Votes, 4 Public Entities and 21 Municipalities
Justification	Effective implementation of Risk Management processes to improve the maturity levels and promote good governance
Links	MTSF priority 12: An efficient, effective and development oriented public service. MTSF priority 9: responsive, accountable, effective and efficient developmental local government system. Compliance to PFMA, MFMA, MTSF and legislative frameworks.

Provincial Internal Audit	
Strategic Objective 1	Improve the effectiveness of Internal Audit processes
Objective Statement	Monitor, support and build capacity in 12 Votes, 21 municipalities and 5 public entities on internal audit processes.
Baseline	12 Votes, 4 Public Entities and 21 Municipalities
Justification	Strengthen the internal audit processes and reduce the level of non-compliance
Links	MTSF priority 12: An efficient, effective and development oriented public service. MTSF priority 9: responsive, accountable, effective and efficient developmental local government system. Compliance to PFMA, MFMA, MTSF and legislative frameworks.

10.2 Resource consideration

Expenditure Trends: Programme 4: Financial Governance

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Programme support	5 817	4 993	6 080	3 953	12 909	12 909	10 872	8 594	5 699
Accounting services	3 838	3 659	4 711	5 045	5 145	5 145	5 026	6 077	6 134
Norms and standards	12 599	18 212	13 608	14 619	43 461	13 461	14 731	17 830	24 058
Risk Management	1 481	1 289	1 208	1 858	1 958	1 958	1 913	2 153	2 331
Provincial Internal Audit	1 912	1 981	1 916	2 039	2 329	2 329	2 170	2 490	2 505
Total	25 647	30 134	27 523	27 154	35 802	35 802	34 712	37 144	40 727

Expenditure Trends per economic classification: Programme 4: Financial Governance

	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Current payments	25 647	29 033	26 316	27 514	35 802	35 802	29 012	36 070	38 814
Compensation of employees	15 098	15 553	16 229	18 642	18 642	18 642	19 662	21 624	23 150
Goods and services	10 549	13 500	10 087	10 087	17 160	17 160	9 350	14 446	15 664

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	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
R thousand	2011/12	2012/13	2013/14	2014/15			2015/16	2016/17	2017/18
Transfers and subsidies to:	-	14	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Universities and technikons	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Households	-	14	-	-	-	-	-	-	-
Payments for capital assets	-	1 087	1 207	-	-	-	5 700	1 074	1 913
Building and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	1 087	1 207	-	-	-	-	1 074	1 913
Software and other intangible	-	-	-	-	-	-	5 700	-	-
Total	25 647	30 134	27 523	27 514	35 802	35 802	34 712	37 144	40 727

The programme has received an increase of 26.1 percent in 2015/16 financial year when compared to 2014/15 financial year. The increase is due to reprioritization of staff verification software.

Trends in the number of key staff

Salary Band	Number of posts	Number of posts filled	Vacancy rate	Number of posts filled additional to establishment
Senior Managers (Level 13 - 16)	3	3	0	0
Managers (Level 11 – 12)	8	8	0	0
Assistant Managers (Level 9 – 10)	17	17	0	1
High Level Skilled (Level 6 – 8)	4	4	0	0
Skilled (Level 3 – 5)	4	4	0	1
Unskilled (Level 1 – 2)	0	0	0	0
Total	36	36	0	2

10.3 Risk management

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

Risk identified	Mitigation measure/ Action Plan
1. Incorrect and late submission of financial statements	<ul style="list-style-type: none">• Provide training• Attend Audit Steering Committees and provide advice
2. Decrease in maturity levels	<ul style="list-style-type: none">• Analysis of FMCMM results Compilation of remedial action plan framework
3. Lack of understanding ERM as a strategy to improve service delivery	<ul style="list-style-type: none">• Risk awareness sessions• Training Workshops
4. Non-compliance with IIA Standards	<ul style="list-style-type: none">• Conduct QAR

LINKS TO OTHER PLANS

PART C

Part C: links to other plans

1. Links to the long-term infrastructure and other capital plans

The Department does not have long term projects to be implemented during the 2015/16 fiscal period. There are also no long-term infrastructure plans and similarly there are no other capital plans that outline the infrastructure investment needs.

2. Conditional grants

The Department does not have any conditional grants.

3. Public entities

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

4. Public private partnerships

There are no PPPs that are currently managed by the Department.

5. Links to other departments

The Department of Finance has a shared responsibility with the Department of Cooperative Governance and Traditional Affairs (CoGTA) to provide support to Municipalities in terms of Municipal Finance Management Act (MFMA). In order to ensure a coordinated implementation of this responsibility, an Integrated Municipal Support plan was compiled with six objects addressing the Back to Basic programme. CoGTA is responsible for Object 1 – 5 and Provincial Treasury for Object 6.

The Department shares responsibility with the Office of the Premier on monitoring and evaluation of provincial department's performance, where Office of the Premier focuses on non-financial performance and Department of Finance on financial performance of provincial departments.

Annexures

Annexure A: Technical indicator description per programme

Programme 1: Administration

Sub-programme: MEC's Office

TECHNICAL INDICATOR 1.1

Indicator title	Provide policy and political directives in order to achieve provincial objectives
Short definition	Provide policy and political directives in terms of Treasury functions Table 2 Provincial and 1 Policy and Budget Statement
Purpose/importance	To determine Provincial priorities and resource allocation
Policy linked to	PSA, PFMA, MFMA
Source/collection of data	Information on resource needs as submitted by Provincial Departments, direction as derived from both SOPA and SONA and applicable and other related legislative prescripts.
Means of verification	Reports tabled, Budgets on website of Department
Method of calculation	Table Provincial and Departmental Budgets and policy Statements
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative - for the year
Reporting cycle	Quarterly
New indicator	No
Desired performance	Provincial resource needs met in line with Provincial priorities.
Indicator responsibility	Executive Authority

Sub-programme: HOD's Office

TECHNICAL INDICATOR 1.2

Indicator title	Translate policies and priorities into strategies for effective service delivery
Short definition	Manage, monitor and control performance to ensure implementation of policies and priorities
Purpose/importance	To ensure performance within policy directives and ensure that strategies are effectively implemented in order to ensure service delivery.
Policy linked to	PFMA
Source/collection of data	Applicable and related Legislative prescripts, SONA and SOPA and policy directives
Means of verification	Reports submitted to Executive Authority
Method of calculation	Number of reports issued
Data limitations	None
Type of indicator	Output
Calculation type	None cumulative for the year
Reporting cycle	Monthly
New indicator	No
Desired performance	Strategies implemented and thus ensuring service delivery.
Indicator responsibility	Accounting Officer

Sub-programme: CFO's Office

TECHNICAL INDICATOR 1.3	
Indicator title	Provide sound Financial and Supply Chain Management services to the Department
Short definition	Render efficient and effective management accounting, financial accounting, supply chain management and risks management support
Purpose/importance	To provide sound financial management to the Department and to ensure managed procurement processes within supply chain management guidelines
Policy linked to	PFMA
Source/collection of data	Prescribed legislative framework
Means of verification	Report submitted to PT
Method of calculation	Number of IYMs, Financial Reports and AFS
Data limitations	None
Type of indicator	Output
Calculation type	None cumulative for the year
Reporting cycle	Monthly/Annually
New indicator	No
Desired performance	Sound financial management and managed supply chain processes
Indicator responsibility	Chief Financial Officer

Sub-programme: Internal Audit

TECHNICAL INDICATOR 1.14	
Indicator title	Provide efficient and effective internal audit services in the Department
Short definition	Internal audit quarterly reports to the Audit Committee on the effectiveness of risk management, internal controls and governance processes, as indicated by the execution of the risk based audit plan.
Purpose/importance	<p>Provide an assurance and consulting service to evaluate the effectiveness of risk management, internal controls and governance in order for the department to achieve its objectives.</p> <p>Internal audit plans are based on the risk assessment conducted for the Department and reflect high risk areas that need to be audited and are approved by the Audit Committee.</p>
Policy linked to	PFMA, Treasury Regulations, King III Report, IIA Standards
Source/collection of data	Internal audit reports and audit progress reports presented both to the Audit Committee and Department.
Means of verification	Reports submitted to Audit Committee and Department
Method of calculation	Number of reports issued on the execution of the audit plan.
Data limitations	None
Type of indicator	Outputs according to audit plans
Calculation type	Cumulative reports issued
Reporting cycle	Quarterly
New indicator	No
Desired performance	Four (4) Quarterly Reports issued, indicating that risks are managed, governance processes functioning and controls are effective
Indicator responsibility	Chief Audit Executive

Programme 2: Sustainable Resource Management

Sub-programme: Economic Analysis

TECHNICAL INDICATOR 2.1	
Indicator title	Conduct socio-economic research to inform the provincial and municipal planning and budget processes
Short definition	Provide quality and accurate socio-economic reports that inform provincial and municipal fiscal policy development and the annual budget processes, thereby contributing to the provincial growth and development strategy
Purpose/importance	Providing socio-economic research reports to inform the provincial budget and planning processes
Policy linked to	NDP, Vision 2030 and MEGDP
Source/collection of data	Statistics South Africa and Government Departments (official data) and buying of socio-economic data from credible sources like IHS Global Insight (complementary data)
Means of verification	StatsSA and other credible sources like IHS Global Insight
Method of calculation	Number of socio-economic reports, compared to plan
Data limitations	None
Type of indicator	Economy and efficiency
Calculation type	Cumulative research reports for the year
Reporting cycle	Quarterly, bi-annually and annually
New indicator	No
Desired performance	Socio-economic research reports should be essential for developing and implementing policy, determining budget priorities and should also quantify the impact of public policy and spending on the quality of life of provincial citizens.(Compile quality and accurate quarterly (20), bi-annually (4) and annual (5) socio-economic research reports)
Indicator responsibility	Senior Manager : Economic Analysis

Sub-programme: Provincial Administration Fiscal Discipline

TECHNICAL INDICATOR 2.9	
	Support provincial Votes and public entities to maximise and expand sustainable revenue generation and collection in the province. Effective management of Provincial Revenue Fund
Short definition	<ul style="list-style-type: none"> • Support on revenue maximisation and expansion • Analyse own revenue projections and plans and give feedback • Review of provincial tariffs annually Monitor revenue performance and give feedback
Purpose/importance	Assist Departments with best practices and strategies with regards to revenue management maximisation of revenue collection
Policy linked to	PFMA
Source/collection of data	Revenue projection reports, Revenue trend reports, revenue analysis reports
Means of verification	BAS System Activities on the operational plan
Method of calculation	Number of reports, revenue information submitted and analysed Check revenue collected against the projections Consolidate a report
Data limitations	None
Type of indicator	Impact
Calculation type	Cumulative - for the year
Reporting cycle	Monthly, quarterly and annually
New indicator	None
Desired performance	Effective revenue management and maximised provincial revenue collection

Indicator responsibility	Senior Manager: Provincial Administration Fiscal Discipline
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Sub-programme: Budget and Expenditure Management

TECHNICAL INDICATOR 2.15	
Indicator title	Effective and optimal financial resource allocation, preparation and exercise control over implementation of provincial budget
Short definition	Provide policy advice, ensure budget implementation and promote efficient financial resource allocation Use of financial resources allocated to the province to achieve what is intended for
Purpose/importance	Ensure Departments submit credible budgets and promote effective, efficient and economic budget implementation.
Policy linked to	PFMA
Source/collection of data	Budget submissions, strategic plans, Annual Performance Plans, In Year Monitoring reports, monthly analysis reports and Estimates of Provincial Revenue and Expenditure (EPRE)
Means of verification	Number of reports compiled and submitted per quarter(Non-financial information reports)
Method of calculation	Databases, Monthly IYM reports, Annual Performance Plans as well as non-financial reports.
Data limitations	None
Type of indicator	Impact
Calculation type	Cumulative - for the year
Reporting cycle	Monthly and quarterly
New indicator	No
Desired performance	Provincial Departments to have credible budgets, expenditure estimates and effective, efficient and economic budget implementation
Indicator responsibility	Senior Manager : Budget and Expenditure Management

Sub-programme: Municipal Finance

TECHNICAL INDICATOR 2.19	
Indicator title	Provide support and monitor municipalities on the implementation of the MFMA
Short definition	Provide advice, support on financial management and the implementation of MFMA (Quarterly Budget and Expenditure Analysis, Quarterly Budget and Expenditure Publications, Annual Draft Budget and Annual Report Analysis)
	Support <ul style="list-style-type: none"> Collection of draft budgets Training on new reforms issued by National Treasury Perform a bench mark excise on municipal draft budget Review the draft the budgets and give feedback to municipalities Issue periodical reporting circulars with timelines, as guided by National Treasury Remind municipalities to produce progress report on SMC
	Monitor <ul style="list-style-type: none"> Prepare and issue non con compliance letters with prescripts and other National Treasury circulars Identify unfunded and funded budgets advice on the corrections Issue reports on findings
Purpose/importance	Provides support and advice to municipalities to have accurate and credible budgets and to improve financial management of municipalities
Policy linked to	PFMA

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Source/collection of data	Monthly reports submitted
Means of verification	Analysis report and feedback report
Method of calculation	Number of report submitted and analysed
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative - for the year
Reporting cycle	Monthly, quarterly and annually
New indicator	No
Desired performance	Achievement on more municipalities submitting accurate and credible reports and the budget within timeframes as per MFMA
Indicator responsibility	Senior Manager : Municipal Finance Management

Sub-programme: Infrastructure Coordination

TECHNICAL INDICATOR 2.24	
Indicator title	Promote Provincial efficiency in Financial Planning and Implementation of infrastructure in line with IDMS
Short definition	This is a process of providing support and monitoring provincial Departments on infrastructure planning and delivery.
Purpose/importance	<div>Support</div> <ul style="list-style-type: none"> Assist with ad-hoc training on infrastructure and built environment standards Analyse the infrastructure challenges and advise the department on options Attend Infrastructure Committees' meetings to clarify the reporting frameworks and standards
	<div>Promote</div> <ul style="list-style-type: none"> Assist departments and other role-players with better understanding;
	Assist Departments with best practices and strategies with regards to infrastructure projects
Policy linked to	PFMA
Source/collection of data	Monthly IRM reports, Quarterly IRM reports submitted to National Treasury, Annual User Asset Management Plans , Quarterly Effectiveness reports
Means of verification	Site reports
Method of calculation	Number of reports , evaluated and submitted to National Treasury
Data limitations	None submission and poor quality of reports submitted by Departments
Type of indicator	Impact
Calculation type	Cumulative - for the year
Reporting cycle	Monthly, quarterly and annually
New indicator	Quarterly Effectiveness reports – now legislated in the Division of Revenue Act
Desired performance	improved quality of properly selected prioritised, designed, constructed and maintained infrastructure
Indicator responsibility	Senior Manager : Infrastructure Co-ordination

Programme 3: Asset and Liabilities Management

Sub-programme: Provincial Supply Chain Management

TECHNICAL INDICATOR 3.1	
Indicator title	Monitor and support the implementation of SCM framework
Short definition	Oversee and monitor the implementation of Supply Chain Management framework by providing guidance and support to enhance sound financial management and accountability.- 12 Votes, 21 municipalities and 4 public entities
Purpose/importance	That Government commitments to improve services and infrastructure development is achieved (Receive reports, review and provide feedback, training of officials, review and provide opinions and views on SCM matters)
Policy linked to	PFMA
Source/collection of data	Reports
Means of verification	Reports submitted
Method of calculation	Analysis of reports
Data limitations	None
Type of indicator	Outcome
Calculation type	Cumulative – for the year
Reporting cycle	Monthly and quarterly
New indicator	No
Desired performance	No deviations but strict adherence to policy frameworks
Indicator responsibility	Provincial Supply Chain Management sub-programme

TECHNICAL INDICATOR 3.2							
Indicator title	Coordinate identified Public Private Partnership projects						
Short definition	This involves creating and conducting awareness on Public Private Partnerships and support in the implementation of the framework						
Purpose/importance	<table border="0"> <tr> <td>Promote</td><td>• Meeting</td></tr> <tr> <td>Awareness</td><td>• Workshops</td></tr> <tr> <td>Support</td><td>• Administer the PPP project cycle (registration, feasibility study, procurement, contract management, implementation and monitoring)</td></tr> </table>	Promote	• Meeting	Awareness	• Workshops	Support	• Administer the PPP project cycle (registration, feasibility study, procurement, contract management, implementation and monitoring)
Promote	• Meeting						
Awareness	• Workshops						
Support	• Administer the PPP project cycle (registration, feasibility study, procurement, contract management, implementation and monitoring)						
	Enhancement of service delivery and infrastructure development						
Policy linked to	PFMA, SCM Framework						
Source/collection of data	Reports						
Means of verification	PPP Project implemented						
Method of calculation	Analysis of reports						
Data limitations	None						
Type of indicator	Outcome						
Calculation type	Cumulative – for the year Numerator: Number of PPP identified/ Denominator: Total of projects*100=%						
Reporting cycle	Quarterly						
New indicator	No						
Desired performance	No deviations but strict adherence to policy frameworks						
Indicator responsibility	Provincial Supply Chain Management sub-programme						

Sub-programme: Financial asset management

TECHNICAL INDICATOR 3.10	
Indicator title	Monitor and support the management of financial assets
Short definition	Process of managing provincial cash in the form of equitable share, conditional grants and own revenue.
Purpose/importance	In order to meet financial obligations of - 12 Votes and Provincial Legislature
Policy linked to	PFMA
Source/collection of data	Cash flows, bank statements
Means of verification	Statements
Method of calculation	Analysis of cash flow statements
Data limitations	None
Type of indicator	Outcome
Calculation type	Cumulative - for the year
Reporting cycle	Monthly and quarterly
New indicator	No
Desired performance	100% availability of cash and maximising of returns on investment
Indicator responsibility	Financial asset management sub-programme

Sub-programme: Public Sector Liabilities

TECHNICAL INDICATOR 3.13			
Indicator title	Monitor and support the management of public sector liabilities		
Short definition	This is a continuous engagement with stakeholders (12 Votes, 21 delegated municipalities and 4 public entities) with regards to the effective management of public sector liabilities. This is achieved by firstly requesting their updated liabilities registers, once that information is received, an analysis of such registers is then conducted, by the end of the quarter, feedback report will then be issued based on the outcome of the analysis		
Purpose/Importance	<table border="1"> <tr> <td>Monitor Support</td><td>Feedback and capacity building Requesting and analysis of liability registers</td></tr> </table>	Monitor Support	Feedback and capacity building Requesting and analysis of liability registers
Monitor Support	Feedback and capacity building Requesting and analysis of liability registers		
Policy linked to	PFMA		
Source/collection of data	Financial systems, annual reports, lease agreements, retention and guarantee registers of Departments, public entities and municipalities.		
Means of verification	Data of reports		
Method of calculation	Number of reports issued on management of public sector liability management by Votes, public entities and municipalities.		
Data limitations	None		
Type of indicator	Outcome		
Calculation type	Cumulative - for the year		
Reporting cycle	Monthly and quarterly		
New indicator	No		
Desired performance	Effective management of liabilities in the province		
Indicator responsibility	Public Sector Liabilities sub-programme		

Sub-programme: Physical Asset Management

TECHNICAL INDICATOR 3.10	
Indicator title	Monitor and support the management of physical assets
Short definition	This is to facilitate the effective and efficient management of provincial physical assets for 12 Votes, 21 municipalities and 4 public entities through the development of policies, controls and to monitor assets in accordance with legislative frameworks.
Purpose/importance	<p>Monitor</p> <ul style="list-style-type: none"> • Receive, analyse and provide written feedback: <ul style="list-style-type: none"> ○ policies and procedures ○ asset registers ○ reconciliations reports ○ inventory reports ○ quarterly reports ○ asset Management plans ○ audit action plans <p>Support</p> <ul style="list-style-type: none"> • Conduct workshops, • Hold Meetings <p>Analyse</p> <ul style="list-style-type: none"> • Read through the document; • Make findings of the understanding of the document and recommendations on how the information presented affects other reports already submitted or statutory requirements. <p>Improved governance on physical assets and enhanced service delivery</p>
Policy linked to	Assets registers, financial reports, financial statements, audit outcomes
Source/collection of data	Reports, attendance registers, plans
Means of verification	Analysis of reports and plans
Method of calculation	None
Data limitations	Outcome
Type of indicator	Cumulative - for the year
Calculation type	Monthly, quarterly and annually
Reporting cycle	No
New indicator	Improve the management and accounting of physical assets in the asset registers
Desired performance	Physical asset management sub-programme
Indicator responsibility	

Sub-programme: Interlinked Financial Systems

TECHNICAL INDICATOR 3.12	
Indicator title	Monitor and support the management and utilisation of transversal systems
Short definition	To provide business support on transversal systems – 12 Votes
Purpose/importance	Improve compliance to systems rules, regulations which then assist in the executive's decision making.
	<p>Monitor</p> <p>Print and analyse system reports and provide written feedback:</p> <ul style="list-style-type: none"> • trial balance, • balance scorecard • Audit trail reports • Resource Allocation Control Facility (RACF) reports <p>Support</p> <ul style="list-style-type: none"> • Operate helpdesk • End user support

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	<ul style="list-style-type: none"> • Training • Workshops • One-on-one visits <p>Analyse Read through the document, provision of findings and recommendations on how the information presented affects other reports already submitted or statutory requirements.</p>
Policy linked to	PFMA, Treasury Regulations, MISS
Source/collection of data	Reports
Means of verification	Reports and registers
Method of calculation	Analysis of source data
Data limitations	None
Type of indicator	Outcome
Calculation type	Cumulative monthly
Reporting cycle	Monthly and quarterly
New indicator	No
Desired performance	Improved management of transversal systems
Indicator responsibility	Interlinked Financial Systems sub-programme

Sub-programme: Information Technology

TECHNICAL INDICATOR 3.22	
Indicator title	Provide Information Communication Technology (ICT) services in the Mpumalanga Provincial Government
Short definition	To install and support ICT infrastructure to 12 Votes within the Mpumalanga Provincial Government Monitor and support the implementation of ICT Governance Framework in 12 Votes and 21 municipalities
Purpose/importance	Improve ICT infrastructure to optimise operational efficiency
	Provide <ul style="list-style-type: none"> • Install and manage ICT networks
	Monitor <ul style="list-style-type: none"> Receive and analyse reports on: • Network availability • Governance framework implementation • Audit outcomes
	Support <ul style="list-style-type: none"> • Operate helpdesk • End user support • ICT networks • Workshops on application of systems
	Analyse <ul style="list-style-type: none"> • Read through the document; • Make findings of the understanding of the document, possibly the future position- financially or physically. • How the information presented in the document, affects other reports already submitted or statutory requirements.
Policy linked to	PFMA , MFMA, MISS, IT Governance framework
Source/collection of data	Reports
Means of verification	Reports and registers
Method of calculation	Number of report issued and analysed
Data limitations	None
Type of indicator	Outcome
Calculation type	Cumulative - for the year
Reporting cycle	Daily, monthly and quarterly
New indicator	No
Desired performance	Improved operational efficiency through Information Communication Technology
Indicator responsibility	Information Technology sub-programme

Programme 4: Financial Governance

TECHNICAL INDICATOR 4.1

Indicator title	Provide Advisory services, support and monitor public sector institutions in terms of accounting standards and financial statements to ensure accountability.
Short definition	<p>Provide advisory services, support and monitor 12 Votes, 21 municipalities and 4 public entities in terms of accounting standards and financial statements.</p> <ul style="list-style-type: none"> • Training on financial statements and accounting standards • Analyse the trial balance and advise the department on issues to be corrected • Attend audit steering committee meetings to clarify the reporting framework and accounting standards • Issue periodical reporting circulars with timelines. • Review AFS of stakeholders and provide inputs for improvements
Purpose/importance	To provide guidance and support on Accounting standards and financial statements to enable full disclosure and compliance to accounting standards
Policy linked to	PFMA and GRAP Standards
Source/collection of data	Trial balance reports, Interim financial statements and annual financial statements submitted by Departments, municipalities and public entities
Means of verification	Reports
Method of calculation	Analysis of source data
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative - for the year
Reporting cycle	Monthly, quarterly and annually
New indicator	No
Desired performance	Improved compliance to Accounting standards and reporting frameworks by Departments, municipalities and public entities
Indicator responsibility	Senior Manager: Accounting Services

Sub-Programme: Norms and Standards

TECHNICAL INDICATOR 4.5

Indicator title	Improve the systems of internal controls in public sector institutions
Short definition	Facilitate the completion of FMCMM in 12 Votes and 5 public entities and issue reports
Purpose/importance	Strengthen the internal control systems and reduce the level of non-compliance
Policy linked to	PFMA
Source/collection of data	FMCMM tool and reports from Departmental units
Means of verification	Supporting documents
Method of calculation	Analysis of source data
Data limitations	Non Submission of FMCMM response
Type of indicator	Output
Calculation type	Non-cumulative
Reporting cycle	Monthly, quarterly and annually
New indicator	No

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Desired performance	Improved internal controls and compliance with legislation and improved corporate governance
Indicator responsibility	Senior Manager: Norms and standards

Sub-Programme: Provincial Risk Management

TECHNICAL INDICATOR 4.13	
Indicator title	Facilitate effective implementation of risk management processes
Short definition	Provide guidance and support to 12 Votes, 21 municipalities and 4 public entities on Enterprise Risk Management Processes
Purpose/importance	Strengthen the risk management processes and reduce the level of non-compliance
Policy linked to	PFMA, MFMA
Source/collection of data	Risk assessment reports and risk management plans issued by Departments, municipalities and public entities
Means of verification	Reports
Method of calculation	Analysis of source data
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative - for the year
Reporting cycle	Monthly, quarterly and annually
New indicator	No
Desired performance	Improved risk management processes and corporate governance
Indicator responsibility	General Manager: Financial Governance

Sub-Programme: Provincial Internal Audit

TECHNICAL INDICATOR 4.19	
Indicator title	Improve the effectiveness of Internal Audit processes
Short definition	This is a process that gives guidance, capacity building, and coordination and evaluates the effectiveness of internal audit function and internal audit committees.
Purpose/importance	Monitor and provide support and capacity building to 12 Votes, 21 municipalities and 4 public entities to fully implement standardized internal audit processes
Policy linked to	PFMA, MFMA
Source/collection of data	Internal audit plans and reports issued and completed evaluation questionnaire for Audit Committees
Means of verification	Audit plans
Method of calculation	Analysis of source data
Data limitations	None
Type of indicator	Output
Calculation type	Cumulative - for the year
Reporting cycle	Monthly, quarterly and annually
New indicator	No
Desired performance	Improved internal audit processes and corporate governance
Indicator responsibility	General Manager: Financial Governance
New indicator	No
Desired performance	Improve Internal Audit level
Indicator responsibility	Manager: Internal Audit

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NOTES

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