

Provincial Treasury

4th QUARTERLY PERFORMANCE REPORT

For

2011/2012

Free State Province



treasury

Department of
Treasury
FREE STATE PROVINCE

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PART 1: OVERVIEW BY THE ACCOUNTING OFFICER

The 4th quarter of every financial year marks the end of the financial year. It is during this quarter that a Department should know where it is, insofar as its performance is concerned. It was also during this quarter that the Provincial Budget, Annual performance plan and Budget Vote Speech were tabled by MEC S. Mohai before the Legislature.

The results of all the quarters will form part of the 2011-2012 Annual Report. Set targets which could not be realized in previous quarters were supposed to be achieved during this quarter.

A decision was made to move some Senior Executive Managers and Senior Manager internally from their previous posts to new posts in order to deploy the skills and experience within the Department to strengthen and to better position the Department to deliver on its mandate of financial resource management in the Province.

Several meetings were held with the Departments of National Treasury, Provincial Treasury and Police, Roads and Transport on a political and administrative levels to discuss the issues pertaining to Section 100 (1)(a) intervention. Directives were finalised and the first progress report was sent to the National Treasury at the end of March 2012.

I hereby submit the 4th quarterly report.

CHIEF EXECUTIVE OFFICER

Mr. H. L. KGOMONGWE

FREE STATE PROVINCIAL TREASURY

DATE: _____

Part 2: DEPARTMENTAL PERFORMANCE

2.1 SITUATIONAL ANALYSIS *(the environment within which programmes and subprogrammes operated)*

PROGRAMME 1: ADMINISTRATION

This programme comprises five sub-programmes namely, Office of the MEC, Management Services, Corporate Services, Financial Management (Office of the CFO) and Internal Audit.

Office of the CEO

A decision was made to move some Senior Executive Managers and Senior Managers internally from their previous posts to new posts in order to deploy the skills and experience within the Department to strengthen and to better position the Department to deliver on its mandate of financial resource management in the Province.

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Two management (MANCO) meetings were held during this quarter. The matters discussed were related to the functioning and performance of the Department in terms of determining progress achieved on targets set on the Annual Performance plan (APP), Departmental structure, vacancy rate, Departmental spending and revenue collection, Risk Management, Internal Audit, and other Provincial related matters. One-on-one meetings were also held between the CEO and Senior Executive Managers on matters relating to each programme/unit.

The following meetings were attended by the CEO during the fourth quarter; Budget Council, Technical Committee on Finance, EXCO, Forum of Heads of Departments (FOHOD) and Cluster meetings

In ensuring that the Minimum Physical Security Standard (MPSS) are adhered to, security measures were implemented by installing a security system in offices which were identified as high risk offices in terms of security standards.

The achievements of the Department and targets set on the APP for 2011/12 is attributed to the considerable dedication and tireless efforts by Senior Executive Management, Senior Management and all officials under the leadership of the MEC; Mr. Mohai and CEO; Mr. Kgomongwe. Their leadership, guidance and support is highly commended and appreciated.

Corporate Services

The Department had an organizational structure of 446 posts at the end of the 4th quarter. 372 Posts were filled at the end of the quarter. This left the Department with a vacancy rate of 16.6% at the end of the fourth quarter. The main contributing factor to the vacancy rate could be ascribed to the fact that the process to fill vacancies in government is a lengthy process as well as the fact that employees terminate services.

The employment equity profile of the Department improved during the quarter, as 7 African males and 5 African females were appointed in the Department in the 4th quarter. Seven terminations occurred during the quarter,

Financial Management

The department is currently being audited by the Office of the Auditor General in respect of the 2011/2012 financial year. The accounting months on BAS was closed within the set timeframes and not forced closed by National Treasury. An average of 93% was achieved in respect of the Accounting key performance indicators and 100% in respect of the Banking key performance indicators for the months January 2012 and February 2012.

The department also finalized and submitted the final budget statement II in respect of the voted funds for the 2012/13 financial year and it was also presented at the Finance Committee. The Vote speech of the department was presented by the MEC: Finance in Thaba Nchu on the 29th March 2012.

The department also submitted the Interim Financial Statements as at 31st December 2011 on the 27th January 2012 as required in terms of the prescripts issued in this regard.

Strategic Planning Unit

Strategic Planning Unit was part of the Management Performance Assessment Tool (MPAT) launch which was held at Phillip Sanders on the 21st February 2012. The tool was launched by the Department of Performance Monitoring and Evaluation in the Presidency. Strategic Planning Unit will be MPAT coordinators in the Department.

Strategic Planning Unit also coordinated and facilitated over the Municipal Financial Management Strategic Planning session which was held from the 21st to 24th Feb 2012. The objective of the session was realized, which was to ensure that two outputs were produced. Revised Municipal Financial Management Annual Performance Plan for 2012-2015 and operational plans of the directorates.

Supply Chain Management

The Directorate managed to achieve targets for its flagship projects:

- Implementation of Procurement Plan
- Updated asset register
- Payment of 70% of SMMEs within 20 days - 97.03% was achieved
- 70% spent on SMMEs

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

Sustainable Resource Management comprises of 4 sub-programmes namely Economic Analysis, Fiscal Policy, Budget Management and Public Finance.

The Chief Directorate conducted a re-engineering workshop in February 2012 and a strategic planning session in March 2012. Some of the functions will be combined and transferred within in the Chief Directorate and two new units will be established with the current personnel staff. The necessary submissions will be prepared for approval by the Executive Authority where after the job descriptions and job evaluations will be completed for the two new units. The new development will have an impact in the 2012/13 Annual Performance Plan.

Economic Analysis

Economic analysis, as with all other units within the Sustainable Resource Management, spent a better part of the 4th term involved in a planning process for the next financial year. A reengineering process for the entire Chief Directorate was undertaken during this quarter. It was shortly followed by a main strategic planning engagement whose essence was to refine the work of the Chief Directorate. The unit also was working on finalizing some of the outstanding work for both the financial year and the term. During this term, a new senior manager was also brought into the unit.

Whilst the studies below were not initially planned by the unit, they were nevertheless completed to respond to needs. These were :

- Profiling of International Trade within BRICS countries
- Mini-survey on the economic impact of the ANC centenary celebrations in Bloemfontein for the period 06 January to 08 January
- ReX database was also updated by Global Insight (proof attached)

Public Finance

The vacant post of Expenditure analyst was advertised in 3rd quarter and interviews were held during January 2012. The successful candidate began on 1 April 2012.

PROGRAMME 3: ASSET AND LIABILITIES MANAGEMENT

Assets management

The Sub-Directorate has been faced with a number of challenges with regards to non compliance to SCM implementation, non reporting on procurement spent and an effective tool for the reporting of 70% procurement spent.

The following Instruction Notes were issued and monitoring and reporting is expected from the Provincial Treasury: Instruction Note 32 issued on the 31st May 2011 related to Enhancing compliance monitoring and improving transparency and accountability in Supply Chain Management (SCM)

This instruction note require the Provincial Treasury to devise means and ways of implementing and monitoring implementation of this instruction and address its capacity to perform this additional function.

Instruction Note 34 issued on the 30 November 2011 related to Effecting payments within thirty (30) days from receipt of an invoice as required in terms of TR 8.2.3

This instruction note require the Provincial Treasury to ensure measures to be put in place for departments to pay suppliers within the stipulated timeframe and to monitor the implementation and reporting thereof.

Revised PPPFA Regulations which came into effect from the 7th December 2011

The revised PPPFA regulations came into effect with the new BBBEE Act score cards. With the revised regulations it will be expected from the Provincial Treasury to implement this regulation into the current policies and monitor the effectiveness of the implementation strategy thereof.

Transversal Contracts

2 transversal contracts have been finalized for:

(i) Stationery effective from 1st October 2011

(ii) Photocopiers effective from 1st November 2011

A decision of improving on the monitoring approach of department's SCM KPI's was also taken by the Unit and had an impact on the first, second and third quarters' performances. However bilaterals were held with departments to ensure the readiness of the implementation of the Instruction Notes and training was facilitated together with National Treasury on the implementation of the revised PPPFA regulations.

CASH MANAGEMENT

1. ACTUAL CASH BALANCES AT YEAR-END

The provincial cash balances can be summarised as follows for the year ended 31 March 2012:

1st APRIL	2011	1ST MARCH 2012	31ST MARCH 2012
		R'000	R'000
EXCHEQUER (STANDARD BANK)		318 896	30 528 10 584
IGCC (SOUTH AFRICAN RESERVE BANK)		53 617 144 605	131 522
INVESTMENTS	-	1 000 000	-
SUBTOTAL FOR THE PRF		372 513	1 175 133 142 106
CONSOLIDATED BALANCE FOR DEPTS		360 327	32 919 517 578
TOTAL CASH BALANCES FOR THE PROVINCE		732 840	1 208 052 659 684

2. INVESTMENTS

No fixed investments were made with category 1 institutions during March 2012, and surplus funds were deposited into Money Market Funds and also at South African Reserve Bank. Funds deposited into these accounts are conveniently accessible to meet the Departments' cash requirements, as opposed to fixed investments where funds would have been held until maturity date. However, fixed deposits amounting to R1 billion were rolled over during January and February for periods not exceeding 60 days with maturity dates scheduled for March.

Interest earned for the year ended 31 March 2012, compared to previous financial year:

	2010/11	2011/12
	R'000	R'000
• Annual budget	95 853	96 091
• Actual collection	112 030	90 059
• Percentage collection	117%	94%

- The negative variance in collection is the direct result of high spending trends by the Provincial Departments from the beginning of the financial year.
- The following table provides a better analysis of cash fluctuations for the 9 month period ended 31st December, with comparison to the 2010/11 financial year:

	2010/11 R'000	2011/12 R'000
Adjusted Appropriation for the year	22 037 555	24 185 740
Actual cash transfers to date	1 5 669 740	18 070 713
Remaining cash transfers for the Departments	6 367 815	6 115 027
Percentage cash transfers to date	71%	75%

- From the above information, a negative variance of more than R2 billion can be noted between the 2 financial years during the same period, which also provides indication that surplus funds available for investments were also limited.
- The interest rate fluctuations also have a significant impact on interest collection – during the 2010/11 financial year rates were fluctuating between 6% and 7.74%, while for the 2011/12 financial year the highest rate offered by category 1 institutions was only 6.18%.
- During the year the Cash Management office was facilitating investment processes on behalf of the Fleet Management Entity, and a total of R3.4 million interest income was generated for the entity.
- Depending on positive cash flows for the entities within the Province, the Cash Management component will continue to assist in generating income for these entities through investments.

3. PROVINCIAL CASH BUDGET REPORT AND UNAUTHORISED EXPENDITURE

The appropriated funding for the Province amounted to R24.203 billion, of which R17.7 billion and R5.271 billion respectively were for equitable share allocations and conditional grants received from National Treasury/Departments. No funding was withheld by National Departments, and all appropriated funding was received by the Provincial Revenue Fund.

During the year a total amount of R215.253million for unauthorised expenditure was approved as a charge against the Provincial Revenue Fund. These funds were then taken from the provincial reserves and transferred to the Provincial Departments as approved by the Finance Act in March 2012.

Infrastructure Coordination and PPP Management

Currently the Unit functions with one Project Advisor at Manager Level with +-8 registered projects. The nature of work requires the Unit to have at least two assistant project advisors at Assistant Manager level.

The Unit monitors all registered PPP projects in the Province and ensures that the Departments do not divert from Legislated transcripts governing the PPP. It also provides technical assistance and project advise to all projects and non PPP Projects

The Unit is currently under staffed and will face difficulties in the future should the number of projects increase in the next financial year.

Supporting and Interlinked Financial Systems

Supporting and Interlinked Financial Systems

The Supporting and Interlinked Financial Systems Directorate is responsible for the support and training of Transversal Systems users. The directorate consists of four Sub-Directorates, namely, BAS, PERSAL, LOGIS and Information Systems.

PERSAL:

The programme/ sub-programme oversee the implementation, management and support on the use of PERSAL System by Provincial Departments in the Free State Province.

INFORMATION SYSTEMS:

- Virus problems and daily virus attacks on the Department of Health BAS terminal server (Mars01) was still experienced during January, February and March 2012. The virus attacks are followed up with mails to the IT section of the Department of Health and the virus server is monitored on a daily basis.
- National Treasury confirmed that no department upgraded to BAS foundation software version 4.4. up to date.
- 120 PC's and monitors for the Transversal Training venues were received during January 2012 and configured and tested during February and March 2012 in the Training venues.
- Problems occurred with the Air conditioners in the Server room. A deviation from the Procurement plan had to be done to procure new air conditioners to ensure that the temperature of the server room can be regulated. Unfortunately the supplier could not deliver on time for the payments to be done in the 2011/2012 financial year.

□ Changes were made to all Transversal Training Certificates and will be implemented on 1 April 2012.

LOGISTICS:

□ The 4th quarter was flooding with events from the Introduction of a new Senior Executive Manager to the Closure of the Financial Year and attendance of different Forums and Bilaterals.

□ The Sub-Directorate opened the Quarter with the good news that all of our officials who applied for bursaries were successful and are starting with the classes this calendar year. This is good for the sub directorate as these officials will pursue courses that will broaden their knowledge around their scope of work and thereby help them to achieve more in a smarter approach. Nevertheless this has a challenge of unavailability of officials during their assessment period of which might present a challenge towards our turnaround standards. Plans are in place to accommodate such eventualities

□ The Manager attended several meetings, forums and bilateral some of which were around the following:

o IT Project: Here the Logistics Manager was tasked with Quality Assurance; The Departmental IT was busy with upgrading their network environment and this upgrade was informed by the assessment initiated by the new IT Manager and the project was successfully completed. This project involved the procurement of hardware, configuration of new devices and replacement of old equipment.

o Asset Management Forum: Manager Logistics had to join the Provincial Asset Management team to help them address the LOGIS concerns raised by attendees. It was disturbing to learn that most of the asset management attendees were not trained in LOGIS and yet they are dependent on the tool to manage their assets. A presentation on Asset Flow on the system and attendees were encouraged to consult with their respective system controllers to be booked for training.

o Internal & External Audit Committee – Education: LOGIS were invited to brief the committee of the process to exclude schools asset from departmental reporting: A process of creating cost center per school, moving of assets to their respective school or cost center and marking them as subsidiary was shared. We had follow up meetings to report progress around this matter. The department was on the last stage of marking schools or cost centers as subsidiary cost centers and these subsidiary cost centers will be excluded from the departmental financial year end reporting. Progress on this will also be reported.

o Health's Pharmaceutical System: A new submission has been forwarded to the National Accountant General bearing the signatory of the Provincial Accountant General to consider giving the Department of Health Approval to use the RX-Solution system with control conditions. Feedback is expected no later than 30 April 2012.

□ A LOGIS Forum was conducted and the focus was on the Financial Year End Reporting and the type of reports to use. This workshop addressed the following issues among other things:

o Procurement

□ Supplier credentials and Tax Clearance – user impact and grace period

o Inventory Management

□ Change to inventory management reports to make provision for Internal transfers

o Asset Management

□ Changes to Asset Management reports to make provision for Internal Transfers

□ Asset Clean-up utilities

o Financial Year End

□ Year-End Checklist

□ Reclassification

o General Communication

□ The new user types 7&8

- New RACF User-ID process
- LOGIS Guidelines and Filing Procedure
- The Sub-Directorate had to amend the process of acquiring services or products while the LOGIS System is offline during year end, every time LOGIS is offline. These changes were communicated to the office of the Provincial Accountant General for her consideration and distribution.
- Officials from the Logistics Sub-Directorate have now been appointed as Members of the Provincial Audit Steering Committee of which its obligations are:
 - o To resolve technical and other matters during the Audit Process
 - o To promote AGSA and client relations
 - o To promote consistency in the province
 - o To identify matters for Treasury intervention during the audit process
 - o To monitor payment of Audit fees
 - o To coordinate processes to enhance Consolidated AFS audit process
 - o To promote compliance with Key Control Matrix by departments and entities
 - o To support Province with commitments towards Operation Clean Audit
 - o To Facilitate coordinated interactions between AGSA and Auditee

BAS

- National Treasury – Budget Office introduced an updated Standard Chart of Accounts SCOA. This SCOA was released for implementation 1 April 2012.
- The late release of SCOA created additional pressures and delays in the capturing of the budgets.
- 73% of the Free State Provincial Departments closed the month of January 2012 and 93% closed the month of February 2012 for the 2011/2012 Financial Year. The month of March 2012 only closes at the end of April 2012.
- The registration of suppliers and banking details were done within 10 days timeframe.

PROGRAMME 4: FINANCIAL GOVERNANCE

Accounting Services

Various challenges are experienced by the Directorate due to capacity constraints. Inputs were provided and are included in the proposed organisational structure that must still be approved by DPSA. However, due to the directive of the TCF the proposed structure was revised with the aim of downscaling compensation budget. The functions of the Financial Arrangements will move with the staff to Accounting Services as soon as the structure is approved by DPSA. This further resulted in a situation that three existing posts which will be abolished on the proposed structure cannot be filled.

The Directorate has 29% vacancy rate for the period February to March 2012 which contributed existing challenges of performing all the tasks and meeting deadlines. Four level 8 posts were filled of which three commenced duty on 01 April 2012 and one 01 May 2012. It is important to note that based on their performance during the interview process, It becomes clear that an intensive training for the period of at least six months will be required for them to perform their duties to required standard.

Risk Management and Internal Audit – Provincial

Provincial Risk Management

The vacant posts were filled from 1 March 2012 and one Assistant Manager was promoted to a manager post as from 1 April 2012.

Provincial Internal Audit

One Manager was appointed as a Senior Manager at South African Police Services with effect from 5th March 2012. The vacancy is advertised.

Financial Arrangements

Three assistant manager posts were filled as from 1 March 2012. The two Manager posts are filled from 1 April and 1 May 2012, respectively.

As soon as the newly proposed organisational structure of this department is approved by the DPSA, this component will move to the Accounting Services directorate.

Municipal budget and monitoring (IYM)

The Senior Manager post is vacant as from 1 March 2011 to date. Further vacancies are listed:

- 1 Manager: Municipal Budgets – Not funded
- 1 Manager: Municipal Budgets – Short listing done, await date for conducting of interviews from Corporate Services
- 1 Manager: Monitoring (IYM) – Not funded
- 1 Assistant Manager: Municipal Budgets – Not funded
- 1 Assistant Manager: Municipal Budgets – Interviews conducted, await feedback from Corporate Services regarding appointment
- 2 Assistant Managers: Monitoring (IYM) – Not funded
- 2 Assistant Managers: Monitoring (IYM) – Interviews conducted, await feedback from Corporate Services regarding appointments

Municipal Revenue and Debt Management

The directorate has tried in a short space of time to satisfy its targets. However, human capital and technical constraints still pose a challenge on the component in comprehensively meeting its mandate at a municipal level.

Two manager and one assistant manager posts were filled in March 2012.

The unit has prepared guidelines and standing operational procedures which were distributed and discussed with other stakeholders.

Municipal Accounting Services

Currently the unit consist of the Senior Manager, four Assistant Managers and the Personal Assistant to Senior Manager. The interviews for the vacant posts (3 Managers and 2 Assistant Managers) will be held within the next 14 days.

Municipal Supply Chain Management and Compliance

The Directorate had a total staff compliment of 16 but based on engagements with Corporate Services, the structure ended up being reduced by 4 unfunded posts, thus resulting in a total staff compliment of 12. There is currently four vacant but funded posts in the Directorate, namely 1 Manager SCM, 1 Assistant Manager SCM, 1 Manager Compliance and 1 Assistant Manager Compliance. The SCM posts are yet to be advertised whilst the Compliance posts still have to be job evaluated but the process is already underway.

Municipal Risk Management and Internal Audit

All Managers per the approved and funded structure has been appointed.

- It must however be noted that one of the contract workers that assisted in our process has been absorbed by another Department.

1.2. SPECIFIC KEY CHALLENGES AND RESPONSES *(per subprogrammes)*

PROGRAMME 1: ADMINISTRATION

Corporate Services

Challenge 1: Employment Equity

The Department is successful in the implementation of its EE plan, although difficulties are still being experienced with the appointment of black women in senior management positions and the appointment of employees with disabilities in all occupational categories.

Response to challenge 1:

During the interview processes EE targets are taken into account. Twenty four of the 25 Senior Management Services posts are currently filled. Only 20% of the current filled SMS posts are filled by women. The Department will attempt to fill the remaining vacant SMS posts and the SMS posts that may become vacant during the following financial year with women, with an emphasis on black women. The employment of people with disabilities remains a challenge, as the Department struggles to attract disabled applicants who meet the qualification requirements

Challenge 2: Vacancy rate

The Department wanted to reach a vacancy rate of 5% or less at the end of the financial year. With a vacancy rate of 5% or less, the Department will be in a position to render its services more effectively. Internal promotions also hamper the Department's ability to reduce its vacancy rate.

Response to challenge 2:

The Senior Management Services members are requested on a monthly basis to fill their funded vacancies as soon as possible after they become vacant. Chief Directorates are also frequently provided with lists of their current vacancies, and requested to fill them in order to reach a vacancy rate of 5% or less. During December 2010, the Premier imposed a moratorium on the filling of vacancies, this hampered the Department's efforts in filling vacancies and to ultimately reach a vacancy rate of 5% or less at the end of the financial year.

The creation of the Municipal Finance Management Chief Directorate also led to an increase in the number of funded posts in the Department to 446. The Department will increase its attempts within the 2012/2013 financial year to reach the 5% or less vacancies in the Department at the end of the 2012/2013 financial year

Financial Management

Challenge 1:

Spending of allocated budget.

Response to challenge 1:

Bilaterals have been implemented to make programme managers more aware of the slow spending within programmes. Monthly status reports are issued on which the programme managers have the opportunity to surrender funds not utilized. In the 2012/13 financial year the unit will implement an analysis report to identify areas where spending is slow.

Challenge 2

Monitoring of the compensation budget and the filling of vacancies.

Response to challenge 2:

The establishment of a Compensation committee that will consist out of the Office of the CFO, Corporate Services, Financial management and Strategic Planning. This committee will monitor the establishment, filling of vacancies and the funding of the establishment for the 2012/13 financial year.

Challenge 3:

Improve adherence to the set Accounting KPI's.

Response to challenge 3:

The department is constantly compiling new and reviewing basic policies and / or procedures as prescribed:

- Gifts, Donations and sponsorships policy,
- Basic Accounting records and related matters policy and procedure;
- Fruitless and wasteful expenditure policy
- Petty cash policy
- Banking and cash Management arrangements procedure.

The department also attended Financial bilaterals during March 2012 to report on areas identified by Financial Governance.

The Persal and Bas delegations was reviewed and approved by the Accounting Officer for the 2012/13 Financial year. The department is currently in the process of reviewing the existing financial delegations and Financial directives

Challenge 4:

The successful closing of the 2011/12 financial year.

Response to challenge 3:

The department is currently in the process of clearing all Assets and Liability accounts and verifying information to ensure correctness according to the relevant circulars issued in. The department is also in the process of preparing the 4th Quarter IFS as well as the Annual Report for the 2011/12 financial year.

Supply Chain Management

Challenge 1:

- Uncontrolled movement of assets by assets holders
- Deviations with regard to procurement in line with the approved procurement plan.

Response to challenge 1

- Extension of asset contract workers' contracts to effectively deal with all the asset related challenges, it should be noted that the above challenge did not affect the credibility of the asset register.
- Measures have been set to ensure alignment of the budgeting and the procurement plan processes in order to reduce deviations (SCM) and shiftings (FM).

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

Economic analysis

Challenge 1 :

The main challenge for the unit was the longer period taken by the service provider in finalizing the agriculture study. The study has however been finalized and will be presented to relevant fora for approval and implementation of recommendations

Response to challenge 1: Ongoing engagements with the service provider and other stakeholders expedited the process.

Public Finance

Challenge 1 :

The Public Entities do not submit their financial and quarterly reports as required in PFMA and TR on time

Response to challenge 1:

Reminders are forward to CFO and CEO's of Public Entities. Discussions and interaction on a regular basis are also been encouraged.

PROGRAMME 3: ASSET AND LIABILITIES MANAGEMENT

Assets managements

Challenge 1 : Reporting on procurement spent and NT's system

Non adherence from departments on contracts awarded and reporting on 70% procurement spent is still a challenge. The monitoring of the impact of procurement spent is therefore not done as expected. Departments are extracting information to report on different tools and therefore the information is not reliable for reporting purposes.

Response to challenge 1 : Reporting on procurement spent

National Treasury implemented a new contract system, training to be provided in the 1st quarter of the new financial year. Review of the Provincial SCM Policy Guideline to address the 70% procurement spent.

Challenge 2 :Transversal Contracts

Delays experience in relating to the arrangement of transversal contracts after the implementation of the new processes on transversal contracts that were issued.

Response to challenge 2: Transversal Contract

Review and reconsideration of EXCO resolution on transversal procurement processes recommended.

Challenge 3 :Database

Only 1 company been accredited to do verification within the Free State Province. Companies not fully complying with the revised regulations.

Response to challenge 3 : Database System

Awareness campaigns were held, database forms and the system were revised to address issues of the revised regulations. Training was also facilitated to ensure that departments would be ready to implement the regulations.

Challenges 4: Monitoring

Reporting and irregular expenditure still a challenge within departments

Response to challenge 4 : Monitoring

Development of SCM KPI's to address issues raised by AG and departments overall performance will be rated accordingly. Bilateral to be held in 1st quarter of financial year to report and address on overall performance by departments and public entities for the 2011/2012 financial year

Supporting and Interlinked Financial Systems

Challenge 1 : Persal Users

Provincial Departments (HOD) appoint their own Controllers therefore Provincial Treasury does not have control over the matter. Officials leaving the departments due to promotions and transfer therefore leaving a skill gap in the departments with regards to the utilization of the PERSAL System.

Response to challenge 1: Persal

Continuous training and support provided to PERSAL Users to have knowledgeable PERSAL Users

CHALLENGE 2: LOGIS (Lack of Planning by Departments)

1. A good example of this is the Department of Agriculture and Rural Development: they have so far not shared their plans on how exactly they intend to split their department into two: who will be responsible for what and yet the expectation is that there will be stores ready at the beginning of the new financial year.

RESPONSE TO CHALLENGE 2: LOGIS (Lack of Planning by Departments)

1. A meeting is scheduled to take the department through the phases of implementation process of the Transversal System. This plan depends mainly on the department doing its part as LOGIS continue to assist with this project and most importantly to maintain the good work that will be achieved at the end of this project.

CHALLENGE 3: LOGIS (None Compliance within Departments)

1. The departments often approach the Logistics Sub-Directorate with their challenges and the Sub-Directorate invests a lot of efforts in putting guidelines together in assisting them. Then later during the year the Sub-Directorate is approached by the office of the Accountant General on how best it can assist the same departments, only this time they are worse than they were initially.
2. The none compliance and the lack of management controls lead the department to apply for deviation and request to use excel due to the ease of manipulation found in reporting in this manner and we are completely against this pattern that seem to gain momentum with years.

RESPONSE TO CHALLENGE 3 : LOGIS

1. All correspondences to all departments will be copied for the office of the accountant General and the Accounting officers of the respective departments will be informed to take disciplinary measures for none-compliance. We are now capacitating the Internal Audits within departments to enable them to assist with monitoring none compliance and we will be copying them in all correspondences within departments.
2. Bilateral Meetings are being set up to deal with the management of departments on areas of concern. The practice of using excel will be stopped by these interventions.

BAS Challenge 1: Month End Closure on BAS

Assisting Free State Provincial Departments with the month end closure for the 2011/2012 financial year on BAS.

Response to BAS Challenge 1

The on-going monitoring and assistance to Provincial Departments during the month end closure on BAS.

BAS Challenge 2: Implementation of Housing Subsidy System Interface

A request was received from the Department of Human Settlements for the Implementation of the Housing Subsidy System Interface.

Response to BAS challenge 2:

Assist Department with the implementation of Interface. Department must give information through for interface

BAS Challenge 3 :

National Treasury released an updated version of the Standard Chart of Accounts the third week in March 2012. This was to assist Departments with the misclassification of the transactions on BAS.

Response to BAS challenge 3:

The release of the SCOA created challenges for the Departments. Departments could not capture their budgets for the 2012/2013 Financial year on BAS for 1 April 2012, due to the fact that they had to re-evaluate their structures. Problems were then experienced with the capturing of the Project codes on BAS. We had to engage with National Treasury to assist with the category links of the Project codes.

Challenges: 4

- Slow pace of the IFMS (Integrated Financial Management System) project.
- Dependency on third party involvement with Transversal Financial Systems e.g. upgrading of System Software.
- Training of all users of the transversal systems.
- Lack of capacity and skills within departments and Treasury.
- Clarity on the roles expected from role players within Treasury.

Response to challenges : 4

- Urge the National Treasury to expedite the IFMS project.
- Continuous training of departmental officials as well as co-ordination of training in departments.
- The requesting of new BAS Training Manuals from National Treasury that include the Version 3 SCOA updates and enhancement.
- A new network switch is procured and installed in the server room to channel all incoming and outgoing network traffic.

PROGRAMME 4: FINANCIAL GOVERNANCE**Accounting services****Challenge 1**

- Inadequate structure at managerial level

Response to challenge 1:

- The existing structure was evaluated and a proposal for revision submitted to corporate services for further handling. DPISA is currently engaging the department on the revised structure and furthermore due to limited funds, the posts on the revised structure cannot be filled at this point in time

Risk management and Internal Audit**Risk Management and Internal Audit – Provincial Challenge 1**

- Non-compliance of due dates by Client departments' and Entities to submit the requested information for the evaluation purpose.

Response to challenge 1:

- Approach was changed by assessing Risk Management and Internal Audit Activities at the department's office and obtained required information for assessment on site.

Risk Management and Internal Audit – Provincial Challenge 2

- High Vacancy rate.

Response to challenge 2:

- All the vacancies, except the two which became vacant now on the 5 March 2012 and 31 March 2012, were successfully filled. The last two managers appointed will commence from 1 April and 1 May 2012, respectively. The new vacancies are already in the recruitment process.

Municipal Budget and Monitoring (IYM)

Challenge 1 :

Credibility of information reported on the monthly section 71 reports and non-submission of supporting documentation to verify information reported

Response to challenge 1:

Feedback provided to municipalities more frequently as well as municipal visits to verify information against system generated reports and reconciliations

Challenge 2:

Non-compliance in submitting budgets with given formats and due dates

Response to challenge 2:

Technical support to municipalities must be given more frequently through visits and letter to encourage the municipalities to comply with the requirements of MFMA, Municipal Budgets and Reporting Regulations and related budget circulars.

Municipal Supply Chain Management and Compliance

Challenge 1

Filing of vacant posts

Response to challenge 1:

Process of filing vacant posts to be fast tracked in collaboration with HR

Municipal revenue and debt management

Challenge 1 :

- Drafting of municipal policies (Provincial Treasury) as well as the implementation of municipal policies (Municipalities).
- Inaccurate reporting by municipalities creates challenges in the early detection of financial problems at municipalities.
- Weak revenue and debt management operational plans at municipalities and no guide document to assist PT so support municipalities.
- Municipal budgets are not sustainable

Response to challenge 1:

- Generic policies were provided to all municipalities.
- A draft Municipal Revenue & Debt Management Guide was compiled and will be distributed to municipalities to assist with revenue and debt management

Municipal Accounting Services

Challenge 1:

Huge percentage of disclaimer of opinions in municipalities

Response to challenge 1:

Hands on support will be given on basic accounting and GRAP training will be held

Municipal Risk Management and Internal Audit

Challenge 1

Availability of the GG vehicles.

Response to challenge 1:

All Managers have structured their salaries to include a car allowances.

1.1. Programme 1: Actual performance against quarterly planned targets 2011-2012

1.1 Office of the MEC							
<i>Strategic objective 1: To ensure that an adequate support service is rendered to the MEC towards ensuring the effective and efficient functioning of the department</i>							
Performance indicators / measure		Reporting period	Annual target 2011/12	Validated 3 rd quarter actual 2011-2012	Planned output 4 th quarter 2011-2012	Actual output 4 th quarter 2011-2012	% deviation from the target and short explanation
1.1.1	Accurate and efficient records management system is implemented	Annual	1	N/A	1 accurate records system implemented	1 accurate record system has been implemented	
1.1.2	Turn-around time for documents received by the Office of the MEC	Quarterly	2 working days	2 Working days	2 working days	2 working days	
1.1.3	Turn around on responses to issues raised by external stakeholders	Quarterly	5 working days	5 working days	5 working days	5 working days	
1.1.4	Regular interaction with constituency and constituency office	Quarterly	50 interactions	13 interactions	13 interactions	15 interactions	
1.1.5	Regular interaction with internal and external stakeholders <ul style="list-style-type: none"> Quarterly Infrastructure and expenditure reviews 	Quarterly	4 reviews	2 reviews	1 review	No review was held.	The 3rd quarter Review meeting has been postponed to the 4th quarter.
	<ul style="list-style-type: none"> Auditor General, suppliers etc) 		12 interactions	3 interactions	3 interactions	6 interactions	There was a need to have more interactions.

1.2 Management services							
Strategic objective 2: To ensure that an adequate support service is rendered to the CEO towards ensuring the effective and efficient functioning of the department							
Performance indicators/ measure		Reporting period	Annual target 2011/12	Validated 3rd quarter actual	Planned output 4th quarter 2011-2012	Actual output 4th quarter 2011-2012	% deviation from the target and short explanation
1.2.1	Number of meetings planned and chaired by the CEO	Quarterly	100 meetings	25 meetings	25 meetings	25 meetings	
1.2.2	Accurate and efficient records management system implemented and maintained	Quarterly	1 accurate and efficient record system	75% information populated on the record system	100% information populated on the record system	100% information populated on the record system	
1.2.3	Turn-around time for documents received by the Office of the CEO	Daily	2 working days	2 working days	2 working days	2 working days	
1.2.4	Number of strategic leadership meetings held Meetings with Senior management Meeting with the MEC and Senior Executive Management	Monthly	12 meetings	3 meetings	3 meetings	2 meetings	33% - Meeting scheduled for 26 March 2012 was cancelled due to the unavailability of the CEO and SEMs. They had to travel to National Treasury

1.2 Management services							
Strategic objective 2: To ensure that an adequate support service is rendered to the CEO towards ensuring the effective and efficient functioning of the department							
Performance indicators/ measure	Reporting period	Annual target 2011/12	Validated 3 rd quarter actual	Planned output 4 th quarter 2011-2012	Actual output 4 th quarter 2011-2012	% deviation from the target and short explanation	
		Quarterly	4 meetings	1 meeting	1 meeting	0	100% - Meeting scheduled for 28 March 2012 was cancelled due to Budget Vote preparations
1.2.5	Consolidated report on all finalised Departmental delegations	Annually	1 report	N/A	N/A	N/A	
1.2.6	Risk management framework reviewed	Annually	1 risk framework	N/A	N/A	N/A	
1.2.7	Updated risk register for the department	Annually	1 risk register	1 risk register	N/A	N/A	
1.2.8	Number of risk mitigation reports presented to Management	Bi-Annual	2 reports	1 report	N/A	N/A	
1.2.9	Annual finalisation of risk assessment report	Annual	1 report	N/A	1 report	1 report	
1.2.10	Number of training /workshop sessions held	Quarterly	4 sessions	1 session	1 session	1 session	
1.2.11	Policy compliance reports on MISS produced on quarterly basis	Quarterly	4 reports	1 report	1 report	1 report	
1.2.12	Designated officials and employees declaring financial interests	Annually	19 officials	N/A	N/A	N/A	
1.2.13	Number of Vetting reports: • Individual shortlisted candidates before employment • Security clearance (Z204) on all employees	Quarterly	4 reports	1 report	1 report	1 report	

1.2 Management services							
Strategic objective 2: To ensure that an adequate support service is rendered to the CEO towards ensuring the effective and efficient functioning of the department							
Performance indicators/ measure	Reporting period	Annual target 2011/12	Validated 3rd quarter actual	Planned output 4th quarter 2011-2012	Actual output 4th quarter 2011-2012	% deviation from the target and short explanation	
	• Service providers contracted to the department						
1.2.14	Number of monthly reports on inspections and findings related to security aspects	Quarterly	12 reports	3 reports	3 reports	3 reports	
1.2.15	Number of security awareness programmes	Quarterly	8 sessions	2 sessions	2 sessions	2 sessions	

1.3 Corporate Services							
Strategic objective 3: To create a highly skilled responsive and competent workforce for the department over the planning period, the Provincial Treasury renders oversight role to Provincial departments, Municipalities and Public Entities.							
Performance indicators / measure	Reporting period	Annual target 2011/12	Validated 3rd quarter actual	Planned output 4th quarter 2011-2012	Actual output 4th quarter 2011-2012	% deviation from the target and short explanation	
1.3.1 Total number of funded posts filled on the approved staff establishment	Quarterly	400 posts filled	367 posts filled	400 posts filled	372 posts filled	7%. Various posts in process to be filled but not yet finalised. Internal promotions affect the reaching of the target.	
1.3.2 Limit the number of staff leaving the department	Quarterly	<40 employees	4 employees	<10 employees	7 employees		
1.3.3 Total number of employees employed in line with EE plan <ul style="list-style-type: none"> • African: males • African females • Coloured males • Coloured females • Indian males • Indian females • White males • White females 	Quarterly	African males 160 African females 152 Coloured males 7 Coloured females 11 Indian males 0 Indian females 1 White males 21 White females 48	African males 133 African females 150 Coloured males 6 Coloured females 10 Indian males 1 Indian females 1 White males 20 White females 46	African males 160 African females 152 Coloured males 7 Coloured females 11 Indian males 0 Indian females 1 White males 21 White females	African males 135 African females 153 Coloured males 6 Coloured females 10 Indian males 1 Indian females 1 White males 20 White females 47	Not sufficient new appointees in quarter to reach targets.	

1.3 Corporate Services							
Strategic objective 3: To create a highly skilled responsive and competent workforce for the department over the planning period, the Provincial Treasury renders oversight role to Provincial departments, Municipalities and Public Entities.							
Performance indicators / measure	Reporting period	Annual target 2011/12	Validated 3rd quarter actual	Planned output 4th quarter 2011-2012	Actual output 4th quarter 2011-2012	% deviation from the target and short explanation	
					48		
1.3.4	Number of reviewed, approved and implemented departmental HRM policies	Annual	8 policies	8 HRM policies are currently implemented.	2 policies	8 HRM policies are currently implemented.	No amendments were required on existing policies during the quarter.
1.3.5	Number of approved Human Resources Plan	Annually	1 plan	N/A	0	N/A	
1.3.6	Number of HR information sessions conducted	Quarterly	8 sessions	0 sessions conducted	2 sessions	2 sessions	
1.3.7	Number of leave reconciliations conducted	Quarterly	4 reconciliations	1 reconciliation	1 reconciliation	1 reconciliation	
1.3.8	Number of staff absenteeism reports	Annually	1 report	N/A	1 report	None	100%. Employee responsible for producing the report acted in another Division
1.3.9	Number of months to fill vacant funded posts	Quarterly	3 months	3 months	3 months	3 months	
1.3.10	Number on Human Resource delegations developed, approved and implemented	Annually	1 set of HR delegation reviewed	N/A	N/A	1 set of HR delegations reviewed	100%. Delegations reviewed, but should still be approved
1.3.11	Number of Provincial and National days celebrated	Quarterly	10 days	6 days	2 days	4 days	100% deviation Exceeded by 2 days due to executive office, provincial and national mandates.

1.3 Corporate Services							
Strategic objective 3: To create a highly skilled responsive and competent workforce for the department over the planning period, the Provincial Treasury renders oversight role to Provincial departments, Municipalities and Public Entities.							
Performance indicators / measure	Reporting period	Annual target 2011/12	Validated 3rd quarter actual	Planned output 4th quarter 2011-2012	Actual output 4th quarter 2011-2012	% deviation from the target and short explanation	
1.3.12 Number of wellness workshops/empowerment or information sessions/written articles and other empowerment activities	Quarterly	10 sessions	7 sessions/ activities	2 sessions	5 activities (4 Articles and 1 information session)	150% deviation due to prevailing wellness needs arising from EAP as well as National Health Calendar.	
1.3.13 Quarterly compliance reports on relevant aspects of OHS Act	Quarterly	4 reports	3 reports	1 report	1 Report		
1.3.14 Reports on implemented EHWP Strategic framework	Quarterly	4 reports	1 report	1 report	1 Report		
1.3.15 Total number of posts evaluated on the staff establishment	Annually	400 posts evaluated	434 (5 SMS Job Evaluation Results included)	400 posts evaluated	434 Total approved posts. 19 posts were Job Evaluated during this period(Re-Job Evaluation) 1 x post deviation from initial job level	434 Total approved posts. 18 posts were Job Evaluated during this period(Re-Job Evaluation)	
1.3.16 Annual review of organizational structure by specified dead-line.	Annually	June 2011	0	0	0	Awaiting DPSA concurrence. In terms of the Regulation the Department cannot implement the structure without the MPSA concurrence.	

1.3 Corporate Services							
Strategic objective 3: To create a highly skilled responsive and competent workforce for the department over the planning period, the Provincial Treasury renders oversight role to Provincial departments, Municipalities and Public Entities.							
Performance indicators / measure	Reporting period	Annual target 2011/12	Validated 3 rd quarter actual	Planned output 4 th quarter 2011-2012	Actual output 4 th quarter 2011-2012	% deviation from the target and short explanation	
							The Structure was re-submitted to DPSA (via Department of Premier) during January 2012.
1.3.17	Performance bonuses to qualifying officials finalised within the prescribed timeframe	Annually	July 2011	<p>Paid in October 2011</p> <p>Official qualifying for a notch = 151 (50.67%)</p> <p>Official qualifying for a cash bonus = 147 (49.33)</p> <p>Total number of assessed official = 298</p>	0	N/A	
1.3.18	Submission of Performance Development plans and Agreements	Bi-Annually	Submission of Performance Development plans and Agreements	<p>14 (53.84%) SMS submitted</p> <p>Total number of SMS posts = 26</p>	N/A	14 (53.84%) SMS submitted Performance Agreements	Assessment due on the 31st May 2012
1.3.19	Finalisation of assessed Performance Agreements of SMS members	Annually	December 2011	0	N/A	N/A	

1.3 Corporate Services							
Strategic objective 3: To create a highly skilled responsive and competent workforce for the department over the planning period, the Provincial Treasury renders oversight role to Provincial departments, Municipalities and Public Entities.							
Performance indicators / measure	Reporting period	Annual target 2011/12	Validated 3rd quarter actual	Planned output 4th quarter 2011-2012	Actual output 4th quarter 2011-2012	% deviation from the target and short explanation	
1.3.20 Finalisation of Pay progression for qualifying level 1-12 officials	Annually	July 2011	Paid in October 2011	N/A	N/A		
1.3.21 Number of information awareness letters / circulars issued on Legal and Labour Relations matters	Quarterly	8 awareness letters / circulars	2 awareness letter/ circulars	2 awareness letters / circulars	2 awareness letters / circulars		
1.3.22 Number of days to finalise disciplinary cases in accordance with legislation	Quarterly	30 days	1 case was resolved within 90 days	30 days	N/A		
1.3.23 Develop guidelines on PAIA and PAJA for officials	Annually	2 guidelines	0	N/A	1 PAIA	Department has submitted the Manual to Human Rights Commission and its still busy developing the guidelines to be followed. Draft document is attached hereto.	
1.3.24 Number of interns appointed	Annually	20 interns	N/A	N/A	N/A		
1.3.25 Number of employees trained in line with needs	Quarterly	350 employees	39 employees	75 employees	60 employees	Most training postponed to the new financial year	
1.3.26 Number of induction sessions conducted	Quarterly	4 sessions	1 session	1 session	1 session		

1.3 Corporate Services							
Strategic objective 3: To create a highly skilled responsive and competent workforce for the department over the planning period, the Provincial Treasury renders oversight role to Provincial departments, Municipalities and Public Entities.							
Performance indicators / measure	Reporting period	Annual target 2011/12	Validated 3 rd quarter actual	Planned output 4 th quarter 2011-2012	Actual output 4 th quarter 2011-2012	% deviation from the target and short explanation	
1.3.27	Number of workplace skills plan formulated and implemented (programme success rate)	Quarterly	1 plan	N/A	N/A	N/A	
1.3.28	Number of part- time bursaries awarded	Annually	12 bursaries	26 bursaries	N/A	N/A	
1.3.29	Number of student interns appointed	Annually	10 interns	N/A	N/A	N/A	
1.3.30	Number of batho pele empowerment sessions	Quarterly	4 sessions	0	1 session	0	100% deviation-Lesser number and no requests for nomination and coordination from the Office of the Premier
1.3.31	Number of SMS members subjected to competency assessment	Annually	15 SMS members	7 SMS members	5 SMS members	0	All SMS trained in the 3rd Quarter except one SEM due to other work commitment,
1.3.32	Number of service delivery improvement plan	Quarterly	1 plan	N/A	N/A	N/A	
1.3.33	Number of online quarterly newsletters produced	Quarterly	4 newsletters	1 newsletter	1 newsletter	1 Newsletter	
1.3.34	Develop and implement a comprehensive Communications strategy	Annually	Develop, approve and implement communication strategy	Ongoing implementation	N/A	N/A	
1.3.35	Develop and implement Corporate identity plan	Annually	Identity plan developed	Ongoing	Implementation	On-going implementation	

1.3 Corporate Services							
Strategic objective 3: To create a highly skilled responsive and competent workforce for the department over the planning period, the Provincial Treasury renders oversight role to Provincial departments, Municipalities and Public Entities.							
Performance indicators / measure	Reporting period	Annual target 2011/12	Validated 3rd quarter actual	Planned output 4th quarter 2011-2012	Actual output 4th quarter 2011-2012	% deviation from the target and short explanation	
1.3.36 Develop, implement and maintain Electronic information resource strategy	Quarterly	1 resource strategy developed	IT Governance framework in draft format Security Policy in circulation for inputs	Review and continue to implement	IT Governance framework approved		
1.3.37 Provide sustainable and accessible ICT infrastructure	Annually	Enforce information security measures and implement 1 st phase Business Continuity Plan	Security Policy in circulation for inputs	Review and monitoring of information security framework and BCP/DRP	Security Policy, approved Implementation in progress with Supplier and SITA		
1.3.38 Number of IT workshops conducted	Quarterly	8 workshops	2 Workshop	2 workshops	1 workshop	4 th Quarter was not conducted due to technical issues with the IT resources (iPad).	
1.3.39 Developed and implemented master system plan	Annually	1 IT plan developed	Under review by IT Working Group	Submit final draft for approval	IT Plan and Capacity plan approved		
1.3.40 Provide quality and reliable ICT Services to End-users	Quarterly	1 reliable ICT service	Health Check Assessment reports on Exchange and Active directory	Review service catalogue	Upgrade of Server room implemented progress report		

1.4 Financial Management							
<i>Strategic objective 4:</i> To ensure that allocated funds are planned, managed and spent efficiently and effectively in order to avoid unqualified audit reports over the planning period							
Performance indicators / measure	Reporting period	Annual target 2011/12	Validated 3 rd quarter actual	Planned output 4 th quarter 2011-2012	Actual output 4 th quarter 2011-2012	% deviation from the target and short explanation	
1.4.1 Adherence to predetermined financial and banking KPI's • Accounting	Monthly	95%	96%	95%	93%	The month of March 2012 is not yet	

1.4 Financial Management							
<i>Strategic objective 4: To ensure that allocated funds are planned, managed and spent efficiently and effectively in order to avoid unqualified audit reports over the planning period</i>							
Performance indicators / measure	Reporting period	Annual target 2011/12	Validated 3 rd quarter actual	Planned output 4 th quarter 2011-2012	Actual output 4 th quarter 2011-2012	% deviation from the target and short explanation	
<ul style="list-style-type: none"> Banking 	Monthly	93%	100%	93%	100%	available due to the financial year closure only scheduled for the 30th April 2012.	
1.4.2	Adherence to key Budget Deadlines: <ul style="list-style-type: none"> Produce Credible Adjustment Budget (one report submitted November) 	Annually	1 report	1 report	N/A	N/A	
1.4.3	<ul style="list-style-type: none"> Produce Credible Estimates of Provincial Expenditure Statement II (2 drafts and 1 final report Submitted January) 	Quarterly	3 reports	2nd draft submitted	3 rd draft submitted	1 Final report submitted to Budget Management within the set due date	
1.4.4	Adherence to PFMA Reporting requirements: Compile in year monitoring (IYM) reports	Monthly	13 IYM reports	3 IYM reports	3 IYM reports	3 IYM reports submitted	
1.4.5	Accurate Annual Financial Statements finalized before (May)	Annually	1 set of AFS	N/A	N/A	N/A	
1.4.6	Accurate interim financial statements	Quarterly	2 interim financial statements	1 set of Interim financial	1 interim financial	1 Interim Financial	

1.4 Financial Management							
Strategic objective 4: To ensure that allocated funds are planned, managed and spent efficiently and effectively in order to avoid unqualified audit reports over the planning period							
Performance indicators / measure	Reporting period	Annual target 2011/12	Validated 3rd quarter actual	Planned output 4th quarter 2011-2012	Actual output 4th quarter 2011-2012	% deviation from the target and short explanation	
			statements	statement	Statement		
1.4.7	Finalization of the Annual Report (August)	Annually	1 Annual Report	N/A	N/A	N/A	
1.4.8	Finalization of programme performance information that forms part of the Annual report	Annually	1 programme performance information finalized	N/A	N/A	N/A	
1.4.9	Published Annual performance plan	Annually	1 APP	N/A	March 2012	APP was tabled on the 14th March 2012	
1.4.10	Assist in production of operational plans for all directorates	Annually	March 2011-2012	N/A	March 2012	Operational plan format for 2012-2013 was communicated to Directorates on the 27th March 2012	
1.4.11	Quarterly Performance Information Reports produced and submitted	Quarterly	4 quarterly reports	Departmental 2nd quarterly report was finalized and submitted to Public Finance on time	1 report (by January 2011-2012)	The 3rd quarterly performance report was finalized and submitted to Public Finance on the 13th January 2012	
1.4.12	Conduct workshop on reporting	Quarterly	1 workshop on reporting conducted	N/A	N/A	N/A	

1.4 Financial Management							
<i>Strategic objective 4: To ensure that allocated funds are planned, managed and spent efficiently and effectively in order to avoid unqualified audit reports over the planning period</i>							
Performance indicators / measure	Reporting period	Annual target 2011/12	Validated 3 rd quarter actual	Planned output 4 th quarter 2011-2012	Actual output 4 th quarter 2011-2012	% deviation from the target and short explanation	
1.4.13	Number of reports submitted on Departmental injunctions	Quarterly	4 quarterly reports	2nd quarter progress report was submitted to the Premier's dept.	1 report	3rd quarterly progress report was submitted to the Premier's Dept.	
1.4.14	Number of Strategic Planner's Fora held	Quarterly	10 strategic planners' fora	1 Strategic Planners forum held	3 fora	2 meetings were attended	50% deviation, January meeting could not be held owing to Dept of Premier's staff commitment
	Number of Monitoring & Evaluation meetings attended	Quarterly	10 M & E meetings	1 M & E meeting dealing with Spatial Planning	3 meetings	2 meeting was conducted in Feb and the two were deferred.	50% deviation - 1 meeting could not be held owing to Dept of Premier's staff commitmen
1.4 Financial Management							
<i>Strategic objective 5: To procure and maintain quality goods and services in an economical and effective manner over the planning period to ensure sound financial management</i>							

Performance indicators / measure	Reporting period	Annual target 2011/12	validated 3 rd quarter actual	Planned output 4 th quarter 2011-2012	Actual output 4 th quarter 2011-2012	% deviation from the target and short explanation	
1.4.15	Effective Management of all Departmental Assets to meet minimum LOGIS asset register requirements	Annually	1 complete asset management register	1 updated asset management register.	1 complete asset management register	1 complete asset management register	
1.4.16	Annual Demand Management Plan aligned with the APP/Budget	Annually	1 complete demand plan.	No analysis.	Complete demand plan.	Consolidated departmental needs analysis.	Final budget was made available on the 04th April 2012.
1.4.17	All bids considered for procurement by bid committee and reports produced	Annually	Bid committee reports produced (within 90 days of bid validity)	No report.	1 report per bid produced (provided a bid was advertised)	No report.	No bids were advertised for the period.
1.4.18	Payment of creditors within 30 days	Annually	payments within 30 days	99.17% payments within 30 days.	100% payments within 30 days	99.01% creditors were paid within 30 days.	0.99% deviation was due to the following: <ul style="list-style-type: none"> • Budget failures • Incorrect capturing of quantities • Referrals to Loss & Liability Committee.

1.5 Internal Audit							
Strategic objective 6:- To ensure compliance with best practices, norms and standards, independent assessment of the adequacy and effectiveness of internal controls and risk management will be implemented during the planning period.							
Performance indicators / measure		Reporting period	Annual target 2011/12	validated 3rd quarter actual	Planned output 4th quarter 2011-2012	Actual output 4th 2011-2012	% deviation from the target and short explanation
1.5.1	Number of audits performed per year	Quarterly	10 audits performed	3 audits performed	3 audits performed	3 audits performed	
1.5.2	Number of days after completion of audit within which a report is issued	Quarterly	2 days	2 days	2 days	2 days	
1.5.3	Number of unresolved recommendations of Auditor General's management letter at the year end	Annually	0 unresolved AG recommendations	0 unresolved AG recommendations	0 unresolved AG recommendations	0 unresolved AG recommendations	
1.5.4	Number of workshops conducted at service points for Internal controls	Quarterly	4 workshops	1 workshop	1 workshop	1 workshop	

PROGRAMME 2: ACTUAL PERFORMANCE AGAINST QUARTERLY PLANNED TARGETS 2011-2012

2.2 Economic Analysis							
Strategic objective 1:- To influence the development and/or implementation of government policies and programmes in support of enhanced economic growth and development within the Free State Province over the planning period							
Performance indicators / measure		Reporting period	Annual target 2011/12	validated 3rd quarter actual	Planned output 4th quarter 2011-2012	Actual output 4th quarter 2011-2012	% deviation from the target and short explanation
2.2.1	Updated Regional Explorer database	Quarterly	1 update	No update	1 updated database	1 updated data base	0% deviation
2.2.2	Update of Computable General Equilibrium and Social Accounting Matrix	Quarterly	N/A	N/A	1	N/A	100% Deviation. Update of the SAM will take place in 2013/14
2.2.3	Social Accounting Matrix Multiplier report	Annually	N/A	N/A	1 report	N/A	100% no report was planned due to updating of the SAM.
2.2.4	Computable General Equilibrium studies	Bi-annually	N/A	0	1 study	1 study done	0% deviation as the study was indeed completed by the service provider in the 4 th quarter
2.2.5	Number of research based reports produced	Quarterly	N/A	A researched paper on Nationalization of mines in SA was done (Draft paper)	4 reports	1. Rural and Urban linkages Study. 2. Factors affecting health in the Free State. 3. Profiling the BRICS countries.	0% Deviation. 1 report already reported on the 3 rd quarter.

2.2.6	Workshops conducted with stakeholders: <ul style="list-style-type: none"> Provincial Economic Review and Outlook Familiarize the practice of Socio-economic review analysis 	Quarterly	0	3 workshops migration study Fezile Dabi GDS Research day	2 workshops	0	16% deviation as 5 workshops already done. Delays due to the publication of MTBPS and PERO delayed the workshops on the two documents.
2.2.7	Publish Quarterly Labour Market Reviews	Quarterly	4 reviews	3 rd QLMR Publication	1 review	1 Review	0% deviation
2.2.8	Publish the provincial economic review and outlook (PERO) annually	Annually	1 document	PERO Publication	N/A	1 publication	0% deviation
2.2.9	Contribute Chapter 1 of Medium Term Budget Policy Statement	Annually	1 chapter	Chapter 1 of MTBPS	N/A	1 chapter and the publication	0% deviation

Fiscal Policy							
Strategic objective 1:- To enhance the provincial revenue growth yearly through development and implementation of sound fiscal policy framework in the Free State Province in order to promote Socio-economic growth							
Performance indicators / measure		Reporting period	Annual target 2011/12	validated 3rd quarter actual	Planned output 4th quarter 2011-2012	Actual output 4th 2011-2012	% deviation from the target and short explanation
2.3.1	Credible revenue base for 12 departments	Annually	12 depts	12 Departments	N/A	N/A	8.3% (Premier did not attend)
	Train Departments on revenue	Annually	12 depts	0	12 Depts	11 Depts	
2.3.2	Revenue target analysis reports	Monthly	12 reports	3 reports	3 reports	3 reports	
2.3.3	Quarterly meetings on revenue	Quarterly	4 meetings	1 meeting	1 meeting	1 meeting	
2.3.4	Develop & issue guidelines on revenue related matters Conduct revenue inspections	Quarterly	6 guidelines	1 guideline	3 guidelines	4 guidelines	8.3% REA compliance was issued as additional
2.3.5		Quarterly	20 inspections	8 inspections	4 inspections	17 inspections	325% additions were as a result of REA projects
2.3.6	Quarterly reports on Provincial Equitable Shares	Quarterly	4 reports	1 report	1 report	2 report	100% -10 th day snapshot

Fiscal Policy							
Strategic objective 1:- To enhance the provincial revenue growth yearly through development and implementation of sound fiscal policy framework in the Free State Province in order to promote Socio-economic growth							
Performance indicators / measure		Reporting period	Annual target 2011/12	validated 3 rd quarter actual	Planned output 4 th quarter 2011-2012	Actual output 4 th 2011-2012	% deviation from the target and short explanation
							survey was conducted
2.3.7	Report on evaluation of the Annual Performance Plan of revenue 12 generating departments.	Annually	1 report	N/A	N/A	N/A	
2.3.8	Develop Provincial Revenue Strategy	Quarterly	Strategy developed	The Strategy completed in 2 nd Quarter of 2011	Strategy developed	Strategy competed 2 nd quarter	
2.3.9	Produce 1 chapter on provincial fiscal envelope for the MTBPS document	Annually	1 chapter	Inputs for 2 chapters were submitted	N/A	Completed during 3 rd quarter	
2.3.10	1 Submission on PES on the FFC's Division of Revenue recommendations	Annually	1 submission	N/A	N/A	N/A	
2.3.11	Quarterly reports on all measures taken to optimise conditional grants	Quarterly	4 reports	1 report	1 report	1 report	
2.3.12	Monthly report on donor funding	Monthly	12 reports	3 reports	3 reports	3 reports	

Budget Management							
Strategic objective 3:- To ensure that Provincial financial resources are annually allocated in line with government priorities							
Performance indicators / measure		Reporting period	Annual target 2011/12	validated 3rd quarter actual	Planned output 4th quarter 2011-2012	Actual output 4th 2011-2012	% deviation from the target and short explanation
2.4.1	Tabled appropriation and Provincial Budget in line with National prescripts	Annually	Credible Provincial budget tabled within 2 weeks after National budget	Provincial Budget Lekgotla hosted on the 29 th of November 2011	Benchmark exercise 1 appropriation budget tabled	Benchmark exercise was attended on the 12 th January 2012 The appropriation Bill and the Provincial Budget were tabled on the 8 th March 2012	0% deviation
2.4.2	Tabled Adjustment Budget in line with National prescripts	Annually	Credible Adjustment budget tabled within 30 days after National Adjustment Budget	Provincial Adjustment Budget tabled on the 8 th of November 2011	N/A	Special adjustment budget was tabled on the 30 March 2012	0% deviation
2.4.3	Report on alignment of budget, strategic and annual performance plans	Quarterly	3 evaluation reports per department	2 nd draft evaluation reports produced	3 rd draft evaluation reports	The 3rd draft evaluation reports were finalised during March 2012	0% deviation
2.4.4	Produce 2 chapters on provincial budget allocation for the Medium Term Budget Policy	Annually	2 chapters	Two chapters of	N/A	N/A	

	Statement			the Medium Term Budget Policy Statement were compiled			
2.4.5	Produce quarterly reports on progress made against funded priorities	Quarterly	4 reports	3 rd quarter report was produced together with consolidated report for January and February 2012	1 report	3 rd quarter consolidated report was produced together with consolidated report for January and February 2012	33.3% deviation, due to the fact that the BAS closes between 07-10 of each month which is either 7 or 10 days after the end of quarter. The 4 th quarter report will be validated in the 1 st quarter

2.5 Public Finance							
Strategic objective 1:- To monitor and advise continuously on financial and non-financial performance of provincial departments and public entities to ensure sound management of resources							
Performance indicators / measure		Reporting period	Annual target 2011/12	validated 3rd quarter actual	Planned output 4th quarter 2011-2012	Actual output 4th 2011-2012	% deviation from the target and short explanation
2.5.1	Number of assessment reports prepared in terms of In Year Monitoring Model	Quarterly	19 reports	4 reports	5 reports	4 reports	20% late submission of IYM reports by Public Entities
2.5.2	Number of reports prepared in terms of infrastructure reporting model	Quarterly	4 reports	1 report	1 report	1 report	0%
2.5.3	Number of reports prepared in terms of the quarterly performance model	Quarterly	4 reports	1 reports	1 report	1 report	0%

PROGRAMME 3: ACTUAL PERFORMANCE AGAINST QUARTERLY PLANNED TARGETS 2011-2012

3.2 Asset Management							
Strategic objective 1:- To continuously promote the prudent management of physical and financial assets and the implementation of supply chain management framework							
Performance indicators / measure		Reporting period	Annual target 2011/12	Validated 3rd quarter actual	Planned output 4th quarter 2011-2012	Actual output 4th quarter 2011-2012	% deviation from the target and short explanation
3.2.1.	Number of physical assets management key performance indicators template implemented	Annually	1 template	0	N/A	N/A	
3.2.2	Number of physical assets management forums and training sessions conducted	Quarterly	14 PAM Forums 8 Training Sessions	5 forums 5 Training Sessions	3 forums 2 Training sessions	6 Forums 8 Training Sessions	Target exceeded 100% deviation PAM Intervention in districts to promote initiatives of operation clean audit Target exceeded 300% deviation PAM Intervention in Districts to promote initiatives of operation clean audit & intensification of activities.
3.2.3	Number of FSPT asset management steering committee	Quarterly	4 meetings	1 meeting	1 meeting	1 meeting	

3.2 Asset Management							
Strategic objective 1:- To continuously promote the prudent management of physical and financial assets and the implementation of supply chain management framework							
Performance indicators / measure		Reporting period	Annual target 2011/12	Validated 3rd quarter actual	Planned output 4th quarter 2011-2012	Actual output 4th quarter 2011-2012	% deviation from the target and short explanation
	meetings held						
3.2.4	Number of physical asset management monitoring visits conducted • Monitoring reports	Quarterly	120 reports	31 reports	30 reports	57 Reports	Target exceeded 90% deviation intensification of activities.
3.2.5	Number of supply chain management forums and training sessions conducted	Quarterly	4 SCM Forums 4 Training Sessions	0 SCM forums 7 training sessions	1 forum 1 training session	1 SCM Forum 1 training session (Strategic Sourcing)	
3.2.6	Number of supplier management system maintained	Annually	1 system	Ongoing	Ongoing	On-going	
3.2.7	Arrange and manage Transversal Procurement of goods and services in the FS Province	Quarterly	1 Transversal contracts	2 Transversal Contract (Photocopier)	N/A	N/A	
3.2.8	Number of monitoring and evaluation reports produced	Quarterly	44 Monitoring Reports	0	11 Reports	14 Reports	Exceed target by 3 reports.
3.2.9	Number of infrastructure delivery meetings, including IDIP held	Quarterly	40 meetings	6 meetings	10 meetings	8 Meetings	Please refer to the amendments(Target was captured incorrectly on the APP)
3.2.10	Number of training sessions conducted / facilitated	Quarterly	1 training session	2 training sessions	N/A	N/A	

3.2 Asset Management							
Strategic objective 1:- To continuously promote the prudent management of physical and financial assets and the implementation of supply chain management framework							
Performance indicators / measure		Reporting period	Annual target 2011/12	Validated 3rd quarter actual	Planned output 4th quarter 2011-2012	Actual output 4th quarter 2011-2012	% deviation from the target and short explanation
3.2.11	Number of infrastructure site visits conducted	Quarterly	60 projects	19 projects	15 projects	23 projects	Report or the remaining site visits is being compiled
3.2.12	Number of infrastructure monitoring reports produced	Quarterly	8 reports	3 reports	2 reports	2 Reports	
3.2.13	Number of infrastructure Review Reports Produced	Quarterly	4 reports	1 report	1 report	N/A	100% deviation - The 3rd quarter Review meeting is postponed to the 4th quarter.
3.2.14	Number of PPP monitoring reports produced	Quarterly	4 reports	no report	1 report	1 Report	
3.2.15	Timely and reliable Provincial revenue Fund annual financial statements according to prescripts	Annually	1 set of AFS	AFS were already submitted during the 1st quarter	N/A	N/A	
3.2.16	Monthly cash transfer reports produced	Quarterly	12 reports	3 reports	3 reports	3 Reports	
3.2.17	Facilitated revenue generation through investment :Investment reports	Quarterly	12 reports	3 reports	3 reports	3 Reports	
3.2.18	Participation in the quarterly cash management/PMG forums/bilateral	Quarterly	4 fora	1 forum	1 forum	1 Forum	

3.4 Supporting and Interlinked Financial Systems							
<i>Strategic objective 2- To manage and support the successful functioning of transversal financial management systems on continuous basis</i>							
Performance indicators / measure	Reporting period	Annual target 2011/12	Validated 3 rd quarter actual	Planned output 4 th quarter 2011-2012	Actual output 4 th 2011-2012	% deviation from the target and short explanation	
3.4.1	Availability and stability of the BAS Terminal Servers	Quarterly	95 per cent of 8 working hours	95 % of 8 working hours available	95 per cent of 8 working hours	95 % of 8 working hours available	
3.4.2	Provide technical and functional support to Provincial Departments within working hours	Quarterly	Within 8 working hours	Technical Support (IS) 2 Calls from 303 calls were not attended to within 8 working hours Functional Support(BAS) 88 calls within 8 working hours	Within 8 working hours	IS: 11 Calls from 373 calls were not attended to within 8 working hours BAS: 123 calls within 8 working hours LOGIS: 1100 Calls were dealt within 8 working hours	Deviate 2.94% from the target set due to unforeseen circumstances please see report
3.4.3	Process submissions from departments for online banking and/or hand written cheques	Quarterly	Within 24 working hours	Within 24 working hours	Within 24 working hours	36 submissions within 24 hours	
3.4.4	Interfaces successfully integrated with external systems	Quarterly	100 per cent of 4 Interfaces	75% per cent of 4 Interfaces, interfaced	100 per cent of 4 Interfaces	75% of 4 interfaces interfaced	Busy with implementation and testing of 4th Interface namely Housing Subsidy System

3.4 Supporting and Interlinked Financial Systems							
Strategic objective 2- To manage and support the successful functioning of transversal financial management systems on continuous basis							
Performance indicators / measure	Reporting period	Annual target 2011/12	Validated 3 rd quarter actual	Planned output 4 th quarter 2011-2012	Actual output 4 th 2011-2012	% deviation from the target and short explanation	
						Interface. The department is not assisting the SIFS Directorate in finalising this interface.	
3.4.5	Number of clear and user-friendly Transversal System Circulars and Practice Notes	Quarterly	15 Circulars and Practice Notes	5 (without LOGIS) Transversal Systems circulars and practice notes were issued	5 Circulars and Practice Notes	PERSAL 4 Circulars 2 Practice notes BAS 4 BAS Circulars and 3 Bas Practice Notes were issued LOGIS 1 Circular 2011/2012 Financial Year End Closure (L1 of 2012)	Target exceeded: 280%
3.4.6	Process credible and accurate entities within 10 working days	Quarterly	Within 10 working days	BAS: 1907 entities were registered of which 1137 with banking details and 770 without banking details. Finalised within 10 working days.	Within 10 working days	BAS 1700 entities were registered of which 1422 with banking details and 278 without banking details finalised with 10 working days	

3.4 Supporting and Interlinked Financial Systems							
Strategic objective 2- To manage and support the successful functioning of transversal financial management systems on continuous basis							
Performance indicators / measure	Reporting period	Annual target 2011/12	Validated 3 rd quarter actual	Planned output 4 th quarter 2011-2012	Actual output 4 th 2011-2012	% deviation from the target and short explanation	
					LOGIS 724 entities were processed within 10 working days		
3.4.7	Items codified and standardized (Process item- codification requests) Within 48 working hours	Quarterly	Within 48 working hours	0	Within 48 working hours	LOGIS 1261 Items were processed within 48 working hours	
3.4.8	Number of employees trained on Transversal Systems (BAS, PERSAL and LOGIS)	Quarterly	700 employees	226 employees were trained on Transversal Systems (BAS, PERSAL) NO DATA FOR LOGIS	100 employees	219 employees trained BAS No Officials trained due to Financial Year end closure processes and preparation for new Financial Year PERSAL 68 Officials trained LOGIS 151 LOGIS Users were trained	Target exceeded: 219%

PROGRAMME 4: ACTUAL PERFORMANCE AGAINST QUARTERLY PLANNED TARGETS 2011-2012

4.2 Accounting services							
Strategic objective 1:- To promote prudent financial management within the Free State Provincial Government							
Performance indicators / measure		Reporting period	Annual target 2011/12	validated 3 rd quarter actual	Planned output 4 th quarter 2011-2012	Actual output 4 th 2011-2012	% deviation from the target and short explanation
4.2.1	Number of monthly assessment reports for Departments and entities monitored to adhere to predetermined % of the following: Accounting KPI's	Quarterly	120 reports	24 reports	36 reports	30 reports	16,6% Deviation – Non-compliance not within this Directorate's control as the Departments of COGTA and Human Settlements did not submit compliance certificates for December 2011, January and February 2012.
	<ul style="list-style-type: none"> • Departments • Trading Entities • Public Entities 		22 reports	4 reports	6 reports	6 reports	
	Banking KPI's		33 reports	7 reports	9 reports	9 reports	
			140 reports	28 reports	42 reports	36 reports	14,3% Deviation – Non-compliance not within this Directorate's control as the Departments of COGTA and

4.2 Accounting services							
Strategic objective 1:- To promote prudent financial management within the Free State Provincial Government							
Performance indicators / measure	Reporting period	Annual target 2011/12	validated 3 rd quarter actual	Planned output 4 th quarter 2011-2012	Actual output 4 th 2011-2012	% deviation from the target and short explanation	
						Human Settlements did not submit compliance certificates for December 2011, January and February 2012.	
4.2.2	<p>Number of forums for provincial departments and entities</p> <p>Number of formal training sessions conducted/facilitated for Provincial Departments, and Entities on the following:</p> <ul style="list-style-type: none"> • Asset and liability accounts • Basic accounting handbook • Annual financial statements 	Quarterly	<p>10 fora</p> <p>6 sessions</p>	<p>2 forums</p> <p>2 sessions</p>	<p>3 fora</p> <p>2 sessions</p>	<p>5 fora</p> <p>6 sessions (2 on Basic Accounting Handbook 2 on AFS and 2 on SCOA A&L items)</p>	<p>66,6% Deviation -Additional forums were held to discuss Instruction note 1 on unauthorised expenditure and the reforms of SCOA from 2012/13</p> <p>200% deviation - Additional sessions arranged to cater for additional needs from Departments</p>
4.2.3.	Number of interim and annual financial statements assessment reports produced	Annually	44 financial statements	13 assessment	13 financial statements	13 assessment reports	

4.2 Accounting services							
Strategic objective 1:- To promote prudent financial management within the Free State Provincial Government							
Performance indicators / measure	Reporting period	Annual target 2011/12	validated 3 rd quarter actual	Planned output 4 th quarter 2011-2012	Actual output 4 th 2011-2012	% deviation from the target and short explanation	
			reports				
4.2.4.	Timely submission of consolidated annual financial statements and Annual Report <ul style="list-style-type: none"> • Draft CFI • Final CFI • Annual Report 	Quarterly	30 June 10 September 31 October	N/A N/A 28 October	0 0 0	N/A N/A N/A	
4.2.5	Number of Departments and Entities' Key Control Matrix assessment reports produced	Quarterly	132 reports	25 reports	36 reports	30 reports	16,6% Deviation not within the control of this Directorate as Assessment reports are dependent on submission by departments/entities.

4.3. Municipal Budget and Monitoring (IYM)							
Strategic objective 2: To monitor and enhance Budget, Planning and Implementation							
Performance indicators / measure		Reporting period	Annual target 2011/12	validated 3 rd quarter actual	Planned output 4 th quarter 2011-2012	Actual output 4 th 2011-2012	% deviation from the target and short explanation
4.3.1	Number of assessment reports produced with regard to MTREF on <ul style="list-style-type: none"> • Draft budget • Final budget • Adjustment (budgets received) 	Annually	23 reports	0	Number of adjustment budgets received	9 adjustment budgets received	Out of 9 budgets received 5 was submitted late and therefore was not analysed (non compliance letters attached)
4.3.2	Number of assessment reports produced on the alignment of the IDP to budget	Annually	12 reports	N/A	6 reports		The reports were already done in the second quarter
4.3.3	Number of assessment reports produced on the alignment of the SDBIP to budget	Annually	6 reports	N/A	N/A		
4.3.4	Number of assessment reports produced on the budget timeline schedules	Annually	23 reports	N/A	23 reports		The planned output was wrongly captured
4.3.5	Number of assessment reports produced on revenue and expenditure trends of the municipalities	Monthly Quarterly	12 Consolidated reports 4 Publications	3 Consolidated reports 1 Publication	3 Consolidated reports 1 Publication	3 Consolidated reports 1 Publication	
4.3.6	Number of municipalities assessed for cash flow management	Quarterly	8 municipalities	4 Municipalities	2 municipalities	2 Municipalities	2 Municipalities could not be done due to challenges w.r.t. the financial systems
4.3.7	Number of training sessions conducted on: <ul style="list-style-type: none"> • Cash flow management 	Annually	1 session	N/A	N/A	N/A	

4.4. Municipal Revenue and Debt Management							
Strategic objective 3: To monitor and provide guidance on Municipal Debt Revenue and Management							
Performance indicators / measure		Reporting period	Annual target 2011/12	validated 3rd quarter actual	Planned output 4th quarter 2011-2012	Actual output 4th quarter 2011-2012	% deviation from the target and short explanation
4.4.1	Monthly assessment reports produced on municipal revenue and debt management	Monthly	6 reports	2 reports	2 reports	2 reports	N/A
4.4.2	Number of Assessment reports produced for identified municipalities on implementation of free basic services	Bi-annually	2 reports	N/A	1 report	1 report	N/A
4.4.3	Number of Assessment reports produced for identified municipalities on management of debtors	Bi-annually	2 reports	N/A	N/A	N/A	N/A
4.4.4	Number of assessments reports produced on implementation of policies and procedures	Quarterly	4 reports	1 report	1 report	1 report	N/A

4.5 Municipal Accounting Services							
Strategic objective 4: To promote implementation of Generally Recognised Accounting Practices (GRAP) as well as liability management and reporting							
Performance indicators / measure		Reporting period	Annual target 2011/12	validated 3rd quarter actual	Planned output 4th quarter 2011-2012	Actual output 4th 2011-2012	% deviation from the target and short explanation
4.5.1	Number of assessment reports produced on GRAP compliance	Quarterly	23 reports	1 Combined report (23 reports)	23 reports	20 Reports	13% deviation Nala, Setsoto and Mafube audit reports are still outstanding.
4.5.2	Compliance reports on tabling of annual and oversight reports produced	Annually	23 reports	N/A	23 reports	1 combined report	
4.5.3	Quarterly reports on asset & liability management produced	Quarterly	4 reports	1 report	1 report	1 Combined report	
4.5.4	Issue guidelines on Annual financial reporting cycle and procedures	Annually	1 guideline	1 report	N/A	N/A	
4.5.5	Quarterly assessment reports on implementation rate of legislative resolutions produced	Quarterly	4 reports	1 report	1 report	1 report	

4.6 Municipal Supply Chain Management and Compliance							
Strategic objective 5: To promote implementation of Supply Chain Management and Procedures							
Performance indicators / measure		Reporting period	Annual target 2011/12	validated 3 rd quarter actual	Planned output 4 th quarter 2011-2012	Actual output 4 th quarter 2011-2012	% deviation from the target and short explanation
4.6.1	Number of assessments reports produced on implementation of SCM policies and procedures		23 reports	3 reports	9 reports	9 reports	
4.6.2	Number of assessments reports produced on SCM compliance produced <ul style="list-style-type: none"> • Monthly • Bi-annually 	Monthly Biannually	276 reports 46 reports	0 N/A	69 reports 23 reports	0 23 reports	The Procurement Contract Information (PCI) system which was used by municipalities to report contracts above R100 000 was discontinued by NT for reconstruction. It will be replaced by Contract Registration Application (CRA) system once finalised.
4.6.3	Number of assessment reports produced on contract management	Quarterly	3 reports	1 report	1 report	0	The discontinued, PCI reports, were used as the source document for this report. However, PT developed a

4.6 Municipal Supply Chain Management and Compliance							
Strategic objective 5: To promote implementation of Supply Chain Management and Procedures							
Performance indicators / measure	Reporting period	Annual target 2011/12	validated 3 rd quarter actual	Planned output 4 th quarter 2011-2012	Actual output 4 th quarter 2011-2012	% deviation from the target and short explanation	
						reporting template for contact management which will be rolled out to municipalities in the new financial year, in addition to the CRA system.	
4.6.4	Number of assessments reports produced on MFMA compliance	Quarterly	3 Reports	0	1 report	1 report	
4.6.5	Number of assessment reports produced on municipal delegations	Annually	23 Reports	N/A	23 reports	0	Reminder letters were sent to municipalities with no positive response
4.6.6	Number of bi-annual assessment report produced on skills development program of municipal interns	Bi-annually	2 reports	N/A	1 reports	0	The discontinued, PCI reports, were used as the source document for this report. However, PT developed a reporting template for contact management

4.6 Municipal Supply Chain Management and Compliance							
Strategic objective 5: To promote implementation of Supply Chain Management and Procedures							
Performance indicators / measure	Reporting period	Annual target 2011/12	validated 3 rd quarter actual	Planned output 4 th quarter 2011-2012	Actual output 4 th quarter 2011-2012	% deviation from the target and short explanation	
						which will be rolled out to municipalities in the new financial year, in addition to the CRA system.	
4.6.7	Number of forums conducted to enhance capacity on MFMA compliance	Quarterly	4 fora	CFO Forum	1 forum	1 report	
4.6.8	Number of Financial Recovery Plans developed	Annually	2 plans	N/A	1 plan	0	Reminder letters were sent to municipalities with no positive response

4.7 Municipal Risk Management and Internal Audit							
Strategic objective 5: To promote sound risk management and Internal Audit practices							
Performance indicators / measure		Reporting period	Annual target 2011/12	validated 3 rd quarter actual	Planned output 4 th quarter 2011-2012	Actual output 4 th quarter 2011-2012	% deviation from the target and short explanation
4.7.1	Number of bi-annual assessment reports produced for delegated municipalities with IA activity against predetermined IA activity KPIs	Bi-annually	44 reports	2 Reports	23 reports	21 reports (Internal Audit and Audit committee report combined)	No Deviation
4.7.2	Development of audit committee key performance indicators	Annually	1 set of indicators	N/A	N/A	N/A	N/A
4.7.3	Number of bi-annual assessment reports produced for delegated municipalities with Audit Committee activity against predetermined IA committee activity KPIs	Bi-annually	30 reports	N/A	15 reports	21 reports Internal Audit and Audit Committee report combined)	N/A
4.7.4	Number of formal training sessions conducted on: <ul style="list-style-type: none"> Public sector Internal Audit Framework 	Bi-annually	2 sessions	N/A	1 session	0	No Deviation Training was conducted in the other quarter.
4.7.5	Number of forums conducted to enhance capacity at municipalities <ul style="list-style-type: none"> Internal Audit 	Bi-annually	2 fora	N/A	1 forum	1	N/A
4.7.6	Number of bi-annual assessment reports produced for delegated municipalities with Risk management activity against predetermined Risk management activity KPIs	Bi-annually	44 reports	N/A	22 reports	22 reports (Risk Management and Risk Management Committee report combined)	N/A

4.7 Municipal Risk Management and Internal Audit							
Strategic objective 5: To promote sound risk management and Internal Audit practices							
Performance indicators / measure		Reporting period	Annual target 2011/12	validated 3 rd quarter actual	Planned output 4 th quarter 2011-2012	Actual output 4 th quarter 2011-2012	% deviation from the target and short explanation
4.7.7	Development of risk committee key performance indicators	Annually	1 set of indicators	N/A	N/A	N/A	N/A
4.7.8	Number of bi-annual assessment reports produced for delegated municipalities with Risk Committee activity against predetermined Risk committee activity KPIs	Bi-annually	2 reports	N/A	1 report	22 reports (Risk Management and Risk Management Committee report combined)	N/A
4.7.9	Number of forums conducted to enhance capacity at municipalities <ul style="list-style-type: none"> • Risk 	Bi-annually	2 fora	N/A	N/A	N/A	N/A

4.8. Risk Management and Internal Audit							
Strategic objective 7: To create and sustain a culture of accountability within the Free State Provincial Administration							
Performance indicators / measure		Reporting period	Annual target 2011/12	validated 3 rd quarter actual	Planned output 4 th quarter 2011-2012	Actual output 4 th quarter 2011-2012	% deviation from the target and short explanation
4.8.1	Number of bi-annual assessment reports produced for Departments and Public Entities against predetermined Risk Management Activity KPIs.	Bi-annually	12 reports	None	6 reports	13	Annual targets should have been 24 and 12 for fourth quarter. 8% change of the approach resulted in increased with reference to target.
4.8.2	Number of bi-annual assessment reports produced for Departments and Entities against predetermined Risk Management Committee KPIs	Bi-annually	12 reports	0	N/A	13	Annual targets should have been 24 and 12 for fourth quarter. 8% change of the approach resulted in increased with reference to target
4.8.3	Number of consolidated reports on status of FMCMM questionnaire for the Departments and Public Entities.	Bi-annually	2 reports	1 Report	N/A	N/A	
4.8.4	Number of consolidated assessment Reports produced on FMCMM action plans.	Quarterly	4 reports	1 Report	1 report	1 report	
4.8.5	Number of forums conducted for Departments and Public Entities on Risk Management	Quarterly	3 forum	-	N/A	1 Forum	100% The forum was actually planned for the

4.8. Risk Management and Internal Audit							
Strategic objective 7: To create and sustain a culture of accountability within the Free State Provincial Administration							
Performance indicators / measure	Reporting period	Annual target 2011/12	validated 3 rd quarter actual	Planned output 4 th quarter 2011-2012	Actual output 4 th quarter 2011-2012	% deviation from the target and short explanation	
							4 th quarter.
4.8.6	Number of formal training sessions conducted/facilitated on Risk Management	Quarterly	2 sessions	1 Report	N/A		
4.8.7	Number of bi-annual assessment reports produced for Departments and Public Entities against predetermined Internal Audit Activity KPI's.	Bi-annually	12 reports	0	N/A	14	Annual targets should have been 24 and 12 for fourth quarter. 17% change of the approach resulted in increased with reference to target
4.8.8	Number of bi-annual assessment reports produced for Departments and Entities against predetermined Internal Audit Committee KPI's.	Bi-annually	12 reports	N/A	6 reports	9	50% change of the approach resulted in increased with reference to target.
4.8.9	Number of forums conducted for Departments and Public Entities Internal Audit Capacity Building	Quarterly	3 forum	0	N/A	1 Forum	100% The forum was actually planned for the 4 th quarter.
4.8.10	Number of formal training sessions conducted/facilitated on Internal Audit on: <ul style="list-style-type: none"> Managing Fraud in the work Place 	Quarterly	2 sessions	1 Report on training session	N/A	Training on Auditing SCM processes	Based on the 92% of irregular expenditure was as a result of SCM in 2010/2011 additional training was arranged.

4.8. Risk Management and Internal Audit							
Strategic objective 7: To create and sustain a culture of accountability within the Free State Provincial Administration							
Performance indicators / measure		Reporting period	Annual target 2011/12	validated 3 rd quarter actual	Planned output 4 th quarter 2011-2012	Actual output 4 th quarter 2011-2012	% deviation from the target and short explanation
4.8.11	Number of consolidated assessment reports produced on predetermined implementation rate of legislature resolutions for Departments and Public Entities	Quarterly	3 reports	1 Report	N/A	N/A	
4.8.12	Number of quarterly assessment reports produced on system of delegations for Departments and Public Entities	Quarterly	45 reports	0	N/A	11 departmental delegations issued.	15 reports were planned for the 4 th quarter. 36% deviation
4.8.13	Number of annual assessment reports produced on Public Entity boards based on the compliance with PFMA and relevant legislature.	Annually	3 reports	3 Reminders	N/A	N/A	
4.8.14	Number of reports produced on Maintenance of Entity general information	Quarterly	4 reports	1 consolidated report for three entities.	N/A	1 report. Notice of establishment of a new Entity.	Status remained the same as in 3 rd quarter.
4.8.15	Confirmation (Listing) of contingent liability for housing guarantees in respect of financial institutions.	Quarterly	20	4	5	0	100%, It was confirmed with AGSA that FDC loans are not contingent liabilities for Provincial Revenue Fund therefore only four institutions are applicable. Due date for fourth quarter information is only 15 April 2012.

4.8. Risk Management and Internal Audit							
<i>Strategic objective 7: To create and sustain a culture of accountability within the Free State Provincial Administration</i>							
Performance indicators / measure		Reporting period	Annual target 2011/12	validated 3 rd quarter actual	Planned output 4 th quarter 2011-2012	Actual output 4 th quarter 2011-2012	% deviation from the target and short explanation
4.8.16	Number of updated reports produced to National Treasury on required detail of identified positions in departments and public entities	Quarterly	3 reports	1 report	N/A	N/A	