

Provincial Treasury

2ND QUARTERLY PERFORMANCE REPORT

for
2011/2012

Free State Province



treasury

Department of
Treasury
FREE STATE PROVINCE

Table of contents

Part 1	Page No.
Overview by the Accounting Officer	3
Part 2 Programme performance	
2.1 Situational Analysis Programme 1 – 4	4-10
2.2 Specific challenges and responses Programme 1 – 4	11-18
Part 3	
3.1 Actual Programme Performance to date Programme 1 – 4	19-63

PART 1: OVERVIEW BY THE ACCOUNTING OFFICER

It is imperative, first and foremost, to mention that during the month of July 2011, we decided as a Department, in our endeavour to fortify our role in the Free State as contained in PFMA and MFMA to convene all managers to a Strategic Planning Session to take stock of how we perform as a Department and strengthen our role moving forward.

A Strategic Planning was held from the 13th to 15th July 2011 in Gariiep District, key stakeholders were invited to this session.

During the course of the second quarter, there are a series of achievements we made as a Department, the following are but few of such achievements:-

The department achieved a clean Audit report from the Office of the Auditor General. This is the first department to achieve this in 2 consecutive years in the Free State province. This is indeed a great achievement in adherence to the goals set by government in respect of clean audits by 2014.

In line with section 15 of Treasury Regulations, Departments must surrender any unspent funds for a particular financial year to the Provincial Revenue Fund. Contrary to this, some Provincial Departments, with particular reference to Health and Police, Roads and Transport have on numerous occasions failed to surrender unspent funds. Provincial Treasury has taken it upon itself to ensure compliance and enforce the law on non-complying Departments by processing direct recoveries on PMG accounts, and a total of R217million was recovered. It needs to be mentioned that included in these figures are conditional grants which remain national funding and must be surrendered back to respective National Departments by the Provincial Treasury.

Some of the achievements are contained in this report.

I hereby as the Accounting Officer, present the performance of the Provincial Treasury against pre-determined objectives for the second quarter of 2011-2012 fiscal year.

CHIEF EXECUTIVE OFFICER

Mr. H. L. KGOMONGWE

FREE STATE PROVINCIAL TREASURY

DATE: _____

Part 2: DEPARTMENTAL PERFORMANCE

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

PROGRAMME 1: ADMINISTRATION

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

Office of the MEC

The second quarter has been a significantly busy period for the office of the MEC as the MEC interacted with a wide variety of stakeholders in his day to day work in lieu of programme implementation

Governance Cluster has been meeting frequently during this quarter as continuous evaluation of the work that government does took centre stage. The cluster has focused mainly on evaluating the work done on key programmes such as Operation Clean Audit 2014 and the further development of the Free State Growth and Development Strategy amongst others. As a designated MEC for planning, the MEC also provided leadership on the establishment of the Commission in the country. In this regard the MEC visited Kwazulu Natal to study their model of planning commission. Furthermore, the National Planning Commission visited the province as part of its broader diagnostic analysis and consequently a workshop led by the office of MEC and the planning unit in the Premier's office was held in Sasolburg during this quarter.

The MEC was also involved in lot of outreach programmes, particularly during July. Working together with the Special Programmes Unit and other officials within the Department, during the celebrations of Mandela Month, the MEC was part of the team that renovated an old clinic in Brandfort which was successfully turned into a hospice to serve that health infrastructure-starved community. In the same spirit of celebrating the birthday of Nelson Mandela, the MEC donated soccer jersey to the Phambili Public School Learners and further assisted the special programmes and other officials in the Department in renovating the houses for the Kantwane and Louw families in Jacobsdaal. The MEC further donated households appliances to both families.

It is also significant to note the following outreach activities that the MEC and his office got involved in during the second term:

- Planting of trees with the teachers and learners of a school in Botshabelo.
- Involved the officials of the environment affairs in assisting with the greening of the school

- Facilitated the donation of 500 sanitary towels to the needy learners

The MEC has continued his work on the renaming of some of the provincial features. Work in this regard is advanced as research on new names has started to be debated.

Office of the CEO

In an endeavour to fulfil the mandate of the Department, the CEO strived to provide strategic leadership and support to the Department. A strategic planning session was held during this period to revisit the strategy of the Department with the aim of re-asserting the role of the Department.

Two management (MANCO) meetings were held to discuss and report on progress made by different directorates on matters relating to the functioning of the Department and the Province.

The CEO attended various National and Provincial meetings, representing the Department and the Province. Some of the forums were; Budget Council, Technical Committee on Finance, National Council of Provinces, EXCO, FOHOD, Economic and Governance Clusters.

The Department is also committed to strengthening the relationship with the Legislature and Parliament in their oversight role. The Department appeared before various Committees of the Legislature and Parliament during this quarter to provide reports on the performance of Provincial Departments, Entities and Municipalities.

Corporate Services

The Department had an organizational structure of 425 funded posts at the end of the second quarter. 366 Posts were filled at the end of the quarter. This left the Department with a vacancy rate of 13.9% at the end of the second quarter, which is a significant improvement from the first quarter.

The main contributing factor to the vacancy rate and the increase in the number of posts can be attributed to the fact that an additional Chief Directorate, namely the Municipal Finance Management Chief Directorate was created to assist Municipalities with the management of their budgets, revenue and debt, supply chain management, accounting practices and MFMA compliance. The employment equity profile of the Department improved during the quarter, as 2 African males and one African female were appointed in the Department in the second quarter. Only 2 terminations occurred during the quarter,

Financial Management

The target of 100% was achieved in respect of the clearance of asset & liability items that should be zero by year-end to avoid force closure by National Treasury.

The department achieved a clean Audit report from the Office of the Auditor General. This is the first department to achieve this in 2 consecutive years in the Free State province. This is indeed a great achievement in adherence to the goals set by government in respect of clean audits by 2014.

The first bi-annual tax reconciliation was submitted via easy file and was accepted by SARS on the 1st September 2011. All the assets reconciliations were submitted as prescribed. During the second quarter the annual audit of the department was finalised and all Information requests and communications received have been responded to timeously.

During June 2011 the department was informed that Interim Financial Statements for the first quarter needed to be compiled and submitted to Internal Audit Directorate and Accounting Services

Directorate before the 31st July 2011. The department submitted on the 27th July 2011 to both units.

Supply Chain Management

The review of SCM policies and delegations are currently underway. The Departmental procurement plan was approved, henceforth it will be monitored on a monthly basis. Four vacancies were filled and four others were advertised.

Strategic Planning Unit

Strategic Planning Unit received a request from the Chief Financial Officer (CFO) to ensure that a Departmental Strategic planning session is held during the month of June or July. The session was sanctioned by the MEC. Preparations to convene a strategic planning session were done in advance. The theme of the session was "re-asserting the role of Free State Provincial Treasury in the Province". This session was held from the 13th to 15th July 2011 and it was successfully held. Officials who were invited are all Provincial Treasury Managers and Senior Managers and Senior Executive Managers. MEC S. Mohai and CEO H. L. Kgomongwe were also present. An invitation was also extended to Provincial Treasury's internal recognized labour unions, National Treasury, Legislature and Premier's dept – DG and SALGA. An output for the Strategic Planning was produced.

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

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

Fiscal Policy

Two posts in the Directorate are vacant, i.e. Senior Revenue Officer and Assistant Manager: policy research. Two officials who previously occupied these posts requested transfers to Cash Management and Public Finance.

Public Finance

The post of Manager: Evaluation and Reporting has been filled with effect of 1 September 2011 and the vacant post of Expenditure Analyst was advertised end of September 2011 to be filled in November 2011. A proposal has been prepared in aligning the functions of Public Finance Directorate and Budget Management to address the loopholes and to avoid duplication of functions. The proposal will be discussed with all relevant role players during the course of the 3rd quarter.

PROGRAMME 3: ASSET AND LIABILITIES MANAGEMENT

Asset management

INVESTMENTS

□ Surplus funds were invested as follows during September:

- Category 1 institutions: R750 000 000
- Average balance maintained at IGCC: R316 659 000

□ Interest earned during September, compared to August 2011:

	Aug	Sep
	R'000	R'000
• Exchequer:	334	258
• Category 1 institutions:	10 116	12 506
• SARB:	1 826	1 375

Investments on behalf of trading entities:

- As from April 2011 the Cash Management component has been facilitating investment processes on behalf of the Fleet Management Trading Entity.

- A total of R83million capital has been invested on various investment products offered by category 1 institutions as well as the South African Reserve Bank, and to date R1.8million interest has been earned. In line with section 15 of Treasury Regulations, Departments must surrender any unspent funds for a particular financial year to the Provincial Revenue Fund. Contrary to this, some Provincial Departments, with particular reference to Health and Police, Roads and Transport have on numerous occasions failed to surrender unspent funds. Provincial Treasury has taken it upon itself to ensure compliance and enforce the law on non-complying Departments by processing direct recoveries on PMG accounts, and a total of R217million was recovered. It needs to be mentioned that included in these figures are conditional grants which remain national funding and must be surrendered back to respective National Departments by the Provincial Treasury – if not recovered from Provincial Departments, the concern remains as to how will Provincial Treasury surrender to the National Departments.

SCM Compliance Unit

To provide strategic leadership, support and monitoring in Supply Chain Management and to ensure sound supply chain management for provincial departments and public entities. The sub-directorate has been faced with a number of challenges with regards to non-compliance to SCM implementation, non-reporting on procurement spent and an effective tool for the reporting of 70% procurement spent.

A provincial directive based on the National Treasury's instruction note was issued on enhancing compliance monitoring and improving transparency and accountability in SCM. Bilateral meetings were held with departments and public entities to establish their readiness in relation to the implementation of the said instruction note. The second transversal contract for the Stationery was concluded effective from the 1st September 2011. The third transversal bid for the Labour Saving Devices (Photocopiers) was advertised in the 1st quarter and the evaluation process is in progress.

Physical Asset Management:

The Physical Asset Management (PAM) Unit continued to focus on enhancing the status of Asset Management in the province, especially after the results of the recent audit outcomes were studied. Asset Management is a challenge to departments who in some instances are reluctant to show commitment and to implement the Key Performance Indicators and report on the EXCO Resolution (6 of 2010).

The integrity of such reported information is also regarded as a serious risk as very or no internal monitoring is performed by departments. However, the intervention into the Public Entities is showing positive results and commitment towards the implementation of their AMKPI's. Further interventions / initiatives implemented were to engage in having PAM District Forums from the 1st quarter of 2011/2012. Two rounds were successfully undertaken so far and 490 officials attended the forums at district levels. In doing so, PAM will involve all possible role players in asset management in the province and to create awareness and ownership at all levels. These exercises have proved to be fruitful so far, especially in enhancing communication between Treasury, Departmental Head Offices and Districts.

Apart from PAM presentations done at the 6 PAM forums, presentations were also done to Governance & HS Cluster (chaired by MEC S Mohai) , FOHOD as well at Risk Management forum to provide feedback & express concerns on current performance by departments.

Infrastructure and PPP:

The unit has on two occasions visited infrastructure projects around the province to a total number of 15 projects as part of our oversight role. The outcome of these visits pointed out to similar concerns that were picked up during the first quarter infrastructure review meeting; i.e.

- (a) Although projects are implemented, there is slow progress on site,
- (b) Long payment process
- (c) Long SCM processes,

The unit held the 1st quarter review meetings on the 22nd and 23rd of August 2011, where departments presented their reasons and challenges for slow spending and progress in implementing infrastructure projects. The IDIP programme is starting to make inroads in addressing some challenges in infrastructure delivery in the departments of Health and Education. The programme has assisted to develop a Provincial Infrastructure Governance Manual. The IDIP programme has also facilitated a training session with CIDB for officials in infrastructure and SCM.

Meetings with departments were held to resolve on challenges hampering infrastructure delivery in the province. A number of PPP projects were registered with National Treasury, with the Harrismith Logistical Hub being in an advanced stage (Inception) compared to the others. The post for the Project Advisor was advertised and closed on the 19th of August 2011, the interviews were held on the 4th of Oct 2011. the unit was also in the forefront of facilitating for a PPP Foundation course with National Treasury for officials in departments that has PPP projects.

Supporting and Interlinked Financial Systems

The Labour Related case was resolved and the official moved from this department to the department of Education in Welkom, this resulted in a vacant position again. 93% of the Free State provincial departments closed for the month of July 2011. 87% of the Free State provincial departments closed the month of August 2011 for the 2011/2012 financial year end during the 2nd quarter. The registration of suppliers and banking details were done within the 10 timeframe.

The PERSAL programme / sub-programme over-see the implementation, management and support on the use of the PERSAL system by provincial departments in the Free State province. The PERSAL sub-programme provides training to all PERSAL users in the Free State and provides technical and functional support on the use of the PERSAL system to all the provincial departments. Getting competent PERSAL users is still a challenge. The Information Systems sub-directorate still has problems with daily virus attacks on the Health.

BAS terminal server (Mars01). The anti -virus software on the primary virus server was upgraded and rolled out to all other servers connected to the virus server. Although procedures were put in place to notify the IT section of the relevant department to assist to clear the user's personal computers, this was only a temporary solution to the virus attack on the user's PC. The Logistics second quarter has been occupied by Planning, IFMS and user workshop. Logistics still experience delays and lack of reporting by departments on Monitoring Letters and periodical reporting expected from the departments on a monthly and quarterly basis. This challenge has been escalated to Senior Executive Management via the Asset Steering Committee. Logistics continue to experience delays in addressing the IFMS queries with National Treasury. A meeting was held with IFMS representative Mr. Booby Maake and outlined the required documents but unfortunately this office has since not received such documents.

Logistics hosted a LOGIS workshop for provincial users where all new features and amendments to the system were presented to the forum. The underlying aspect of this workshop was to help users understand the functionalities available to them, this reduces the number of calls for information request, all departments were represented at the workshop.

PROGRAMME 4: FINANCIAL GOVERNANCE

Accounting Services

Various challenges are experienced by the Directorate due to capacity constraints in meeting the demands of all deadlines which sometimes overlap and additional tasks which are added to the functions of the unit while the same quantity of officials (same structure) must perform constant unpaid overtime to meet all the demands. The challenges are experienced despite the fact that the current structure of 24 officials is 100% filled.

Municipal budget and monitoring (IYM)

This directorate functions with a vacancy rate of 55% (11 posts). Seven posts are funded in the 2011/12 financial year. This has a serious impact on the operations and responsibilities of this directorate. Targets can't be met even though staff works overtime.

Municipal Revenue and Debt Management

The directorate has tried in a short space of time to actualise its targets. However, human capital and technical constraints have hindered the component in meeting its mandate at a municipal level. It is expected once all posts are filled, the quantity and quality of work targets will improve. Currently, from a demand side the unit will prioritise its projects to satisfy its clients. The unit is also in the process of preparing work tools/instruments to give direction and support to its mandate.

Municipal Accounting Services

This directorate functions with a 66 % vacancy rate. There was only one manager and 4 assistant managers. The Senior Manager post was filled on 1 August 2011. The posts for a manager and 3 assistant managers are funded for 2011/12. The job evaluation is in process and recruitment can only commence after completion. This high vacancy rate make it impossible to achieve targets.

Municipal Supply Chain Management and Compliance

According to the new MFM structure the SCM Compliance sub directorate have a vacancy rate of 57 % (8 posts) only 5 posts are funded for 2011/12. Currently there are only 2 assistant managers for Compliance, assisted by 1 Senior Admin Clerks (contractual) and an intern. In SCM - 1 Manager, 3 assistant managers assisted by 1 Senior Admin Clerk (contractual).The SM was appointed from 1 July 2011.

Municipal Risk Management and Internal Audit

As per the approved MFMA structure, Risk Management and Internal Audit is suppose to have 8 managers, for internal audit and for risk management, however only 50% of these post are funded for the 2011/2012 financial year.

3 of the 4 funded positions have been advertised and short listing will take place in the near future as the closing dates of the adverts were the 16 September 2011. The other position was filled with an internal transfer and the Manager is starting on the 01 – 10 – 2011.

The Senior Manager started on the 4th July 2011, but was however acting for accounting services for the period of July 2011 and was assisting during August 2011.

Risk Management and Internal Audit – Provincial

Risk Management and Internal Audit Sub-Programme operated with a vacancy rate of 35%.All vacancies except one manager Internal Audit are funded however due to the review of the structure the job descriptions had to be reviewed. The posts will only be advertised in the third quarter. This high vacancy rate hampers the operations of the directorate and result in regular overtime requirements and challenges to meet targets.

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

PROGRAMME 1: ADMINISTRATION

Office of the MEC

Challenge 1: (specify)

The main challenges of the office of the MEC remains the non static nature of the political and EXCO programmes. This non static nature has often led to lots of changes on the programme itself and how we access other support services within the Department, eg late accommodation calls from MEC.

Response to challenge 1:

The Pilot project as reflected in the 1st quarter of working with agents is proving to be very assisting for the type of work done in the office of the MEC.

Corporate Services

Challenge 1: Employment Equity

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

Response to challenge 1:

During the interview processes EE targets are taken into account. Twenty three of the 27 Senior Management Services posts are currently filled. Only 25% of the current filled SMS posts are filled by women. The Department will attempt to fill the remaining vacant SMS posts and the SMS posts that may become vacant during the financial year with women, with an emphasis on black women. The employment of people with disabilities remains a challenge, as the department struggles to attract disabled applicants who meet the qualification requirements

Challenge 2: Vacancy rate

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

Response to challenge 2:

The Senior Management Services members are requested on a monthly basis to fill funded vacancies as soon as possible after posts become vacant. Chief Directorates are also frequently provided with lists of their current vacancies, and requested to fill them in order to reach a vacancy rate of 5% or less. The creation of the Municipal Finance Management Chief Directorate also led to an increase in the number of funded posts in the department to 425. The department will increase its attempts within the 2011/2012 financial year to reach the 5% or less vacancy target at the end of the 2011/2012 financial year

Financial Management

Challenge 1:

Outstanding claim's impact on the achievement of the financial KPI's.

Response to challenge 1

Currently the payment / confirmation of claims by national departments is a challenge. The feedback / payment from SARS in respect of the new claims remain an ongoing challenge for the department. SARS is not responding to calls. A letter was issued to SARS requesting a meeting in order to discuss the repayment / confirmation of the claims.

Challenge 2:

Accurate budgeting prioritization and spending.

Response to challenge 1

Budget bilaterals were held on the 20th and 22nd of September 2011 with three of the four programmes. One programme cancelled due to other priorities and will reschedule in the third quarter. During these bilaterals the following were fine tuned;

- Post filling and structure changes;
- Additional needs for adjusted budget purposes;
- Challenges in programmes relating to spending;
- Possible under spending.

Supply Chain Management

Challenge 1:

Shortage of staff to carry out asset management activities, with specific reference to stock taking.

Response to challenge 1

Appointment of contract workers to assist with the stock-taking functions, in addition to the appointment of a permanent asset management official.

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

Fiscal Policy

Challenge 1 :

Non-compliance by some Departments to prescripts on revenue matters

Response to challenge 2:

Issuing of non-compliance letters to Departments

Budget management

Challenge 1 :

- Delay in issuing budget processes and related documents by National Treasury.
- Misalignment, in terms of delivery date, planned output to actual output.

Response to challenge 2:

The issue of delay by National Treasury will be communicated with the view of ensuring that the delays do not impact negatively on the directorate's deliverables.

The issue of misalignment will be corrected in the next financial year. Explanation on affected deliverables will be provided.

PROGRAMME 3: ASSET AND LIABILITIES MANAGEMENT

Asset management

Challenge 1: Cash management

Late submission of cash requisitions and requests by departments for increases in ACB limits resulting in excesses. Surrender of unspent funds by provincial departments, unauthorised expenditure incurred by provincial departments and account classifications as determined by SCOA

Response to challenge 1:

Cash management has a mandate to approve reported excesses to avoid payment rejections. Treasury to directly debit the PMG accounts in order to honour surrenders. Engage National Treasury on the SCOA classification for the provincial revenue fund via the Cash management forums.

Challenge 1: Supply Chain Management

Reporting on procurement spent, currently information is extracted from three (3) systems (National Treasury's reporting system, BAS information and 70% procurement spent reporting) but no verification and no reliable information is provided. Reporting on deviations, sole suppliers, urgency and emergency procurement and bid concluded in excess of R1million and following proper procedures, not reported by departments to the Provincial Treasury. Issues of affirmative procurement not accurately reported and departments not reporting selection criteria on deviations, emergency and urgent procurement and sole suppliers. The implementation of the new National Treasury instruction note on SCM.

Response to challenge 1:

Reviewing of the procurement SCM policy directive on affirmative procurement. Implementation of a reporting tool and verification of information extracted. The unit to be fully capacitated to deal with the above challenges.

Challenge 1: Physical Asset Management

Credibility of reported Asset Management information, on time reporting by departments and on time reporting by PAM e.g. to EXCO

Response to challenge 1:

Although some departments experienced a shortage of staff & skills, departments are to ensure that internal monitoring & evaluation is in performed. Continuous involvement of departmental Internal Audit & Risk Management units. Awareness and feedback at Physical Asset Management forums (PAM & Departments). Intensified monitoring and evaluation by Physical Asset Management. More direct involvement & commitment by top Management (Departments). On time reporting e.g. to EXCO on Resolution 6 of 2010.

Challenge 2:

Lack of commitment from departments after registration of PPP projects i.e. not appointing a project officer or taking forever to attend to the ToR of a project. Lack of support for the IDIP program and its best practices in the dept of Public Works as an implementing department.

Response to challenge 2:

Appointment of a Project Officer in each department that has a PPP project. Treasury held interviews to appoint the Project advisor to further provide support to departments. Full use of the IDIP program and its best practices would yield to solutions in the challenges that are pertinent during the site visits and review meetings. Urge Public works to fill all vacancies in SCM.

Supporting and Interlinked Financial Systems

Challenge 1: Financial Year End Closure of BAS

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

Response to Challenge 1

The on-going monitoring and assistance to provincial departments during month end closure process on BAS.

Challenge 2: Implementation of Housing Subsidy System Interface

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

Response to challenge 2:

Assist departments with the implementation of Interface System.

Challenge 3: PERSAL

Provincial departments (HOD) appoint their own System Controllers. Provincial Treasury does not have control over this matter.

Officials leaving the departments due to promotions and transfers, this cause a skill gap in the departments.

Response to challenge 3:

Continuous training to PERSAL users.

challenge 4: compliance with the departmental ICT security policy and standard

The purpose of the departmental ICT security policy and standards is to describe the minimum security measures that shall be implemented to ensure that an effective and consistent level of security management is applied to all Transversal Financial systems.

Response to challenge 4:

Information obtained from the Provincial GITOC indicated that a new ICT Security Policy is currently under development. Based on this the current process to develop an action plan was postponed.

Challenge 5: Lack of Response by Departments on Monitoring and Interventions

The Department of Education has been presented with a list of requirements necessary to assist them in removing schools assets from their register, they have since opted to keep record of schools assets in the system. This raises concerns for the maintenance of this record and the departments current capacity to respond to maintenance requirements. On a monthly basis a monitoring report is written to Departments with proposed remedial actions on the identified challenges and they do not come back to us with the required action plan as specified in the reports.

Response to challenge 5:

Letters were written to the department of Education requesting them to reconsider their response. A meeting with the department (currently awaiting their availability) was requested where these issues will be discussed and concluded with a common understanding. The department will continue to write and send monitoring reports to departments as well as follow up letters as reminders that feedback is still awaited.

Challenge 6: slow implementation of IFMS

Slow implementation of IFMS creates a demand from departments to deviate from the Treasury Practice Note 7 of 2006 (Moratorium - which prevents departments from acquiring any IT System without approval by IFMS Steering Committee).

Response to challenge 6:

This remains a challenge as there has not been a clear indication as to when the IFMS will be completed. This directorate continues to work with National Treasury in requesting the IFMS Steering Committee to assess the requests to deviate. National Treasury has since indicated that the pre-requirements for submitting a request, and this directorate communicated these requirements to the departments. However, this directorate is still experiencing a delay in receiving feedback from the IFMS Steering Committee representative (Mr. Bobby Maake) making it difficult to inform the departments on the progress made with their requests.

Challenge 7: training attendance

Candidates confirm attendance of forthcoming courses but do not send any apology for not attending on time. This trend denies other officials a chance to attend training to be equipped with necessary skills on how to use the LOGIS tool.

Response to challenge 7:

System controllers of the respective stores are notified about this trend but the challenge still exists and the LOGIS training division will escalate this issue to the departmental principals for their intervention.

PROGRAMME 4: FINANCIAL GOVERNANCE

Accounting services

Challenge 1:

Inadequate structure at managerial level

Response to challenge 1:

The existing structure was evaluated and a proposal to revise the structure was submitted to Corporate Services for further handling. Unfortunately due to limited funds the posts on the revised structure cannot be funded at this point in time. Currently several hours voluntary unpaid overtime is worked at supervisor and management level to ensure all legislative deadlines are met.

Municipal Budget and Monitoring (IYM)

Challenge 1:

High vacancy rate of 55. %

Response to challenge 1:

Seven posts were advertised during this quarter and the recruitment process will be completed in the third quarter. The remaining 3 posts are not funded.

Challenge 2:

Non compliance with the Municipal Budget and Reporting Regulations
Information reported on the monthly section 71 reports not credibility

Response to challenge 2:

Feedback provided to municipalities on final budget evaluations and intends to have engagements with municipalities on budget preparation processes. Feedback provided to municipalities more frequently (monthly) as well as municipal visits to verify information against system generated reports

Municipal Supply Chain Management and Compliance

Challenge 1

High vacancy rate of 57%.

Response to challenge 1:

During the second quarter the Senior Manager post was filled and one post in SCM was advertised. Posts for compliance must still be submitted for job evaluation.

Municipal Risk Management and Internal Audit

Challenge 1

High Vacancy rate of 100% for the Managers

Response to challenge 1:

During this quarter the Senior Manager was appointed, a manager was transferred to commence on 03 October 2011 and three funded vacancies were advertised

Risk Management and Internal Audit – Provincial

Challenge 1

High vacancy rate of 35 %.

Response to challenge 1:

Job descriptions were reviewed and regular engagement with Corporate services to speed up recruitment processes.

Challenge 2

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

Response to challenge 2:

Physical Collection of documents from departments and Entities and there are engagements with relevant stakeholders to improve relationships and understanding of requirements.

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

1.1 Office of the MEC								
<i>Strategic objective 1: To ensure that an adequate support service is rendered to the MEC towards ensuring the effective and efficient functioning of the department</i>								
Performance indicators / measure		Reporting period	Annual target 2011/12	Validated quarter 2011-2012	1 st quarter actual 2011-2012	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation
1.1.1	Accurate and efficient records management system is implemented	Annual	1	N/A	N/A	N/A	N/A	
1.1.2	Turn-around time for documents received by the Office of the MEC	Quarterly	2 working days	2 working days	2 working days	2 working days	2 working days	
1.1.3	Turn around on responses to issues raised by external stakeholders	Quarterly	5 working days	5 working days	5 working days	5 working days	5 working days	
1.1.4	Regular interaction with constituency and constituency office	Quarterly	50 interactions	12 interactions	12 interactions	12 interactions	18	50% Positive deviation as a result of the Nelson Mandela birth celebrations and unprojected planting of trees during harbour month.
1.1.5	Regular interaction with internal and external stakeholders <ul style="list-style-type: none"> • Quarterly Infrastructure and expenditure reviews • Auditor General, suppliers etc) 	Quarterly	4 reviews 12 interactions	1 review 3 interactions	1 review 3 interactions	1 review 3 interactions	1 Review 3	

1.2 Management services							
Strategic objective 2: To ensure that an adequate support service is rendered to the CEO towards ensuring the effective and efficient functioning of the department							
Performance indicators/ measure		Reporting period	Annual target 2011/12	Validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation
1.2.1	Number of meetings planned and chaired by the CEO	Quarterly	100 meetings	34 meetings	25 meetings	25	
1.2.2	Accurate and efficient records management system implemented and maintained	Quarterly	1 accurate and efficient record system	25% information populated on the record system	50% information populated on the record system	50% information populated on the record system	
1.2.3	Turn-around time for documents received by the Office of the CEO	Daily	2 working days	2 working days	2 working days	2 working days	
1.2.4	Number of strategic leadership meetings held						33% deviation – MANCO meeting scheduled for the 28 September was postponed because of the Provincial EXCO Lekgotla, which was scheduled from 28-30 September 2011.
	Meetings with Senior management	Monthly	12 meetings	1 meeting	3 meeting	2 meeting	
	Meeting with the MEC and Senior Executive Management	Quarterly	4 meetings	0	1 meeting	1 meeting	
1.2.5	Consolidated report on all finalised Departmental delegations	Annually	1 report	N/A	1 report	1 report	
1.2.6	Risk management framework reviewed	Annually	1 risk framework	1 risk framework	N/A	N/A	

1.2 Management services							
Strategic objective 2: To ensure that an adequate support service is rendered to the CEO towards ensuring the effective and efficient functioning of the department							
Performance indicators/ measure		Reporting period	Annual target 2011/12	Validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation
1.2.7	Updated risk register for the department	Annually	1 risk register	1 risk register	N/A	N/A	
1.2.8	Number of risk mitigation reports presented to Management	Bi-Annual	2 reports	1 report	N/A	N/A	
1.2.9	Annual finalisation of risk assessment report	Annual	1 report	1 report	N/A	N/A	
1.2.10	Number of training /workshop sessions held	Quarterly	4 sessions	1 training session and 1 awareness article	1 session	1 article	An article on Fraud and Corruption was communicated to all the treasury officials for this quarter.
1.2.11	Policy compliance reports on MISS produced on quarterly basis	Quarterly	4 reports	1 report	1 report	1 report	
1.2.12	Designated officials and employees declaring financial interests	Annually	19 officials	17 officials	0	6 officials	3 officials appointed 3 officials promoted
1.2.13	Number of Vetting reports: • Individual shortlisted candidates before employment • Security clearance (Z204) on all employees • Service providers contracted to the department	Quarterly	4 reports	1 report	1 report	1 report	

1.2 Management services							
Strategic objective 2: To ensure that an adequate support service is rendered to the CEO towards ensuring the effective and efficient functioning of the department							
Performance indicators/ measure		Reporting period	Annual target 2011/12	Validated 1st quarter actual	Planned output 2nd quarter 2011-2012	Actual output 2nd 2011-2012	% deviation from the target and short explanation
1.2.14	Number of monthly reports on inspections and findings related to security aspects	Quarterly	12 reports	3 reports	3 reports	3 reports	
1.2.15	Number of security awareness programmes	Quarterly	8 sessions	2 sessions	2 sessions	2 sessions	

1.3 Corporate Services							
Strategic objective 3: To create a highly skilled responsive and competent workforce for the department over the planning period, the Provincial Treasury renders oversight role to Provincial departments, Municipalities and Public Entities.							
Performance indicators / measure		Reporting period	Annual target 2011/12	Validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation
1.3.1	Total number of funded posts filled on the approved staff establishment	Quarterly	400 posts filled	359 posts filled	394 posts filled	366 posts filled	7.2%. Various posts in process to be filled but not yet finalised.
1.3.2	Limit the number of staff leaving the department	Quarterly	<40 employees	1	<10 employees	2 employees	
1.3.3	Total number of employees employed in line with EE plan <ul style="list-style-type: none"> • African: males • African females • Coloured males • Coloured females • Indian males • Indian females • White males • White females 	Quarterly	African males 160 African females 152 Coloured males 7 Coloured females 11 Indian males 0 Indian females 1 White males 21 White females 48	African males 129 African females 144 Coloured males 7 Coloured females 10 Indian males 0 Indian females 1 White males 21 White females 47	African males 156 African females 150 Coloured males 7 Coloured females 11 Indian males 0 Indian females 1 White males 21 White females 48	African males 132 African females 148 Coloured males 6 Coloured females 10 Indian males 1 Indian females 1 White males 21	African males 15% African females 1.5% Coloured males 14% Coloured females 0% Indian males 100% Indian females 0% White males 0% White females 2%

1.3 Corporate Services							
<i>Strategic objective 3: To create a highly skilled responsive and competent workforce for the department over the planning period, the Provincial Treasury renders oversight role to Provincial departments, Municipalities and Public Entities.</i>							
Performance indicators / measure	Reporting period	Annual target 2011/12	Validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation	
					White females 47	Not sufficient new appointees in this quarter to reach the targets.	
1.3.4	Number of reviewed, approved and implemented departmental HRM policies	Annual	8 policies	1 policy reviewed and 8 approved and implemented	2 policies	8 HRM policies are currently implemented.	No amendments were required on existing policies during the quarter.
1.3.5	Number of approved Human Resources Plan	Annually	1 plan	0	0	N/A	
1.3.6	Number of HR information sessions conducted	Quarterly	8 sessions	0	2 sessions	3 sessions	Exceeded target by 33%
1.3.7	Number of leave reconciliations conducted	Quarterly	4 reconciliations	1 reconciliation	1 reconciliation	1 reconciliation	
1.3.8	Number of staff absenteeism reports	Annually	1 report	N/A	N/A	N/A	
1.3.9	Number of months to fill vacant funded posts	Quarterly	3 months	3 months	3 months	3 months	
1.3.10	Number on Human Resource delegations developed, approved and implemented	Annually	1 set of HR delegation reviewed	1 set of HR delegation reviewed	N/A	N/A	N/A
1.3.11	Number of Provincial and National days celebrated	Quarterly	10 days	6 days	3 days	4 days	33% deviation – exceeded due to execution of executive orders

1.3 Corporate Services							
Strategic objective 3: To create a highly skilled responsive and competent workforce for the department over the planning period, the Provincial Treasury renders oversight role to Provincial departments, Municipalities and Public Entities.							
Performance indicators / measure		Reporting period	Annual target 2011/12	Validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation
1.3.12	Number of wellness workshops/empowerment or information sessions/written articles and other empowerment activities	Quarterly	10 sessions	4 sessions	3 sessions	6 empowerment activities/	100% deviation due to other activities on the approved Events Calendar but not appearing on the Operational Plan
1.3.13	Quarterly compliance reports on relevant aspects of OHS Act	Quarterly	4 reports	3 reports	1 report	2 reports	100% deviation due to information sessions held.
1.3.14	Reports on implemented EHWP Strategic framework	Quarterly	4 reports	1 report	1 report	1 report	
1.3.15	Total number of posts evaluated on the staff establishment	Annually	400 posts evaluated	404 posts evaluated	394 posts evaluated	429 posts job evaluated	The departmental Structure has increased in number of posts.
1.3.16	Annual review of organizational structure by specified dead-line.	Annually	June 2011	0	0	Status quo still the same - Structure sent to DPISA awaiting for feedback.	100% deviation. The reviewed departmental structure was send to DPISA via Department of Premier for consultation

1.3 Corporate Services							
<i>Strategic objective 3: To create a highly skilled responsive and competent workforce for the department over the planning period, the Provincial Treasury renders oversight role to Provincial departments, Municipalities and Public Entities.</i>							
Performance indicators / measure	Reporting period	Annual target 2011/12	Validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation	
1.3.17	Performance bonuses to qualifying officials finalised within the prescribed timeframe	Annually	July 2011	N/A	July 2011	0	100% deviation. Quality assurance committee for level 1 to 12 not yet concluded.
1.3.18	Submission of Performance Development plans and Agreements	Bi-Annually	Submission of Performance Development plans and Agreements	9 SMS submitted performance agreements Total number of SMS posts 26	0	13 (50%) SMS submitted the PA. Total number of SMS Posts =26	4 (15.38) SMS vacant post. 3 (11.54%) SMS did not submit the PA. 4 SMS vacant posts (15.38%)
1.3.19	Finalisation of assessed Performance Agreements of SMS members	Annually	December 2011	N/A	0	0	
1.3.20	Finalisation of Pay progression for qualifying level 1-12 officials	Annually	July 2011	N/A	July 2011	0	100% deviation. Quality assurance committee for level 1 to 12 not yet concluded.
1.3.21	Number of information awareness letters / circulars issued on Legal and Labour Relations matters	Quarterly	8 awareness letters / circulars	2 awareness letters / circulars	2 awareness letters / circulars	3 awareness articles	An extra article was compiled as per request from communications to be included in

1.3 Corporate Services							
Strategic objective 3: To create a highly skilled responsive and competent workforce for the department over the planning period, the Provincial Treasury renders oversight role to Provincial departments, Municipalities and Public Entities.							
Performance indicators / measure	Reporting period	Annual target 2011/12	Validated 1st quarter actual	Planned output 2nd quarter 2011-2012	Actual output 2nd 2011-2012	% deviation from the target and short explanation	
							the newsletter.
1.3.22	Number of days to finalise disciplinary cases in accordance with legislation	Quarterly	30 days	3 disciplinary hearings took place in this quarter. 2 were finalised within 30 days and 1 is pending	30 days	1 outstanding disciplinary hearing has since been finalized	
1.3.23	Develop guidelines on PAIA and PAJA for officials	Annually	2 guidelines	0	0	Manual / guidelines on PAJA was distributed to all Executive and Senior Managers	
1.3.24	Number of interns appointed	Annually	20 interns	13 interns	N/A	N/A	
1.3.25	Number of employees trained in line with needs	Quarterly	350 employees	110 employees	100 employees	104 employees	More training needs addressed as per Departmental Annual Training Plan.
1.3.26	Number of induction sessions conducted	Quarterly	4 sessions	1 session	1 session	0 Sessions	Lesser number of newly appointed officials - most vacant posts filled

1.3 Corporate Services							
Strategic objective 3: To create a highly skilled responsive and competent workforce for the department over the planning period, the Provincial Treasury renders oversight role to Provincial departments, Municipalities and Public Entities.							
Performance indicators / measure	Reporting period	Annual target 2011/12	Validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation	
							by internal staff.
1.3.27	Number of workplace skills plan formulated and implemented (programme success rate)	Quarterly	1 plan	1 plan	N/A	N/A	
1.3.28	Number of part- time bursaries awarded	Annually	12 bursaries	N/A	N/A	N/A	
1.3.29	Number of student interns appointed	Annually	10 interns	12 experiential learners	N/A	N/A	
1.3.30	Number of batho pele empowerment sessions	Quarterly	4 sessions	0	1 session	0	Provincial Coordinators (Office of the Premier) did not arrange any training in this regard.
1.3.31	Number of SMS members subjected to competency assessment	Annually	15 SMS members	0	5 SMS members	5 SMS Members	
1.3.32	Number of service delivery improvement plan	Quarterly	1 plan	1 plan	N/A	N/A	
1.3.33	Number of online quarterly newsletters produced	Quarterly	4 newsletters	1 newsletter	1 newsletter	1 newsletter	
1.3.34	Develop and implement a comprehensive Communications strategy	Annually	Develop, approve and implement communication strategy	0	N/A	1 developed and implemented	
1.3.35	Develop and implement Corporate	Annually	Identity plan	0	N/A	Plan	

1.3 Corporate Services							
<i>Strategic objective 3: To create a highly skilled responsive and competent workforce for the department over the planning period, the Provincial Treasury renders oversight role to Provincial departments, Municipalities and Public Entities.</i>							
Performance indicators / measure	Reporting period	Annual target 2011/12	Validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation	
	identity plan		developed			implemented	
1.3.36	Develop, implement and maintain Electronic information resource strategy	Quarterly	1 resource strategy developed	Approved information security policy	Final draft for approval and implementation of the non-financials	Patch Management policy was developed	
1.3.37	Provide sustainable and accessible ICT infrastructure	Annually	Enforce information security measures and implement 1 st phase Business Continuity Plan	Information security policy approved Infrastructure up-dates implementation on par.	Implementation of information Security framework financials and Implementation of phase of BCP/DRP framework	Continuous updates on implemented on servers	
1.3.38	Number of IT workshops conducted	Quarterly	8 workshops	2 workshops	2 workshops	2 Workshops conducted	
1.3.39	Developed and implemented master system plan	Annually	1 IT plan developed	IT support procedure manual developed as part of the master system plan	Implement Master system plan	Draft of the IT plan in progress.	
1.3.40	Provide quality and reliable ICT Services to End-users	Quarterly	1 reliable ICT service	Approved off-site back-up business case	Implementation and monitoring	Received Proposal, Business Case	

1.3 Corporate Services						
<i>Strategic objective 3: To create a highly skilled responsive and competent workforce for the department over the planning period, the Provincial Treasury renders oversight role to Provincial departments, Municipalities and Public Entities.</i>						
Performance indicators / measure	Reporting period	Annual target 2011/12	Validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation
					signed and sent to SITA then Submission will follow	

1.4 Financial Management							
<i>Strategic objective 4: To ensure that allocated funds are planned, managed and spent efficiently and effectively in order to avoid unqualified audit reports over the planning period</i>							
Performance indicators / measure	Reporting period	Annual target 2011/12	Validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation	
1.4.1 Adherence to predetermined financial and banking KPI's <ul style="list-style-type: none"> Accounting Banking 	Monthly	95%	90%	95%	96.50%	The evaluation results for Accounting and Banking KPI's for the months of September 2011 is not yet available from Programme 4.	
	Monthly	93%	95%	93%	100%		
1.4.2 Adherence to key Budget Deadlines: <ul style="list-style-type: none"> Produce Credible Adjustment Budget (one report submitted November) 	Annually	1 report	N/A	N/A	N/A		
1.4.3 <ul style="list-style-type: none"> Produce Credible Estimates of Provincial Expenditure Statement II (2 drafts and 1 final report Submitted January) 	Quarterly	3 reports	N/A	1 st draft submitted	1st draft Estimates of Provincial Expenditure Statement II was submitted on the 29th August 2011.		
1.4.4 Adherence to PFMA Reporting requirements: Compile in year monitoring (IYM) reports	Monthly	13 IYM reports	3 IYM reports	3 IYM reports	3 IYM reports		

1.4 Financial Management							
<i>Strategic objective 4: To ensure that allocated funds are planned, managed and spent efficiently and effectively in order to avoid unqualified audit reports over the planning period</i>							
Performance indicators / measure	Reporting period	Annual target 2011/12	Validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation	
1.4.5	Accurate Annual Financial Statements finalized before (May)	Annually	1 set of AFS	1 set of Annual Financial Statements on the 31 st May 2011	N/A	N/A	
1.4.6	Accurate interim financial statements	Quarterly	2 interim financial statements	N/A	N/A	1 Set of Interim Financial Statements was submitted on the 27th July 2011.	An instruction was received in June 2011 from National Treasury via the Office of the Provincial Accountant General that departments must prepare and submit Interim Financial Statements for the first quarter 2011 not later than the 31 July 2011.
1.4.7	Finalization of the Annual Report (August)	Annually	1 Annual Report	N/A	1 Annual Report produced	1 Annual Report produced	

1.4 Financial Management							
Strategic objective 4: To ensure that allocated funds are planned, managed and spent efficiently and effectively in order to avoid unqualified audit reports over the planning period							
Performance indicators / measure		Reporting period	Annual target 2011/12	Validated 1st quarter actual	Planned output 2nd quarter 2011-2012	Actual output 2nd 2011-2012	% deviation from the target and short explanation
1.4.8	Finalization of programme performance information that forms part of the Annual report	Annually	1 programme performance information finalized	programme performance information finalized and submitted on the 31-May-2011	N/A	N/A	
1.4.9	Published Annual performance plan	Annually	1 APP	N/A	N/A	N/A	
1.4 Financial Management							
Strategic objective 4: To ensure that allocated funds are planned, managed and spent efficiently and effectively in order to avoid unqualified audit reports over the planning period							
Performance indicators / measure		Reporting period	Annual target 2011/12	Validated 1st quarter actual	Planned output 2nd quarter 2011-2012	Actual output 2nd 2011-2012	% deviation from the target and short explanation
1.4.10	Assist in production of operational plans for all directorates	Annually	March 2011-2012	N/A	N/A	N/A	
1.4.11	Quarterly Performance Information Reports produced and submitted	Quarterly	4 quarterly reports	2010-2011 4 th quarter report was produced and submitted to Public Finance	1 report (by July 2011-2012)	1st quarterly report was finalized and submitted to Public Finance in time.	
1.4.12	Conduct workshop on reporting	Quarterly	1 workshop on reporting conducted	Workshop was conducted on the 28-June-2011	N/A	N/A	
1.4.13	Number of reports submitted on	Quarterly	4 quarterly	1 report produced	1 report	1st quarter	

1.4 Financial Management							
<i>Strategic objective 4: To ensure that allocated funds are planned, managed and spent efficiently and effectively in order to avoid unqualified audit reports over the planning period</i>							
Performance indicators / measure		Reporting period	Annual target 2011/12	Validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation
	Departmental injunctions		reports	and sent to the Premiers department		progress report was submitted to Premier's dept on time.	
1.4.14	Number of Strategic Planner's Fora held	Quarterly	10 strategic planners' fora	Attended meetings on the 5 th -May & 2 nd June 2011 respectively	3 fora	Attended National Planning Commission session on the 19 July 2011, attended strategic planners' meeting on the 15th Sept 2011 and attended FSGDS session on the 27th and 28th July 2011.	
	Number of Monitoring & Evaluation meetings attended	Quarterly	10 M & E meetings	Attended technical groups on outcome 9 & 12	3 meetings	No M & E meeting was held	100% deviation. Provincial M & E could not call any meeting.
1.4 Financial Management							

Strategic objective 5: To procure and maintain quality goods and services in an economical and effective manner over the planning period to ensure sound financial management							
Performance indicators / measure		Reporting period	Annual target 2011/12	validated 1st quarter actual	Planned output 2nd quarter 2011-2012	Actual output 2nd 2011-2012	% deviation from the target and short explanation
1.4.15	Effective Management of all Departmental Assets to meet minimum LOGIS asset register requirements	Annually	1 complete asset management register	1 updated asset register	1 updated asset management register	1 updated asset management register	
1.4.16	Annual Demand Management Plan aligned with the APP/Budget	Annually	1 complete demand plan.	Draft	Inputs	No inputs.	Few directorates provided inputs; as a result, the process will be carried out in October informed by the MTEF 2nd draft.
1.4.17	All bids considered for procurement by bid committee and reports produced	Annually	Bid committee reports produced (within 90 days of bid validity)	0	1 report per bid produced (provided a bid was advertised)	No report.	No bid was advertised during the 2nd quarter.
1.4.18	Payment of creditors within 30 days	Annually	payments within 30 days	97.54% payments within 30 days	100% payments within 30 days	99.44% payments within 30 days (see annexure A).	Deviations were mainly due to: <ul style="list-style-type: none"> • Send-backs • Referral of a payment/case to legal.

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

Programme 2: Actual performance against quarterly planned targets 2011-2012

2.2 Economic Analysis							
<i>Strategic objective 1:- To influence the development and/or implementation of government policies and programmes in support of enhanced economic growth and development within the Free State Province over the planning period</i>							
Performance indicators / measure		Reporting period	Annual target 2011/12	validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation
2.2.1	Updated Regional Explorer database	Quarterly	4 updated database	1 updated database	1 updated database	No update	-100% deviation license expired, renewal process underway
2.2.2	Update of Computable General Equilibrium and Social Accounting Matrix	Quarterly	1	N/A	N/A	N/A	
2.2.3	Social Accounting Matrix Multiplier report	Annually	1 report	N/A	N/A	N/A	
2.2.4	Computable General Equilibrium studies	Bi-annually	2 studies	N/A	1 study	0	-100% deviation study on "The Role of agriculture in Free Stat: to be completed in the 3 rd quarter
2.2.5	Number of research based reports produced	Quarterly	4 reports	N/A	N/A	A researched paper on Nationalization of mines in SA was done (Draft paper)	100% deviation, there was nothing planned for this quarter. However, a research paper was done.
2.2.6	Workshops conducted with stakeholders: <ul style="list-style-type: none"> Provincial Economic Review and Outlook Familiarize the practice of Socio-economic review analysis 	Quarterly	6 workshops	Public Economics workshop at Stellenbosch Institute of advance studies	1 workshop	3 workshops <ul style="list-style-type: none"> - Migration study - Fezile Dabi GDS - Research day 	300% deviation, 2 additional workshops held

				04 th -May-2011			
2.2.7	Publish Quarterly Labour Market Reviews	Quarterly	4 reviews	1 review	1 review	1 review	None
2.2.8	Publish the provincial economic review and outlook (PERO) annually	Annually	1 document	N/A	N/A	N/A	None
2.2.9	Contribute Chapter 1 of Medium Term Budget Policy Statement	Annually	1 chapter	N/A	N/A	N/A	

2.3 Fiscal Policy

Strategic objectives 2: To enhance the provincial revenue growth yearly through development and implementation of sound fiscal policy framework in the Free State Province in order to promote Socio-economic growth

Performance indicators / measure		Reporting period	Annual target 2011/12	validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation
2.3.1	Credible revenue base for 12 departments	Annually	12 depts	N/A	N/A	N/A	
	Train Departments on revenue	Annually	12 depts	N/A	N/A	N/A	
2.3.2	Revenue target analysis reports	Monthly	12 reports	2 reports	3 reports	3 reports	
2.3.3	Quarterly meetings on revenue	Quarterly	4 meetings	1 meeting	1 meeting	1 meeting	
2.3.4	Develop & issue guidelines on revenue related matters	Quarterly	6 guidelines	4	1 guideline	1 guideline	
2.3.5	Conduct revenue inspections	Quarterly	20 inspections	5 inspections	6 inspections	8 inspections	33.3% additional two inspections were follow-ups
2.3.6	Quarterly reports on Provincial Equitable Shares	Quarterly	4 reports	1 report	1 report	1 report	None
2.3.7	Report on evaluation of the Annual Performance Plan of revenue 12 generating departments.	Annually	1 report	1 report	N/A	N/A	None
2.3.8	Develop Provincial Revenue Strategy	Quarterly	Strategy developed	1 st draft developed	1 st draft completed	1 st draft completed	None

2.3.9	Produce 1 chapter on provincial fiscal envelope for the MTBPS document	Annually	1 chapter	N/A	N/A	N/A	None
2.3.10	1 Submission on PES on the FFC's Division of Revenue recommendations	Annually	1 submission	N/A	1 submission	1 submission	None
2.3.11	Quarterly reports on all measures taken to optimise conditional grants	Quarterly	4 reports	1 report	1 report	1 report	None
2.3.12	Monthly report on donor funding	Monthly	12 reports	2 reports	3 reports	3 reports	None

2.4 Budget Management							
<i>Strategic objective 3:- To ensure that Provincial financial resources are annually allocated in line with government priorities</i>							
Performance indicators / measure	Reporting period	Annual target 2011/12	validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation	
2.4.1	Tabled appropriation and Provincial Budget in line with National prescripts	Annually	Credible Provincial budget tabled within 2 weeks after National budget	0	Provincial Medium Term Committee	The Provincial Medium Term Expenditure Committee Hearings were not held in the 1 st quarter, subsequently were rescheduled to the next quarter	100% deviation. The Provincial Medium Term Expenditure Committee Hearings (PMTEC) were postponed to the next quarter due to the hosting of the Premier's Coordinating Forum on the same date. (i.e 14 and 15 September 2011)

2.4.2	Tabled Adjustment Budget in line with National prescripts	Annually	Credible Adjustment budget tabled within 30 days after National Adjustment Budget	Evaluation of roll over has been concluded and relevant documents are available	Finalization of Provincial rollovers	Evaluation of rollover requests has been concluded in the 1 st quarter of 2011	0% deviation
2.4.3	Report on alignment of budget, strategic and annual performance plans	Quarterly	3 evaluation reports per department	1 report produced	1 st draft evaluation report	1 st draft evaluation report produced, furthermore the APP guidelines were issued on the 02 August 2011	0% deviation
2.4.4	Produce 2 chapters on provincial budget allocation for the Medium Term Budget Policy Statement	Annually	2 chapters	N/A	N/A	N/A	None
2.4.5	Produce quarterly reports on progress made against funded priorities	Quarterly	4 reports	1 st report due after the 1 st quarter	1 report	1 st quarter report was produced together with consolidated report for July and August 2011	33.3% deviation. The deviation is due to the fact that the BAS closes between 07-10 of each month which is either 7 or 10 days after the end of quarter. The 2 nd quarter report will be validated in the third quarter. (Reports for July and August were finalized.)

2.5 Public Finance							
Strategic objective 4:- To monitor and advise continuously on financial and non-financial performance of provincial departments and public entities to ensure sound management of resources							
Performance indicators / measure		Reporting period	Annual target 2011/12	validated 1st quarter actual	Planned output 2nd quarter 2011-2012	Actual output 2nd 2011-2012	% deviation from the target and short explanation
2.5.1	Number of assessment reports prepared in terms of In Year Monitoring Model	Quarterly	19 reports	5 reports	5 reports	3 reports	40% - Public Entities report only to be finalized in October 2011 and March Audited IYM not submitted in September. E-mails not working and did not receive instruction from NT on time to submit
2.5.2	Number of reports prepared in terms of infrastructure reporting model	Quarterly	4 reports	2 reports	1 report	1 report	None
2.5.3	Number of reports prepared in terms of the quarterly performance model	Quarterly	4 reports	2 reports	1 report	1 report	None

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

3.2 Asset Management							
Strategic objective 1:- To continuously promote the prudent management of physical and financial assets and the implementation of supply chain management framework							
Performance indicators / measure		Reporting period	Annual target 2011/12	Validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation
3.2.1.	Number of physical assets management key performance indicators template implemented	Annually	1 template	N/A	N/A	1 template (Public Entities)	Target Exceeded 100 % Deviation Template developed for Public Entities
3.2.2	Number of physical assets management forums and training sessions conducted	Quarterly	14 PAM Forums	6 Forums	4 Forum	6 Forums	Target Exceeded 50 % Deviation PAM Intervention in Districts to promote initiatives of Operation Clean Audit
			8 Training Sessions	5 Training sessions	2 Training sessions	6 Training Sessions	200% Deviation PAM Intervention in Districts to promote initiatives of Operation Clean Audit
3.2.3	Number of FSPT asset management steering committee meetings held	Quarterly	4 meetings	1 meeting	1 meeting	1 meeting	
3.2.4	Number of physical asset management monitoring visits conducted • Monitoring reports	Quarterly	120 reports	30 reports	30 reports	52 reports	Target exceeded 75% Deviation Intensification of PAM monitoring

3.2 Asset Management							
Strategic objective 1:- To continuously promote the prudent management of physical and financial assets and the implementation of supply chain management framework							
Performance indicators / measure		Reporting period	Annual target 2011/12	Validated 1st quarter actual	Planned output 2nd quarter 2011-2012	Actual output 2nd 2011-2012	% deviation from the target and short explanation
							and evaluation in Departments and Public Entities
3.2.5	Number of supply chain management forums and training sessions conducted	Quarterly	3 SCM Forums 4 Training Sessions	1 SCM forum 0 training session	1 forum 1 training session	2 SCM forums 1 training session	1 special SCM forum was arranged with National Treasury on the Instruction Note issued. No deviation
3.2.6	Number of supplier management system maintained	Annually	1 system	Ongoing	Ongoing	Ongoing	No deviation one system maintained.
3.2.7	Arrange and manage Transversal Procurement of goods and services in the FS Province	Quarterly	1 Transversal contracts	N/A	1 Transversal Contract	1 Transversal Contract (Stationery)	No deviation Target on track.
3.2.8	Number of monitoring and evaluation reports produced	Quarterly	44 Monitoring Reports	0	11 Reports	17 Reports 14 SCM Bilateral Reports 2 Transversal contract reports	No deviation 14 bilateral reports of 12 departments and 2 public entities 2 transversal reports on the stationery briefing and finalization
3.2.9	Number of infrastructure delivery meetings, including IDIP held	Quarterly	40 meetings	3 meetings	10 meetings	1 meetings	Target was incorrectly captured on the 2011/12 APP.
3.2.10	Number of training sessions conducted / facilitated	Quarterly	1 training session	1 training session	N/A	N/A	

3.2 Asset Management							
Strategic objective 1:- To continuously promote the prudent management of physical and financial assets and the implementation of supply chain management framework							
Performance indicators / measure		Reporting period	Annual target 2011/12	Validated 1st quarter actual	Planned output 2nd quarter 2011-2012	Actual output 2nd 2011-2012	% deviation from the target and short explanation
3.2.11	Number of infrastructure site visits conducted	Quarterly	60 projects	15 projects	15 projects	15 projects	
3.2.12	Number of infrastructure monitoring reports produced	Quarterly	8 reports	2 reports	2 reports	2 reports	
3.2.13	Number of infrastructure Review Reports Produced	Quarterly	4 reports	1 report	1 report	1 report	
3.2.14	Number of PPP monitoring reports produced	Quarterly	4 reports	N/A	1 report	1 report	
3.2.15	Timely and reliable Provincial revenue Fund annual financial statements according to prescripts	Annually	1 set of AFS	1 set of AFS	N/A	N/A	
3.2.16	Monthly cash transfer reports produced	Quarterly	12 reports	3 reports	3 reports	3 Reports	
3.2.17	Facilitated revenue generation through investment :Investment reports	Quarterly	12 reports	3 reports	3 reports	3 Reports	
3.2.18	Participation in the quarterly cash management/PMG forums/bilateral	Quarterly	4 fora	1 forum	1 forum	1 Forum	

3.4 Supporting and Interlinked Financial Systems							
<i>Strategic objective 2-</i> To manage and support the successful functioning of transversal financial management systems on continuous basis							
Performance indicators / measure		Reporting period	Annual target 2011/12	Validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation
3.4.1	Availability and stability of the BAS Terminal Servers	Quarterly	95 per cent of 8 working hours	95 per cent of 8 working hours	95 per cent of 8 working hours	95 per cent of 8 working hours	
3.4.2	Provide technical and functional support to Provincial Departments within working hours	Quarterly	Within 8 working hours	13 of 219 calls were not attend to within 8 working hours	Within 8 working hours	<u>Technical Support (IS)</u> 39 of 302 calls were not attended to within 8 working hours <u>Functional Support(BAS)</u> 87 calls within 8 working hours	<u>Technical Support (IS):</u> Deviated by 12.91% from target due to unforeseen circumstances as indicated in report
3.4.3	Process submissions from departments for online banking and/or hand written cheques	Quarterly	Within 24 working hours	Within 24 working hours	Within 24 working hours	Within 24 working hours	
3.4.4	Interfaces successfully integrated with external systems	Quarterly	100 per cent of 4 Interfaces	75% per cent of 4 Interfaces, interfaced	100 per cent of 4 Interfaces	75% per cent of 4 Interfaces, interfaced	Busy with implementation and testing of 4 th Interface namely Housing Subsidy System Interface
3.4.5	Number of clear and user-friendly Transversal System Circulars and Practice Notes	Quarterly	15 Circulars and Practice Notes	7 transversal system circulars and practice notes were issued	3 Circulars and Practice Notes	9 Transversal Systems circulars and practice notes	22.2% deviation due to enhancements on the

3.4 Supporting and Interlinked Financial Systems							
Strategic objective 2- To manage and support the successful functioning of transversal financial management systems on continuous basis							
Performance indicators / measure	Reporting period	Annual target 2011/12	Validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation	
						were issued	Transversal Systems by National Treasury
3.4.6	Process credible and accurate entities within 10 working days	Quarterly	Within 10 working days	BAS – 1040 entities were registered of which 700 with banking details and 340 without banking details finalised with 10 working days Logis : 795 were processed within 10 working days	Within 10 working days	BAS: 1256 entities were registered of which 1018 with banking details and 237 without banking details. Finalised within 10 working days. LOGIS: 1068 were processed within 10 working days.	
3.4.7	Items codified and standardized (Process item- codification requests) Within 48 working hours	Quarterly	Within 48 working hours	1309 items were processed within 48 working hours	Within 48 working hours	within 48 working hours	
3.4.8	Number of employees trained on Transversal Systems (BAS, PERSAL and LOGIS)	Quarterly	700 employees	No BAS training Logis & Persal 222 were trained	200 employees	486 employees were trained on Transversal Systems (BAS, PERSAL and LOGIS)	58.8% deviation. BAS training commenced.

Programme 4: Actual performance against quarterly planned targets 2011-2012

4.2 Accounting services							
<i>Strategic objective 1:- To promote prudent financial management within the Free State Provincial Government</i>							
Performance indicators / measure	Reporting period	Annual target 2011/12	validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation	
4.2.1 Number of monthly assessment reports for Departments and entities monitored to adhere to predetermined % of the following: <u>Accounting KPI's</u> <ul style="list-style-type: none"> • Departments 	Quarterly	120 reports	23 reports	36 reports	26 reports	28% deviation - The date to finalise the evaluation reports on the August compliance certificates of departments is 7 October 2011 therefore the updated performance will be amended in the third quarter report. This will be the situation every quarter but should be correct at year end.	

4.2 Accounting services							
Strategic objective 1:- To promote prudent financial management within the Free State Provincial Government							
Performance indicators / measure	Reporting period	Annual target 2011/12	validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation	
<ul style="list-style-type: none"> • Trading Entities • Public Entities <p><u>Banking KPI's</u></p>		22 reports	6 reports	6 reports	6 reports	None	
		33 reports	9 reports	9 reports	11 reports	22% deviation – Separate reports is still prepared for Phakisa which have not yet merged with FS Tourism Authority as per the EXCO decision	
		140 reports	30 reports	42 reports	32 reports	24% deviation – See explanation on Departments KPI above.	
4.2.2	Number of forums for provincial departments and entities	Quarterly	10 fora	1 forum	3 fora	2 forums	33.3% - One CFO forum for Public entities will be held in the 3 rd quarter
	Number of formal training sessions conducted/facilitated for Provincial Departments, and Entities on the following: <ul style="list-style-type: none"> • Asset and liability accounts • Basic accounting handbook • Annual financial statements 		6 sessions	N/A	2 sessions	3 sessions on A&L accounts	33.3 % - 1 additional session had to be held due to volumes of nominations received.

4.2 Accounting services							
Strategic objective 1:- To promote prudent financial management within the Free State Provincial Government							
Performance indicators / measure	Reporting period	Annual target 2011/12	validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation	
4.2.3. Number of interim and annual financial statements assessment reports produced	Annually	44 financial statements	24 AFS assessment reports	0 financial statements	11 assessment reports	100% deviation – This is a new requirement (first time that IFS had to be compiled for the first quarter)	
4.2.4. Timely submission of consolidated annual financial statements and Annual Report <ul style="list-style-type: none"> • Draft CFI • Final CFI • Annual Report 	Quarterly	30 June 10 September 31 October	Submitted 30 June to AGSA 0 0	0 10 September 0	N/A 5 September N/A	None None None	
4.2.5 Number of Departments and Entities' Key Control Matrix assessment reports produced	Quarterly	132 reports	36 KCM assessment reports	36 reports	29 Assessment reports	100% deviation – this is a new requirement it was for the first time that (IFS had to be compiled in the first quarter.	

4.3. Municipal Budget and Monitoring (IYM)							
Strategic objective 2: To monitor and enhance Budget, Planning and Implementation							
Performance indicators / measure		Reporting period	Annual target 2011/12	validated 1 st quarter actual	Planned output 2 nd quarter 2011- 2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation
4.3.1	Number of assessment reports produced with regard to MTREF on <ul style="list-style-type: none"> • Draft budget • Final budget • Adjustment (budgets received) 	Annually	23 reports	15 reports	23 reports	21 final budget reports	9% - Final budget of Nala and Dhillabeng Municipality was submitted late/ without council resolutions
4.3.2	Number of assessment reports produced on the alignment of the IDP to budget	Annually	12 reports	N/A	6 reports	21 reports	350% deviation. Target exceeded
4.3.3	Number of assessment reports produced on the alignment of the SDBIP to budget	Annually	6 reports	N/A	6 reports	0	100% - Reports drafted but awaits review by Senior Manager
4.3.4	Number of assessment reports produced on the budget timeline schedules	Annually	23 reports	0	23 reports	0	100% - 2 reports drafted but awaits review by Senior Manager. Non compliance letters were issued for 21 outstanding returns
4.3.5	Number of assessment reports produced on revenue and expenditure trends of the municipalities	Monthly Quarterly	12 Consolidated reports 4 Publications	3 Consolidated reports 1 Publications	3 Consolidated reports	2 Consolidated reports	33% - Report not compiled due to capacity and ad hoc

4.3. Municipal Budget and Monitoring (IYM)							
Strategic objective 2: To monitor and enhance Budget, Planning and Implementation							
Performance indicators / measure	Reporting period	Annual target 2011/12	validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation	
				1 Publication	1 Publication	requests from NT None	
4.3.6	Number of municipalities assessed for cash flow management	Quarterly	8 municipalities	0	2 municipalities	0	100% - Capacity constraints
4.3.7	Number of training sessions conducted on: <ul style="list-style-type: none"> Cash flow management 	Annually	1 session	0	N/A	N/A	None

4.4. Municipal Revenue and Debt Management							
Strategic objective 3: To monitor and provide guidance on Municipal Debt Revenue and Management							
Performance indicators / measure		Reporting period	Annual target 2011/12	validated 1st quarter actual	Planned output 2nd quarter 2011-2012	Actual output 2nd 2011-2012	% deviation from the target and short explanation
4.4.1	Monthly assessment reports produced on municipal revenue and debt management	Monthly	6 reports	N/A	2 reports	2 reports	None
4.4.2	Number of Assessment reports produced for identified municipalities on implementation of free basic services	Bi-annually	2 reports	N/A	1 report	1 report	None
4.4.3	Number of Assessment reports produced for identified municipalities on management of debtors	Bi-annually	2 reports	N/A	2 reports	2 reports	None
4.4.4	Number of assessments reports produced on implementation of policies and procedures	Quarterly	4 reports	1 report	1 report	1 report	None

4.5 Municipal Accounting Services							
Strategic objective 4: To promote implementation of Generally Recognised Accounting Practices (GRAP) as well as liability management and reporting							
Performance indicators / measure		Reporting period	Annual target 2011/12	validated 1 st quarter actual	Planned output 2 nd quarter 2011- 2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation
4.5.1	Number of assessment reports produced on GRAP compliance	Quarterly	23 reports	3 reports	23 reports	1 consolidated report for 23 municipalities	For practical purposes a consolidated report is prepared instead of 23 reports on each municipality.
4.5.2	Compliance reports on tabling of annual and oversight reports produced	Annually	23 reports	13 Annual reports tabled 6 Oversight reports	N/A	N/A	None
4.5.3	Quarterly reports on asset & liability management produced	Quarterly	4 reports	0	1 report	1 report	None
4.5.4	Issue guidelines on Annual financial reporting cycle and procedures	Annually	1 guideline	N/A	1 guideline	4 Guidelines	Target exceeded by 400 % based on needs requirements to enhance financial reporting
4.5.5	Quarterly assessment reports on implementation rate of legislative resolutions produced	Quarterly	4 reports	0	1 report	1 report	None

4.6 Municipal Supply Chain Management and Compliance							
Strategic objective 5: To promote implementation of Supply Chain Management and Procedures							
Performance indicators / measure	Reporting period	Annual target 2011/12	validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation	
4.6.1	Number of assessments reports produced on implementation of SCM policies and procedures	Annually	23 reports	N/A	6 reports	7 reports	17 % target exceeded because engagement with municipalities resulted in improvement on submission of policies. Team assessed 7 policies as opposed to 6
4.6.2	Number of assessments reports produced on SCM compliance produced <ul style="list-style-type: none"> • Monthly • Bi-annually 	Monthly Biannually	276 reports 46 reports	4 reports N/A	69 reports 23 reports	0 0	100 % only 9 municipalities information were received late due to e-mail problems Remind letters, signed by the Act CEO were sent to 4 Municipality on 30/9/2011.
4.6.3	Number of assessment reports produced on contract management	Quarterly	3 reports	N/A	1 report	1 report	None
4.6.4	Number of assessments reports produced on MFMA compliance	Quarterly	4 Reports	1 report	1 report	1 report	None
4.6.5	Number of assessment reports produced on municipal delegations	Annually	23 reports	N/A	N/A	N/A	None

4.6 Municipal Supply Chain Management and Compliance							
Strategic objective 5: To promote implementation of Supply Chain Management and Procedures							
Performance indicators / measure		Reporting period	Annual target 2011/12	validated 1st quarter actual	Planned output 2nd quarter 2011-2012	Actual output 2nd 2011-2012	% deviation from the target and short explanation
4.6.6	Number of bi-annual assessment report produced on skills development program of municipal interns	Bi-annually	2 reports	N/A	1 report	1 report	None
4.6.7	Number of forums conducted to enhance capacity on MFMA compliance	Quarterly	4 fora	1 forum	1 forum	1 forum	None
4.6.8	Number of Financial Recovery Plans developed	Annually	2 plans	N/A	1 plan	0	Deviated by 100% - due to Capacity constraints.

4.7. Municipal Risk Management and Internal audit							
Strategic objective 6: To promote sound risk management and internal Audit practices							
Performance indicators / measure	Reporting period	Annual target 2011/12	validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation	
4.7.1	Number of bi-annual assessment reports produced for delegated municipalities with IA activity against predetermined IA activity KPIs	Bi-annually	44 reports	5 reports	22 reports	0	23% has been achieved in quarter 1 and a 77% deviation from the target realised. Reasons : (a) No Staff in the Unit and Senior Manager was appointed on the 4 th July 2011 and was acting for accounting services for July and August 2011. (b) Out of the 17 Municipalities not assessed, 11 are having non functional internal audit units.
4.7.2	Development of audit committee key performance indicators	Annually	1 set of indicators	1 set of indicators	N/A	N/A	None

4.7. Municipal Risk Management and Internal audit							
Strategic objective 6: To promote sound risk management and internal Audit practices							
Performance indicators / measure	Reporting period	Annual target 2011/12	validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation	
4.7.3 Number of bi-annual assessment reports produced for delegated municipalities with Audit Committee activity against predetermined IA committee activity KPIs	Bi-annually	30 reports	N/A	15 reports	0	There was a 100% deviation from the Target. (a) No Staff in the Unit and Senior Manager was appointed on the 4 th July 2011 and was acting for accounting services for July and assist August 2011. (b) There are eight municipalities with no audit committees and four with a shared service. As a result there is only 12 municipalities to perform the Bi annual assessment on.	
4.7.4 Number of formal training sessions conducted on: • Public sector Internal Audit Framework	Bi-annually	2 sessions	2 sessions	1 session	0	Target was already 100% achieved in the first quarter.	

4.7. Municipal Risk Management and Internal audit							
Strategic objective 6: To promote sound risk management and internal Audit practices							
Performance indicators / measure	Reporting period	Annual target 2011/12	validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation	
4.7.5	Number of forums conducted to enhance capacity at municipalities • Internal Audit	Bi-annually	2 fora	N/A	1 forum	1 forum	None
4.7.6	Number of bi-annual assessment reports produced for delegated municipalities with Risk management activity against predetermined Risk management activity KPIs	Bi-annually	44 reports	1	22 reports	0.	<p>Target achieved was 5% already done in quarter 1. There was a 95% deviation.</p> <p>Reason: (a) No Staff in the Unit and Senior Manager was appointed on the 4th July 2011 and was acting for accounting services for the July and assist for August 2011.</p> <p>(b) Non existence of Risk management activities at the Municipalities.</p> <p>There is only Four Functional Risk</p>

4.7. Municipal Risk Management and Internal audit							
Strategic objective 6: To promote sound risk management and internal Audit practices							
Performance indicators / measure	Reporting period	Annual target 2011/12	validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation	
						Management Units at municipalities.	
4.7.7	Development of risk committee key performance indicators	Annually	1 set of indicators	1	1 set of indicators	0	Target was achieved 100% in quarter 1.
4.7.8	Number of bi-annual assessment reports produced for delegated municipalities with Risk Committee activity against predetermined Risk committee activity KPIs	Bi-annually	2 reports	N/A	1 report	0	100% deviation Reason: (a) No Staff in the Unit and Senior Manager was appointed on the 4 th July 2011 and was acting for accounting services for July and assist for August 2011.
4.7.9	Number of forums conducted to enhance capacity at municipalities <ul style="list-style-type: none"> • Risk 	Bi-annually	2 fora	1 forum	2 fora		

4.8. Risk Management and Internal Audit							
Strategic objective 7: To create and sustain a culture of accountability within the Free State Provincial Administration							
Performance indicators / measure		Reporting period	Annual target 2011/12	validated 1st quarter actual	Planned output 2nd quarter 2011-2012	Actual output 2nd 2011-2012	% deviation from the target and short explanation
4.8.1	Number of bi-annual assessment reports produced for Departments and Public Entities against predetermined Risk Management Activity KPIs.	Bi-annually	12 reports	N/A	6 reports	6 Reports	None
4.8.2	Number of bi-annual assessment reports produced for Departments and Entities against predetermined Risk Management Committee KPIs	Bi-annually	12 reports	N/A	6 reports	6 Reports	None
4.8.3	Number of consolidated reports on status of FMCMM questionnaire for the Departments and Public Entities.	Bi-annually	2 reports	1 report	N/A	N/A	None
4.8.4	Number of consolidated assessment Reports produced on FMCMM action plans.	Quarterly	4 reports	1 report	1 report	0	100%. Re-assessment in process monitoring included in Key control Matrix from October 2011.
4.8.5	Number of forums conducted for Departments and Public Entities on Risk Management	Quarterly	3 fora	1 forum held on the 20-June-2011	1 forum	1 Forum held on 30 September 2011	None
4.8.6	Number of formal training sessions conducted/facilitated on Risk Management	Quarterly	2 sessions	1 report	N/A	N/A	None

4.8. Risk Management and Internal Audit							
Strategic objective 7: To create and sustain a culture of accountability within the Free State Provincial Administration							
Performance indicators / measure		Reporting period	Annual target 2011/12	validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation
4.8.7	Number of bi-annual assessment reports produced for Departments and Public Entities against predetermined Internal Audit Activity KPI's.	Bi-annually	12 reports	0	N/A	12 reports	100%. Activity was planned for 2 nd Quarter but in APP for 1st quarter. Annual target should have and should have been 24 and target under quarter 2 and 4 should be 12 each.
4.8.8	Number of bi-annual assessment reports produced for Departments and Entities against predetermined Internal Audit Committee KPI's.	Bi-annually	12 reports	N/A	6 reports	12 reports	100%. Activity was planned for 2 nd Quarter but in APP for 1st quarter. Annual target should have and should have been 24 and target under quarter 2 and 4 should be 12 each.
4.8.9	Number of forums conducted for Departments and Public Entities Internal Audit Capacity Building	Quarterly	3 fore	1 forum	1 forum	1 Forum held on the 07 th September 2011	None
4.8.10	Number of formal training sessions conducted/facilitated on Internal Audit on: <ul style="list-style-type: none"> Managing Fraud in the work 	Quarterly	2 sessions	1 session 1 auditing and management courses were	N/A	N/A	None

4.8. Risk Management and Internal Audit							
Strategic objective 7: To create and sustain a culture of accountability within the Free State Provincial Administration							
Performance indicators / measure	Reporting period	Annual target 2011/12	validated 1 st quarter actual	Planned output 2 nd quarter 2011-2012	Actual output 2 nd 2011-2012	% deviation from the target and short explanation	
	Place • Performance Audit		held				
4.8.11	Number of consolidated assessment reports produced on predetermined implementation rate of legislature resolutions for Departments and Public Entities	Quarterly	3 reports	1 report	1 report	1 report	None
4.8.12	Number of quarterly assessment reports produced on system of delegations for Departments and Public Entities	Quarterly	45 reports	15 reports	15 reports	0	100%. 67% vacant posts in Financial Management arrangement unit.
4.8.13	Number of annual assessment reports produced on Public Entity boards based on the compliance with PFMA and relevant legislature.	Annually	3 reports	N/A	3 reports	0	100%. Questionnaire was issued, feedback from entities outstanding
4.8.14	Number of reports produced on Maintenance of Entity general information	Quarterly	4 reports	0	1 report	1 report	None
4.8.15	Confirmation (Listing) of contingent liability for housing guarantees in respect of financial institutions.	Quarterly	20	3	5	3	40%. Ned Bank listings referred back for corrections and FDC did not submit
4.8.16	Number of updated reports produced to National Treasury on required detail of identified positions in departments and public entities	Quarterly	3 reports	1 report	1 report	1 Report	None

