

Foreword

Several provincial developments such as, inter alia, the launch of the Free State Growth and Development Strategy on 20 May 2005, the joint Municipal Provincial Alignment Summit held on 27 October 2005 and the provincial Intergovernmental Infrastructure Summit that took place from 2-4 November 2005, contributed towards an appreciation of the important link between strategic and performance planning

Whilst these initiatives set the framework for a longer-term provincial strategic development focus, it also contributed immensely towards the process of identifying issues that, of necessity, need to be catered for in departmental performance plans to gear-up towards the realisation of the long-term strategic objectives of strategic plans as informed by the objectives of the Free State Growth and Development Strategy.

This Performance Plan is thus much more than a tabulation of what this department intends doing in the period covered by this Plan, towards progressively achieving the full implementation of the objectives of its Strategic Plan, as it seeks to lay the starting blocks towards the attainment of the objectives of the Provincial Development Strategy

Due to the importance of the aforementioned, the Treasury need to use this Plan to further entrench its role as a provincial change agent, by living up to the challenge of ensuring that provincial resources are utilised in a manner that, in the final analysis, meaningfully promote provincial economic growth and development and social equity.


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MEC FOR FINANCE

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Part A: Overview and strategic plan updates

1. Overview

This plan endeavours to consolidate the gains of the various budget and accounting reforms of recent years. It furthermore, set an operational framework to further support the heightened focus on the measurement of performance through financial and non-financial information.

Several challenges flow from the aforementioned, which need to be addressed over the period of this Performance Plan.

First and foremost, all vacant posts that support the departmental functions of Economic Analysis, Fiscal Policy, Public Finance, Infrastructure Co-ordination, Supply Chain Management and MFMA Norms and Standards, need to be filled with appropriately skilled staff.

The filling of these posts is critical to ensure that the Department would be well-positioned to:

- Support the implementation of provincial Public Private Partnerships (PPP's) by establishing the necessary capacity to:
 - evaluate projects and provide technical assistance to provincial departments and municipalities with regard to technical, risk and economic aspects;
 - evaluate the financial aspects of projects; and
 - evaluate the legal aspects of projects,

So as to gear up for the ultimate takeover of all PPP related responsibilities from the National Treasury.

- Advice and support municipalities with regard to the implementation of the MFMA in respect of, inter alia;
 - the institution of multi-year budgets, including service delivery and budget implementation plans;
 - monthly, quarterly and annual reporting in line with MFMA norms and standards;
 - the implementation of appropriate supply chain management policies and processes.
- Deliver on the injunction from the Provincial Budget Speech, to utilize the supply chain regime to ensure:

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- value –for-money in public expenditure;
- effective supplier performance management in line with pre-determined norms and standards;
- the development of small, medium and micro enterprises;
- effective broad based black economic empowerment and the mainstreaming of historically disadvantaged operators into formal economic activities;
- payment of provincial suppliers within the stipulated 30-days timeframe.

Utilize operations in the areas of economic analysis, fiscal policy and public finance, to more aggressively assume the role of a leading change agent to address the gap between provincial socio-economic needs and key service delivery indicators, through lengthening the provincial resource planning horizon and creating a treasury environment in which all roleplayers can contribute towards the long-term

2. Strategic plan update analysis

On 16 and 17 August 2005, 20 October 2005 and 16 November 2005 workshops were attended by all Senior Executive Managers and Senior Managers in order to finalize the strategic plan for the mentioned financial year. After the workshops all the programme and sub-programme managers were again contacted via letters to submit the inputs. During January 2006 the draft document was send to all Programme and Sub-Programme Managers for final inputs. Changes were made and implemented on the document. objectives of the Free State Provincial Growth and Development Strategy

Part B Programme and sub-programme performance targets

3. Programme 1: (ADMINISTRATION)

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

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

3.1 Specified policies, priorities and strategic objectives

Render effective management support to the department.

Strategic Objectives linked to this programme:

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

3.2 Progress analysis

- We request quarterly non-financial information/performance reports. Circulars in this regard were issued to all programme and sub-programme managers
- During the CFO bilaterals budget related issues are discussed.
- In the Adjustment budget the funds was allocated to directorates in needed of additional funding to decrease the under spending.
- All cases in respect of department debt was followed up and handed over to the Office of the State Attorney for recovery.
- A meeting was held with the office of the State Attorney, other departments involved and suppliers/ debtors to resolve the issue and discuss the repayment. Discussions were also held with officials from National Treasury regarding claims of National departments under the former Qwa Qwa government.
- Employment Equity targets are updated quarterly and distributed to directorates
- An external news letter was published to inform external stakeholders about the purpose of existence of the Free State Provincial Treasury.
- The intranet sites were redesigned.
- The security manager was appointed during 3rd quarter of 2005/06.
- Implementation of Performance and Development Management System (PDMS).
- Keeping officials and external clients abreast with departmental information.

- Capacity building.
- Successfully inaugurated the Free State Provincial Treasury Audit Committee.
- A three year rolling plan and a 12 month operational plans were prepared by the Internal Audit unit and approved by the Audit Committee.
- The Internal Audit Chief Directorate successfully assisted the Chief Executive Officer in establishing the Risk Management Committee.
- Successfully facilitated the risk assessment within the Department

3.3 Analysis of constraints and measures planned to overcome them

Constraints:

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

- Filling of posts to an acceptable level;
- Development of learnership and internship policies
- Building of capacity through training initiatives (current personnel);
- Introduction of learnership and internship programmes;
- Improve communication strategy and promote corporate culture.
- Review and distribution of Employment Equity targets on quarterly basis.
- To provide training in accordance to Skills Development Plan.
- The promotion of effective spending trends
- To pay creditors within 30 days;
- To promote effective asset management;
- Implementation of the Preferential Procurement Policy Framework Act.
- To fully implement supply chain management
- Staff turnover due to inconsistent post levels;
- Communication line with other stake holders namely Office of the Auditor General;
- Reliance by external auditors namely Office of the Auditor General;
- Lack of IT audit skill / knowledge;
- Desired accreditation namely GIA or CIA;
- Compliance with internal auditing standards;

Measures planned to overcome constraints:

- Recruitment of skilled personnel;
- Building of capacity through training initiatives (current personnel);
- Introduction of learnership and internship programmes;;
- Improve communication strategy and promote corporate culture.
- Staff retention plan / Job evaluations;
- Strengthen relationships with other stakeholders using the audit committee meetings;
- Continuous professional development;
- Internal / External Quality assurance reviews.
- Outsource IT audit

3.4 Description of planned quality improvement measures

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

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

3.5.1 Specified policies, priorities and strategic objectives

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

Strategic objective linked to this subprogramme:

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

3.5.2 Specification of measurable objectives and performance indicators

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

Sub Programme 1.1 (Office of the MEC)		Strategic Goal: Contributing to the economic, efficient and effective service delivery.					
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	2005/06 Estimate	2006/07 Target	2007/08 Target	2008/09 Target
To provide administrative support to the member of the executive council.	Smooth and effective functioning of the MEC office.	Percentage satisfaction by the MEC.	N/A	85% compliance	90% compliance	95% compliance	100% compliance
		Days turnaround time on documents submitted to the MEC.	N/A	5 days	5 days	5 days	5 days
To provide administrative support to the member of the executive council.	Strengthen linkage with Treasury, and Provincial Legislature.	Establish a sound relationship and communication link.	N/A	85% compliance	90% compliance	90% compliance	90% compliance
To provide administrative support to the member of the executive council	Ensure good public profile for the MEC.	Improve public image.	N/A	80% compliance	80% compliance	85% compliance	90% compliance
To provide administrative support to the member of the executive council.	Fulfilment of MEC legislative and political functions.	Good integration with departmental function.	N/A	80% compliance	85% compliance	90% compliance	95% compliance
		Provincial state of affairs in good shape.	N/A	70% compliance	75% compliance	80% compliance	85% compliance

3.6 Sub-programme 1.2: (MANAGEMENT SERVICES)

3.6.1 Specified policies, priorities and strategic objectives

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

Strategic objective linked to this subprogramme:

Ensure good strategic support to the management team

3.6.2 Specification of measurable objectives and performance indicators

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

Sub Programme 1.2 (MANAGEMENT SERVICE)		Strategic Goal: Contributing to the economic, efficient and effective service delivery.					
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	2005/06 Estimate	2006/07 Target	2007/08 Target	2008/09 Target
Ensure good strategic support to the management team.	Ensure good strategic support to the management team.	Percentage satisfaction	N/A	55%	60%	70%	80%
Ensure good strategic support to the Accounting officer and his management team.	Conduct overall planning to ensure that remaining management functions are conducted on such level that Provincial Treasury delivers on its responsibilities.	Percentage of planning mechanisms resulting in the right deliverables.	N/A	55%	60%	70%	80%

3.7 Sub-programme 1.3: (Corporate Services)

3.7.1 Specified policies, priorities and strategic objectives

Strategic objectives linked to this subprogramme:

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

3.7.2 Progress analysis

- Employment Equity targets are updated quarterly and distributed to directorates
- An external news letter was published to inform external stakeholders about the purpose of existence of the Free State Provincial Treasury.
- The intranet sites were redesigned.
- The security manager was appointed during 3rd quarter of 2005/06.
- Implementation of Performance and Development Management System (PDMS).
- Keeping officials and external clients abreast with departmental information.
- Capacity building.

3.7.3 Analysis of constraints and measures planned to overcome them

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

- Filling of posts to an acceptable level;
- Development of learnership and internship policies
- Building of capacity through training initiatives (current personnel);
- Introduction of learnership and internship programmes;

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

3.7.4 Description of planned quality improvement measures

Measures planned to overcome constraints:

- Recruitment of skilled personnel;
- Building of capacity through training initiatives (current personnel);
- Introduction of learnership and internship programmes;;
- Improve communication strategy and promote corporate culture.

3.7.5 Specification of measurable objectives and performance indicators

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

Sub Programme (Services)	1.3 (Corporate Services)	Strategic Goal: Contributing to the economic, efficient and effective service delivery.					
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	2005/06 Estimate	2006/07 Target	2007/08 Target	2008/09 Target
To render personnel management services.	Promotion of sound human resources practices	Developed employment equity plan to increase the number of designated employees. Appointment, promotion and transfers of employees according to legislation.	1 Plan developed as per employment equity targets. 49 appointments and promotions, 29 transfers.	1 Plan reviewed and updated. Appointments and promotions approved within three months after request. Transfers approved	1 Plan reviewed and updated. Appointments and promotions approved within three months after request. Transfers approved	1 Plan reviewed and updated. Appointments and promotions approved within three months after request. Transfers approved	1 Plan reviewed and updated. Appointments and promotions approved within three months after request. Transfers approved

To manage labour relations and provide legal advisory service.	Handling of grievances and disciplinary cases in line with applicable legislation.	Grievances: 14 Cases. Misconduct : 7 Cases.	within two months after request. Grievances: 30 working days. Misconduct Hearing: 10 working days after notice has been served.	within two months after request. Grievances: 30 working days. Misconduct Hearing: 10 working days after notice has been served.	within two months after request. Grievances: 30 working days. Misconduct Hearing: 10 working days after notice has been served.	within two months after request. Grievances: 30 working days. Misconduct Hearing: 10 working days after notice has been served.
To manage policy and transformation matters.	Developed and implemented special programmes policies.	1 Policy on the employment of people with disabilities.	1 Employee assistance programme policy.	1 Gender equality policy.	1 Sexual harassment policy.	Review policies.
To manage human resource development	Developed and implemented HRD policy. Developed and implemented an annual Workplace Skills Plan. Developed and implemented induction manual. Developed and implemented internship and learnership policies	1 HRD policy developed and implemented. 1 Workplace Skills Plan. N/A. N/A.	1 HRD policy Implemented. 1 Workplace Skills Plan. 1 Induction Manual. 1 Internship policy developed. 1 Learnership policy developed.	Review policy 1 Workplace Skills Plan. Review Induction Manual Policy implemented (10 Interns to be appointed).	Review policy 1 Workplace Skills Plan. Review Induction Manual Review policy.	Review policy 1 Workplace Skills Plan. Review Induction Manual Review policy.

To ensure effective communication	Promotion of effective and efficient communication with internal & external clients.	Communication policy developed and implemented. Number of newsletters published. Number of media briefings conducted.	1 Communication policy developed. 4 Internal Newsletters. 1 Media briefing.	1 Communication policy implemented. 4 Internal Newsletters. 2 External Newsletters. 2 Media briefings.	Review communication policy. 4 Internal Newsletters. 2 External Newsletters. 2 Media briefings.	Review communication policy. 4 Internal Newsletters. 2 External Newsletters. 2 Media briefings.
To render effective IT support service.	Render effective and efficient IT support services.	Number of IT Policies and Plans developed and implemented. Respond to logged calls within 24 hours. Number of web sites and systems developed.	1 IT Security Policy. 1 IT plan. Request attended within specific timeframe. 1 Intranet website.	1 Disaster Recovery Plan developed. 1 Email Policy. Request attended within specific timeframe. 1 Internet website.	Review policies. Review policies. Request attended within specific timeframe. 1 Document Tracking system.	Review policies. Review policies. Request attended within specific timeframe. Review Systems
To manage organisational efficiency services.	Render effective organizational efficiency services.	Developed organizational structure. Implemented Performance Management System.	1 Organizational Structure. 100 % implemented.	1 Organizational Structure. 100 % implemented.	1 Organizational Structure. 100 % implemented.	1 Organizational Structure. 100 % implemented.
To render effective security service.	Render effective security services.	Informed employees on security awareness. Conduct research, inspections and investigations pertaining to all aspects of security.	N/A N/A	All Employees informed. N/A	All Employees informed. N/A	All Employees informed. Number of reports Number of inspections Number of investigations

3.8 Sub-programme 1.4: (Financial Management)

3.8.1 Specified policies, priorities and strategic objectives

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

Strategic objectives linked to this subprogramme:

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

3.8.2 Progress analysis

- During the CFO bilaterals budget related issues are discussed
- In the Adjustment budget the funds are allocated to directorates in need of additional funding to decrease the under spending.
- All cases in respect of department debt was followed up and handover to the Office of the State Attorney for recovery.
- A meeting was held with the office of the State Attorney, other departments involved and suppliers/ debtors to resolve the issue and discuss the repayment. Discussions were also held with officials from National Treasury regarding claims of National departments under the former Qwa- Qwa government.

38.3 Analysis of constraints and measures planned to overcome them

The key challenges over the strategic plan period :

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

Measures planned to overcome constraints:

- Capacity building remains an ongoing challenge.
- Successful implementation of Supply Chain Management.
- The payment of creditors within 30 days and to ensure that all invoices in respect of goods and services are paid.

3.8.4 Description of planned quality improvement measures

- Recruitment of skilled personnel;
- Building of capacity through training initiatives (current personnel);
- Continuous evaluation and motivation of personnel.

3.8.5 Specification of measurable objectives and performance indicators

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

Sub Programme 1.4 (Financial Management)		Strategic Goal: Contributing to the economic, efficient and effective service delivery.					
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	2005/06 Estimate	2006/07 Target	2007/08 Target	2008/09 Target
Ensure sound supply chain management.	Effective and efficient Supply Chain Management Service.	Comply and Implement legislation, policies and procedures	N/A	20 % compliance	50 % compliance	60 % compliance	70 % compliance
Promote sound financial and budget control in the department.	Facilitate Strategic planning and Annual Performance Plan process. Effective application of resources in realising strategic goals. Submit Quarterly Performance Reports Accurate annual report	Published and tabled strategic plan Percentage expenditure in line with detailed budget per sub-programme. Performance Plan Timeous submission of the annual report	31 st March 2005 82% N/A	March 2006 80% 4 Reports	March 2007 80% 4 Reports	March 2008 85% 4 Reports	March 2009 90% 4 Reports
Support the department through sound financial administration.	To comply with Financial Management key performance indicators for Departments.	Percentage adherence to predetermined KPI's.	30 th August 2005 78%	31 st August 2006 80%	31 st August 2007 85%	31 st August 2008 90%	31 st August 2009 95%

3.9 Sub-programme 1.5: (Internal Audit)

3.9.1 Specified policies, priorities and strategic objectives

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

Strategic objectives linked to this subprogramme:

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

3.9.2 Progress analysis

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

3.9.3 Analysis of constraints and measures planned to overcome them

The key challenges over the strategic plan period :

- Staff turnover due to inconsistent post levels;
- Communication line with other stake holders namely Office of the Auditor General;
- Reliance by external auditors namely Office of the Auditor General;
- Lack of IT audit skill / knowledge;
- Desired accreditation namely GIA or CIA;
- Compliance with internal auditing standards; and

Measures planned to overcome constraints :

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

3.9.4 Description of planned quality improvement measures

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

3.9.5 Specification of measurable objectives and performance indicators

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

Sub Programme 1.5 (Internal Audit)		Strategic Goal: Contributing to the economic, efficient and effective service delivery.					
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	2005/06 Estimate	2006/07 Target	2007/08 Target	2008/09 Target
Provide high quality and professional internal audit services. Provide professional advisory and consulting services.	To provide effective and professional internal audit services	Execution of the three (3) year rolling plan and Risk based Internal Audit Operational Plan	60 %	80 %	100 %	100 %	100 %
		Provide advisory and consulting services through reports to Audit Committee, Auditor General & Stake Holder	60 %	80 %	100 %	100 %	100 %
Facilitate risk management process within the department	Facilitation of risk management process	Risk assessment report	40 %	60 %	80 %	100 %	100 %
	Assist with compilation and implementation of Integrity Promotion Strategy (including Fraud Prevention Plan)	Implementation of a fraud hotline Implementation of detection reviews (including completion of ad hoc or investigative assignments)	60 % 60 %	80 % 80 %	100 % 100 %	100 % 100 %	100 % 100 %

4. Programme 2: (SUSTAINABLE RESOURCE MANAGEMENT)

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

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

4.1 Specified policies, priorities and strategic objectives

The strategic objectives linked to the programme are:

- Determine and analyzing key economic variables for the Free State province and where possible, at district levels.
- Determine the potential sources and constraints for enhanced growth and development in the Free State province as framed in the Provincial Growth and Development Strategy.
- Assess the impact of various fiscal policy objectives on selected economic variables

- Develop and maintain a provincial economic model (e.g. Social accounting matrix and computable general equilibrium model) that will assess different impact scenarios on selected social economic indicators
- Develop and maintain a socio-economic database for the province and per district
- Assess and advise on the socio-economic part of the municipalities and the relevance for municipal budget
- Provide technical assistance and training in the application of economic analysis for both provincial and local governments
- To strengthen and provide technical and strategic support for institutional capacity of provincial government
- Alignment of budgets to Free State Growth and Development strategy, strategic and performance plans.
- Monitor compliance with the public finance management act, regulations and guidelines.
- Set credible expenditure and revenue budgets.

4.2 Progress analysis

- A very successful workshop was held with all departments in the province in respect of provincial own revenue.
- The Budget process has effectively been managed and substantial progress has been recorded with regard to the tabling of the provincial budget in February 2006.
- Due to the restructuring of the department two of the sub-programmes within this programmes has not been fully functional.

4.3 Analysis of constraints and measures planned to overcome them

Constraints:

- Publication such as Provincial Socio-economic outlook and the construction of the Social Accounting Matrix (SAM) poses further challenge since the unit will be performing this function for the first time
- Borrowing and taxation has never been the competency of Provincial Treasuries since this was only dealt with at National Treasury level. A borrowing and a research framework on new revenue sources needs to be developed
- The establishment of a revenue base for each department to address the credibility of the provincial own revenue budget figures
- Development of a forecasting model for own revenue estimates.
- Ensure the alignment of Strategic and Performance Plans as well as Infrastructure plans with budgets and Free State Growth and Development Strategy
- Timeous tabling of the budget and strategic plans
- Improve the credibility and quality of the departmental budget inputs
- Monitor and report on the Non-financial data and the unit's capacity to effectively evaluate the non-financial information
- Ensure effective spending on infrastructure budgets

- Monitor the implementation of public entities budgets

Measures planned to overcome the constraints :

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

4.4 Description of planned quality improvement measures

- The Economic Analysis establishment has not been finalized.
- The post of the Senior Manager has been advertised and an appointment will be effected before the 2005/06 financial year. Other posts will be filled in the next financial year (Fiscal policy).
- Budget Management is fully functional and all only one post is vacant. This position will be filled before the end of the financial year.
- The Public Finance Directorate was only established during October 2005 and the vacancy rate is currently at 78% and will most of the posts not be filled before the end of the financial year. Only one official will be transferred towards the end of the financial year from Budget Management Directorate to this directorate.
- Capacity building and training within the Chief Directorate SRM requires attention. The Public Finance Directorate is faced with the challenge to ensure improvement and accurate reporting by provincial departments and public entities on non-financial information. Budget Management needs to improve on the evaluation of the strategic plan.

4.5 Sub-programme 2.2: (Economic Analysis)

4.5.1 Specified policies, priorities and strategic objectives

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

Strategic objectives linked to this subprogramme:

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

4.5.2 Progress analysis

- The directorate is experiencing difficulty in obtaining acceptable levels for posts to attract people with the necessary and appropriate skills.
- The process of job evaluation of posts is at an advanced stage and this matter will be finalized soon.

4.5.3 Analysis of constraints and measures planned to overcome them

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

4.5.4 Description of planned quality improvement measures

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

4.5.5 Specification of measurable objectives and performance indicators

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

Sub Programme 2.2: (Economic Analysis)		Strategic Goal: Contributing to the economic, efficient and effective service delivery.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	2005/06 Estimate	2006/07 Target	2007/08 Target	2008/09 Target	
Assess and analyse economic variables for the province.	Economic Development and Employment Creation: Strengthen the competitive advantage of the province.	Provincial labour market review per sector Socio - economic review/outlook publication Social Accounting Matrix table and analysis report	N/A N/A N/A	N/A N/A N/A	Developed database Bi-annual publications Updated SAM table and 1 analysis report	Updated quarterly One publication Updated SAM table and 1 analysis report	Updated quarterly One publication Updated SAM table and 1 analysis report	
Determining the potential sources and constraints for enhanced growth and development as framed in the PGDS	Develop and maintain a provincial economic model	Socio-economic outlook input in Budget Statement One 1 Social Accounting Matrix (SAM) table and 1 analysis report.	Inputs for Budget Statement One N/A	Inputs for Budget Statement One N/A	Inputs for Budget Statement One 1 updated SAM table and analysis report	Inputs for Budget Statement One Reviewed SAM table and analysis report	Inputs for Budget Statement One Reviewed SAM table and analysis report	
Assess the impact of various policy objectives on selected social and economic variables	Collection and analysis of socio economic statistics at Provincial and Municipal levels.	Two qualitative research reports for 9 sectors.	N/A	25%	Provincial economic review (2006)	Provincial economic review (2007)	Provincial economic review publication (2008)	

4.6 Sub-programme 2.3: (Fiscal Policy)

4.6.1 Specified policies, priorities and strategic objectives

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

Strategic objectives linked to this subprogramme:

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

4.6.2 Progress analysis

- The revenue budget target was exceeded by 15% in 2003/04 and for 04/05 financial year by 11%.
- All Revenue collection and tariff policies of departments had been reviewed.
- Compliance inspections were conducted at revenue collection institutions to oversee the implementation of new tariffs and the adherence to revenue collection policies at institutional levels.

4.6.3 Analysis of constraints and measures planned to overcome them

- The sub-programme has to build capacity around these functions in terms of employing skilled personnel
- Borrowing and taxation has never been the competency of Provincial Treasuries since this was only dealt with at National Treasury level. A borrowing and a research framework on new revenue sources needs to be developed
- The establishment of a revenue base for each department to address the credibility of the provincial own revenue budget figures
- Development of a forecasting model for own revenue estimates.

4.6.4 Description of planned quality improvement measures

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

- Suitable candidates with appropriate skills, knowledge and experience will be recruited in order to perform these functions.
- Build capacity through the provisioning of training to the newly recruited and existing personnel
- Begin the process of developing the borrowing and new sources framework
- The finalization of the revenue base for each department
- Implementation of the revenue forecasting model for tax receipts items.

4.6.5 Specification of measurable objectives and performance indicators

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

Sub Programme 2.3 (Fiscal Policy)		Strategic Goal: Provide fiscal policy advice, determine the Medium Term Fiscal framework, develop and optimise the provincial revenue base and develop the provincial borrowing framework.					
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	2005/06 Estimate	2006/07 Target	2007/08 Target	2008/09 Target
To strengthen and provide technical and strategic support for institutional capacity of provincial government	Developed Borrowing framework	Appropriate framework developed and adjusted annually	N/A	N/A	1 st Draft	1 Framework	1 revised Framework
Set credible revenue budgets	Provincial own revenue sources optimized and expanded	Develop a revenue base per department Develop framework of research into new revenue resources Options for provincial taxation investigated Involvement in capacity building	1 Department N/A N/A 35 Quarterly meetings	9 Departments N/A N/A Quarterly meetings	Annually reviewed N/A Research report 1 workshop & quarterly meetings	Annually reviewed 1 Framework Annual proposals tabled 1 workshop & quarterly meetings	Annually reviewed Annually reviewed Annual proposals tabled 1 workshop & quarterly meetings
Oversee compliance with revenue policies, financial directives,	Compliance with Norms and standards of own revenue	Number of annual inspections executed Reports issued on	57 Inspections 57 Reports	60 Inspections 4 Reports per	60 Inspections 60 Reports	60 Inspections 60 Reports	60 Inspections 60 Reports

PFMA, and treasury regulations.	findings	issued	department per year	12 reports	12 reports	12 reports
Oversee the implementation of policies for effective control of revenue	Effective management of revenue collection Reviewed revenue policies in line with fiscal framework Decrease in outstanding revenue	10 policies N/A	Annually CPIX target	22 policies and 16 Tariff submissions reviewed annually CPIX target	22 policies and 16 Tariff submissions reviewed annually CPIX target	22 policies and 16 Tariff submissions reviewed annually CPIX target

4.7 Sub-programme 2.4: (Budget Management)

4.7.1 Specified policies, priorities and strategic objectives

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

Strategic objectives linked to this subprogramme:

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

4.7.2 Progress analysis

- The sub-programme managed to prepare a credible and developmental budget for the period under review in pursuit of improved public expenditure management.
- Significant progress had been made with regard to preparation and tabling of strategic and performance plans, with **27** measurable objectives, which remain a necessary condition for accountability
- Adjustment budget was tabled 30 days after the tabling of the National Adjustment Budget

- Intergovernmental Fiscal Review (IGFR) inputs were consolidated and thoroughly evaluated to ensure the quality of data provided by departments

4.7.3 Analysis of constraints and measures planned to overcome them

Constraints :

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

Measures planned to overcome the constraints :

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

4.7.4 Description of planned quality improvement measures

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

4.7.5 Specification of measurable objectives and performance indicators

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

Sub Programme 2.4: (Budget Management)		Strategic Goal: Prepare the provincial budget in line with provincial growth and development strategy					
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	2005/06 Estimate	2006/07 Target	2007/08 Target	2008/09 Target
Alignment of budgets to FSPGD's, strategic and annual performance plans	Prepare developmental budgets	Tabled appropriation and provincial budget in line with National and Provincial Priorities	Tabled one week after National Budget	Tabled one week after National Budget	Table not later than two weeks after the National Budget	Table not later than two weeks after the National Budget	Table not later than two weeks after the National Budget
Set credible expenditure and revenue budgets		Accurate and credible budget statement	Accurate budget Statement be tabled with the bill	Accurate Budget Statement be tabled with the bill	Accurate Budget Statement be tabled with the bill	Accurate Budget Statement be tabled with the bill	Accurate Budget Statement be tabled with the bill
Monitor compliance with the public finance management act, regulations and guidelines.		Analysis report on the alignment of strategic plan	N/A	N/A	Analysis report 30 day after submission of strategic plan	Analysis report 30 day after submission of strategic plan	Analysis report 30 day after submission of strategic plan

To strengthen and provide technical and strategic support for institutional capacity of provincial government	Prepare credible adjustments budget	Tabled adjustment budget and adjustment appropriation bill in line with National and Provincial Priorities	Tabled three weeks after National Adjustment Budget	Tabled three weeks after National Adjustment Budget	Tabled three weeks after National Adjustment Budget	Table adjustment budget 30 days after National Adjustment Budget	Table provincial budget 30 days after National Adjustment Budget
		Accurate and credible adjustment budget book	Tabled adjustment budget book with the bill	Tabled adjustment budget book with the bill	Table adjustment budget book with the bill	Table adjustment budget book with the bill	Table adjustment budget book with the bill

4.8 Sub-programme 2.5: (Public Finance)

4.8.1 Specified policies, priorities and strategic objectives

This sub-programme provides policy advice and ensure budget implementation

Strategic objectives linked to this subprogramme:

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

4.8.2 Progress analysis

- The directorate continuously monitored departmental expenditure trends and introduced cost containment measures that were endorsed by the Executive Council to avoid over-expenditure by the departments.
- The directorate managed to ensure that the departments continuously adhered to the submission dates of the IYM on the 15th of each month and submit to National Treasury on the 22nd
- The sub-programme presented quarterly to the Executive Council on the state of the provincial budget to keep Exco abreast about the expenditure trends of all provincial departments

4.8.3 Analysis of constraints and measures planned to overcome them

- Public Finance sub-programme has to provide departmental policy advice and ensure budget implementation in order to enhance service delivery.
- Monitor and report on infrastructure spending in the province
- Monitor and report on the financial performance of the province through the In Year Monitoring System
- Monitor and report on the Non-financial data and the unit's capacity to effectively evaluate the non-financial information
- Ensure effective spending on infrastructure budgets
- Monitor the implementation of public entities budgets

4.8.4 Description of planned quality improvement measures

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

- Provide training to the new and existing personnel around analysis of non-financial data and public entities
- Ensure the submission monthly or quarterly from public entities on the spending of their budgets
- Effective monitor of the implementation of infrastructure budget by embarking on site visits and reporting on the progress made.

4.8.5 Specification of measurable objectives and performance indicators

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

Sub Programme 2.5: (Public Finance)		Strategic Goal: Maintain fiscal discipline and ensure budget implementation.						
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	2005/06 Estimate	2006/07 Target	2007/08 Target	2008/09 Target	
Provide policy advice and ensure budget implementation in provincial departments	Monitoring of expenditure trends against budget figures	Monthly analyzed report per department	N/A	N/A	12 reports per department	12 reports per department	12 reports per department	
		Quarterly reporting on Infrastructure spending	N/A	N/A	4 Reports	4 Reports	4 Reports	
Effective monitoring and implementation of budgets for provincial departments and public entities.		Quarterly review on expenditure trends	N/A	N/A	4 Reviews	4 Reviews	4 Reviews	
		Quarterly reporting on Infrastructure spending on public entities	N/A	N/A	4 reports	4 reports	4 reports	
Effective monitoring and implementation of budgets for provincial departments and public entities.		Monthly updated provincial database on financial information	N/A	N/A	Developed database	Maintained database	Maintained database	
		Quarterly updated provincial database on non-financial information	N/A	N/A	Developed database	Maintained database	Maintained database	
To strengthen and provide technical and strategic support for institutional capacity of provincial governments	Involvement in capacity building	Quarterly forums in line with National directives	N/A	N/A	4 forums	4 forums	4 forums	

5. Programme 3: (Asset and Liability Management)

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

There are four sub programmes:

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

5.1 Specified policies, priorities and strategic objectives

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

The strategic objectives linked to this programme are:

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

5.2 Progress analysis

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

5.3 Analysis of constraints and measures planned to overcome them

The key challenges over the strategic plan period:

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

Measures planned to overcome them:

- Enhance ability in the directorate to enforce compliance by departments, including increasing capacity level if necessary.
- Consolidate available capacity and resources in the programme to enhance the implementation of the IDIP.
- Improve capacity level.
- Clarification of roles for all role-players.
- Urge the National Treasury to expedite the IFMS project.

5.4 Description of planned quality improvement measures

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

5.5 Sub-programme 3.2: (Asset Management)

5.5.1 Specified policies, priorities and strategic objectives

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

Strategic objectives linked to this subprogramme:

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

5.5.2 Progress analysis

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

5.5.3 Analysis of constraints and measures planned to overcome them

The key challenges over the strategic plan period

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

Measures planned to overcome them:

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

5.5.4 Description of planned quality improvement measures

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

5.5.5 Specification of measurable objectives and performance indicators

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

Sub Programme 3.2: (Asset Management)		Strategic Goal: Contributing to the economic, efficient and effective service delivery.					
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	2005/06 Estimate	2006/07 Target	2007/08 Target	2008/09 Target
Develop, promote and monitor the implementation of policies for effective management of assets.	Promote and facilitate capacity building of officials responsible for asset management in provincial departments	Asset and Supply Chain Management forum meetings, workshops and training sessions.	N/A	3 training programmes coordinated (118 officials attended)	17 Forums, Workshops and Training sessions	17 Forums, Workshops and Training sessions	17 Forums, Workshops and Training sessions
	Promote effective and efficient utilization of movable and immovable asset in the province.	Evaluation reports.	N/A	N/A	120 Reports	120 Reports	120 Reports
Provide strategic leadership, support and monitoring of Supply Chain Management.	Promote and monitor the implementation of asset management reform project	Progress and monitoring reports to Provincial Steering Committee	N/A	N/A	12 Reports	12 Reports	12 Reports

Develop, promote and monitor the implementation of policies for effective management of assets. Ensure proper and effective	Promote and monitor the implementation of Supply Chain Management framework.	Monitoring and evaluation reports	N/A	SCM launch held on 9 September 2 bilateral sessions held with departments Presentations to FS Legislature 2 sessions with IDMC SCM Forum established 5 SCM road shows 1 transversal contract drafted	24 Reports	24 Reports	24 Reports
	Develop and implement provincial supplier management system.	Functional supplier management system.	N/A	Appoint service provider which will develop software programme Appoint personnel that will handle daily administration of the system Roll out and provide training of the system	1 system developed and thereafter continuously maintained	Develop and implement provincial supplier management system.	Functional supplier management system.
	Promote effective cash flow management within provincial departments.	% variance (favourable or unfavourable) between funds requested and actual funds withdrawn/used.	N/A	N/A	Within 10 %	Within 8 %	Within 5 %
	Maximize return on surplus funds.	Collection of budgeted interest income.	As set in the budget book	As set in the budget book	As set in the budget book	As set in the budget book	As set in the budget book

	Maintain accurate financial accounting records for the Provincial Revenue Fund.	Complied Provincial Revenue financial statements and monthly cash flow reports.	N/A	Annually Monthly	12 reports together with Annual Financial Statements	12 reports together with Annual Financial Statements
	Facilitate roll-out of Infrastructure Development Programme and monitor its implementation in the departments.	Steering Committee meetings	N/A	N/A	12 Meetings	12 Meetings
	Promote and monitor Public Private Partnerships in the Province.	Quarterly reports	N/A	N/A	4 Quarterly Reports	4 Quarterly Reports
	Develop capacity to deal with Public Private Partnership projects.	Public Private Partnership delegations	N/A	N/A	1 st set of PPP delegations	Dependent on the developments at National Treasury

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

5.6.1 Specified policies, priorities and strategic objectives

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

Strategic objectives are:

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

5.6.2 Progress analysis

- The Province was able to successfully close 13 of the 15 “BAS Departments” at the end of the 2004/2005 financial year.
- The reconciliation between the LOGIS Asset Register and BAS was successfully done for six departments.
- Targets were exceeded in the training of transversal system users.
-

5.6.3 Analysis of constraints and measures planned to overcome them

Constraints:

- Purification of functions within the programme.
- Training of all users of the transversal systems.
- Lack of capacity and skills within the programme and departments.
- Clarity on the roles expected from role players within Treasury.
- Lack of capacity in infrastructure delivery departments.
- Slow pace of the IFMS (Integrated Financial Management System) project.

Measures planned to overcome them:

- Improve capacity level.
- Clarification of roles for all role-players.
- Urge the National Treasury to expedite the IFMS project.

5.6.4 Description of planned quality improvement measures

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

5.6.5 Specification of measurable objectives and performance indicators

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

Sub Programme 3.4 (Support and Interlinked Financial Systems)		Strategic Goal: Contributing to the economic, efficient and effective service delivery.					
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	2005/06 Estimate	2006/07 Target	2007/08 Target	2008/09 Target
To strengthen and provide technical and strategic support for the institutional capacity of provincial government.	Manage and maintain the Transversal Systems.	Availability and stability of the Transversal systems	Systems were available 95% of working hours	Systems were available 97% of working hours	95% of working hours	95% of working hours	95% of working hours
To provide for the implementation, management and support of existing financial management systems and the transition to the Integrated Financial Management System (IFMS) enhancing compliance with PFMA and other relevant legislation.		Provide technical and functional support to Provincial Departments	Respond to calls within 8 working hours and solve problems within 24 working hours	Respond to calls within 8 working hours and solve problems within 24 working hours	Respond to calls within 8 working hours	Respond to calls within 8 working hours	Respond to calls within 8 working hours
Monitor compliance with the Public Finance Management Act, accounting policy, regulations and guidelines.	Building capacity in respect of Transversal Systems.	Ensure a maintained Supplier Register and item master for Provincial Departments	Suppliers registered and Items codified according to norms and standards	Suppliers registered and Items codified according to norms and standards	Suppliers registered and Items codified according to norms and standards	Suppliers registered and Items codified according to norms and standards	Suppliers registered and Items codified according to norms and standards
		Number of officials	BAS 600 PERSAL 300 LOGIS 543	BAS 450 PERSAL 300 LOGIS 500	BAS 300 PERSAL 300 LOGIS 500	BAS 250 PERSAL 250 LOGIS 400	BAS 250 PERSAL 250 LOGIS 350

6 Programme 4: (FINANCIAL GOVERNANCE)

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

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

6.1 Specified policies, priorities and strategic objectives

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

Strategic objectives linked to this programme:

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

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

6.2 Progress analysis

- Compiled separate Consolidated Financial Statements for Free State Departments, Provincial Revenue Fund & FS Legislature and FS Public Entities that are in line with the National guideline.
- The Directorate implemented new processes and procedures to promote adherence to the PFMA submission date of Annual Financial Statements by 31 May 2005.
- All Departments' balances were successfully converted from FMS to BAS within 4 months since the finalization of the 2003/04 Audit reports.
- All the previous FMS Department 77 balances were cleared during the financial year.
- The Financial Management Systems (FMS) closed down completely in November 2004, which was 3½ months after the 2003/04 financial year.
- The only Directorate to introduce Key Financial Performance Indicators to measure the financial performance of all departments and trading accounts.

- Monthly compliance certificates based on the outcomes of the 2003/04 audit reports were compiled to improve overall financial management in the Province.
- Introduced the first Provincial Paymaster General Forum in the Province.
- Implementation of SCOA with effect from 1 April 2004.
- Roll-out of the prescribed Annual Financial Statement formats.
- Enhanced analysis and interpretation of Annual Financial Statements.
- Facilitation of relevant training interventions and various meetings.
- Four training sessions with regard to Annual Financial Statements: ± 200 officials.
- Training: Asset Management & GRAP Standards: ± 140 officials.
- Training: Development of Debt Policy: 38 officials.
- Issued 4 compliance reports to the Executive Council regarding progress in the implementation of, and compliance with the Act.
- Issued 2 evaluation reports to PROPAC during the August 2004 and March 2005 sittings.
- Co-ordinated PFMA foundation course in collaboration with Free State Training Institute whereby IPFA offered training to 222 officials.
- Issued 4 progress reports in respect of the Public Private Partnership projects in the Province.
- Finance Bill enacted on the 2nd of August 2004 dealing with unauthorised expenditure as far as 95/96 financial year.
- Submission of returns 100% National Treasury.
- Bilaterals assessed capacity at municipalities – 25 municipalities
- SCM Management course for High and Medium – logistics for SAMDI
- Develop tool for monitoring and implementation submitted to National Treasury. for comment.
- Assessed and evaluated municipal budgets and submitted report to National TreasuryT.
- Monitor compliance of Annual Financial Statements – (Moghaka, Masilonyana, Dihlabeng and Phumelela)
- Submitted approval dates of budgets and requested exemption 177 for municipalities that did not table as required by section 76.
- Submit 2 IYM reports (Moghaka and Metsimaholo)
- Participated in CFO SALGA Forum.

6.3 Analysis of constraints and measures planned to overcome them

- Monitoring financial management of Public Entities.
- Promote sound financial management within Provincial Departments and Public Entities.
- Timely receipt of all departmental and Public Entities' audited financial statements by 31 July.
- Promote quality of annual financial statements submitted by 31May.
- Promote unqualified audit opinions on annual financial statements.

- Successful transformation to accrual accounting,
- Lack of skill and expertise within Provincial CFO's components.
- Contradictions of the time frame in the Act.

6.4 Description of planned quality improvement measures

- Inputs in respect of practical implementation on Accounting Standards Board exposure drafts.
- Monitoring reports on Key Performance Indicators (KPI's) and issues raised by Auditor General's Office on 2004/05 annual financial statements and facilitate corrective actions.
- National Treasury, Provincial Treasury, National Auditor General, and Provincial Auditor General to agree on way forward to eliminate problems experienced during 2004/05.
- Inputs on National guide and templates for preparation of annual financial statements.
- Provide inputs for the amendment of the PFMA.
- Capacity building

6.5 Sub-programme 4.2: (Accounting Services)

6.5.1 Specified policies, priorities and strategic objectives

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

Strategic objectives linked to this subprogramme:

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

6.5.2 Progress analysis

- Compiled separate Consolidated Financial Statements for Free State Departments, Provincial Revenue Fund & FS Legislature and FS Public Entities that are in line with the National guideline.
- The Directorate implemented new processes and procedures to promote adherence to the PFMA submission date of Annual Financial Statements by 31 May 2005.
- All Departments' balances were successfully converted from FMS to BAS within 4 months since the finalization of the 2003/04 Audit reports.
- All the previous FMS Department 77 balances were cleared during the financial year.
- The Financial Management Systems (FMS) closed down completely in November 2004, which was 3½ months after the 2003/04 financial year.
- The only Directorate to introduce Key Financial Performance Indicators to measure the financial performance of all departments and trading accounts.
- Monthly compliance certificates based on the outcomes of the 2003/04 audit reports were compiled to improve overall financial management in the Province.
- Introduced the first Provincial Paymaster General Forum in the Province.
- Implementation of SCOA with effect from 1 April 2004.
- Roll-out of the prescribed Annual Financial Statement formats.
- Enhanced analysis and interpretation of Annual Financial Statements.
- Facilitation of relevant training interventions and various meetings.
- Four training sessions with regard to Annual Financial Statements: ± 200 officials.
- Training: Asset Management & GRAP Standards: ± 140 officials.
- Training: Development of Debt Policy: 38 officials.

6.5.3 Analysis of constraints and measures planned to overcome them

Constraints :

- Monitoring financial management of Public Entities.
- Promote sound financial management within Provincial Departments and Public Entities.
- Timely receipt of all departmental and Public Entities' audited financial statements by 31 July.

- Promote quality of annual financial statements submitted by 31May.
- Promote unqualified audit opinions on annual financial statements.
- Successful transformation to accrual accounting,
- Lack of skill and expertise within Provincial CFO's components.
- Contradictions of the time frame in the Act.

6.5.4 Description of planned quality improvement measures

- Inputs in respect of practical implementation on Accounting Standards Board exposure drafts.
- Monitoring reports on Key Performance Indicators (KPI's) and issues raised by Auditor General's Office on 2004/05 annual financial statements and facilitate corrective actions.
- National Treasury, Provincial Treasury, National Auditor General, and Provincial Auditor General to agree on way forward to eliminate problems experienced during 2004/05.
- Inputs on National guide and templates for preparation of annual financial statements.
- Provide inputs for the amendment of the PFMA.
- Capacity building

6.5.5 Specification of measurable objectives and performance indicators

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

Sub Programme 4.2: (Accounting Services)		Strategic Goal: Contributing to the economic, efficient and effective service delivery.					
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	2005/06 Estimate	2006/07 Target	2007/08 Target	2008/09 Target
Development and implementation of accounting policies and practices to ensure compliance with GRAP standards.	Accounting policy, guidelines and practices implemented in line with National Framework	Reports in line with formats and guidelines of GRAP Completed set of Accounting policies implemented accord to set timeframes	As per GRAP standards As per approved Accounting policy within set timeframe	As per GRAP standards As per approved Accounting policy within set timeframe	As per GRAP standards As per approved Accounting policy within set timeframe	As per GRAP standards As per approved Accounting policy within set timeframe	As per GRAP standards As per approved Accounting policy within set timeframe

To strengthen and provide strategic support to provincial departments and public entities with regard to Accounting Policies, Practices and Annual Financial Statements.	Promote accurate compilation of Annual Financial statements	Percentage Correctness according to guide Evaluated Audit reports	90%	100%	100%	100%	100%	100%
			Analyse reports of Auditor General and take corrective steps	Analyse reports of Auditor General and take corrective steps	Analyse reports of Auditor General and take corrective steps	Analyse reports of Auditor General and take corrective steps	Analyse reports of Auditor General and take corrective steps	Analyse reports of Auditor General and take corrective steps
Consolidate Annual Financial Statements for the provincial departments and public entities.	To facilitate the timely submission of Annual Financial statements to Auditor General and National Treasury	Compliance with all statutory due dates. Unaudited Annual Financial Statements Audited Annual Financial Statements Submit Annual Report Table Annual Report	100% Compliance All Departments. submitted 31 May 2 Departments. Finalised 31 July No Departments submitted 31 August	100% Compliance All Departments. submitted 31 May 5 Departments. Finalised 31 July 2 Departments. submitted 31 August	100% Compliance All Departments. tabled after 30 Sept	100% Compliance All Departments. tabled after 30 Sept	100% Compliance All Departments. tabled after 30 Sept	100% Compliance All Departments. tabled after 30 Sept
	To prepare and submit annual consolidated financial statements	Percentage compliance with approved National Guidelines and timeframes	Submitted on 11 th April 2005 to Auditor General	100% compliance 30 June Annual Report 31 October	100% compliance 30 June Annual Report 31 October	100% compliance 30 June Annual Report 31 October	100% compliance 30 June Annual Report 31 October	100% compliance 30 June Annual Report 31 October

Capacity Building	Number of officials trained	238 Officials	100 Officials	300 Officials	350 Officials	400 Officials
To monitor compliance with regard to Accounting Standards, Policies and relevant sections of PFMA.	To promote Financial Management in the Province.	Percentage Adherence to predetermined KPI's	78%	81% and 12 reports	83% and 12 reports	85% and 12 reports

6.6 Sub-programme 4.3: (Norms and Standards–PFMA)

6.6.1 Specified policies, priorities and strategic objectives

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

Strategic objectives:

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

6.6.2 Progress analysis

- Issued 4 compliance reports to the Executive Council regarding progress in the implementation of, and compliance with the Act.
- Issued 2 evaluation reports to PROPAC during the August 2004 and March 2005 sittings.
- Co-ordinated PFMA foundation course in collaboration with Free State Training Institute whereby IPFA offered training to 222 officials.
- Issued 4 progress reports in respect of the Public Private Partnership projects in the Province.
- Finance Bill enacted on the 2nd of August 2004 dealing with unauthorised expenditure as far as 95/96 financial year.

6.6.3 Analysis of constraints and measures planned to overcome them

- Lack of training skills within the Norms and Standards directorate to offer PFMA related training in the province.
- Late submission of quarterly inputs by departments with regard to PFMA compliance.
- None implementation of Public Accounts Committee resolutions.
- Full Compliance with the PFMA by Provincial departments and Public entities.

6.6.4 Description of planned quality improvement measures

- All the officials within this directorate will be capacitated / skilled with Train the Trainer course in order to provide this service.
- Clear timelines and Follow- up procedure will be established.
- Capacitating of officials will take place to enable them to meet with the new challenges.
- Monitoring of progress and evaluation on the implementation of PROPAC resolutions is established.
- Integration of function within Treasury established to drive compliance by departments.

6.6.5 Specification of measurable objectives and performance indicators

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

Sub Programme 4.3: (Norms and Standards – PFMA)		Strategic Goal: Contributing to the economic, efficient and effective service delivery.					
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	2005/06 Estimate	2006/07 Target	2007/08 Target	2008/09 Target
To strengthen and provide strategic support to provincial departments and public entities with regard to PFMA.	To promote compliance with PFMA in the Province	Issue guideline, norms and standards in the province	Annual Report	Guidelines & delegations must be 100% in line with the prescripts	Guidelines & delegations must be 100% in line with the prescripts	Guidelines & delegations must be 100% in line with the prescripts	Guidelines & delegations must be 100% in line with the prescripts
To promote compliance with Provincial Norms and Standards		Delegations updated annually		April 2005	April 2006	April 2007	April 2008
To promote effective implementation of Legislation		Compliance reports to the Executive Council		4 Reports	4 Reports	4 Reports	4 Reports
To monitor compliance with PFMA and Treasury Regulations		Number of officials trained with regard to PFMA		300 Officials	200 Officials	250 Officials	300 Officials

	Promote effective implementation of Legislation and render assistance to PROPAC	Quarterly status report. Evaluation report	Annual Report	Quarterly status report. (8) Eight working days before PROPAC sitting	Quarterly status report. (8) Eight working days before PROPAC sitting	Quarterly status report. (8) Eight working days before PROPAC sitting	Bi-monthly status report.
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6.7 Sub-programme 4.4: (Norms and Standards – MFMA)

6.7.2 Specified policies, priorities and strategic objectives

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

Strategic objectives:

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

6.7.3 Progress analysis

- Submission of returns 100% National Treasury.
- Bilaterals assessed capacity at municipalities – 25 municipalities
- SCM Management course for High and Medium – logistics for SAMDI
- Develop tool for monitoring and implementation submitted to N.T. for comment.
- Assessed and evaluated municipal budgets and submitted report to N.T.
- Monitor compliance of Annual Financial Statements – (Moghaka, Masilonyana, Dihlabeng and Phumelela)
- Submitted approval dates of budgets and requested exemption 177 for municipalities that did not table as required by section 76.
- Submit 2 IYM reports (Moghaka and Metsimaholo)
- Participated in CFO SALGA Forum.

6.7.4 Analysis of constraints and measures planned to overcome them

- Integration of Annual Financial Statements and Annual Reports
- Submission of quality budget evaluation to National Treasury
- Submission of Credible IYM to National Treasury
- Monitoring of compliance and submission of quality reports
- Assessment of budget related policies
- Assessment of SDBIP and performance management systems
- Alignment of IDP's with PGDS and national priorities linked to municipal budgets.
- Municipal environment
- Designing data base and avail assess to municipalities
- Report and budget dynamics at local sphere
- Integrated Development Plans and Budget alignment
- Need for closer relationship between Provincial Department of Local Government and Housing and Provincial Treasury and other sectoral departments

6.7.5 Description of planned quality improvement measures

- Skills and capacity building
- Bilaterals – assessment at municipalities

6.7.6 Specification of measurable objectives and performance indicators

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

Sub Programme 4.4: (Norms and Standards – MFMA)		Strategic Goal: Maintain fiscal discipline through policies and control expenditure and revenue.					
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	2005/06 Estimate	2006/07 Target	2007/08 Target	2008/09 Target
To monitor, evaluate and report on compliance of the Municipal Finance Management Act.	Monitor budget Preparation process for the local government sphere	Compliance with set due dates	N/A	Budget Timeliness	Budget Timeliness	Budget Timeliness	Budget Timeliness
	Promote credible Municipal budget	Evaluation Reports	N/A	21 Reports	21 Reports	21 Reports	21 Reports
	Monitor, consolidate and analyse IYM of Municipalities	Analyse, reports according to prescribed timeframes	N/A	21 Reports	21 Reports	21 Reports	21 Reports
	Promote, monitor and evaluate effective implementation of municipal PROPAC resolution	Status Report Evaluation Report	N/A N/A	1 Reports eight working days before PROPAC sitting	2 Reports eight working days before PROPAC sitting	3 Reports eight working days before PROPAC sitting	4 Reports eight working days before PROPAC sitting

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

6.8.1 Specified policies, priorities and strategic objectives

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

Strategic objectives linked to this subprogramme:

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

6.8.2 Progress analysis

This unit is not yet established.

6.8.3 Analysis of constraints and measures planned to overcome them

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

6.8.4 Description of planned quality improvement measures

Skills and capacity building

6.8.5 Specification of measurable objectives and performance indicators

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

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Sub Programme 4.5: (Risk Management and Provincial Internal Audit)		Strategic Goal: Promote effective optimal financial resource utilisation and Internal audit.					
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual 2004/05	2005/06 Estimate	2006/07 Budget	2007/08 Target	2008/09 Target
Facilitation of residual risk assessments and the availability of a risk profile per department.	Facilitation of residual risk assessments and the availability of a risk profile per department.	Percentage risk assessments reviewed within departments Percentage progress and control maps completed per department Percentage accounting officers are supplied with updated risk profiles	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	80% 80% of processes mapped 100% of departments	100% 100% of processes mapped 100% of departments
The provision of a consolidated risk profile for the provincial government as a whole and the ensuring of risk response strategies to mitigate transversal risks.	The provision of a consolidated risk profile for the provincial government as a whole and the ensuring of risk response strategies to mitigate transversal risks.	Existence of a consolidated risk profile for the Province. Transversal risks identified and allocated to transversal risk owners	N/A N/A	N/A N/A	N/A N/A	100% of departments included in consolidation. 70% transversal risks allocated	100% of departments included in consolidation. 100% transversal risks allocated
Assessment of Internal Audit Units	Assessment of Internal Audit Units	Compliance with National Framework and evaluation report	N/A	N/A	N/A	70 % Departments & Public entities	100 % Departments & Public entities
Capacity building Internal Audit	Capacity building Internal Audit	Number of officials trained. Quarterly Forums	N/A N/A	N/A N/A	N/A N/A	35 Officials trained 4 Quarterly forums	45 Officials trained 4 Quarterly forums

7. Reconciliation of budget with plan

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

Sub-programme	Year 1 2004/05 (actual)	Year 2 2005/06 (Revised estimate)	Year 3 2006/07	Year 4 2007/08	Year 5 2008/09
Office of the MEC	753	4 975	3 117	3 218	3 381
Management Services	2 152	3 492	3 576	3 805	4 010
Corporate Services	10 711	13 204	14 584	15 291	14 760
Financial Management	12 441	14 348	15 451	16 089	16 894
Internal Audit	1 649	4 593	3 484	3 228	3 372
Total programme	27 706	40 612	40 212	41 631	42 417

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

Sub-programme	Year 1 2004/05 (actual)	Year 2 2005/06 (Revised estimate)	Year 3 2006/07	Year 4 2007/08	Year 5 2008/09
Programme Support	1 101	1 127	1 174	1 233	1 295
Economic Analysis	0	383	755	820	850
Fiscal Policy	3 446	3 442	4 467	4 750	4 439
Budget Management	5 509	3 836	3 914	4 118	4 347
Public Finance	0	4 324	1 864	1 994	2 001
Total programme	10 056	13 112	11 636	12 328	12 932

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

Sub-programme	Year 1 2004/05 (actual)	Year 2 2005/06 (Revised estimate)	Year 3 2006/07	Year 4 2007/08	Year 5 2008/09
Programme Support	841	1 109	968	1 018	1 067
Asset Management	5 555	10 958	10 555	10 956	11 625
Liability Management	0	0	0	0	0
Support and Interlinked Financial Systems	27 325	37 829	41 188	44 074	50 343
Total programme	33 721	49 896	52 711	56 048	63 035

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

Sub-programme	Year 1 2004/05 (actual)	Year 2 2005/06 (Revised estimate)	Year 3 2006/07	Year 4 2007/08	Year 5 2008/09
Programme Support	1 128	1 302	1 443	1 501	1 576
Accounting Services	13 324	4 731	5 455	5 674	5 958
Norms and Standards – PFMA	2 109	2 419	2 982	3 152	3 262
Norms and Standards – MFMA	2 922	0	5 240	5 280	5 591
Risk Management and Provincial Internal Audit	0	0	0	0	0
Total programme	19 483	8 452	15 120	15 607	16 387

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

This department does not have any capital investments.

9. Medium-term revenues

9.1 Summary of revenue

The following sources of funding are used for the Vote:

Table 5: Summary of revenue: (Provincial Treasury)

R 000	Actual 2002/03	Actual 2003/04	Actual 2004/05	2005/06 Budget	2006/07 Target	2007/08 Target
Voted by legislature	91 729	152 333	130 602	109 538	115 124	120 881
Conditional grants						
Departmental receipts			3420	4 510	4 555	4 733
Total revenue	91 729	152 333	134022	114 048	119 679	125 614

9.2 Departmental revenue collection

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

Table 6: Departmental revenue collection: (Provincial Treasury)

R million	Actual 2002/03	Actual 2003/04	2004/05 Estimate	2005/06 Budget	2006/07 Target	2007/08 Target
Current revenue	126 066	61 064	71 258	52 607	29 470	34 275
Tax revenue						
Non-tax revenue		75				
Capital revenue		1	1		9	10
Departmental revenue	126 066	61 140	71 259	52 607	29 479	34 285

9.3 Conditional grants

None

9.4 Donor funding

None

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

10.1 Interdepartmental linkages

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

10.2 Local government linkages

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

10.3 Public entities

This department does not have any public entities.

10.4 Public, private partnerships, outsourcing etc.

None.

11 Financial Management:

11.1 Strategies to address audit queries

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

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

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

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

Part C: Annual Performance Plan of Year- One

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

Sub-programme 1.1:		Strategic Goal : : Contributing to the economic, efficient and effective service delivery.									
Office of the MEC		Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Estimates 2005/06	Budget 2006/07 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	
To provide administrative support to the member of the executive council.	Smooth and effective functioning of the MEC office.	Percentage satisfaction by the MEC.	N/A	85%	3 117	90%	90%	90%	90%	90%	
To provide administrative support to the member of the executive council.	Strengthen linkage with Treasury, and Provincial Legislature	Days turnaround time on documents submitted to the minister.	N/A	5 days		5 days.	5 days.	5 days.	5 days.	5 days.	
To provide administrative support to the member of the executive council.	Ensure good public profile for the MEC.	Establish a sound relationship and communication link.	N/A	85%		90%	90%	90%	90%	90%	
To provide administrative support to the member of the executive council.	Fulfillment of MEC legislative and political functions.	Improve public image.	N/A	80%		80%	80%	80%	80%	80%	
To provide administrative support to the member of the executive council.	Provincial state of affairs in good shape.	Good integration with departmental function.	N/A	70%		65%	65%	65%	65%	65%	
			N/A			75%	75%	75%	75%	75%	

Sub-programme 1.2: Services		Strategic Goal : : Contributing to the economic, efficient and effective service delivery.									
Management		Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Estimates 2005/06	Budget 2006/07 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Ensure good strategic support to the management team.	Ensure good strategic support to the management team.	Percentage satisfaction	N/A	55%	3 576	60%	60%	60%	60%		
Ensure good strategic support to the Accounting officer and his management team.	Conduct overall planning to ensure that remaining management functions are conducted on such level that Provincial Treasury delivers on its responsibilities.	Percentage of planning mechanisms resulting in the right deliverables.	N/A	55%		60%	60%	60%	60%		

Sub-programme 1.3: Corporate Services		Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Estimates 2005/06	Budget 2006/07 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
To render personnel management services	Promotion of sound human resources practices	Developed employment equity plan to increase the number of designated employees Appointment, promotion and transfers of employees according to legislation	1 plan developed as per employment equity target 49 appointments and promotions 29 transfers	1 plan reviewed and updated Appointments and promotions approved within three months after request. Transfers approved within two months after request.	6 291	1 Plan reviewed & updated Appointments and promotions approved within three months after request Transfers approved within two months after request	1 Plan reviewed & updated Appointments and promotions approved within three months after request Transfers approved within two months after request	1 Plan reviewed & updated Appointments and promotions approved within three months after request Transfers approved within two months after request	1 Plan reviewed & updated Appointments and promotions approved within three months after request Transfers approved within two months after request
To manage labour relations and provide legal advisory service		Handling of grievances and disciplinary cases in line with applicable legislation	14 cases finalized Misconduct hearings: 10 working days after notice has been served.	Grievances: 30 working days. Misconduct hearings: 10 working days after notice has been served.		Grievances: 30 working days Misconduct hearing: 10 days after notice has been served	Grievances: 30 working days Misconduct hearing: 10 days after notice has been served	Grievances: 30 working days Misconduct hearing: 10 days after notice has been served	Grievances: 30 working days Misconduct hearing: 10 days after notice has been served

Sub-programme 1.3: Corporate Services		Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Estimates 2005/06	Budget 2006/07 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
To manage policy and transformation matters	Develop & implement special programmes policies	Developed and implemented special programmes policies	1 policy on the employment of people with disabilities	1 employee assistance programme policy		1 Gender equality developed	Implement Gender equality policy	Review policy	Review policy
To manage human resource development	Render effective Human Resource training & development	Developed & implemented HRD Policy Developed & implemented an annual Workplace Skills Plan Developed & implemented induction manual Developed & implemented internship and learnership policies	1HRD policy developed. 1 Workplace skills plan. N/A N/A	1 HRD policy implemented. 1 Workplace skills plan. 1 Induction manual 1 Internship policy developed/ 1 learnership policy developed	2 216	Review HRD policy Internship policy implemented (10 interns to be appointed)	1 Workplace Skills Plan	Review induction manual	

Sub-programme 1.3: Corporate Services		Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Estimates 2005/06	Budget 2006/07 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
To ensure effective communication	Promotion of effective and efficient communication with internal & external clients	Communication policy developed & implemented Number of newsletters published Number of media briefings conducted.	1 communication policy developed 4 Internal news letters N/A 1 Media briefing	Communication policy reviewed 4 Internal news letters 2 External newsletters 2 Media briefings	1 372	Review communication policy Publish internal newsletter (Treasury News) Publish external newsletter	Review communication policy Publish internal newsletter Publish external newsletter	Review communication policy Publish internal newsletter Organise media briefing for the Adjustment budget	Review communication policy Publish internal newsletter Publish external newsletter Organise media briefing for the budget speech

Sub-programme 1.3: Corporate Services		Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Estimates 2005/06	Budget 2006/07 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
To render effective IT support service	Render effective and efficient IT support services	Number of IT policies and plans developed and implemented Respond to logged calls within 24 hours Number of websites and systems developed	1 IT Security policy 1 IT plan Request attended with specific timeframe Intranet developed	1 Disaster recovery plan developed 1 Email policy Request attended with specific timeframe Upgraded intranet	2 327	Review ICT plan 100% response within 24 hrs PDMS System analysis planning & design – 25 %	Implement the ICT plan 100% response within 24 hrs PDMS System development – 50 %	Review the e-mail & information security policy 100% response within 24 hrs PDMS System design 75 %	Review the e-mail & information security policy 100% response within 24 hrs PDMS System testing, implementation & documentation – 100 %
To manage organisational efficiency services	Render effective organizational efficiency services	Developed organizational structure Implemented Performance Management System	1 Organizational structure 100% implemented	1 Organizational structure 100% implemented	1 806	Approved Organizational structure	Updated organizational structure Performance plans in place for 01/04/2006 – 30/09/2006	Updated organizational structure Performance plans in place for 01/10/2006 – 31/03/2006	Updated organizational structure

Sub-programme 1.3: Corporate Services		Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Estimates 2005/06	Budget 2006/07 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
To render effective security services	Render effective security services	Informed employees on security Conduct research, inspections and investigations pertaining to all aspects of security.	N/A N/A	All Employees N/A	664	All Employees Conduct security awareness campaign Number of reports Number of inspections Number of investigations	All Employees Conduct information security sessions Number of reports Number of inspections Number of investigations	All Employees Review Security awareness Number of reports Number of inspections Number of investigations	All Employees Review compliance with information security Number of reports Number of inspections Number of investigation

Sub-programme 1.4: Financial Management		Strategic Goal : : Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Estimates 2005/06	Budget 2006/07 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Ensure Sound Supply Chain Management	Effective and efficient Supply Chain Management Services	Comply and implement legislation, policies and procedures	N/A	N/A	5 155	50 %	55 %	60 %	65 %
Promote sound financial and budget control in the department	Facilitate Strategic planning and annual performance plan procedures. Effective application of resources in realising strategic goals.	Publish and table strategic and annual performance plans. Percentage expenditure in line with detailed budget per sub-programme.	April 2005 (Strategic Plan) 82 %	March 2006 97 %	3 428	N/A 80 %	N/A 80 %	N/A 80 %	1 APP March 2007 80 %
Support the department through sound financial administration.	Accurate annual report To compl with Financial Management key performance indicators (KPI'S)	Timeous submission of the annual report Percentage adherence to predetermined key performance indicators (KPI'S)	31 st August 2004 N/A	31 st August 2005 93.66%	6 868	N/A 85 %	N/A 85 %	1 Report 31 st August 2006 85 %	N/A 85 %

Strategic Goal : : Contributing to the economic, efficient and effective service delivery.									
Sub-programme 1.5: Internal Audit									
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Estimates 2005/06	Budget 2006/07 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Provide high quality and professional internal audit services.	To provide effective and professional Internal Audit Services.	Execution of the Operational Plan and three (3) year Strategic Rolling Plan	60%	80%	3484	25%	25%	25%	25%
		Provide advisory and consulting services through reports to Audit Committee, Management, AG & Other State Holders.	60%	80%		Ongoing	Ongoing	Ongoing	Ongoing
Provide professional advisory and consulting services.	Facilitate of risk assessment process	Risk assessment report	40%	60%		100%	100%	100%	100%
Facilitate risk management process within the Department.	Assist with compilation and implementation of Integrity Promotion Strategy(incorporating Fraud Prevention Plan	Monitoring of fraud hotline	60%	80%		100%	100%	100%	100%
		Implementation of detective reviews (Including completion of ad hoc or investigative assignments).	60%	80%		100%	100%	100%	100%

Sub Programme 2.2: Economic Analysis		Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Estimates 2005/06	Budget 2006/07 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Assess and analyse economic variables for the province.	Assess and analyse economic variables for the province.	Provincial labour market review per sector	N/A	N/A	378	35% of sectors reviewed	70% review	100 % review of sectors	Review of all 9 sectors and publication
		Socio-economic review/ outlook publication	N/A	N/A		Data collection	N/A	1 report	3 reports
		Annual provincial economic review (PER) publication	N/A	N/A		Data collection	Data collection	1 publication	Data collection and update
Develop and maintain a provincial economic model	Develop and maintain a provincial economic model	Inputs on socio-economic outlook that will inform the budget allocation	N/A	Qualitative annual inputs to Budget Statement 1	N/A	N/A	N/A	Draft document	Final inputs
		1 Social Accounting Matrix (SAM) table and 1 analysis report	N/A	1 table and 1 analysis report	Analysis report of the 2005/06 SAM	2 nd quarter update report	3 rd quarter report	Final annual update	
Assess the impact of various policy objectives on selected social and economic variables	Construct and maintain a socio-economic and demographics' database for province and per district	Developed and functional provincial socio-economic and demographics' database	N/A	N/A	227	25% Construction and data collection	50% Construction and data collection	75% Construction and data collection	Functional database (100%)

Sub Programme 2.2: Economic Analysis		Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Estimates 2005/06	Budget 2006/07 R'000	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Determining the potential sources and constraints for enhanced growth and development as framed in the PGDS	Collection and analysis of social and economic statistics at provincial and municipal levels	2 Qualitative research report for 9 sectors	N/A	N/A	151	Data collection and review report	1 st bi-annual report	Review	2 nd bi-annual report

Sub Programme 2.3: Fiscal Policy		Strategic Goal: Maintain fiscal discipline through policies and control expenditure and revenue.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Estimates 2005/06	Budget 2006/07 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
To strengthen and provide technical and strategic support for institutional capacity of provincial government	Developed borrowing framework Capacity building in departments	Appropriate framework developed and adjusted annually Involvement in capacity building/ meetings, workshop and one on one training	N/A 35 Quarterly meetings	N/A 31 Quarterly meetings, 1 workshop and training during 63 inspections	465 643	Research/ Data gathering Quarterly meetings, 15 inspections	Compiled research report Quarterly meetings, 15 inspections	Discussions with role players 1 Workshop, 15 inspections	1 st draft completed Quarterly meetings, 15 inspections
Set credible revenue budgets	Provincial own revenue sources optimized and expanded	Develop a revenue base per dept Develop a framework of research into new revenue resources Options for provincial taxation investigated	1 Dept. N/A N/A	6 Departments N/A N/A	375 N/A 375	2 depts. Reviewed N/A Research/ Data gathering	2 depts. Reviewed N/A Compiled research report	2 depts. Reviewed N/A Discussions with role players	3 depts. Reviewed N/A Finalized research report
Oversee compliance with revenue policies, financial directives, PFMA and Treasury regulations	Compliance with Norms and Standards of own revenue	Number of annual inspections executed Reports issued on findings Monthly revenue report Quarterly EXCO report	57 57 reports issued 12 reports N/A	63 63 reports 12 Reports 4 Reports	687 687 116 116	15 15 reports 3 Reports 1 Report	15 15 reports 3 Reports 1 Report	15 15 reports 3 Reports 1 Report	15 15 reports 3 Reports 1 Report
Oversee the implementation of policies for effective control of revenue	Effective management of revenue collection	Reviewed revenue policies in line with fiscal framework	10 Policies	22 Policies and 16 Tariff submissions reviewed	465	N/A	10 Policies and 8 Tariff submissions reviewed	10 Policies and 8 Tariff submissions reviewed	2 Policies reviewed

Sub Programme 2.4: Budget Management		Strategic Goal: Allocating resources in line with Government Priorities							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Estimates 2005/06	Budget 2006/07 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Alignment of budgets to FSPGD's, strategic and annual performance plans, Set credible expenditure and revenue budgets, Monitor compliance with the public finance management act, regulations and guidelines	Prepare developmental budgets	Tabled appropriation and provincial budget in line with National and Provincial Priorities	R0, 744 m	R0,806 m	822	N/A	N/A	N/A	Budget to be tabled in the fourth quarter
		Accurate and credible budget statement	R1,489 m	R1,611 m	1,644	N/A	N/A	N/A	One credible budget statement
		Analysis report on the alignment of strategic plan	R0,248 m	R0,268 m	274	N/A	N/A	Analysis report on the first draft strategic plans	Analysis report on the second draft strategic plans
To strengthen and provide technical and strategic support for constitutional capacity of provincial government.	Prepare credible adjustment budget	Tabled adjustment budget and adjustment appropriation bill in line with National and Provincial Priorities	R0,372 m	R0,403m	411	N/A	N/A	Adjustment Budget to be tabled	N/A
		Accurate and credible adjustment budget book	R0,691 m	R0,748 m	763	N/A	N/A	Accurate and credible Adjustment Budget book	N/A

Sub Programme 2.5: Public Finance		Strategic Goal: Maintain fiscal discipline through policies and control expenditure and revenue							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Estimates 2005/06	Budget 2006/07 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Provide policy advice and ensure budget implementation in provincial departments	Monitoring of expenditure trends against budget figures	Monthly analyzed report per department	N/A	N/A	751	3 reports	3 reports	3 reports	3 reports
		Quarterly reporting on Infrastructure spending	N/A	N/A	379	1 st quarter report	2 nd quarter report	3 rd quarter report	4 th quarter report
Effective monitoring and implementation of budgets for provincial departments and public entities	Monitoring of expenditure trends against budget figures	Quarterly review on expenditure trends	N/A	N/A	241	1 st review	2 nd review	3 rd review	4 th review
		Quarterly analyzed report on public entities	N/A	N/A	241	1 st quarterly report	2 nd quarterly report	3 rd quarterly report	4 th quarterly report
To strengthen and provide technical and strategic support for institutional capacity of provincial departments	Maintain the Provincial budget database (Financial and Non Financial Information)	Monthly updated database on financial information	N/A	N/A	241	Develop a database with financial information	Reviewed and refined	Maintain	Maintain
		Quarterly updated database on non-financial information	N/A	N/A		Develop a database with non-financial information	Reviewed and refined	Maintain	Maintain
	Involvement in capacity building	Quarterly forums with line departments and public entities	N/A	N/A	9	1 st Forum	2 nd Forum	3 rd Forum	4 th Forum

Strategic Goal: Contributing to the economic, efficient and effective service delivery.									
Sub-Programme 3.2: ASSET MANAGEMENT	Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Estimates 2005/06	Budget 2006/07 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Provide strategic leadership, support and monitoring of infrastructure Delivery Models and Public Private Partnership projects	Facilitate roll-out of infrastructure Delivery Improvement Programme and monitor its implementation in the departments	Steering Committee meetings	N/A	N/A	10 555	3	3	3	3
	Promote and monitor Public Private Partnerships in the Province	Quarterly reports				1	1	1	1
	Develop capacity to deal with Public Private Partnership projects	Public Private Partnership delegation				-	-	-	-
Provide strategic leadership, support and monitoring of Supply Chain Management.	Promote and facilitate capacity building of officials responsible for Supply Chain Management in the Provincial departments.	SCM Forum. Training sessions and workshops.	N/A	N/A		2	2	1	1
	Promote and monitor the implementation of SCM framework	Monitoring and Evaluation reports	N/A	N/A		6	6	6	6
	Develop and implement Provincial Supplier Management System.	Functional Supplier Management system	N/A	N/A		Quarterly report-	Quarterly report-	Quarterly report-	-
Develop, promote and monitor the implementation of policies for effective management of assets.	Promote effective cash flow management within provincial departments.	% variance (favourable or unfavourable) between funds requested and actual funds withdrawn/used	N/A	N/A		Within 10%	Within 10%	Within 10%	Within 10%
	Maximize return on surplus funds	Collection of budgeted interest income	N/A	N/A		25%	25%	25%	25%

Sub-Programme 3.2: ASSET MANAGEMENT		Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Estimates 2005/06	Budget 2006/07 R'000	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	Maintain accurate financial accounting records for the Provincial Revenue Fund	Compiled PRF annual financial statements and monthly cash flow reports	N/A	N/A				1 set of AFS	

Strategic Goal: Contributing to the economic, efficient and effective service delivery.										
Sub Programme 3.4: Support and Interlinked Financial Systems		Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Estimates 2005/06	Budget 2006/07 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
To strengthen and provide technical and strategic support for the institutional capacity of provincial government.	Manage and maintain the Transversal Systems.	Availability and stability of the Transversal systems	Systems were available 97% of working hours	Systems were available 97% of working hours	41 188	95% of working hours	95% of working hours	95% of working hours	95% of working hours	95% of working hours
To provide for the implementation, management and support of existing financial management systems and the transition to the Integrated Financial Management System (IFMS) enhancing compliance with PFMA and other relevant legislation.	Provide technical and functional support to Provincial Departments	Provide technical and functional support to Provincial Departments	Respond to calls within 8 working hours and solve problems within 24 working hours	Respond to calls within 8 working hours and solve problems within 24 working hours		Respond to calls within 8 working hours	Respond to calls within 8 working hours	Respond to calls within 8 working hours	Respond to calls within 8 working hours	Respond to calls within 8 working hours
Monitor compliance with the Public Finance Management Act, accounting policy, regulations and guidelines.	Building capacity in respect of Transversal Systems.	Ensure a maintained Supplier Register and item master for Provincial Departments	Suppliers registered and items codified according to norms and standards	Suppliers registered and items codified according to norms and standards		Suppliers registered and items codified according to norms and standards	Suppliers registered and items codified according to norms and standards	Suppliers registered and items codified according to norms and standards	Suppliers registered and items codified according to norms and standards	Suppliers registered and items codified according to norms and standards
	Number of officials trained		BAS 600 PERSAL 300 LOGIS 543	BAS 540 PERSAL 300 LOGIS 500		BAS 150 PERSAL 120 LOGIS 150	BAS 175 PERSAL 120 LOGIS 180	BAS 125 PERSAL 90 LOGIS 70	BAS 0 PERSAL 70 LOGIS 100	

Sub Programme 4.2: Accounting Services		Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Estimates 2005/06	Budget 2006/07 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Development and implementation of accounting policies and practices to ensure compliance with GRAP standards.	Accounting policy, guidelines and practices implemented in line with National Framework Promote accurate compilation of AFS	Prescripts in line with formats and guidelines of GRAP	12 PAG circulars ,3 amendments and 3 Practice notes were compiled and circulated	8 PAG circulars & 2 amendments were compiled and circulated	486	Issue guidelines of GRAP and other legislative mandates on identified areas.	Issue guidelines of GRAP and other legislative mandates on identified areas.	Revise existing Circulars /Practice notes.	Issue guidelines for closing of Financial year and compiling of Financial Statements
To strengthen and provide strategic support to provincial departments and public entities with regard to Accounting Policies, Practices and Annual Financial Statements.		Inputs i.r.o. evaluation results of draft Accounting policies/standard according to set timeframes	Evaluated 7 Exposure drafts from Accounting Standards Board	Evaluated 8 exposure drafts from Accounting Standards Board		Evaluate exposure drafts/policies as per release by the Accounting Standards Board/National Treasury	Evaluate exposure drafts/policies as per release by the Accounting Standards Board/National Treasury	Evaluate exposure drafts/policies as per release by the Accounting Standards Board/National Treasury	Evaluate exposure drafts/policies as per release by the Accounting Standards Board/National Treasury
		Percentage correctness according to guide Evaluation Reports	60% 25 evaluation reports (Legislature , 11 Department s, 13 Entities)	100% Compliance with guide 27 evaluation reports (Legislature, 11 Departments, 15 Entities	1 074	Evaluate AFS before 31 May N/A	N/A Analyse all audited Financial statements/ audit reports	N/A Request action plans from Accounting Officers /CEO's	N/A Monitor implementation of action plans

Strategic Goal: Contributing to the economic, efficient and effective service delivery.									
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Estimates 2005/06	Budget 2006/07 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
Consolidate AFS for the provincial departments and Entities	To facilitate the timely submission of Annual Financial Statements to A/G and National Treasury To prepare and submit annual consolidated financial statements	Promote Compliance with all statutory timeframes in respect of: <u>Unaudited AFS</u> <u>31 May</u> <u>Audited AFS</u> <u>31 July</u> <u>Table Annual Report</u> <u>31 August</u>	Legislature & Departments	Legislature, 11 Departments & 13 Entities	632	Issue circular for preparation of AFS Evaluate and comment on draft AFS. N/A	N/A Receive and forward Audited AFS to National Treasury	Evaluate and comment on 2006/07 AFS templates	Practical testing of 2006/07 AFS templates
			Legislature & Departments	Legislature, 11 Departments & 13 Entities		N/A	Receive and forward Audited AFS to National Treasury	N/A	N/A
			Legislature, department and 13 Entities	Legislature, 8 departments and 10 Entities		N/A	Monitor tabling of Annual reports and forward to National Treasury	N/A	N/A

Sub Programme 4.2: Accounting Services		Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Estimates 2005/06	Budget 2006/07 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
		Compliance with approved National Guidelines and statutory timeframes	N/A	1 Departments X 1 X Entities	764	Prepare consolidated financial statements	Adjusted Consolidated Financial Statements with audited figures	N/A	N/A
		<u>Unaudited CAFS</u> 30 June & 31 August	N/A	1 Departments X X Entities finalised November 2005		N/A	Receive audited Consolidated Financial Statements	Submit to National Treasury	N/A
		<u>Audited CAFS</u> 30 September	N/A	1 X Departments X Entities tabled 31 March 2006		N/A	N/A	Table Annual report	N/A
	Capacity Building	Number of officials trained	238 Officials	200 Officials	R 477 000	60 Officials	70 Officials	80 Officials	90 Officials

Sub Programme 4.2: Accounting Services		Strategic Goal: Contributing to the economic, efficient and effective service delivery.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Estimates 2005/06	Budget 2006/07 R'000	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
To monitor compliance with regard to Accounting Standards, Policies and relevant sections of PFMA.	To promote Financial Management in the Province	Percentage adherence to pre-determined KPI's	Average of 75%	Average 78%	2 052	81% Compliance	81% Compliance	81% Compliance	81% Compliance

Sub Programme 4.3: Norms and Standards PFMA		Strategic Goal: Contributing to the economic, efficient and effective service delivery.									
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Estimates 2005/06	Budget 2006/07 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter		
To monitor, implement, evaluate and report on compliance of the PFMA	To promote compliance with PFMA in the province	Guidelines, norms and standards in line with National Framework	N/A	5	1,938	Reviewed existing guidelines	Issue guidelines	Identified guidelines required	Issue guidelines		
		Annually updated Delegations	April	April		April	Evaluate delegations	Evaluate delegations	Evaluate delegations	Request new delegations	
		Compliance reports									
		Executive Council Departments/Entities	4 12	4 33		1 15	1 15	1 15	1 15	1 15	
		Number of officials trained with regard to PFMA	222	330		30	100	n/a	70		
To promote effective implementation of Legislative resolutions	To promote effective implementation of Legislative resolutions	Quarterly Status Reports	4	4	1,044	1	1	1	To promote effective implementation of Legislative resolutions		
		Evaluation Reports	2	3		8 working days before PROPAC sitting	8 working days before PROPAC sitting	8 working days before PROPAC sitting			

Sub Programme 4.4: NORMS & STANDARDS (MFMA)		Strategic Goal: Maintain fiscal discipline through policies and control expenditure and revenue.								
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Estimates 2005/06	Budget 2006/07 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	
To monitor, evaluate and report on compliance of the Municipal Finance Management Act.	Monitor budget preparation process for the local government sphere.	Compliance with set due dates.	N/A	21	524	-	21 municipalities	-	-	
	Promote credible municipal budgets.	Evaluation reports.	N/A	21 reports	1 048	21 comments on draft budgets	-	21 comments on approved budget	21 comments on adjustment budget	
	Monitor, consolidate and analyse IYM of municipalities.	Analyse reports according to prescribed timeframes.	N/A	84 monthly reports	1 572	63 monthly reports of municipalities	63 monthly reports of municipalities	63 monthly reports of municipalities	63 monthly reports of municipalities	
	Promote, monitor and evaluate effective implementation of municipal Legislative Resolutions.	Status Report	N/A	Quarterly status reports within set due dates	524	Quarterly status reports within set due dates	Quarterly status reports within set due dates	Quarterly status reports within set due dates	Quarterly status reports within set due dates	
	Facilitate publication of Section 71 financial reports	Monitor compliance of MFMA of Legislative Resolutions	Evaluation Report	8 days before PROPAC sitting	N/A	524	8 days before PROPAC sitting	8 days before PROPAC sitting	8 days before PROPAC sitting	8 days before PROPAC sitting
		Analyse, consolidate reports according to prescribed timeframes.	N/A	63 quarterly returns	262	21 status reports	21 action plans	21 compliance reports	21 compliance reports	

Sub Programme 4.4: NORMS & STANDARDS (MFMA)		Strategic Goal: Maintain fiscal discipline through policies and control expenditure and revenue.							
Strategic Objective	Measurable Objective	Performance Measure Indicator	Actual Outputs 2004/05	Estimates 2005/06	Budget 2006/07 R'000	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
To strength and provide support to provincial departments and public entities with regard to MFMA.	Co-ordinate training and build capacity at municipalities.	Number of officials trained.	N/A	120	524	60	60	100	80
	Review the annual financial statements and audit report for compliance and appropriateness.	Status Reports	N/A	21 status reports	262	-	-	-	21 reports

Part D: Analysis of changes to programmes

Not applicable to this department.

