

Annual Performance Plan 2008/09



treasury

Department of
Treasury

FREE STATE PROVINCE

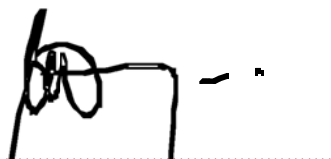
The past decade has been the introduction of various budget reforms that contributed substantially towards enhancing technical efficiency in budget preparation. In addition, the introduction of Annual Performance Plans (APP's) in recent years, offered an instrument to more effectively link Departmental Strategic Objectives to 3-year Medium Term Expenditure Framework (MTEF) budgets. This was made possible through a more intense focus on actual service delivery by introducing performance indicators and measures.

Whilst the APP should not be seen as a panacea to all public expenditure weakness, it does provide an appropriate framework to better inform the allocation of available resources to agreed Strategic Objective within the various departmental expenditure programmes. In this regard, my observation is that the Provincial Treasury is gaining strength and competence in the development of improved performance measures and the implementation of performance management. This phenomena is evidenced by a growing appreciation that measuring outputs and outcomes against resource inputs, should, increasingly, become the means through which informed fiscal decisions are made.

Against the backdrops of all of the aforementioned, it is my considered view that one of the main advantages that this plan brings, is that it would force a more intense focus on actual results achieved as well as the need to ensure that operational decisions are in the final analyses based on appropriate performance considerations. This holds the promise of improving the real output of departmental expenditure programmes, rather than merely putting effort on a narrow drive to spent budgeted funds for the sake of avoiding under-expenditure.

Given the effort that went into the drawing of this plan, I'm convinced that it represents a performance plan that adequately balances different key priorities within the available departmental fiscal envelope. Despite the clear and undeniable benefits that the implementation of this plan holds, it does not guarantee a change in the behaviour of different role players and stakeholders in reaching day-to day expenditure decisions in the implementation of voted budgets.

To enhance the effectiveness of this APP as an instrument towards improved performance efficiency, therefore necessitates a clear understanding of what this plan tries to achieve to inform an adequate and appropriate alignment of operational plans of various departmental programmes and work plans of individual member of staff. Internal and external roleplayers and stakeholders are also invited to comment on ways and means to ensure the effective and efficient implementation of this published performance plan.



MR. P H I MAKGOE
MEC FOR FINANCE

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AFS	: Annual Financial Statements
APP	: Annual Performance plans
BAS	: Basic Accounting System
EPWP	: Expanded Public Works Project
FSGDS	: Free State Growth and Development Strategy
IDIP	: Infrastructure Delivery Improvement Programme
IDP	: Integrated Development Plan
IFMS	: Integrated Financial Management Systems
IRM	: Infrastructure Reporting Model
IYM	: In Year Monitoring
KPI	: Key Performance Indicator
LOGIS	: Logistical Information System
MFMA	: Municipal Finance Management Act
MIS	: Management Information System
MOU	: Memorandum of Understanding
MTEF	: Medium Term Expenditure Framework
PERSAL	: Personnel Salary system
PMI	: Performance Measure Indicator
PPP	: Public Private Partnership
PROPAC	: Provincial Public Accounts Committee
SAM	: Social Accounting Matrix
SCM	: Supply Chain Management
SDBIP	: Service Delivery Budget Implementation Plan

Overview

Whilst no significant changes in mandating legislature, policies or programmes governing operations of Provincial Treasuries occurred in the recent past and no major shifts or policy changes are foreseen for the immediate future, it remains important as the Provincial Treasury continues to focus on its core functions and responsibilities emanating from the Public Finance Management Act (PFMA) Act 1 of 1999, as amended, Treasury Regulations promulgated in terms of Section 76 of the Act, and oversight and support functions to be executed in respect of Municipalities in terms of the Municipal Finance Management Act (MFMA), Act 56 of 2003, it does so in a manner that:

- Facilitates effective and efficient management of provincial assets, liabilities and financial management systems
- Promotes accountability and transparency through substantive reflection of financial activities of the Province, as well as effective compliance with prevailing financial norms and standards
- Promotes the use of government service delivery as a catalyst for enhanced economic growth and development and social equity

The fact that functions, activities and practices related to the aforementioned are already well entrenched in the Provincial Treasury, does not imply that it will be business as usual over the period of this APP. On the contrary, the need to add value through departmental operations, heighten the need for careful planning to ensure meaningful contribution towards the progressive realisation of Strategic Objectives over the planning period.

To this end, this plan represents a response to the challenge of ensuring that all gains emanating from greater effectiveness in the execution of financial management functions, do translate into improved service delivery. It remains a reality that improved service delivery will not automatically materialise with the passing of legislature, regulations and best-practice guidelines. Through strengthening of planning, budgeting and reporting links, this plan thus constitutes an important stepping stone in the evolving movement away from an input-focused system of planning, towards a system of performance measurement more strongly focused on actual performance and improved transparency and accountability with regard to the management of departmental resources.

The main advantage that this APP bring, is that it forces departmental operations to become less linear and more interactive and collaborative. At a general level, it is thus an ideal instrument to sensitize staff throughout the department, as the key performance indicators identified allows them to align their day-to-day work to support the department's plan to achieve set Strategic Objectives.

It also assist to drive home the necessity of a productive, cost conscious, hardworking and committed staff component as the transparency of the plan renders the department (and implicitly employees) accountable to a variety of internal and external stakeholders with regard to performance achieved. Views, inputs and comments during the implementation phase of this plan would be welcomed as it would assist to improve future plans.



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Mr DR BARLOW
CEO: PROVINCIAL TREASURY
DATE:25/02/08

Strategic Plan Process

In September 2007 Senior Management met to review the Annual Performance Plan. During that session the strategic goals and objectives were reviewed and refined. Two sub-programmes within programme 2, sustainable resource management have significant changes, the main reason being that for the first time these sub-programmes namely, Economic Analysis and Fiscal Policy are fully functional as senior managers were appointed after the department struggled to find suitable candidates. The Senior Manager for Internal Audit was appointed and this unit also reviewed its measurable objectives. Under programme 4, Financial Governance the sub-programme: Norms and Standards- PFMA is incorporated with Sub-programme: Risk Management and Internal Audit.

The Free State Growth Development Strategy was reviewed and the department then aligned its strategic objectives with the revised FSGDS. This exercise was occasioned by the need to comprehensively review performance plans envisaged by various directorates of the department. Key to this process was the need to ensure that the attainment of key performance targets as (ultimately) captured in this APP, would meet the test of meaningfully contributing towards the progressive realisation of the Strategic Objectives of the department. More specifically, the focus was informed by results and observations based on the prior reviews, evaluation and assessment conducted by various chief directorates to identify appropriate avenues for more effective overall performance planning, implementation and assessment, based on:

- The implementation of new and evolving functions and responsibilities of the department
- Assessment of past actual performance in the execution and implementation of existing functions and responsibilities, against set targets and actual expenditures incurred.
- The need to identify appropriate and unambiguous financial and non-financial indicators/measures and targets that would collectively, enable an informed and unbiased assessment of actual performance achievement.

These and other processes that informed the joint finalization of this plan will not only foster a more comprehensive and intergrated approach to departmental service delivery, but also ensures more effective alignment between the departmental budget and the APP.

All performance indicators are reflected in Part C.

Vision

A leading change agent for improved economic growth and social equity through prudent financial management

Mission

Render timeous and responsive service delivery to clients through:

- enforcing the implementation of the Public Finance Management and Municipal Finance Management Acts;
- preparation of sound and sustainable provincial budgets;
- promoting and monitoring of the sustainability of local government budgets;
- promoting of sound supply chain management practices;
- optimization of provincially collected revenue;
- enhancement of sound cash management, accounting practices, policies and systems;
- promotion and implementation of restructuring and transformation process; and
- sound management of departmental resources

The department has reviewed the existing strategic goals and objectives and refined them accordingly:

Revised: Strategic Goals

- A department capable to render effective and efficient services of high quality
- Promote sustainable and credible budgets within the Free State Provincial Government towards realizing the goals and objectives of government.
- Manage and ensure the successful implementation of transversal financial management systems
- Promote accountability through the substantive reflection of the financial activities in the provincial- and local sphere of government

Revised: Strategic Objectives

Programme 1: Administration

- To ensure that an adequate support service is rendered to the CEO and MEC towards ensuring the effective and efficient functioning of their offices
- To create a highly skilled responsive and competent workforce for the department
- To ensure that allocated funds are planned, managed and spent efficiently and effectively
- Procurement and maintenance of quality goods and services in an economical and effective manner
- To ensure independent assessment of the adequacy and effectiveness of internal controls and risk management

Programme 2: Sustainable Resource Management

- 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
- To enhance the provincial revenue growth through the development and implementation of sound fiscal policy framework in the Free State Province
- To ensure that Provincial financial resources are allocated in line with government priorities
- To monitor and advise on financial and non-financial performance of provincial departments and public entities

Programme 3: Assets and Liability Management

- To promote the effective, efficient and transparent management of physical and financial assets and the implementation of alternative service delivery modules and supply chain management framework
- To manage and ensure the successful implementation of transversal financial management systems

Programme 4: Financial Governance

- To promote prudent financial management within Free State Provincial Government
- To create and sustain a culture of accountability within the Free State Provincial Government
- To enhance the successful implementation of the MFMA within local government

Programme 1: Administration

The role of Programme 1 is to provide leadership, strategic management in accordance with legislation, regulations and policies as well as to ensure there is appropriate support service to all other programmes. There are five operational sub-programmes:

1.1 Office of the MEC	Provide for the efficient operation of the Office of the MEC.
1.2 Management Services	Provide for the efficient operation of the Office of the CEO
1.3 Corporate Services	Provide an effective corporate support service to the Department.
1.4 Financial Management(Office of the CFO)	Provide an effective financial management support service as well as effective and efficient SCM service to the department. Provide for the cost related to efficient running of the programme
1.5 Internal Audit	Provide an effective internal audit service to the Department.

Sub-programme 1.1: (Office of the MEC)

1.1.1 Specified policies, priorities and strategic objectives

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

Strategic objective linked to this sub-programme

To ensure that an adequate support service is rendered to the MEC towards ensuring the effective and efficient functioning of the office

1.1.2 Progress analysis

The support staff in the Office of the MEC is in constant liaison and interaction with officials in the four Programmes within the Department to ensure that service is delivered according to set standards.

1.1.3 Analysis of constraints and measures planned to overcome them

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

The main constraint in the Office of the MEC is the fact that the staff complement is limited to six by the Ministerial Handbook. Since 1994 to date, the responsibilities within the Office have tremendously increased but the staff complement remains the same, unlike other directorates that can increase the staff due to pressing work demands.

1.1.4 Description of planned quality improvement measures:

An intern has been seconded to assist with various administrative tasks and some of the tasks, like, outreach programmes, have been delegated to Special Programmes and Communication Unit.

1.1.5 Specification of measurable objectives and performance indicators

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

<i>Sub-programme 1.1: Office of the MEC</i>			<i>Strategic Goal 1: A department capable to render effective and efficient services of high quality</i>						
<i>Strategic Objective</i>	<i>Measurable Objective</i>	<i>Linkage to FSGDS</i>	<i>Performance Measure/ Indicator</i>	<i>Actual 2005/06</i>	<i>Actual 2006/07</i>	<i>Estimate 2007/08</i>	<i>2008/09 Target</i>	<i>2009/10 Target</i>	<i>2010/2011 Target</i>
To ensure that an adequate support service is rendered to the MEC towards ensuring the effective and efficient functioning of his office	An integrated and quality support service is rendered to the MEC	Ensure effective communication with stakeholders	100% Accurate diary planning and management	New Performance Measure	New Performance Measure	100%	100%	100%	100%
			100% Preparation of documents for meetings attended or chaired by the MEC	New Performance Measure	New Performance Measure	100%	100%	100%	100%
	The Office of the MEC is functioning effectively and efficiently.	Ensure effective communication with stakeholders	An accurate and efficient records management system is implemented	New Performance Measure	New Performance Measure	100%	100%	100%	100%
			Turn-around time for documents received by the Office of the MEC	5days	5days	5days	2 days	2 days	2 days

Sub-programme 1.2: (Management Services)

1.21 Specified policies, priorities and strategic objectives

The purpose of this sub-programme is to provide strategic leadership to the department.

<u>Strategic objective linked to this sub-programme</u>
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To ensure that an adequate support service is rendered to the CEO towards ensuring the effective and efficient functioning of his office
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1.22 Progress analysis

- The Office of the CEO is currently fully staffed with the following vacancies filled during the current, 07/08 Financial Year: Personal Assistant- Level 8; Registry Clerk- Level 2 and Messenger- Level 2.
- The CEO has successfully convened 3 Top Management Meetings, 2 Extended Management Meetings, 1 Strategic Planning session for SMS and 1 Staff Imbizo. Records of minutes and decisions taken have been compiled and distributed.

1.2.3 Analysis of constraints and measures planned to overcome them

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

- There is a lack of communication from various departmental committees and directorates/ sub-directorates to the Office of the CEO which seriously hampers the decision-making abilities of the CEO
- Late submission of deviation submissions and approval for outside visits as well as acting letters for the signature of the CEO places unnecessary pressure on the Office.

1.2.4 Description of planned quality improvement measures

- Schedule of meetings with the CEO and SEM to ensure that the CEO is updated on all recent events and activities within the various Programmes.
- The office of the CEO to be represented at all relevant departmental committees and Chief Directorate meetings.

1.2.5 Specification of measurable objectives and performance indicators

Table 1.2: Sub-Programme 1.2: (Management Services) Strategic Objectives, Measurable objectives, Performance Measures indicators and targets

<i>Sub-programme 1.2: Management Services</i>			<i>Strategic Goal 1: A department capable to render effective and efficient service delivery of high quality</i>							
<i>Strategic Objective</i>	<i>Measurable Objective</i>	<i>Linkage to FSGDS</i>	<i>Performance Measure/ Indicator</i>	<i>Actual 2005/06</i>	<i>Actual 2006/07</i>	<i>Estimate 2007/08</i>	<i>2008/09 Target</i>	<i>2009/10 Target</i>	<i>2010/2011 Target</i>	
To ensure that an adequate support service is rendered to the CEO towards ensuring the effective and efficient functioning of his office	An integrated and quality support service is rendered to the CEO	Ensure effective communication with stakeholders and clients	100% Accurate diary planning and management	New Performance Measure	New Performance Measure	100%	100%	100%	100%	
			100% Preparation of documents for meetings attended or chaired by the CEO	New Performance Measure	New Performance Measure	100%	100%	100%	100%	
	The Office of the CEO is functioning effectively and efficiently.	Ensure a healthy environment through integrated environmental management	An accurate and efficient electronic records management system	New Performance Measure	New Performance Measure	100%	1 electronic records management system	1 electronic records management system	1 updated electronic records management system	
			Turn-around time for documents received by the Office of the CEO	New Performance Measure	New Performance Measure	5days	2 days	2 days	2 days	
	To conduct overall planning, ensure that functions are conducted on such level the Provincial Treasury delivers on its responsibilities	Ensure a healthy environment through integrated environmental management	Meetings for planning mechanisms resulting in the right deliverables	New Performance Measure	New Performance Measure	60%	12 monthly meetings with management	12 monthly meetings with management	12 monthly meetings with management	12 monthly meetings with management
				New Performance Measure	New Performance Measure	N/A	Quarterly meetings with the MEC and top management	Quarterly meetings with the MEC and top management	Quarterly meetings with the MEC and top manage	Quarterly meetings with the MEC and top management

Sub-programme 1.3: (Corporate Services)

1.3.1 Specified policies, priorities and strategic objectives

The purpose of this sub-programme is providing an effective corporate support service to the Department.

<u>Strategic objective linked to this sub- programme</u>

To create highly skilled, responsive and competent workforce for the Department

1.3.2 Progress Analysis

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

1.3.3 Analysis of constraints and measures planned to overcome them

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

- Filling of posts to an acceptable level
- High staff turnover
- Proper job analysis of posts
- Improving communication strategy and promote corporate culture
- Review and distribution of Employment Equity targets on quarterly basis;
- Training in accordance with Skills Development Plan

1.3.4 Description of planned quality improvement measures

- Improve the communication and promote corporate culture
- Streamlining the structure in order to reduce the vacancy rate
- Building of capacity through training initiatives (current personnel)
- Information sessions to be held with all levels of officials regarding the flow of information
- Review and distribution of Employment Equity targets on quarterly basis
- To provide training in accordance to Skills Development Plan

1.3.5 Specification of measurable objectives and performance indicators

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

<i>Sub-programme 1.3 Corporate Services</i>			<i>Strategic Goal 1: A department capable to render effective and efficient service delivery of high quality</i>						
<i>Strategic Objective</i>	<i>Measurable Objective</i>	<i>Linkage to FSGDS</i>	<i>Performance Measure/ Indicator</i>	<i>Actual 2005/06</i>	<i>Actual 2006/07</i>	<i>Estimate 2007/08</i>	<i>2008/09 Target</i>	<i>2009/10 Target</i>	<i>2010/2011 Target</i>
To create a highly skilled responsive and competent workforce for the department	Recruit, maintain and retain sufficient and adequate human resource in line with government's transformation goals and objectives	Ensure effective Human Resource Development and Management	Number of posts filled on the approved staff establishment	35 appointments	39 appointments	Appointments and promotions approved within 3 months after request	329 on the staff establishment	350 on the staff establishment	405 on the staff establishment
			Number of staff turnover	New Performance Measure	39	N/A	36 terminations	20 terminations	10 terminations
			Number of appointments in line with EE plan	Employment equity plan was updated on quarterly basis	Employment equity plan was updated on quarterly basis	1 Plan reviewed and updated	64	70	75
			Number of reviewed, approved and implemented departmental HRM policies	New Performance Measure	New Performance Measure	New Performance Measure	8	8	8
			Number of Provincial and National days celebrated	World Aids Day Heritage Day Women's day	World Aids Day Heritage Day Women's day	World Aids Day Heritage Day Women's day	5	5	5
			Grading of all posts to be determined by means of JE System prior to filling.	New Performance Measure	New Performance Measure	New Performance Measure	100% of posts evaluated within 2 months	100% of posts evaluated within 2 months	100% of posts evaluated within 2 months
	Ensure that the department functions within a legally complaint framework	Promote integrity in government	Annual review of organizational structure by specified dead-line.	1 approved organizational structure	1 approved organizational structure	1 approved organizational structure	June 2008	June 2009	June 2010
			Number of awareness campaign held on Legal and Labour Relations matters conducted	N/A	N/A	4 awareness campaigns	4 awareness campaigns	4 awareness campaigns	4 awareness campaigns
			Number of disciplinary cases finalised in accordance with legislation	100%	100%	100%	3	3	3
			Number of designated officials and employees	100%	100%	100% of SMS members	20	20	20

<i>Sub-programme 1.3 Corporate Services</i>			<i>Strategic Goal 1: A department capable to render effective and efficient service delivery of high quality</i>						
<i>Strategic Objective</i>	<i>Measurable Objective</i>	<i>Linkage to FSGDS</i>	<i>Performance Measure/ Indicator</i>	<i>Actual 2005/06</i>	<i>Actual 2006/07</i>	<i>Estimate 2007/08</i>	<i>2008/09 Target</i>	<i>2009/10 Target</i>	<i>2010/2011 Target</i>
			declaring financial interests						
			Number of identified staff vetted	New Performance Measure	New Performance Measure	New Performance Measure	10	10	10
			Number of inspections and workshops to comply with relevant aspects of OHS Act	N/A	N/A	Implement the OHS policy for the benefit of officials	4	4	4
To create a highly skilled responsive and competent workforce for the department	Recruit, maintain and retain sufficient and adequate human resource in with government's transformation goals and objectives	Ensure that government capacity is built, especially in critical areas	Number of internship appointed	Internship and learnership policies approved	10 interns appointed	Policy implemented	20	20	20
			Number of employees trained in line with identified needs	185 officials trained	264 officials trained	More than 50%	300	340	345
			Number of induction session conducted	1 induction manual developed	3 induction sessions	4 induction sessions	4 induction sessions	4 induction sessions	4 induction sessions
			Number of workplace skills plans in place	1	1	1	1	1	1
			Number of Bursaries awarded	13	17	17	22	30	25
	Enhance internal and external communication	Ensure effective communication with stakeholders and clients	Quarterly external newsletter produced	4	3	4	4	4	4
			% increase of external and internal usage of the website	100%	100%	100%	100% increase	100% increase	100% increase
			Network infrastructure designed, deployed and monitored	2. policies approved	1 disaster recovery plan developed	New Performance Measure	1	1	1
			Workshops conducted for focused end-users on identified IT software application	New Performance Measure	New Performance Measure	New Performance Measure	8	6	6
			Annual ICT configuration management baseline compiled	New Performance Measure	New Performance Measure	New Performance Measure	1	1	1

<i>Sub-programme 1.3: Corporate Services</i>			<i>Strategic Goal 1: A department capable to render effective and efficient service delivery of high quality</i>						
<i>Strategic Objective</i>	<i>Measurable Objective</i>	<i>Linkage to FSGDS</i>	<i>Performance Measure/ Indicator</i>	<i>Actual 2005/06</i>	<i>Actual 2006/07</i>	<i>Estimate 2007/08</i>	<i>2008/09 Target</i>	<i>2009/10 Target</i>	<i>2010/2011 Target</i>
			% of developed and implemented master system plan	N/A	100%	New Performance Measure	70% achieve	80% achieve	95% achieve

Sub-programme 1.4: (Financial Management – office of the CFO)

1.4.1 Specified policies, priorities and strategic objectives

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

Strategic objectives linked to this sub-programme

To ensure that allocated funds are planned, managed and spent efficiently and effectively;
To ensure procurement and maintenance of quality goods and services in an economical manner

1.4.2 Progress analysis

- Creditors' payment cycle (30 days) has improved from 93% in March 2007 to 97 % by end of December 2007.
- The new staff establishment approved during 2006/07 has enabled us to fill all new vacant posts to the level of 90%
- Demand and Acquisition Management are fully in place, but not fully functional
- Supply Chain Management delegations were approved and implemented in October 2007
- Development and implementation of Asset Management plan
- All debt cases are being followed up on a regular basis. The debt in respect of the erroneous remuneration that officials received in respect of the upgrading was also taken on as debt during the 2006/2007 financial year and debt deductions were effected during April 2007.
- The amount of R553 000 was recovered in respect of a supplier wrongly paid. During the 2006/2007 financial year approval was granted to write off the amount of R1,2 million in respect of SARS and Pension
- The adjustment budget format was updated and inputs received from programme managers on 5 November 2007 were submitted to Budget Management.
- A budget advisory committee was appointed and its major function is to evaluate the Department's budget
- The accounting months on BAS is closed within the set timeframes and not forced closed by National Treasury. An average of 95.5% was achieved in respect of the key performance indicators set for the Department in the second quarter.
- A strategic planning session was held in Thaba Nchu on the 10-12 Sept 2007 where all senior managers participated, 2 strategic planning sessions were held for Programme1, Teambuilding for Programme1 was also held
- SCM function became a separate directorate during 2007/08

1.4.3 Analysis of constraints and measures planned to overcome them

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

- The promotion of effective spending trends;
- Paying creditors within 30 days
- To ensure effective asset management
- To fully implement supply chain management in order to respond to new challenges;
- To capacitate the employees on Financial Management

1.4.4 Description of planned quality improvement measures

- Appointment of the budget advisory committee
- Continuous evaluation of monitoring methods
- Improvement on planning processes.
- To improve in the processes leading up to paying creditors
- To conduct stock taking as prescribed
- To develop an asset register management policy
- Development and implementation of SCM procurement plan.
- Building of capacity through training initiatives (current personnel);
- Improve communication with all stakeholders
- Development of SCM service standards and flow charts
- Recruitment of skilled personnel.

1.4.5 Specification of measurable objectives and performance indicators

Table 1.4: Sub-Programme 1.4: (Financial Management – Office of the CFO) Strategic Objectives, Measurable objectives, Performance Measures indicators and targets

<i>Sub-programme 1.4: Financial Management</i>			<i>Strategic Goal 1: A department capable to render effective and efficient service delivery of high quality</i>						
<i>Strategic Objective</i>	<i>Measurable Objective</i>	<i>Linkage to FSGDS</i>	<i>Performance Measure/ Indicator</i>	<i>Actual 2005/06</i>	<i>Actual 2006/07</i>	<i>Estimate 2007/08</i>	<i>2008/09 Target</i>	<i>2009/10 Target</i>	<i>2010/2011 Target</i>
To ensure that allocated funds are planned, managed and spend efficiently and effectively	To provide an effective financial accounting support service to the department.	Ensure improvement in financial management	% adherence to KPI indicators	100%	100%	95%	95%	96%	97%
			Adherence to key budget deadlines <ul style="list-style-type: none"> Credible adjustment budget Credible budget statement 2 (2drafts and 1 final report submitted January) 	N/A	N/A	1 Report	1 Report	1 Report	1 Report
			Adherence to PFMA reporting requirements: <ul style="list-style-type: none"> Number of status of expenditure reports 	24 reports	24 reports	24 reports	24 (12 pre-liminary reports and 12 final status reports)	24 (12 pre-liminary reports and 12 final status reports)	24 (12 pre-liminary reports and 12 final status reports)
			<ul style="list-style-type: none"> IYM (monthly report -12 before the 15th of each month) 	12 reports	12 reports	12 reports	12 reports	12 reports	12 reports
			<ul style="list-style-type: none"> Accurate Annual Financial Statements before May each year 	Annual Financial Statements submitted	Annual Financial Statements submitted	Annual Financial Statements submitted	1 Report	1 Report	1 Report
			<ul style="list-style-type: none"> Annual Report (August) 	Annual report tabled	Annual report tabled	Annual report tabled	1 Report	1 Report	1 Report
			<ul style="list-style-type: none"> Annual Performance Plan (March) 	APP tabled	APP tabled	APP tabled	1 Report	1 Report	1 Report

<i>Sub-programme 1.4: Financial Management</i>			<i>Strategic Goal 1: A department capable to render effective and efficient service delivery of high quality</i>						
<i>Strategic Objective</i>	<i>Measurable Objective</i>	<i>Linkage to FSGDS</i>	<i>Performance Measure/ Indicator</i>	<i>Actual 2005/06</i>	<i>Actual 2006/07</i>	<i>Estimate 2007/08</i>	<i>2008/09 Target</i>	<i>2009/10 Target</i>	<i>2010/2011 Target</i>
			<ul style="list-style-type: none"> Performance Information Reports (quarterly) 	N/A	4 Reports	4 Reports	4 Reports	4 Reports	4 Reports
	Support given to the department on aligning the Strategic Plans with the FSGDS	Monitor, evaluate and review the FSGDS Improve strategic planning training monitoring and evaluation capacity	Number of meetings regarding APP and SPP held	N/A	N/A	2	4	4	4
Monthly reports on Programme of Actions submitted			N/A	N/A	New Performance Measure	12	12	12	
Number of reports submitted on Departmental injunctions			N/A	N/A	New Performance Measure	4	4	4	
Facilitate strategic planning, Annual Performance Plans and submit performance information reports to National Treasury			Published and tabled strategic plan and /or Annual performance Plan	Strategic plan and annual performance plan tabled in March 2006	Tabled Annual Performance Plan	Tabled Annual Performance Plan	Tabled Annual Performance Plan and Strategic Plan	Tabled Annual Performance Plan	Tabled Annual Performance Plan
			Number of Performance reviews conducted 15 days after the end of each quarter	New Performance Measure	New Performance Measure	New Performance Measure	4	4	4
Procurement and maintenance of quality goods and services in an economical and effective manner	To manage assets and transport effectively and efficiently	Improving assets management	Effective Management of all Departmental Assets to meet minimum LOGIS asset register requirements.	100%	New Performance Measure	New Performance Measure	100%	100%	100%
	To monitor and manage supply chain performance	Promotion of BEE	90% adherence to SCM Framework	N/A	New Performance Measure	90%	95%	100%	100%

Sub-programme 1.5: (Internal Audit)

1.5.1 Specified policies, priorities and strategic objectives

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

Strategic objective linked to this sub-programme

To ensure independent assessment of the adequacy and effectiveness of internal controls and risk management practices

1.5.2 Progress analysis

- Internal audit conducted its own risk assessment for the purpose of identification and prioritization of auditable areas.
- A three year rolling plan has been prepared based on the results of the risk assessment and submitted to the audit committee for approval.
- An annual plan of 2007/2008 has been developed and is in the process of being implemented
- Vacant posts within the directorate are in a process of being filled. Three new appointments have been made.
- The position of the senior manager has been filled with effect from 01 July 2007

1.5.3 Analysis of constraints and measures planned to overcome them

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

- Non-reliance by external auditors namely Office of the Auditor General on work done by internal audit;
- Lack of IT audit skill/knowledge;
- Desired accreditation namely GIA, or CIA
- Compliance with internal auditing standards;
- Wrong perception of internal audit within the department
- Staff turnover

1.5.4 Description of planned quality improvement measures

- Covering the scope of work such that standards are met
- Strengthen relationships with other stakeholders using the audit committee meetings;
- Outsource IT audit.
- Continuous professional development;
- Internal/External Quality assurance reviews;
- Training and development;
- Information sessions and workshops;
- Development of procedure manuals for all internal audit activities
- Staff retention plan/Job evaluations;

1.5.5 Specification of measurable objectives and performance indicators

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

<i>Sub-programme 1.5: Internal Audit</i>			<i>Strategic Goal 1: A department capable to render effective and efficient services of high quality</i>						
<i>Strategic Objective</i>	<i>Measurable Objective</i>	<i>Linkage to FSGDS</i>	<i>Performance Measure/ Indicator</i>	<i>Actual 2005/06</i>	<i>Actual 2006/07</i>	<i>Estimate 2007/08</i>	<i>2008/09 Target</i>	<i>2009/10 Target</i>	<i>2010/2011 Target</i>
To ensure independent assessment of the adequacy and effectiveness of internal controls and risk management	To ensure that the internal audit effort support the attainment of the strategic objective of the department	Ensure improvement in financial management	Number of audits performed per year	Financial Management Corporate services	0% resignation of all managers within Internal Audit	1	52	54	56
	To enhance the implementation of internal controls towards appropriately addressing risks within the department	Promote integrity in the government	Number of days after completion of audit within which a report is issued	New Performance Measure	New Performance Measure	New Performance Measure	10	7	5
			Number of unresolved recommendations of Auditor General's management letter at the year end	New Performance Measure	New Performance Measure	New Performance Measure	0	0	0
	To ensure compliance with best practices, norms and standards within the internal audit environment	Promote integrity in the government	Date of completion of the Departmental risk register	1 risk assessment report	1 risk assessment report	100%	1 risk assessment report by 31/03/08	1 risk assessment report by 31/03/09	1 risk assessment report by 31/03/10
			Level of reliance placed by Auditor General on work performed by Internal Audit	New Performance Measure	New Performance Measure	New Performance Measure	60%	70%	80%
			% of quality assurance issued by Institute of Internal Auditors	New Performance Measure	New Performance Measure	New Performance Measure	100%	100%	100%

Programme 2: Sustainable Resource Management

The role of Programme 2 is to provide professional advice and support on provincial economic analysis, fiscal policy, and the management of the annual budget process and the implementation of Provincial Budgets. There are five operational sub-programmes:

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

Sub-programme 2.2: (Economic Analysis)

2.2.1 Specified policies, priorities and strategic objectives

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

Strategic Objective linked to this sub-programme

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

2.2.2 Progress analysis

- The directorate previously experienced difficulty in obtaining acceptable levels for posts to attract people with the necessary and appropriate skills.
- The most notable achievement of the Unit for the 2006/07 fiscal year was the development of the Free State Social Accounting Matrix (SAM).

2.2.3 Analysis of constraints and measures planned to overcome them

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

- The sub-programme has to build capacity around its functions in terms of employing skilled personnel
- Furthermore, systems will have to be put in place for the effective operationalization of this unit

2.2.4 Description of planned quality improvement measures

- Build capacity through the provisioning of training to the newly recruited persons.
- Build and strengthen networks with established research institutions

2.2.5 Specification of measurable objectives and performance indicators

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

<i>Sub-programme 2.2: Economic Analysis</i>			<i>Strategic Goal 2: Promote sustainable and credible budgets within the Free State Provincial Government towards realizing the goals and objectives of government.</i>						
<i>Strategic Objective</i>	<i>Measurable Objective</i>	<i>Linkage to FSGDS</i>	<i>Performance Measure/ Indicator</i>	<i>Actual 2005/06</i>	<i>Actual 2006/07</i>	<i>Estimate 2007/08</i>	<i>2008/09 Target</i>	<i>2009/10 Target</i>	<i>2010/2011 Target</i>
i of ort of ic nent ince.	Assess the impact and implications of various fiscal objectives on selected socio-economic variables	Establish proper management information and record management systems	Regional Econometric Model developed	N/A	New Performance Measure	New Performance Measure	4	1	1
	Provide technical and strategic support in the practice of socio-economic analysis to provincial government and municipalities	Build government's capacity in critical areas	Number of workshops with stakeholders	N/a	New Performance Measure	1 Workshop for departments & 5 for districts	6	6	6
			Number of participants in workshop	N/A	New Performance Measure	New Performance Measure	180	180	200
	To determine and analyze key potential sources and constraints for enhanced economic development and social equity	Establish proper management information and record management systems	Number of research reports produced Development	N/A	New Performance Measure	New Performance Measure	4	4	4
			Number of discussion documents	N/A	New Performance Measure	New Performance Measure	1	1	1
			Error free publications & reports	N/A	New Performance Measure	New Performance Measure	4	6	6

Sub-programme 2.3: (Fiscal Policy)

2.3.1 Specified policies, priorities and strategic objectives

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

Strategic Objective linked to this sub-programme

To enhance the provincial revenue growth through the development and implementation of sound fiscal policy framework in the Free State Province

2.3.2 Progress analysis

- All Revenue collection and tariff policies of departments had been reviewed.
- Compliance inspections were conducted at revenue collection institutions to oversee the implementation of new tariffs and the adherence to revenue collection policies at institutional levels.

2.3.3 Analysis of constraints and measures planned to overcome them

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

- The directorate has undergone major re-structuring and strategic changes in the coming financial year in order to really position the unit strategically to fulfil its mandate as a unit that can provide true fiscal direction and leadership in the Province.
- A huge number of posts (50%) are currently still vacant and a firm effort will be made during this year (2008/09) to finalize the positioning of the unit as well as the appointment of properly skilled officials to really add value to the organization.

2.3.4 Description of planned quality improvement measures

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

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

2.3.5 Specification of measurable objectives and performance indicators

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

<i>Sub-programme 2.3: Fiscal Policy</i>			<i>Strategic Goal 2: Promote sustainable and credible budgets within the Free State Provincial Government towards realizing the goals and objectives of government</i>						
<i>Strategic Objectives</i>	<i>Measurable Objective</i>	<i>Linkage to FSGDS</i>	<i>Performance Measure/ Indicator</i>	<i>Actual 2005/06</i>	<i>Actual 2006/07</i>	<i>Estimate 2007/08</i>	<i>2008/09 Target</i>	<i>2009/10 Target</i>	<i>2010/2011 Target</i>
To enhance the provincial revenue growth through the development and implementation of sound fiscal policy framework in the Free State Province	To enhance fiscal planning and - management capacity in the Free State Province	Ensure improvement and coordination of revenue measures	Number of departments publishing revenue collection plans	N/A	New Performance Measure	New Performance Measure	8 Departments	8 Departments	8 Departments
	To develop and facilitate the successful implementation of a sound fiscal policy frameworks	Ensure improvement and coordination of revenue measures	Provincial borrowing framework is developed	N/A	New Performance Measure	New Performance Measure	6 Chapters (complete document)	6 Chapters (complete document)	6 Chapters (complete document)
			Provincial Medium Term Fiscal Framework is developed	N/A	New Performance Measure	New Performance Measure	6 Chapters (complete document)	6 Chapters (complete document)	6 Chapters (complete document)
			Provincial Medium Term Budget policy Statement is Developed	N/A	New Performance Measure	New Performance Measure	6 Chapters (complete document)	6 Chapters (complete document)	6 Chapters (complete document)
	To influence the determination of credible revenue budgets for Provincial Departments and Public Entities	Ensure improvement and coordination of revenue measures	Credible revenue bases are developed for each department and Public Entity	55% data i.r.o some departments still needs to be verified	55%	8 Department or 73% of data reviewed	11 Departments	11 Departments	11 Departments
			Publication of comparative revenue analyses reports	N/A	New Performance Measure	New Performance Measure	64	64 bi-monthly reports	64 bi-monthly reports

Sub-programme 2.4: (Budget Management)

2.4.1 Specified policies, priorities and strategic objectives

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

Strategic Objective linked to this sub-programme

To ensure that provincial financial resources are allocated in line with the government priorities
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2.4.2 Progress analysis

- The sub-programme managed to prepare a credible and developmental budget for the period under review in pursuit of improved public expenditure management.
- Significant progress had been made with regard to preparation and tabling of strategic and performance plans, with measurable objectives, which remain a necessary condition for accountability
- Adjustment budget 2007/08 was tabled within 30 days after the tabling of the National Adjustment Budget
- Intergovernmental Fiscal Review (IGFR) inputs were consolidated and thoroughly evaluated to ensure the quality of data provided by departments

2.4.3 Analysis of constraints and measures planned to overcome them

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

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

2.4.4 Description of planned quality improvement measures

- Provide continuous training to the budget division unit around strategic planning
- Enforce compliance by all departments to the budget process schedule in order to ensure tabling of the budget and strategic plans on time
- Programme officers will continuously engage with departments with the view of improving the quality and credibility of budget inputs and Annual Performance Plans
- Ensure the completion of the departmental budget inputs in terms of the annual budget circular
- Budget Management sub-programme will ensure the preparation of the provincial budget in line with the Provincial Growth and Development Strategy. This entails ensuring that the provincial budgeting processes are aligned to the national planning processes.
- The sub-programme managed to prepare a credible and developmental budget for the period under review in pursuit of improved public expenditure management.
- Significant progress had been made with regard to preparation and tabling of strategic and performance plans, with measurable objectives, which remain a necessary condition for accountability

2.4.5 Specification of measurable objectives performance indicators

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

<i>Sub-programme 2.4 Budget Management</i>			<i>Strategic Goal 2: Promote sustainable and credible budgets within the Free State Provincial Government towards realizing the goals and objectives of government</i>						
<i>Strategic Objectives</i>	<i>Measurable Objective</i>	<i>Linkage to FSGDS</i>	<i>Performance Measure/ Indicator</i>	<i>Actual 2005/06</i>	<i>Actual 2006/07</i>	<i>Estimate 2007/08</i>	<i>2008/09 Target</i>	<i>2009/10 Target</i>	<i>2010/2011 Target</i>
To ensure that provincial financial resources are allocated in line with government priorities.	To prepare and recommend the appropriation of funds to provincial departments in line with government priorities.	Ensure improvement in financial management	Tabled Provincial Budget in line with National prescripts	Provincial budget tabled on 18 February 2005 (week after National budget)	Provincial budget tabled on 17 February 2006 (week after National budget)	1	Credible Provincial budget tabled within 2 weeks after National budget	Credible Provincial budget tabled within 2 weeks after National budget	Credible Provincial budget tabled within 2 weeks after National budget
	To ensure the alignment of departmental budgets with priorities of government.	Ensure improvement in financial management	Tabled Adjustment Budget in line with National prescripts	Adjustment budget tabled	Adjustment budget tabled on 20 November 2006	1	Credible Adjustment budget tabled within 30 days after National Adjustment Budget	Credible Adjustment budget tabled within 30 days after National Adjustment Budget	Credible Adjustment budget tabled within 30 days after National Adjustment Budget
			Report on alignment of budget, strategic and annual performance plans	1 report per department	1 report per department	1 report per department	1 report per department	1 report per department	1 report per department
			Tabled provincial budget in line with National priorities	100% (funded priorities) as per allocation letter	100% (funded priorities) as per allocation letter	100% (funded priorities) as per allocation letter	100% (funded priorities) as per allocation letter	100% (funded priorities) as per allocation letter	100% (funded priorities) as per allocation letter

Sub-programme 2.5: (Public Finance)

2.5.1 Specified policies, priorities and strategic objectives

This sub-programme monitors budget implementation and advice on the compilation of expenditure and non-financial performance reports.

Strategic Objective linked to this sub-programme

To monitor and advise on financial and non-financial performance of provincial departments and public entities

2.5.2 Progress analysis

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

2.5.3 Analysis of constraints and measures planned to overcome them

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

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

2.5.4 Description of planned quality improvement measures

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

2.5.5 Specification of measurable objectives and performance indicators

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

<i>Sub-programme 2.5: Public Finance</i>			<i>Strategic Goal 2: Promote sustainable and credible budgets within the Free State Provincial Government towards realizing the goals and objectives of government</i>						
<i>Strategic Objectives</i>	<i>Measurable Objective</i>	<i>Linkage to FSGDS</i>	<i>Performance Measure/ Indicator</i>	<i>Actual 2005/06</i>	<i>Actual 2006/07</i>	<i>Estimate 2007/08</i>	<i>2008/09 Target</i>	<i>2009/10 Target</i>	<i>2010/2011 Target</i>
To monitor and advise on financial and non-financial performance of provincial departments and public entities	Assess expenditure performance of departments and Public Entities against budgets	Ensure improvement in financial management	Number of reports prepared in terms of the In-Year Monitoring model	14 consolidated reports (departments)	12 consolidated reports (departments)	14 consolidated reports (departments) 2 consolidated reports (Public Entities)	14 consolidated reports (departments) 4 consolidated reports (Public Entities)	14 consolidated reports (departments ed reports (Public Entities)	14 consolidated reports (departments) 4 consolidated reports (Public Entities)
	Verify expenditure against Conditional Grant objectives	Ensure improvement in financial management	Number of compiled C-grant reports verified	New Performance Measure	New Performance Measure	4 consolidated reports	4 consolidated reports	4 consolidated reports	4 consolidated reports
	Assess expenditure performance against published infrastructure plans	Ensure improvement in financial management	Number of reports prepared in terms of the Infrastructure Reporting Model	New Performance Measure	4 consolidated reports (7 departments)	4 consolidated reports (7 departments)	4 consolidated reports (7 departments)	4 consolidated reports (7 departments)	4 consolidated reports (7 departments)
	Verify performance of department and Public Entities against set target	Ensure improvement in financial management	Number of reports prepared in terms of the Quarterly Performance Model	New Performance Measure	4 consolidated reports (departments)	4 consolidated reports (departments) 4 consolidated reports (Entities)	4 consolidated reports (departments) 4 consolidated reports (Entities)	4 consolidated reports (departments) 4 consolidated reports (Entities)	4 consolidated reports (departments) 4 consolidated reports (Entities)

Programme 3: (Asset and Liability Management)

The role of programme 3 is to provide policy direction, facilitate the effective and efficient management of assets, liabilities and financial management systems.

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

Sub-programme 3.2: (Asset Management)

3.2.1 Specified policies, priorities and strategic objectives

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

Strategic Objective linked to this sub-programme

To promote the effective, efficient and transparent management of physical assets and the implementation of alternative service delivery models and supply chain management framework.

3.2.2 Progress analysis

- Liquidity was maintained throughout the year for the entire Province.
- There was a marked improvement with regard to cash flow forecasting capabilities of line departments, in spite of over-expenditure realised during the last quarter of 2006/07 financial year.
- The second phase of the Infrastructure Delivery Improvement Programme was successfully rolled out to the Departments of Education and Public Works, Roads & Transport. The second phase of implementation of the Infrastructure Delivery Improvement Programme in the Department of Health will proceed during the 2007/08 financial year.
- The Asset Management Reform Programme was successfully initiated in all Departments as well as the establishment of an Asset Management Forum. However, progress in the implementation of the reforms was not satisfactory.
- Supply Chain Management was implemented in all departments and monitoring was sustained. Demand Management and Supply Chain Management Performance remain serious concerns.
- Enhancement of Asset Management practices.
- The department embarked on an exercise to conduct infrastructure visits at different projects in the Free State. A report was prepared after each visit and compared with information in the IRM model as well as information provided by the provincial departments in their Infrastructure plans and IDIP processes; this resulted in better performance assessment of infrastructure delivery that also assists to assess the credibility of Infrastructure Reporting Model information

3.2.3 Analysis of constraints and measures planned to overcome them

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

- The implementation of Asset Management Reform Practices.
- To continue with the consolidation of the capacity building efforts regarding the improvement of cash flow management practices in departments to be within the 8% variance.
- To continue with the promotion of full compliance with the Supply Chain Management policy and capacitating of Supply Chain Management Units in departments.
- To continue fostering the effective roll-out of the Infrastructure Delivery Improvement Project in the Province.
- To promote and support departments with the successful implementation of PPP projects.
- Roll-out of the supplier database to all Provincial Departments.

3.2.4 Description of planned quality improvement measures

- Develop, promote and monitor the implementation of policies for effective management of assets
- Provide strategic leadership, support and monitoring of Supply Chain Management, Infrastructure Delivery Models and Public-Private Partnership projects.
- Ensure proper and effective management of the Provincial Revenue Fund.
- Enhance ability in the sub directorate to enforce compliance by departments, including increasing capacity level if necessary.
- Consolidate available capacity and resources in the sub programme to enhance the implementation of the IDIP.

3.2.5 Specification of measurable objectives and performance indicators

Table 3.2: Sub-Programme 3.2: (Assets management) Strategic Objectives, Measurable objectives, Performance Measures indicators and targets

<i>Sub-programme 3.2: Assets Management</i>			<i>Strategic Goal 3: To facilitate an environment to the effective and efficient management of assets and transversal financial systems within the Free State Provincial Government.</i>						
<i>Strategic Objectives</i>	<i>Measurable Objective</i>	<i>Linkage to FSGDS</i>	<i>Performance Measure/ Indicator</i>	<i>Actual 2005/06</i>	<i>Actual 2006/07</i>	<i>Estimate 2007/08</i>	<i>2008/09 Budget year</i>	<i>2009/10 Target</i>	<i>2010/2011 Target</i>
To promote the effective, efficient and transparent management of physical and financial assets and the implementation of alternative service delivery models and supply chain management framework	To promote the implementation of policies for the effective management of assets.	Improve asset management Ensure that control of assets and resources is improved Ensure that government's capacity is built, especially in critical areas	Number of asset management reform project plan template developed	N/A	New initiative commenced in 2007/08	1	1	1	1
			Number of asset management forums and training sessions conducted	±326 officials attended training discussions/Sessions 9 Presentations Auction comp-Prog =11 KZN off Asset Management/stocktaking/inventory, transp, ARM, Disposal	6 AM Forum & 32 Training Sessions	4 AM Forum & 14 Training Sessions	3 AM Forum & 8 Training Sessions	4 AM Forum & 8 Training Sessions	4 AM Forum & 8 Training Sessions
			Number of FSPT asset management steering committee meetings held	N/A	12 steering committee meetings held	12	6	6	6
	To support and monitor the implementation of the supply chain management framework	Ensure that government procurement systems contributes to SMMEs development	Number of supply chain management forums and training sessions conducted	±326 officials attended training discussions/Sessions	4 SCM Forums and 3 SCM training sessions	4 SCM Forums and 3 SCM training sessions	4 SCM Forums and 4 training sessions	4 SCM Forums and training sessions	4 SCM Forums and 4 training session
			Reports generated from monitoring of: The implementation of SCM and The attainment of 70% procurement target on SMME's	40 reports	44	44	40	44	44

			Number of supplier management system maintained	N/A	None	1 supplier management system	1	1	1
To improve the implementation of infrastructure delivery models and public private partnership projects	Coordinate PPP's	Number of infrastructure delivery meetings held	12 steering committee meetings held	12 steering committee meetings held	46	46	46	46	
		Number of training sessions conducted / facilitated	N/A	4	2	2	1	1	
To ensure proper and effective management of provincial revenue fund.	Ensure improvement and coordination of revenue measures	Timely (annual) submission of Annual Financial Statement for and Provincial revenue Fund	100% monthly reconciliation prepared up to 31 March 2006	In accordance with the prescripts	1	1	1	In accordance with the prescripts	

Sub-programme 3.4 (Support and Interlinked Financial Systems)

3.4.1. Specified policies, priorities and strategic objectives

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

<u>Strategic Objective linked to this sub-programme</u>
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To manage the implementation and maintenance of financial systems

3.4.2. Progress analysis

- The Province successfully closed 13 of the 15 "BAS Departments" at the end of the 2006/07, before and on the force closure date.
- The balancing of the LOGIS Asset Register and BAS was successfully done for the past three quarters and this will enable the Departments to balance at the end of the financial year. This was a new initiative for the current financial year.
- Assistance was given to Treasury to ensure that the Asset register on Logis is corrected and that the Department will be able to present a reconciled and documented Asset register at the end of the financial year. The process is still in progress for finalization.
- Targets were exceeded in the training of transversal system users.
- A Call Centre Database application for LOGIS, PERSAL, BAS and Transversal IT (Terminal Servers) were established and are situated on one of the Information Systems sub-directorates servers. The purpose was to limit duplications, improve the availability of statistics and to reduce the possibility of making error or losing data.

3.4.3. Analysis of constraints and measures planned to overcome them

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

- Training of all users of the transversal systems.
- Lack of capacity and skills within the programme and departments.
- Reporting on issues not directly monitoring (role clarification)
- Slow pace of the IFMS (Integrated Financial Management System) project.
- Time frames involved for the Job Evaluations and appointment of the Management Information Systems (MIS) units personnel.
- Frustration and problems experienced with BAS updates, releases and support.
- Dependency on third party involvement with Transversal Financial Systems e.g. upgrading of System Software.

3.4.4 Description of planned quality improvement measures

- Continuous evaluation of the performance of officials in the programme and departments
- Continuous training of departmental officials as well as co-ordination of training in departments
- Improve capacity level.
- Clarification of roles for all role-players.
- Urge the National Treasury to expedite the IFMS project.
- Re-arranging of functions and skills transfer to current employees to overcome time frames.
- Building relationship with National Treasury's Technical team.
- Monthly meetings with the National Treasury's Technical team.
- Appointment of scarce skill employees with extensive experience and knowledge in the IT environment.

3.4.5 Specification of measurable objectives and performance indicators

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

<i>Sub-programme 3.4: Support and Interlinked financial Systems</i>			<i>Strategic Goal 3: To manage and ensure the successful implementation of transversal financial management systems</i>						
<i>Strategic Objective</i>	<i>Measurable Objective</i>	<i>Linkage to FSGDS</i>	<i>Performance Measure/ Indicator</i>	<i>Actual 2005/06</i>	<i>Actual 2006/07</i>	<i>Estimate 2007/08</i>	<i>2008/09 Target</i>	<i>2009/10 Target</i>	<i>2010/2011 Target</i>
To manage and ensure the successful implementation of transversal financial management systems.	To manage and maintain the transversal systems	Ensuring improvement in financial management	Availability and stability of the Transversal systems	98% availability	Systems were available 97% of working hours	95% of working hours	95% of working hours	95% of working hours	95% of working hours
			%of credible and accurate Entity Registers	100% credible and accurate Entity Registers	100% credible and accurate Entity Registers	100% credible and accurate Entity Registers	100% credible and accurate Entity Registers	100% credible and accurate Entity Registers	100% credible and accurate Entity Registers
	To strengthen the capacity in provincial departments on the utilization of the transversal systems.	Ensuring improvement in financial management	Number of officials trained on BAS, PERSAL and LOGIS	BAS 551 PERSAL 508 LOGIS 457	BAS 604 PERSAL 579 LOGIS 450	BAS 250 PERSAL 300 LOGIS 400	BAS 250 PERSAL 250 LOGIS 350	BAS 250 PERSAL 250 LOGIS 350	BAS 250 PERSAL 250 LOGIS 350

Programme 4: (Financial Governance)

The role of programme 4 is to promote accountability through substantive reflection of financial activities of the province as well as compliance with financial norms and standards. This programme consists of the following sub programmes:

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

Sub-programme 4.2: (Accounting Services)

4.2.1 Specified policies, priorities and strategic objectives

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

<u>Strategic Objective linked to this sub-programme</u>
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To promote prudent financial management within Free State Provincial Government

4.2.2 Progress analysis

- Annual Financial Statements of 8 departments, 4 entities and the Provincial Legislature were reviewed to enhance the quality of financial statements that had to be submitted on 31 May 2007.
- All departments and entities submitted their Annual Financial Statements for 2006/07 on 31 May 2007, except the PMU fund which is in the process of closure and the Free State Gambling & Racing Board which submitted a letter of non compliance on 31 May 2007.
- Value was added through audit steering committee meetings of all departments which had a disclaimer or qualified audit opinion for the 2005/06 financial year
- Provided valuable inputs to National Treasury on the templates for the preparation of consolidated financial information for departments as well as entities.
- Guidelines for the regulation of expenditure by departments and entities on Annual Reports have been developed and successfully implemented in the province.
- Monthly compliance certificates based on the outcomes of the 2005/06 audit reports were amended to incorporate problem areas and to improve overall financial management in the Province.
- Key Financial Performance Indicators were used to measure the financial performance of all departments and trading accounts. Based on these KPI's the financial management of departments stayed consistent at an average of 91% for the Second quarter of the 2007/08 financial compared to the 86% average for the 2006/07 financial year

- Capacity building in the form of training to 122 officials was done in two training sessions on the compiling of financial statements for the 2006/07 financial year
- Detail debt analyses of all debt types per department and comparisons with the previous year was done as at the end of March 2007 with the aim of improving on the management and recovery of debt in the province. A report in this regard was also submitted to EXCO.
- The outstanding commitments of all departments in the province for the period prior 01 April 2006 at the end of the 2005/06 financial year reduced from R 349 million to R 37 million as at 31 March 2007.

4.2.3 Analysis of constraints and measures planned to overcome them

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

- Transformation to accrual accounting.
- Inclusion of fixed and immoveable assets in the financial statements of all departments.
- Limited time to complete consolidated financial statements /information in the event that the audit reports of all departments and public entities are not signed by 31 July.
- Issues raised on template and preparation guide for the compiling of Annual Financial Statements not resolved as per agreements with National Treasury.
- Unavailability of training manuals on the utilisation, interpretation and clearance of asset & liability items.
- Non-compliance with target dates by departments.

4.2.4 Description of planned quality improvement measures

- Inputs in respect of practical implementation on Accounting Standards Board exposure drafts and templates prepared by National Treasury.
- Regular consultation with the Office of the Auditor general and preparation of consolidated statements/information on draft statements.
- Promote quality of annual financial statements by providing inputs on templates prepared by National Treasury and the evaluation of draft departmental statements with feedback to the departments.
- Prepare proper training manuals for capacity building of all officials in the financial environment.
- Treasury officials to attend necessary training as per their performance development plans.
- Maintain low vacancy rate by appointing new officials within the shortest possible timeframes.
- Skills and capacity building and Development of procedure manuals
- Monitoring reports on Key Performance Indicators (KPI's) and issues by the Auditor General on 2006/07 Annual Financial Statements and facilitate corrective actions.
- Continue with Financial Management Bilaterals with departments in 2007.
- Continue with Financial Management Bilaterals with public entities in 2007.
- National Treasury and Provincial Treasury to agree on way forward and provide guidance to eliminate problems regarding asset related matters.
- Identify problem areas in annual financial statements and provide guidance in the form of processes, procedures, workshops, prescriptive instructions and training.
- Expand on the evaluation of financial management of public entities.

4.2.5 Specification of measurable objectives and performance indicators

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

<i>Sub-programme 4.2: Accounting Services</i>			<i>Strategic Goal 4: To promote accountability through the substantive reflection of the financial activities in the provincial- and local sphere of government</i>						
<i>Strategic Objectives</i>	<i>Measurable Objective</i>	<i>Linkage to FSGDS</i>	<i>Performance Measure/ Indicator</i>	<i>Actual 2005/06</i>	<i>Actual 2006/07</i>	<i>Estimate 2007/08</i>	<i>2008/09 Target</i>	<i>2009/10 Target</i>	<i>2010/2011 Target</i>
To promote prudent financial management within Free State Provincial Government	To improve the implementation of accounting related legislation and policy frameworks within provincial departments and public entities (including capacity building)	Ensure improvement of financial management	Number of departments monitored to adhere to 85% accounting related KPI's from weighted 100% KPI's	An average of 84% on KPI	85.9%	83%	11	11	11
			Number of Trading Entities monitored to adhere to 85% accounting related KPI's from weighted 100% KPI's	Info available after year end. Closure updated information will be submitted	85.9%	83%	2	2	2
			Number of Listed Public Entities monitored to adhere to 50% accounting related KPI's from weighted 100% KPI's	Info available after year end. Closure updated information will be submitted	New Performance Measure	New Performance Measure	3 of 5 Public entities adhere to 50% identified accounting related KPI's.	3 of 5 Public entities adhere to 50% identified accounting related KPI's.	3 of 5 Public entities adhere to 50% identified accounting related KPI's.

			Adequate training for 11 Provincial Departments, Entities on application of accounting related legislation, standards and procedures on: <ul style="list-style-type: none"> • Format of Annual Financial Statements • Debtors • Unauthorized expenditure • Petty cash • Bank related matters • S&T advances and Claims 	<p><u>Training</u> 58 officials = penalties in exceeding ACB limits, 104 =SCOA 30 = on local banking functionalities 8 = analysis of audit report i.r.o municipalities Total officials trained =200</p>	222 trained to improve financial management capacity	7 training sessions to improve financial management capacity in provincial departments	11 Provincial Departments <ul style="list-style-type: none"> • - Format of Annual Financial Statements, • Debtors, • Unauthorised expenditure • Petty cash • Bank related matters • S&T advances and claims 	11 Provincial Departments	11 Provincial Departments
				New Performance measure	New Performance measure	New Performance measure	2 Trading Entities <ul style="list-style-type: none"> • Annual Financial Statements • Petty Cash • Bank Matters 	2 Trading Entities	2 Trading Entities
				New Performance measure	New Performance measure	New Performance measure	5 Public Entities <ul style="list-style-type: none"> • Annual Financial Statements KPI's 	5 listed Public Entities	51 listed Public Entities
	To prepare the consolidated Annual financial information for the Free State Provincial Government.	Ensure improvement of financial management	Timely submission of financial information for preparation of Annual Report	Submission of the Annual Report on consolidated Annual Financial information of the FSPG for tabling by the 31 October	Submission by 31 March	Submission by 31 March	25 October 2008	25 October 2009	25 October 2010

	To ensure the successful implementation of banking arrangements for the provincial departments.	Ensure improvement of financial management	Number of departments & trading entities able to comply with 80% of banking arrangements minimum KPI's	New Performance measure	New Performance measure	identify KPIs for all Provincial departments and Trading entities	13	13	13
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Sub-programme 4.3: (Norms and Standards – MFMA)

4.3.1 Specified policies, priorities and strategic objectives

To promote, support, monitor and report on the implementation of the MFMA at delegated municipalities and Municipal Entities in the Province to enhance service delivery performance

Strategic Objective linked to this sub-programme

To enhance the successfulness implementation of the MFMA
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4.3.2 Progress analysis

- Significant improvement in submission of returns to National Treasury.
- Bilaterals held at municipalities to assess capacity.
- Arranged logistics for SAMDI SCM training.
- Facilitated and/or organised/co-coordinated training on municipal budgeting processes, AFS, completion of returns, SDBIP, REAL management, GRAP/GAMAP etc.
- Established the CFO Forum.
- MOU Steering Committee with the Department of Local Government & Housing.
- Established the MOU Technical Committee with the Department of Local Government & Housing
- Publication and tabling of the consolidated section 71 reports in the legislature.
- Submitted 2 progress reports to PROPAC.
- Evaluated municipal budgets and submitted report to National Treasury.
- Publication of intergovernmental transfers to specific municipalities.
- Internal Auditor's established

4.3.3 Analysis of constraints and measures planned to overcome them

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

- Compliance to MFMA regarding submission of AFS and Annual Report.
- Lack of skills regarding GRAP/GAMAP..
- Inconsistency between financial systems and AFS.
- Lack of operational procedure manuals at municipalities.
- Submission of credible budgets and municipal IYM to Provincial Treasury.
- Improve budget and municipal IYM evaluations to National Treasury.
- Assessment of budget related policies.
- Alignment of local priorities with provincial and national priorities linked to municipal budgets.
- Compilation of SDBIPs by municipalities.
- Turnover rate of personnel at municipalities..
- Reporting requirements of municipalities and non-adherence..
- Concretise working relations with the Department of Local Government & Housing

4.3.4 Description of planned quality improvement measures

- Skills and capacity building.
- Continuous capacity assessment of municipalities,
- Intensify municipal visits.
- Acquisition of procedure manuals
- Implementation of MOU Work plan between Provincial Treasury and Local Government and Housing
- Revise structure of MFMA directorate & Increase capacity in MFMA unit according to functions
- Assessment of financial system at municipalities

4.3.5 Specification of measurable objectives and performance indicators

Table 4.3: Sub-Programme 4.3 (Norms and Standards MFMA) Strategic Objectives, Measurable objectives, Performance Measures indicators

<i>Sub-programme 4.4: Norms and Standards (MFMA)</i>			<i>Strategic Goal 4: To promote accountability through the substantive reflection of the financial activities in the provincial- and local sphere of government</i>						
<i>Strategic Objectives</i>	<i>Measurable Objective</i>	<i>Linkage to FSGDS</i>	<i>Performance Measure/ Indicator</i>	<i>Actual 2005/06</i>	<i>Actual 2006/07</i>	<i>Estimate 2007/08</i>	<i>2008/09 Target</i>	<i>2009/10 Target</i>	<i>2010/2011 Target</i>
To enhance the successful implementation of the MFMA within local government	To promote the effective, efficient and transparent management of physical and financial assets within municipalities	Improving asset management	Asset management compliance survey conducted in all municipalities	New Performance Measure	New Performance Measure	New Performance Measure	1	1	1
			Number of training session for municipalities in the application physical and financial asset management framework	New Performance Measure	New Performance Measure	New Performance Measure	1 Information session	1 Information session	1 Information session
	To promote the implementation of the supply chain management framework.	Promoting BEE	5 District Municipalities and 19 Local Municipalities comply with all the requirements of the SCM Framework	New Performance Measure	New Performance Measure	New Performance Measure	1 SCM assessment report	1 SCM assessment report	1 SCM assessment report
			Number of training session for municipalities in the application of SCM related matters	N/A	N/A	50% of Municipalities	4	4	4

	To oversee and improve the development and implementation of credible municipal budgets.	Ensure improvement in financial management	Promote Credible Annual Budgets within delegated municipalities by conducting assessment	N/A	N/A	Delegated municipalities	1	1	1
	To monitor Local Government & Housing on the effective implementation of PROPAC resolution by municipalities.	Ensure improvement in financial management	Progress reports submitted PROPAC	N/A	N/A	1 progress report	1 progress report	1 progress report	1 progress report
	To promote the successful implementation of the risk management framework within municipalities towards promoting good governance and administration in the Free State Province.	Ensuring improvement in financial management	All municipalities have trained on the application of the risk management framework	N/A	N/A	Risk Management survey conducted at all municipalities to determined capacity and readiness	1 Training session	1 Training session	1 Training session

Sub-programme 4.4: (Risk Management and Internal Audit)

4.4.1 Specified policies, priorities and strategic objectives

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

Strategic Objective linked to this sub-programme

To create and sustain a culture of accountability within the FSGP

4.4.2 Progress analysis

- Issued three compliance reports to the Executive Council regarding progress in the implementation of, and compliance with the Act.
- Implement the newly approved PROPAC procedure. Preliminary assessments done within five working days.
- Organised training related to PFMA. Training regarding the following topics was arranged: Risk Management, dealing with fraud, Unauthorized expenditure, Debt policies, REAL Management and Exposure drafts. 289 officials attended training.
- The first bilateral with public entities were held during January 2007.
- The contingent liability of housing guarantees decreased from 2005/06 to 2006/07 by R 20 m
- Finance Bill enacted on 25 August 2006 dealing with unauthorised expenditure.
- Schedule 3c of the PFMA was rectified.

4.4.3 Analysis of constraints and measures planned to overcome them

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

- Non cooperation of financial institutions regarding verification of housing guarantees
- Non compliance with target dates by departments and entities
- Establishment of Risk management and Internal audit monitoring function
- Lack of skills in Risk management and Internal Audit
- Non existence of departmental Risk management components

4.4.4 Description of planned quality improvement measures

- New banking tender specification include clause regarding housing guarantee verification which will be included in Service level Agreement.
- Improve relationship with departments and public entities and enforce compliance.
- Two posts for Risk management in provincial departments were bench mark, departments must create and fill posts.
- Organisational structure was submitted for approval
- Risk management and Internal Audit posts to be Job evaluated and filled
- Function of Risk management and Internal Audit to be fully funded
- Capacity building

4.4.5 Specification of measurable objectives and performance indicators

Table 4.4: Sub-Programme 4.4 (*Risk Management and Internal Audit*) Strategic Objectives, Measurable objectives, Performance Measures indicators

<i>Sub-programme 4.4: Risk Management and Internal Audit</i>			<i>Strategic Goal 4: To promote accountability through the substantive reflection of the financial activities in the provincial- and local Sphere of government</i>						
<i>Strategic Objectives</i>	<i>Measurable Objective</i>	<i>Linkage to FSGDS</i>	<i>Performance Measure/ Indicator</i>	<i>Actual 2005/06</i>	<i>Actual 2006/07</i>	<i>Estimate 2007/08</i>	<i>2008/09 Target</i>	<i>2009/10 Target</i>	<i>2010/2011 Target</i>
To create and sustain a culture of accountability within the FSPG	To enhance the effective implementation of legislative (PROPAC) resolutions within provincial departments and public entities.	Ensuring improvement in financial management	An average of 80% Implementation of Legislative resolutions for 11 Departments and 5 registered Public Entities	N/A	Assistance rendered at all sittings Preliminary assessments were done.	Timely preliminary assessments regarding implementation of resolutions	73%	75%	80%
	To enhance financial decision making in the Free State Provincial Government (performance indicator: information public entities)	Ensuring improvement in financial management	Updated and aligned delegation in place in all Provincial Departments: <ul style="list-style-type: none"> • PSA/PSR delegation • SCM Delegation • Financial Delegation 	New Performance Measure	New Performance Measure	New Performance Measure	11 11 11	11 11 11	11 11 11

	To ensure the successful implementation of the risk management framework within provincial departments and public entities towards promoting good governance and administration in the Free State Provincial Government.	Promote integrity in government Ensuring improvement in financial management	11 Departments have fully functional risk management units	New Performance Measure	New Performance Measure	Minimum KPIs to be developed	50%	60%	70%
	To enhance the successful implementation of the internal audit framework within provincial departments and public entities.	Ensuring improvement in financial management	Operational Audit Committee for all 11 Provincial departments and 80% of listed public entities (5 entities) to comply with an average rate of 70% on Audit committees	New Performance Measure	New Performance Measure	New Performance Measure	13 50% of listed Public Entities comply with an average compliance rate of 70% on Internal Audit KPI's	All provincial departments and 70% of listed Public Entities comply with an average compliance rate of 75% on Internal Audit KPI's	All provincial departments and 80% of listed Public Entities comply with an average compliance rate of 80% on Internal Audit KPI's

5. Reconciliation of budget with plan

Table: A.0.1: Administration:

Programme budget by sub-programme (R million) ¹

Sub-programme	Actual 2005/06	Actual 2006/07 (Base)	2007/08 Estimate	Average Annual change (%) ²	2008/09 Budget	2009/10 Target	2010/11 Target	Average annual change (%) ³
Office of the MEC	4,767	3,882	3,655	-6.21%	3,935	4,277	4,517	1.35%
Management Services	2,901	2,731	4,042	32.43%	2,273	2,527	2,673	-20.15%
Corporate Services	10,955	13,179	17,753	25.76%	21,827	23,814	24,974	38.14%
Financial management	13,390	13,503	15,981	15.51%	16,184	18,274	19,212	-2.97%
Internal Audit	2,334	1,664	2,260	26.37%	3,191	3,315	3,520	47.85%
Total programme	34,347	34,959	43,691	19.99%	47,410	52,027	54,896	7.65%

Table: A.0.2: Sustainable Resource Management:

Programme budget by sub-programme (R million) ¹

Sub-programme	Actual 2005/06	Actual 2006/07 (Base)	2007/08 Estimate	Average Annual change (%) ²	2008/09 Budget	2009/10 Target	2010/11 Target	Average annual change (%) ³
Programme Support	1,071	1,067	1,134	5.91%	1,133	1,212	1,288	5.83%
Economic Analysis	163	547	2,842	80.75%	4,156	3,865	4,112	86.84%
Fiscal Policy	2,792	2,477	2,436	-1.68%	4,478	4,158	4,431	44.69%
Budget Management	3,727	2,915	4,051	28.04%	4,572	4,781	5,052	36.24%
Public Finance	3,573	1,697	2,500	32.12%	3,152	3,439	3,653	46.16%
Total programme	11,326	8,703	12,963	32.86%	17,491	17,455	18,536	50.24%

Table: A.0.3: Assets and Liability Management

Programme budget by sub-programme (R million) ¹

Sub-programme	Actual 2005/06	Actual 2006/07 (Base)	2007/08 Estimate	Average Annual change (%) ²	2008/09 Budget	2009/10 Target	2010/11 Target	Average annual change (%) ³
Programme Support	896	897	860	-4.30%	974	1,071	1,145	7.91%
Assets & Liabilities Management	7,316	7,287	10,825	32.68%	9,225	9,745	10,336	21.01%
Support and Interlinked Financial System	35,583	33,775	39,439	14.36%	39,906	41,884	44,620	13.73%
Total programme	43,795	41,941	51,124	17.93%	50,105	52,700	56,101	14.97%

Table: A.0.4: Financial Governance

Programme budget by sub-programme (R million) ¹

Sub-programme	Actual 2005/06	Actual 2006/07 (Base)	2007/08 Estimate	Average Annual change (%) ²	2008/09 Budget	2009/10 Target	2010/11 Target	Average annual change (%) ³
Programme Support	1,259	1,323	1,375	3.78%	1,383	1,514	1,625	4.34%
Accounting Services	4,355	4,498	5,188	13.30%	5,997	6,427	6,840	25.00%
Norms and Standards (MFMA)	0	6,630	6,855	3.28%	9,462	9,848	10,565	29.93%
Risk Management and internal Audit and PFMA	2,212	2,229	3,276	31.96%	5,283	7,169	7,595	57.81%
Total programme	7,826	14,680	16,694	12.06%	22,125	24,958	26,625	33.65%

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

This department does not have any capital investments.

7. Medium-term revenues

Summary of revenue

The following sources of funding are used for the Vote:

Table 1: Summary of revenue: (Provincial Treasury)

<i>R 000</i>	<i>Actual 2005/06</i>	<i>Actual 2006/07</i>	<i>2007/08 Target</i>	<i>2008/09 Target</i>	<i>2009/10 Target</i>	<i>2010/11 Target</i>
Voted by legislature	109,538	115,124	118,230	131,703	141,621	150,174
Conditional grants	0	0	0	0	0	0
Departmental receipts	4,510	4,555	4,733	5,428	5,699	5,984
Total revenue	114, 048	119,679	122,963	137,131	147,320	156,158

8. Departmental revenue collection

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

Table 2: Departmental revenue collection: (Provincial Treasury)

<i>R million</i>	<i>2005/06 Actual</i>	<i>2006/07 Actual</i>	<i>2007/08 Budget</i>	<i>2008/09 Target</i>	<i>2009/10 Target</i>	<i>2010/11 Target</i>
Current revenue	53,457	73,808	58,328	72,930	75,542	78,759
Tax revenue	-	-	-	-	-	-
Non-tax revenue	53,457	73,808	58,328	72,930	75,542	78,759
Capital revenue	5	5	10	11	11	11
Departmental revenue	53,462	73,813	58,338	72,941	75,553	78,770

9. Donor funding

None

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

10.3. Interdepartmental linkages

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

10.3. Local government linkages

National Treasury delegated 3 municipalities to the Free State Provincial treasury in July 2007. This implies that 24 of the 25 municipalities are now delegated. The role of FSPT is to monitor and coordinate activities of delegated municipalities. The Constitution requires all spheres of government to cooperate with one another because of the interdependence and interrelated nature.

10.3. Public entities

This department does not have any public entity.

10.3. Public, private partnerships, outsourcing etc.

None

11. Financial Management: Strategies to address audit queries

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

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

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

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



Programme 1

<i>Sub-programme 1.1: Office of the MEC</i>		<i>Strategic Goal : A department capable to render effective and efficient services of high quality</i>							
						<i>Quarterly Targets for 2008/9</i>			
<i>Strategic Objective</i>	<i>Measurable Objective</i>				<i>2008/09 Target</i>	<i>1st quarter</i>	<i>2nd quarter</i>	<i>3rd quarter</i>	<i>4th quarter</i>
that an adequate service is rendered to the wards ensuring the efficient functioning of his office	An integrated and quality support service is rendered to the MEC	100% Accurate diary planning and management	New Performance Measure	New Performance Measure	100%	100%	100%	100%	100%
		100% Preparation of documents for meetings attended or chaired by the MEC	New Performance Measure	New Performance Measure	100%	100%	100%	100%	100%
	The Office of the MEC is functioning effectively and efficiently.	An accurate and efficient records management system is implemented	New Performance Measure	New Performance Measure	100%	100%	100%	100%	100%
		Turn-around time for documents received by the Office of the MEC	5days	5 days	2 days	2 days	2 days	2 days	2 days



Sub-programme 1.2: Management Services		Strategic Goal: A department capable to render effective and efficient services of high quality							
						Quarterly Targets for 2008/9			
Strategic Objective	Measurable Objective				2008/09 Target	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
that an adequate service is rendered to the records ensuring the efficient functioning of his office	An integrated and quality support service is rendered to the CEO	100% Accurate diary planning and management	New Performance Measure	New Performance Measure	100%	100%	100%	100%	100%
		100% Preparation of documents for meetings attended or chaired by the CEO	New Performance Measure	New Performance Measure	100%	100%	100%	100%	100%
	The Office of the CEO is functioning effectively and efficiently.	An accurate and efficient records management system is implemented	New Performance Measure	New Performance Measure	1 electronic records management system	1	0	0	0
		Turn-around time for documents received by the Office of the CEO	5 days	5days	2 days	2 days	2 days	2 days	2 days
	To conduct overall planning, ensure that functions are conducted on such level the Provincial Treasury delivers on its responsibilities	Meetings for planning mechanisms resulting in the right deliverables	N/A		60%	12 monthly meetings with management 1 meeting with the MEC and top management	3 monthly meetings with management 1 meeting with the MEC and top management	3 monthly meetings with management 1 meeting with the MEC and top management	3 monthly meetings with management 1 meeting with the MEC and top management

Sub-programme 1.3: Corporate Services		Strategic Goal : A department capable to render effective and efficient services of high quality							
						Quarterly Targets for 2008/9			
Strategic Objective	Measurable Objective	Performance Measure/ Indicator	Actual 2006/07	Estimate 2007/08	2008/09 Target	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
To create a highly skilled and competent staff for the department	Recruit, maintain and retain sufficient and adequate human resource in with government's transformation goals and objectives	Number of posts filled on the approved staff establishment	39 appointments	New Performance Measure	329 on approved staff establishment	304	312	320	329
		Number of staff turnover	New Performance Measure	New Performance Measure	36 terminations	9	9	9	9
		%of appointments in line with EE plan	Employment equity plan was updated on quarterly basis	1 plan reviewed and updated	100%	100%	100%	100%	100%
		Number of reviewed, approved and implemented departmental HRM policies	New Performance Measure	New Performance Measure	8	2	2	2	2
		Number of reviewed, approved and implemented Special Programmes policies	Employee Assistance policy reviewed	1 gender equality policy 1 special programme marketing campaign	8	1 st phase of reviews	2 nd phase of reviews	Approval of policies	Implementation and monitoring
		Number of Provincial and National days celebrated	World Aids Day Heritage Day Women's day	World Aids Day Heritage Day Women's day	5	1	1	1	2
		Number of employee wellness workshops offered	7	The following activities took place: -Stress Management workshop.	11	3	3	4	1

Sub-programme 1.3: Corporate Services		Strategic Goal : A department capable to render effective and efficient services of high quality							
						Quarterly Targets for 2008/9			
Strategic Objective	Measurable Objective	Performance Measure/ Indicator	Actual 2006/07	Estimate 2007/08	2008/09 Target	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
				STI's workshop Dissemination of information on Human Rights Day Community Outreach projects: Visit to the Tshepong Victim Centre. Adoption of Ikaheng Centre of the Disabled. 7					
		Number of Provincial and National days celebrated	Heritage day Women Celebration World Aids Day	Women's Day Celebration, World Aids Day	World Aids day Heritage day Women's day 16 days of activism Youth day	Youth day Africa Public Service day	Women's day	16-days of activism	World Aids Day
		Performance bonuses to qualifying officials finalised within the prescribed timeframe	79% Salary level 1-12	New Performance Measure	July 2008	0	July 08	0	0
		Pay progression for qualifying officials finalised within the prescribed timeframe	100%	100%	July 2008	0	July 08	0	0
		Grading of all posts to be determined by means of JE System prior to filling.	New Performance Measure	New Performance Measure	%of posts to be evaluated within 2 months	100%	100%	100%	100%

Sub-programme 1.3: Corporate Services		Strategic Goal : A department capable to render effective and efficient services of high quality								
Strategic Objective	Measurable Objective	Performance Measure/ Indicator	Actual 2006/07	Estimate 2007/08	2008/09 Target	Quarterly Targets for 2008/9				
						1st quarter	2nd quarter	3rd quarter	4th quarter	
		Annual review of organizational structure by specified dead-line.	1 Approved organizational Structure	1 Approved organizational Structure	1 approved organizational structure	0	1	0	0	
	Ensure that the department functions within a legally complaint framework	Number of days to finalize legal advice	New Performance Measure	New Performance Measure	14 days	14 days	14 days	14 days	14 days	
		Number of awareness campaign held on Legal and Labour Relations matters conducted	Training of all Managers	Training of all Managers	4 awareness campaigns	1	1	1	1	
		Number of disciplinary cases finalised in accordance with legislation	100%	100%	3	0	1	1	1	
		Number of designated officials and employees declaring financial interests	100%	100% of SMS members	20	5	5	5	5	
		Number of identified staff vetted	New Performance Measure	39	10	3	3	3	1	
		Number inspections and workshops conducted to comply with relevant aspects of OHS Act	New Performance Measure	New Performance Measure	New Performance Measure	4	1	1	1	1
		All documents secured according to all prescribed legislative requirements	New Performance Measure	New Performance Measure	New Performance Measure	11 legislative requirements	11	11	11	11
		Maintained good relation environment with capacitated personnel	New Performance Measure	New Performance Measure	New Performance Measure	6 security awareness training	1	2	2	1

Sub-programme 1.3: Corporate Services		Strategic Goal : A department capable to render effective and efficient services of high quality							
						Quarterly Targets for 2008/9			
Strategic Objective	Measurable Objective	Performance Measure/ Indicator	Actual 2006/07	Estimate 2007/08	2008/09 Target	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
		infrastructure movable assets secured	Measure	Performance Measure					
	Recruit, maintain and retain sufficient and adequate human resource in with government's transformation goals and objectives	Number of internship appointed	10 Interns appointed	25 interns appointed	20	20	0	0	0
		Number of employees trained in line with identified needs	246 officials trained	More than 50%	300	90 (30%)	120 (40%)	60 (20%)	30 (10%)
		Number of induction session conducted	3 inductions sessions	4 inductions sessions	4 inductions sessions	1	1	1	1
		Number of workplace skills in place	1	1	1	1	0	0	0
		Number of Bursaries awarded	17	17	22	12 part time bursaries	0	0	10 full time bursaries
		Enhance internal and external communication	Number of media liaison activities	3 media briefings	2 media briefings	4 media briefings	1	1	1
	Quarterly newsletter produced		4	4	4	1	1	1	1
	Number of Batho-Pele revitalization programmes implemented		New Performance Measure	Nametag campaign	2	1	1	0	0
	Number of coordinated departmental events		All events	All events	10	2	4	2	2
	% increase of external and internal usage of the website		100%	100%	100%	100% increase	100% increase	100% increase	100% increase

		Network infrastructure designed, deployed and monitored	2 policies approved	1 disaster recovery plan developed	1 Network infrastructure	Design plan	Design plan	Plan implementation	Monitoring
		Workshop conducted for focused end-user on identified IT software application	New Performance Measure	New Performance Measure	8 IT workshops	2	2	2	2
		Annual ICT configuration management baseline compiled	New Performance Measure	New Performance Measure	1	1	0	0	0
		Developed and implemented master system plan	New Performance Measure	New Performance Measure	1	1	0	0	1

Sub-programme 1.4: Financial Management			Strategic Goal : A department capable to render effective and efficient services of high quality						
						Quarterly Targets for 2008/9			
Strategic Objective	Measurable Objective	Performance Measure/ Indicator	Actual 2006/07	Estimate 2007/08	2008/09 Target	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
To ensure that allocated funds are planned, managed and spend effectively and efficiently.	To provide an effective financial accounting support service to the FSPT department.	% adherence to KPI indicators	100%	95%	95%	95%	95%	95%	95%
	To enhance planning, monitoring and reporting within the department	Adherence to key Budget Deadlines:							
		Number of reports credible Adjustment Budget (one report submitted November)	1 Report	1 Report	1 Report	0	0	1 Report	0
		Number of reports on credible Budget Statement II (2 drafts and 1 final report submitted January)	3 Reports	3 Reports	3 Reports	0	1 Report	1 Report	1 Report
		Adherence to PFMA Reporting requirements:							
		Number of status of expenditure reports	24 Reports	24 Reports		6 Reports	6 Reports	6 Reports	6 Reports
		IYM (monthly report - 12)	12 Reports	12 Reports		3 Reports	3 Reports	3 Reports	3 Reports

Sub-programme 1.4: Financial Management		Strategic Goal : A department capable to render effective and efficient services of high quality								
						Quarterly Targets for 2008/9				
Strategic Objective	Measurable Objective	Performance Measure/ Indicator	Actual 2006/07	Estimate 2007/08	2008/09 Target	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	
		Adjustment Budget (one report submitted November)	1 report	1 Report	1 Report	0	0	1 Report	0	
		Budget Submission (one report submitted August)	1 report	1 Report	1 Report	0	1 Report	0	0	
		Budget Statement II (2 drafts and 1 final report submitted January)	1 report	1 Report	3 Reports	0	1 Report	1 Report	1 Report	
		Accurate Annual Financial Statements before (May) each year	Annual Financial Statements submitted	Annual Financial Statements submitted	1 set of AFS	1 set of AFS	0	0	0	0
		Annual Report (August)	Annual Report tabled	Annual Report tabled	1 Annual Report	0	1 Annual Report	0	0	
		Annual Performance Plan (February)	APP tabled	APP tabled	Table 1 APP	0	0	0	1 APP	
		Performance Information Reports (quarterly)	4 reports	4 reports	4 Performance info Report	1 Report	1 Report	1 Report	1 Report	
	Support given to the department on aligning the Strategic Plans with the FSGDS	Number of meetings regarding APP and SPP held	New Performance Measure	New Performance Measure	4 meetings	1 meeting	1 meeting	1 meeting	1 meeting	
		Quarterly reports on Programme of Actions submitted	New Performance Measure	New Performance Measure	4 Reports	1 Report	1 Report	1 Report	1 Report	
		Number of reports submitted on Departmental injunctions	New Performance Measure	New Performance Measure	4 Reports	1 Report	1 Report	1 Report	1 Report	
	Facilitate strategic	Published and tabled	APP tabled	APP tabled	1 Strategic	0	0	0	APP &	

Sub-programme 1.4: Financial Management		Strategic Goal : A department capable to render effective and efficient services of high quality							
						Quarterly Targets for 2008/9			
Strategic Objective	Measurable Objective	Performance Measure/ Indicator	Actual 2006/07	Estimate 2007/08	2008/09 Target	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
	planning, Annual Performance Plans and submit performance information reports to National Treasury	strategic plans			plan				Strategic Plan
		Number of Performance reviews conducted 15 days after the end of each quarter	New Performance Measure	New Performance Measure	4 reviews	1 Report	1 Report	1 Report	1 Report
Provision of quality goods in an economical manner	To manage assets and transport effectively and efficiently	Effective Management of all Departmental Assets to meet minimum LOGIS asset register requirements.	New Performance Measure	New Performance Measure	100%	100%	100%	100%	100%
	To procure goods and services in the department in line with the demand and planning principles	Annual Demand Management Plan aligned with the APP/Budget	New Performance Measure	New Performance Measure	Annually	Obtain inputs from end users	Ensure that inputs are aligned to APP	Consolidate inputs	Consolidate inputs
		All bids to be considered by the departmental bid committees	New Performance Measure	New Performance Measure	100%	100%	100%	100%	100%
	To render an effective and efficient logistics management service to all the users within the department	% of the number of creditors paid within 30 days	New Performance Measure	New Performance Measure	100% Compliance	100% Compliance	100% Compliance	100% Compliance	100% Compliance

<i>Sub-programme 1.5: Internal Audit</i>			<i>Strategic Goal 1: A department capable to render effective and efficient services of high quality</i>						
<i>Strategic Objective</i>	<i>Measurable Objective</i>	<i>Performance Measure/ Indicator</i>	<i>Actual 2006/07</i>	<i>Estimate 2007/08</i>	<i>2008/09 Target</i>	<i>Quarterly Targets for 2008/9</i>			
						<i>1st quarter</i>	<i>2nd quarter</i>	<i>3rd quarter</i>	<i>4th quarter</i>
<p>3 independent of the adequacy of internal risk management practices</p> <p>To ensure that the internal audit effort support the attainment of the strategic objective of the department</p> <p>To enhance the implementation of internal controls towards appropriately addressing risks within the department</p> <p>To ensure compliance with best practices, norms and standards within the internal audit environment</p>		Number of audits performed per year	0% =87% resignation of all managers within Internal Audit	1	52	13	13	13	13
		Number of days after completion of audit within which a report is issued	New Performance Measure	New Performance Measure	57	20	15	12	10
		Number of unresolved recommendations of Auditor General's management letter at the year end	New Performance Measure	New Performance Measure	0	0	0	0	0
		Date of completion of the Departmental risk register	1 Risk assessment report	1 Risk assessment report	1 risk assessment report by 31/03/2009	0	0	0	31 March 2009
		Level of reliance placed by Auditor General on work performed by Internal Audit	New Performance Measure	New Performance Measure	60%	0	0	60%	0
		% of quality assurance issued by Institute of Internal Auditors	New Performance Measure	New Performance Measure	100%	0	0	0	100%

Programme 2

<i>Sub-programme 2.2: Economic Analysis</i>		<i>Strategic Goal: Promote sustainable and credible budgets within the Free State Provincial Government towards realizing the goals and objectives of government.</i>							
<i>Strategic Objective</i>	<i>Measurable Objective</i>	<i>Performance Measure/ Indicator</i>	<i>Actual 2006/07</i>	<i>Estimate 2007/08</i>	<i>2008/09 Target</i>	<i>Quarterly Targets for 2008/9</i>			
						<i>1st quarter</i>	<i>2nd quarter</i>	<i>3rd quarter</i>	<i>4th quarter</i>
To influence the development and/implementation of government policies and programmes in support of enhanced economic growth and development in the Free State province.	Assess the impact and implications of various fiscal objectives on selected socio-economic variables	Number of indicators for which the database exist	New Performance Measure	100%of identified variables	138	28	69	110	138
		Number of times the database is reviewed	New Performance Measure	N/A	1	0	0	0	1
		Reliability of data on all variables in the database	New Performance Measure	0%	95% of captured data reliable	95% of captured data reliable	95% of captured data reliable	95% of captured data reliable	95% of captured data reliable
		Regional Econometric Model developed	New Performance Measure	0	4	1	1	1	1
		Number of policy advices/recommendations accepted by stakeholders	New Performance Measure	0%	6	0	3	0	3
	Provide technical and strategic support in the practice of socio-economic analysis to provincial government and municipalities.	Number of workshops with stakeholders	New Performance Measure	Minimum	6	3	3	0	0
		Number of participants in workshops	New Performance Measure	50%	180	90	90	0	0
	To determine and analyze key potential sources and constraints for enhanced economic development and social equity	Number of research reports produced	New Performance Measure	0	4 Reports	1	1	1	1
		Number of discussion documents	New Performance Measure	0	1	0	0	0	1
		Error free publications & reports	New Performance Measure	N/A	4	1	1	1	1

<i>Sub -programme 2.3: Fiscal Policy</i>		<i>Strategic Goal: Promote sustainable and credible budgets within the Free State Provincial Government towards realizing the goals and objectives of government.</i>							
						<i>Quarterly Targets for 2008/9</i>			
<i>Strategic Objectives</i>	<i>Measurable Objective</i>	<i>Performance Measure/ Indicator</i>	<i>Actual 2006/07</i>	<i>Estimate 2007/08</i>	<i>2008/09 Target</i>	<i>1st quarter</i>	<i>2nd quarter</i>	<i>3rd quarter</i>	<i>4th quarter</i>
To enhance the provincial revenue growth through the development and implementation of sound fiscal policy framework in the Free State Province	To enhance fiscal planning and - management capacity in the Free State Province	(%) increase in participation of departments and public entities in revenue forums	New Performance Measure	30.3% 3 Departments out of 11	7 Departments or 100%	3 Departments Participating (43 %)	4 Departments Participating (57 %)	5 Departments Participating (71 %)	7 Departments Participating (100 %)
		(%) increase in compliance with revenue related legislation	90% of 22 policies 49% of 16 tariff submission	50.5% 6 Departments	9 Departments or 100%	3 Departments Fully Complying (33%)	5 Departments Fully Complying (56 %)	7 Departments Fully Complying (78%)	100% or 9 Departments Fully Complying (100%)
		Number of departments publishing revenue collection plans	New Performance Measure	New Performance Measure	8 Departments or 100%	3 Departments Complying (38%)	4 Departments Complying (50%)	6 Departments Complying (75%)	8 Departments Complying (100%)
	To develop and facilitate the successful implementation of a sound fiscal policy frameworks	Provincial borrowing framework is developed	New Performance Measure	New Performance Measure	6 Chapters or 100%	1.5 Chapters Finalised (25%)	3 Chapters Finalised (50%)	4.5 Chapters Finalised (75%)	6 Chapters Finalised (100%)
		Provincial Medium Term Fiscal Framework is developed	New Performance Measure	New Performance Measure	8 Chapters	2 Chapters Finalised (25%)	4 Chapters Finalised (50%)	6 Chapters Finalised (75%)	8 Chapters Finalised (100%)
		Provincial Medium Term Budget policy Statement is Developed	New Performance Measure	40% At least 3.5 Chapters	8 Chapters	2 Chapters Finalised (25%)	4 Chapters Finalised (50%)	8 Chapters Finalised (100%)	8 Chapters Published (100%)
	To influence the determination of credible revenue budgets for Provincial Departments and Public Entities	Credible revenue bases are developed for each department and Public Entity	New Performance Measure	8 Department or 73% of data reviewed	11 Departments	11 Reports on Revenue Baseline Development (100%)	11 Reports on Revenue Baseline Development (100%)	11 Reports on Revenue Baseline Development (100%)	11 Reports on Revenue Baseline Development (100%)
		Publication of comparative revenue analyses reports	New Performance Measure	66 Reports	64 reports	33 Reports	33 Reports	33 Reports	33 Reports
		Exploitation and Optimisation of Revenue Sources by	New Performance Measure	7 Departments	44 reports	11 Reports	11 Reports	11 Reports	11 Reports

<i>Sub-programme 2.4: Budget Management</i>			<i>Strategic Goal: Promote sustainable and credible budgets within the Free State Provincial Government towards realizing the goals and objectives of government.</i>						
						<i>Quarterly Targets for 2008/9</i>			
<i>Strategic Objectives</i>	<i>Measurable Objective</i>	<i>Performance Measure/ Indicator</i>	<i>Actual 2006/07</i>	<i>Estimate 2007/08</i>	<i>2008/09 Target</i>	<i>1st quarter</i>	<i>2nd quarter</i>	<i>3rd quarter</i>	<i>4th quarter</i>
To ensure that provincial financial resources are allocated in line with government priorities.	Evaluate departmental budget performance for the previous year through Annual Report and Annual Performance Plans	Number of analytical reports	New Performance Measure	New Performance Measure	1	1 draft analysis report per department	Produce a consolidated report	N/A	N/A
	To prepare and recommend the appropriation of funds to provincial departments in line with government priorities.	Provincial Budget prepared in line with National prescripts	Provincial budget tabled on 17 February 2006 (week after National budget)	Credible Provincial budget tabled on 28 February 2007 (week after National budget)	1	Initial allocation letters and Treasury guideline Issued to department	Evaluate Budget Submission in line with the FSPGDS and APP	Submit second draft Budget Statement, APP and Database.	Credible Provincial budget tabled within 2 weeks after National budget
		Adjustment Budget prepared in line with National prescripts	Adjustment budget tabled on 20 November 2006	Adjustment budget tabled on 19 November 2007	1	Evaluation report of Rollover request	Conduct achievability exercise	Analysis of additional requests Credible Adjustment budget tabled within 30 days after National Adjustment Budget	N/A

	To ensure the alignment of departmental budgets with priorities of government.	Report on alignment of budget, strategic and annual performance plans	1 report per department	1 report per department	Report	Issue guidelines on preparation of APP's. Analysis of provincial priorities in line with PGDS	Issue 1st assessment report per department. MTEC hearings/prepare MTEC report	Issue 2nd assessment report per department Conduct Provincial Budget Lekgotla	Consolidated final assessment report Benchmark exercise Presentation 1 Alignment report per department
		Provincial budget prepared in line with National priorities.	100% (funded priorities) as per allocation letter	100% (funded priorities) as per allocation letter	Allocation	Initial allocation letters and Treasury guidelines issued to departments.	Assess departmental budgets in line with determined priorities and issue report per department.	N/A	1 report per department
	To enhance the preparation of the strategic and annual performance plans of provincial departments	Number of assessment reports	N/A	1 report per department	Report	Issue guideline and conduct APP workshop	1 st draft evaluation report to department	N/A	Final evaluation report issued to department

Sub-programme 2.5: Public Finance		Strategic Goal: Promote sustainable and credible budgets within the Free State Provincial Government towards realizing the goals and objectives of government.							
						Quarterly Targets for 2008/9			
Strategic Objectives	Measurable Objective	Performance Measure/ Indicator	Actual 2006/07	Estimate 2007/08	2008/09 Target	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
and advise on non-financial performance of provincial departments and public entities	Assess expenditure performance of departments and Public Entities against budgets	Number of reports prepared in terms of the In-Year Monitoring model	14 consolidated reports (departments)	14 consolidated reports (departments)	4 consolidated reports (departments)	5 consolidated reports (departments)	3 consolidated reports (departments)	3 consolidated reports (departments)	3 consolidated reports (departments)
				2 consolidated reports (Public Entities)	1 consolidated report (Public Entities)	1 consolidated report (Public Entities)	1 consolidated report (Public Entities)	1 consolidated report (Public Entities)	1 consolidated report (Public Entities)
	Verify expenditure against Conditional Grant objectives	Number of compiled C-grant reports verified	N/A	4 consolidated reports	4 consolidated reports	1 consolidated report	1 consolidated report	1 consolidated report	1 consolidated report
	Assess expenditure performance against published infrastructure plans	Number of reports prepared in terms of the Infrastructure Reporting Model	4 consolidated reports (7 departments)	4 consolidated reports (7 departments)	1 consolidated report	1 consolidated report	1 consolidated report	1 consolidated report	
Verify performance of department and Public Entities against set target	Number of reports prepared in terms of the Quarterly Performance Model	4 consolidated reports (departments)	4 consolidated reports (departments)	4 consolidated reports (Entities)	1 consolidated report (departments)	1 consolidated report (departments)	1 consolidated report (departments)	1 consolidated report (departments)	

Programme 3

<i>Sub-programme 3.2: Assets and Liability Management</i>			<i>Strategic Goal: To facilitate an environment to the effective and efficient management of assets and transversal financial systems within the Free State Provincial Government.</i>							
					<i>Quarterly Targets for 2008/9</i>					
<i>Strategic Objectives</i>	<i>Measurable Objective</i>	<i>Key Performance Indicator</i>	<i>2007/08 Actual</i>	<i>2008/09 Target</i>	<i>1st quarter</i>	<i>2nd quarter</i>	<i>3rd quarter</i>	<i>4th quarter</i>		
the effective, and transparent management of physical and financial assets and the development of alternative supply chain modules and asset management framework	To promote the implementation of policies for the effective management of assets.	Number of asset management reform project plan template developed	New initiative commenced in 2007/08	1	1	1	0	0	0	
		Number of monitoring and evaluation plan developed	1	1	1	0	0	0		
		Number of asset management forums and training sessions conducted	6 AM Forum & 32 Training Sessions	4 AM Forum & 14 Training Sessions	3 AM & 8 Training Sessions	1 forum 2 training sessions	1 forum 2 training sessions	1 forum 4 training sessions	1 forum 4 training sessions	
		Number of FSPT asset management steering committee meetings held	12 Steering committee meetings held	12 Steering committee meetings held	6	2 Steering committee meetings held	1 Steering committee meeting held	2 Steering committee meetings held	1 Steering committee meeting held	
		To support and monitor the implementation of the supply chain management framework	Number of supply chain management forums and training sessions conducted	4 SCM Forums and 3 SCM training sessions	4 SCM Forums and 3 SCM training sessions	4 SCM Forums and 4 training sessions	1 SCM Forums and 1 training sessions	1 SCM Forums and 1 training sessions	1 SCM Forums and 1 training sessions	1 SCM Forums and 1 training sessions
			Number of monitoring and evaluation reports produced	40 reports	44 reports	40	10 reports	10 reports	10 reports and 1 consolidated report	10 reports and 1 consolidated report

		Number of supplier management system maintained	1 supplier management system	1 supplier management system	1	1	0	0	0
	To improve the implementation of infrastructure delivery models and public private partnership projects	Number of infrastructure delivery meetings held	27	46	46	12	11	11	12
		Number of training sessions conducted / facilitated	2	2	2	0	1	0	1
		Number of site visits conducted in monitoring infrastructure projects	100 projects	100 projects	100 site visits	25Site visits	25Site visits	25Site visits	25Site visits
		Number of PPP quarterly monitoring reports produced	1 report	4 reports	4	1	1	1	1
	To ensure proper and effective management of provincial revenue fund.	% variance (favourable or unfavourable) between funds requested/ projected and actual funds withdrawn/used	100%	100%	8%	8%	8%	8%	8%
		% of budgeted interest income generated	100%	100%	100%	100%	100%	100%	100%
		Timely (annual) submission of Annual Financial Statements for Provincial Revenue Fund	In accordance with the prescripts	In accordance with the prescripts	1	0	0	1	0

Sub programme 3.4: Support and Interlinked financial Systems		Strategic Goal: To manage and ensure the successful implementation of transversal financial management systems							
						Quarterly Targets for 2008/9			
Strategic Objectives	Measurable Objective	Performance Measure/	Actual	Estimated	2008/09 Target	1st quarter	2nd quarter	3rd quarter	4th quarter
To manage and ensure the implementation of transversal financial management systems.	To manage and maintain the transversal systems	Availability and stability of the Transversal systems	Systems were available 97% of working hours	95% of working hours	95% of working hours	95% of working hours	95% of working hours	95% of working hours	95% of working hours
		Provide technical and functional support to Provincial Departments within working hours	Respond to calls within 8 working hours	Respond to calls within 8 working hours	8 hours	8 hours	8 hours	8 hours	8 hours
	To strengthen the capacity in provincial departments on the utilization of the transversal systems.	%of Interfaces successfully integrated with external systems	100% Interfaced (Telkom-, Peral- and Bank Interfaces)	100% Interfaced	100%	100%	100%	100%	100%
		Number of clear and user-friendly Transversal System Circulars and Practice Notes	26 Transversal System Circulars and Practice Notes	26 Transversal System Circulars and Practice Notes	26 Transversal System Circulars and Practice Notes	7 Transversal System Circulars and Practice Notes	6 Transversal System Circulars and Practice Notes	6 Transversal System Circulars and Practice Notes	7 Transversal System Circulars and Practice Notes
		%of credible and accurate Entity Registers	100% credible and accurate Entity Registers	100% credible and accurate Entity Registers	100% credible and accurate Entity Registers	100% credible and accurate Entity Registers	100% credible and accurate Entity Registers	100% credible and accurate Entity Registers	100% credible and accurate Entity Registers

Sub programme 3.4: Support and Interlinked financial Systems		Strategic Goal: To manage and ensure the successful implementation of transversal financial management systems							
Strategic Objectives	Measurable Objective	Unit/	2008	2009	Quarterly Targets for 2008/9				
					1st quarter	2nd quarter	3rd quarter	4th quarter	
	%of Items codified and standardized		100% Items Codified and standardized	100% Items Codified and standardized		100% Items Codified and standardized	100% Items Codified and standardized	100% Items Codified and standardized	100% Items Codified and standardized
	Number of employees trained on BAS, LOGIS and PERSAL		BAS 604 PERSAL 579 LOGIS 450	BAS 250 PERSAL 300 LOGIS 400		BAS 100 PERSAL 60 LOGIS 80	BAS 100 PERSAL 60 LOGIS 100	BAS 50 PERSAL 60 LOGIS 70	BAS 0 PERSAL 70 LOGIS 100

Programme 4

Sub-programme 4.2: Accounting Services		Strategic Goal : To promote accountability through the substantive reflection of the financial activities in the provincial- and local sphere of government							
						Quarterly Targets for 2008/9			
Strategic Objectives	Measurable Objective	Measure/	Target	2008/09 Target	2008/09 Target	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
Prudent financial management within Free State Provincial Government	To improve the implementation of accounting related legislation and policy frameworks within provincial departments and public entities (including capacity building)	Number of departments monitored to adhere to 85% accounting related KPI's from weighted 100% KPI's	84%	11 Provincial Departments adhere to 83% of accounting related KPIs	11 Departments	6 Departments	8 Departments	10 Departments	11 Departments
		Number of trading entities able to adhere to 85% of accounting related KPI's	96%	83%	2 trading entities	1 entity	2 entities	2 entities	2 entities
		Number of Public Entities able to adhere to 50% of accounting related KPI's	New performance measure	New performance measure	3 of 5 listed Public entities adhere to 50% of identified accounting related KPIs	Development of KPIs	1 of listed Public Entities adhere to 30% of identified accounting related KPIs	2 of listed Public Entities adhere to 40% of identified accounting related KPIs	3 of listed Public Entities adhere to 50% of identified accounting related KPIs

		<p>Adequate training for 11 Provincial Departments, Entities on application of accounting related legislation, standards and procedures on:</p> <ul style="list-style-type: none"> • Format of Annual Financial Statements, • Debtors, • Unauthorised expenditure • Petty cash • Bank related matters • S&T advances and claims 	222 officials trained	11 Provincial Departments, 2 Trading Entities and all Public Entities trained on the required format of annual financial statements	11 Provincial Departments trained on Format of Annual Financial Statements, Debtors, Unauthorised expenditure Bank related matters S & T advances & claims	11 Departments (Debtors accounting)	11 Departments (Petty Cash Bank related accounts)	11 Departments (Debtors account, T&S advances and claims)	11 Departments (Annual Financial Statement Unauthorised expenditure)
	To prepare the consolidated Annual financial information for the Free State Provincial Government.	Timely submission of financial information for preparation Annual Report	Submission of the Annual Report on consolidated Annual Financial information of the FSPG for tabling by the 31 October	Submission by 31 March	Submission by 25 October	0	0	Submission by 25 October	0
	To ensure the successful implementation of banking arrangements for the provincial departments.	Number of departments & trading entities able to comply with 80% of banking arrangement minimum KPI's	Info available after the year end. Closure updated information will be submitted	Banking arrangement KPI's identified for all Provincial departments and Trading entities	11 Departments and 2 trading entities adhering to 80% of Minimum KPI's	Banking arrangement KPI's developed for all Provincial department and Trading entities	7 Provincial departments and 2 trading entities adhering to 60% compliances with all banking arrangements	9 Provincial departments and 2 trading entities adhering to 70% compliances with all banking arrangements	11 Provincial departments and 2 trading entities adhering to 80% compliances with all banking arrangements

Sub-programme 4.3: Norms and Standards (MFMA)		Strategic Goal 1: To promote accountability through the substantive reflection of the financial activities in the provincial- and local sphere of government							
						Quarterly Targets for 2008/9			
Strategic Objectives	Measurable Objective	Performance Measure/ Indicator	Actual 2006/07	Estimate 2007/08	2008/09 Target	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
To enhance the successful implementation of the MFMA within local government	To promote the effective, efficient and transparent management of physical and financial assets within municipalities	Asset management compliance survey conducted in all municipalities	New Performance Measure	New Performance Measure	1 Asset management report	0	0	1	0
		Number of training session for municipalities in the application of physical and financial asset management framework	New Performance Measure	50% of Municipalities	1 information session to all municipalities	1	1	1	1
	To promote the implementation of the supply chain management framework.	5 District Municipalities and 19 Local Municipalities comply with all the requirements of the SCM Framework	New Performance Measure	New Performance Measure	1 SCM assessment report	0	0	0	1 SCM assessment report
		Number of training session for municipalities in the application of SCM related matters	New Performance Measure	50%	4	1	1	1	1
	To oversee and improve the development and implementation of credible municipal budgets.	Promote credible annual budgets within delegated municipalities by conducting assessment	New Performance Measure	0	1 Assessment report	0	1	0	0

	To monitor the local government and housing on effective implementation of PROPAC resolutions by municipalities	Progress reports submitted to PROPAC	New Performance Measure	25% Implementation Rate within municipalities	2 Progress report	0	1 Status report	0	1 Status report
	To promote the successful implementation of the risk management framework within municipalities towards promoting good governance and administration in the Free State Province.	All municipalities trained on the application of the risk management framework	New Performance Measure	Risk management survey conducted at all municipalities to determine capacity and readiness	1 Training session	0	0	1 training session	0
	To enhance the successful implementation of internal audit framework within municipalities. (See if this must not be moved to PFMA, risk management and internal audit)	Promote the establishment of internal audits and audit committees, conduct compliance survey	New Performance Measure	New Performance Measure	1 assessment report	0	0	0	1 assessment report

Sub-programme 4.4: Risk Management and Internal Audit		Strategic Goal 1: To promote accountability through the substantive reflection of the financial activities in the provincial- and local sphere of government							
						Quarterly Targets for 2008/9			
Strategic Objectives	Measurable Objective	Performance Measure/	Actual	Estimate	2008/09 Target	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
To create and sustain a culture of accountability within the FSPG	To enhance the effective implementation of legislative (PROPAC) resolutions within provincial departments and public entities.	Effective implementation of legislative resolutions by all departments and public entities	Assistance rendered at all sittings	70% Implementation of Legislative resolutions for all 11 Departments and 5 Public Entities	73%	0	45%	73%	73%
	To enhance financial decision-making in the Free State Provincial Government. (performance indicator: information public entities)	Updated and aligned delegations in place in all Provincial Departments: <ul style="list-style-type: none"> PSA/PSR delegations SCM delegations Financial delegations 	New Performance Measure	Departments 6 Departments 8 Departments	11 11 11	3 5 5	5 7 7	8 9 9	11 11 11
	To ensure the successful implementation of the risk management framework within provincial departments and public entities towards promoting good governance and administration in the Free State Provincial Government.	Risk management units comply with an average compliance rate of 50% on related KPI's	New Performance Measure	Minimum KPIs to be complied with developed	50%	Developing KPI's for functional risk management units	0	40%	50%

	To enhance the successful implementation of the internal audit framework within provincial departments and public entities.	All(11) Provincial Departments and 50% listed Public Entities)5 entities) have fully functional Internal Audit units that comply with an average rate of 70% on Internal Audit KPI's	New Performance Measure	New Performance Measure	All provincial departments and 50% of listed Public Entities comply with an average compliance of 70% on internal audit KPI's	Develop KPI's for functional internal Audits units	0	An average compliance rate of 60% on Internal Audit KPI's	An average compliance rate of 70% on Internal Audit KPI's
		Operational Audit Committees for all 11 provincial departments and 50% of listed public entities (5 entities to comply with an average compliance of 70% on Audit committee KPI's	New Performance Measure	New Performance Measure	Audit committees on all provincial departments and 50% of listed Public Entities) comply with an average compliance rate 70% on Audit Committee KPI's	Develop KPI's for functional internal Audits units	0	An average compliance rate of 60% on Internal Audit KPI's	An average compliance rate of 70% on Internal Audit KPI's

