

1ST QUARTERLY PERFORMANCE REPORT

for

2012/2013

Free State Province



treasury

Department of
Treasury
FREE STATE PROVINCE

Vision

Your partner in financial resource management excellence, for a better life for all in the Free State Province

Mission

To promote sound financial resource management, for improved service delivery in the Free State Province

Values

Every employee is expected to be guided by the principles and core values that the Department espouses by:

- Integrity
- Accountable
- Assertiveness
- Collaborative
- Responsive
- Committed
- Proactive

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PART 1: Overview by the Accounting Officer

The first quarter is the implementation of the 2012-2013 Annual Performance plan and 25% of spending against the total allocated budget of R 212, 111 million allocated for Provincial Treasury. As at June 2012 the Department managed to spend R40 million which is 19% against R212, 111 million.

The implementation of the Annual Performance Plan is going quite well because most of these targets are met in the first quarter. Infrastructure review sessions were held with Provincial Departments to review progress and status of infrastructure projects.

In an endeavour to build and improve institutional capacity and to implement decisive corrective actions, the MEC and CEO held bilateral meetings with each programme as a process of critical self-reflection and discuss issues of concern which might affect programme performance.

This report contains situation analysis per programme and sub-programmes, challenges faced by programmes and possible interventions to those challenges.

Lastly, the report contains Department's actual performance against 1st quarter targets for 2012-2013.

I hereby submit the 1st Quarterly Performance Report for your further handling

CHIEF EXECUTIVE OFFICER

Mr. H. L. KGOMONGWE

FREE STATE PROVINCIAL TREASURY

DATE: _____

PART 2: PROGRAMME PERFORMANCE

2.1. SITUATION ANALYSIS (the environment within which programmes and sub-programmes operated).

PROGRAMME 1- ADMINISTRATION

Office of the MEC

In an endeavour to improve the state of infrastructure in the Province and to strengthen the oversight role of the Department, Infrastructure review sessions were held with Provincial Departments to review progress and status of infrastructure projects. Further meetings were held by the MEC with CEO and Senior Managers (EXCOM) to also provide his intervention and strategic support to ensure that the mandate of the Department is achieved. MEC also attended EXCO and presented Provincial matters relating to the PFMA to ensure that the Province commits to the adherence of PFMA prescripts.

The MEC, as the Chairperson of the Governance and Administration Political Cluster, convened cluster meetings with the aim to assess and provide technical assistance to other Provincial Departments with the focus on the following key matters:

- FSGDS Progress Report
- Integrated Provincial Sector Strategy
- Province Wide Planning Framework
- Progress Report on Audits
- Deployment of Personnel Capacity to Municipalities
- Provincial Transversal Procurement Process

The MEC had broader stakeholder meetings with the Departments of Justice, Home Affairs, Social Development, NGOs' to discuss the role of constituency office and upcoming Legislative matters. In partnership with PWC, the MEC contributed 700 calculators to 13 secondary schools in the Province.

Office of the Chief Executive Officer

Three management (MANCO) meetings were held during this quarter. MANCO also adopted the revised agenda with the aim of aligning the agenda to Provincial and Departmental strategic issues in order to best achieve the mandate of the Department. One-on-one meetings were also held between the CEO and Senior Executive Managers on matters relating to each programme/unit.

In an endeavour to build and improve institutional capacity and to implement decisive corrective actions, the MEC and CEO held bilateral meetings with each programme as a process of critical self-reflection and discuss issues of concern which might affect programme performance.

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

The 2012/2013 Risk Assessment report was approved on the 16 April 2012 and the risk register was developed. Financial Disclosure forms, were completed by all Senior Managers and submitted to the Public Service Commission prior to the due date of 30 April 2012.

Corporate Services

The Department had an organizational structure of 446 posts at the end of the first quarter, 384 posts were filled. This left the Department with a vacancy rate of 14% at the end of the first quarter. The main contributing factor to the vacancy rate could be attributed to the fact that the process to fill vacancies in government is a lengthy process as well as the fact that some employees terminate their services with the Department.

The employment equity profile of the Department improved during the quarter, as 16 African females were appointed in the Department in the first quarter. Only four terminations occurred during the quarter

Financial Management

The Department managed to close the 2011/2012 financial year within the prescribed timeframe and submitted the draft Annual Report on the 31st May 2012 to the Office of the Auditor General.

The Interim Financial Statements for the 4th quarter as at 31st March 2012 were compiled and submitted on the 30th April 2012 to the Office of the Provincial Accountant General and the Internal Audit unit of the department for review.

The Annual Financial Statements for the 2011/12 financial year were also submitted and presented to the Cluster Internal Audit Committee for approval and an Internal Audit committee report was included in the Annual Report of the Department in this regard.

The Department is currently being audited by the Office of the Auditor General related to the 2011/2012 financial year. The department is responding within the set timeframes as agreed upon with the Office of the Auditor General and regular feedback is given in this regard to the Audit Steering Committee that is chaired by the Accounting Officer. All communication and requests issued by the Auditor General are currently or in process of being addressed.

The accounting months on BAS was closed within the set timeframes and not forced closed by National Treasury. From April 2012 the department is reporting on the Key Control Matrix in line with the Provincial Instruction Note 7, which was issued by Provincial Treasury.

During the 1st quarter the Financial, BAS and Persal delegations and the financial directives were reviewed and approved by the Accounting Officer.

The annual Tax reconciliation to SARS was submitted on the 20th April 2012 whereas the due date was on the 30th May 2012.

Supply Chain Management

The Departmental Procurement Plan for the 2012/2013 has been approved and monitoring will be conducted to ensure adherence. Regarding assets, an action plan for the financial year in question has been drafted. Following Internal Audit recommendations on Transport, an action plan is to be put in place as well.

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

Fiscal Policy

The Directorate has submitted the advertisement of four posts (1 X Manager & 3 X Assistant Managers) for Policy Research sub-programme.

PROGRAMME 3: ASSET AND LIABILITIES MANAGEMENT

Supporting and Interlinked Financial Systems

The Supporting and Interlinked Financial Systems Directorate is responsible for the support and training of Transversal Systems users.

Challenges:

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

Improvement measures:

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

BAS

- National Treasury – Budget Office introduced an updated Standard Chart of Accounts SCOA. This SCOA was released for implementation on the 1st April 2012. The late release of SCOA created additional pressures and delays in the capturing of the budgets. This late release had an impact on the Persal Interface as well as the LOGIS allocations for the 2012-2013 Financial Year.
- 67% of the Free State Provincial Departments closed the month of April 2012 and 87% closed the month of May 2012 for the 2012/2013 Financial Year. The month of June 2012 only closes on 6 July 2012.
- 93% of all the Free State Provincial Departments closed the financial year 2011/2012 during April 2012.
- the implementation of a new BAS data base for the Department of Rural Development started in April 2012 for going live on 1st August 2012. Normal implementation is a period of 6 months. This database will be implemented within 4 months as the data base was only released in May 2012 by National Treasury.
- A new BAS Training Database was also requested from National Treasury due to the implementation of the updated Standard Chart of Accounts and will be available on 1st August 2012.
- The registration of suppliers and banking details were done within the 10 days' timeframe.

LOGISTICS

□ The LOGIS sub-directorate submitted the operational plans, performance development management system documents (both plans and assessed documents, including all corrections that needed to be done after the committee review). The following Processes also took place during this period:

- o The vacant post of a Supplier Administration Officer was filled via a promotion of the Clerk and the latter post is now vacant and awaiting to be advertised and filled.
- o The Senior LOGIS Administration Officer's post in the Help Desk has been put on hold due to a process of downscaling within the department.
- o Two officials within Codification section have indicated that they are not happy with their assessed PDMS's of the second bi-annual and Management has since intervened and the issue is currently awaiting the PDMS Committee assessment report to continue with this dispute.
- o KCM Meeting with Health: this meeting was meant to inform the Department of Health of the expected responses in respect of the Key Control Matrix that needs to be complied with daily, weekly, monthly, quarterly, bi-annually and annually.
- o Health RX Solution Request: This was a meeting with the PAG to re-submit the Health's request to use RX Solution (a donated system for their pharmaceuticals) to National Treasury for re-consideration and approval and documentation has since been sent to National Treasury via the office of the Provincial Accountant General (PAG) and feedback is outstanding
- o SARS & Treasury Meeting: This meeting was meant to understand what SARS is offering and the common challenges that the departments are experiencing and also what SARS is struggling with and the intension being to work together as government entities to address the challenges.
- o Fleet Management & SITA Meeting: Fleet Management is currently looking for a system to address their Fleet Management Systems and SITA was to help Fleet Management to address this requirement and Treasury was there to monitor compliance to prescripts and caution the entities of any issues that they might find irregular.
- o Split of Agriculture and Rural Development: This meeting was meant to discuss the pros and cons of the splitting process from a Transversal System and Asset Management point of view through a project plan and to explain every stage of this project so as to clarify the functions of the stakeholders involved. LOGIS Store has already been implemented and the store is currently busy with the creation of journals.
- o KITSO Presentation: This presentation was meant to inform the Province on the tool that the supplier has to dump, the Transversal System files in and producing several results on it, no firm conclusion was reached on the adoption of the tool.
- o Asset & Liability Bilateral: This was meant to raise awareness on Supply Chain Management, Asset Management and Logistics Reporting. We addressed the use of the repository systems (Vulindlela and Logistical Business Information System (LBIS) and the use of LOGIS Balance Scorecard and promoted the Training program in relation to the use of the Balance Score Card. It was found that even though CFO signed the KPI document that asks the officials to use the Balance Score Card for their Monthly evaluation they were so surprised to hear and see the Balance Score Card.

INFORMATION SYSTEMS

Virus problems and daily virus attacks on the Health BAS terminal server (Mars01) were still being experienced during April, May and June 2012. The virus attacks are followed up with mails to the IT section of Health and the virus server is monitored on a daily basis. A letter was also directed to the CFO for intervention.

Regular problems are experienced with regard to the 120 new Pro Line PC's and monitors procured for the Transversal Training venues.

Problems occurred with the Air conditioners in the Server room. A deviation from the Procurement plan had to be done to procure new air conditioners to ensure that the temperature of the server room can be regulated. Unfortunately the supplier could not deliver on time for the payments to be done in the 2011/2012 financial year.

The supplier confirmed that the air conditioners could only be delivered at the end of August 2012 with a price increase. A new request was made by SCM, due to the fact that the existing order had to be cancelled.

The Assistant Manager, Transversal IT, has been transferred to Department of Tourism since 1st April 2012, post not yet advertised.

PROGRAMME 4: FINANCIAL GOVERNANCE

Accounting Services

The establishment of the Directorate is 83% filled. The intern previously allocated to the Directorate to gain the necessary knowledge and experience in Accounting Services was appointed in a vacant post from 01 April 2012. The Directorate had to perform overtime work during the quarter to finalise the evaluation of Interim Financial Statements and Draft Financial Statements within specified due dates. One level 8 post is in the process of recruitment

Municipal budget and monitoring (IYM)

The Senior Manager post is funded but vacant since 1st March 2011. The shortlisting has been done and interviews need to be arranged, conducted, and appointment made.

One post of Manager IYM is vacant but not funded as well as one Manager post for Budgeting.

Two posts of Assistant Managers are vacant but not funded as well as one Assistant Manager for Budgeting

Municipal Accounting Services

The directorate has been operating with 2 Managers and 2 Assistant Managers vacant posts, and this has put a lot of pressure on the existing personnel. The Assistant Managers posts were filled in June 2012 and the Managers' posts will be filled once the dispute with the personnel in MFM has been resolved by the MEC and the CEO. Interviews have been held and competency assessments done.

Municipal Revenue & Debt Management

The directorate strived in the limited space of time to satisfy its targets. However, human capital and more specifically technical constraints have hindered the component to comprehensively achieve the desired performance at a municipal level. Currently, from a demand side the unit will prioritise its projects to satisfy its clients. From a positive perspective, the unit has prepared guidelines and standing operational procedures which were distributed and discussed for both internal and external clients.

Municipal Supply Chain Management and Compliance

The vacancies in respect of SCM are in the process of being advertised whilst vacancies in respect of Compliance are in the process of being job evaluated. The Senior Manager acted in the vacant Senior Executive Manager post for the month of June 2012,

Municipal Risk Management and Internal Audit

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

The directorate has changed the bi-annual assessments to quarterly assessment so that Municipalities are given early warnings of non-conformance.

It must however be noted that most municipalities are not always ready for the assessments in the beginning of the new quarter.

For the current quarter the directorate struggled to get appointments with Municipal Managers, there was also a week where Internal Auditors were attending IMFO Risk Management and Internal Audit Indaba.

Risk Management and Internal Audit – Provincial

Risk Management and Internal Audit directorate functioned with a 22 % staff vacancy during the first quarter of 2012/13 financial year. The recruitment processes of three vacant posts commenced and will be finalised in the second quarter. One Manager post in Internal Audit is unfunded and request for funding was submitted to the CFO.

1.2. SPECIFIC **KEY** CHALLENGES AND RESPONSES *(per sub programmes)*

PROGRAMME 1: ADMINISTRATION

Corporate Services

Challenge 1: Employment Equity

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

Response to challenge 1:

During the interview processes EE targets are taken into account. Twenty three of the twenty five Senior Management Services posts are currently filled. Only 20% of the current filled SMS posts are filled by women. The Department will attempt to fill the remaining vacant SMS posts and the SMS posts that may become vacant during the following financial year with women, with an emphasis on black women.

The employment of people with disabilities remains a challenge, as the Department struggles to attract disabled applicants who meet the qualification requirements of its posts. Most posts within the Department are specialised posts that require a tertiary qualification.

Challenge 2: Vacancy rate

The Department wanted to reach a vacancy rate of 5% or less at the end of the financial year. (The current vacancy rate is 14%). With a vacancy rate of 5% or less, the Department will be in a position to render its services more effectively. Internal promotions also hamper the Department's ability to reduce its vacancy rate.

Response to challenge 2:

The Senior Management Services members are requested on a monthly basis to fill their funded vacancies as soon as possible after becoming 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.

Financial Management

Challenge 1:

Maintaining a clean audit report for the 2011/12 AFS financial year.

Response to Challenge 1:

Regular communication (Request and Communications Received) from the audit team and addressing outstanding matters as soon as possible.

Challenge 2:

To ensure that the Key Control Matrix indicators are correct.

Response to Challenge 2:

To ensure that the information provided is 100% accurate to prevent oversight mistakes and provide training if needed.

Challenge 3

To ensure that all issues identified in Audit communications during the 2011/12 financial year are being addressed, and ensure that they do not re-occur again.

Response to Challenge 3:

Action plans in respect of issues raised must be compiled.
Training must be provided if needed.
Monthly reporting on the progress made.

Supply Chain Management

Challenge 1:

Conducting monthly asset count by Asset holders. Lack of commitment, ownership and buy-in of Asset Holders.

Response to challenge 1

A phase-in approach in introducing the function/exercise to the Asset Holders is to be gradually implemented. The current approach is to make use of the contract workers (10) to execute the function (asset count) with the inclusion of the Asset holders and at a later stage hand-over the full responsibility to the Asset Holders.

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

Budget management

Challenge 1 :

The biggest challenge faced by the Budget Management particularly in the first quarter relates to delay by the National Treasury to issue budget processes, 2013/14 MTEF Budget Guidelines and APP Guidelines.

Response to challenge 2:

The issue of delay was communicated to National Treasury with the view of ensuring that those delays do not impact negatively on the directorate's deliverables. The directorate will also ensure that the deliverables which were not attained in the 1st quarter are undertaken in the 2nd quarter of the current financial year.

PROGRAMME 3: ASSET AND LIABILITIES MANAGEMENT

Asset management

Supply Chain Management and Compliance

Challenge 1

Capacity within the Unit for the unit to perform all functions, implement new functions and instruction notes

- Policy Guidelines on spending for reviewing
- Relook at current policies and targets set
- To capacitate the database unit
- Reliable reporting system/tool
- Rendering supporting functions effectively
- Review the grievance mechanism unit

Response to challenge 1

- Management to prioritize the capacity within the SCM Unit
- Review and relook at the current policies and to advise ExCo accordingly
- To get clear indication where the custodianship of the Provincial Policy Guideline lies
- Investigate a reporting system or tool
- Provide in-house training in relation to supporting functions to departments and public entities
- Setting up a help desk for effective support function
- Review of the grievance mechanism function
- Implement and relooking of the new functions

Infrastructure Coordination and PPP's

Challenge 1:

Lack of frequent communication by Departments on progress of projects

Response to challenge 1:

1. Monthly and quarterly report back sessions by Departments with National Treasury

Supporting and Interlinked Financial Systems

Challenge 1: Month End Closure on BAS

Assisting Free State Provincial Departments with the month end closure for the 2012/2013 Financial year on BAS.

Response to Challenge 1

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

Challenge 2: Financial Year End Closure of BAS

Assisting Free State Provincial Departments with the Financial year end closure for the 2011/2012 financial year on BAS before or on 30 of April 2012.

Response to Challenge 2

The on-going monitoring and assistance to Provincial Departments during Financial Year end closure process on BAS.

Challenge 3: Implementation of a new BAS Data Rural Development

A new BAS Data base for the Department of Rural Development must be created for live date of 1st August 2012.

Response to Challenge 3

The implementation of the new BAS database according to the National Treasury implementation checklist. normal implementation is a period of 6 months. The implementation must go live on 1st August 2012.

Challenge 4: Implementation of new BAS Training Data Base

A new BAS Data base for the Training environment must be created due for release on an updated Standard Chart of Accounts

Response to Challenge 4

The implementation of the new BAS database BAS Training must be completed within a month due to the fact that National Treasury will only be releasing the Database for updating and implementation during July 2012.

Challenge 5: Implementation of Rural Development

To have competent PERSAL Users.
Under- utilisation of the system.

Response to Challenge 5:

Training and support

Challenge 6: Lack of Documented Processes and Procedures in Departments

A good example of this is the Department of Agriculture and Rural Development: that have so far not shared their plans on how exactly it intends to split the department into two: who will be responsible for what and yet the expectation is that there will be stores ready at the beginning of the new financial year. The department has challenges within Supply Chain Management Component varying from lack of officials and lack of relevant know-how's needed to run supply chain and this split will not make it any easier.

Response to Challenge 6:

A meeting to take the Department through the phases of implementation project of Transversal System has already taken place and progress is being monitored at the moment with site visit support. This plan depends mainly on the department doing its part as LOGIS continue to assist them with this project and most importantly to maintain the good work that will be achieved at the end of this project.

Challenge 7: Non-Compliance within Departments

The departments often approach LOGIS on their challenges and this office invests a lot of efforts in putting guidelines together in assisting them. This sub-directorate has been approached by the office of the Provincial Accountant General on how best to assist the same department only this time it is worse than before.

The non-compliance and the lack of management controls lead the department to apply for deviations and requests to use excel due to the ease of manipulation found in reporting in this manner and we are completely against this pattern that seem to gain momentum with years.

Response to Challenge 7:

All correspondences to all departments will be copied for the office of the Provincial Accountant General and the Accounting officers of the respective departments will be informed to take disciplinary measures for none-compliance. This sub-directorate is now capacitating the Internal Audits within departments to enable them to assist with monitoring none compliance and this sub-directorate will be copying them in all correspondences within departments.

Bilateral meetings are being set up to deal with the management of departments on areas of concern. The first round of these bilateral has already kicked off and this sub-directorate is promoting compliance in these gatherings. The practice of using excel will be requested to stop by these interventions.

PROGRAMME 4: FINANCIAL GOVERNANCE

Accounting services

Challenge 1:

Inadequate structure at managerial level

Response to challenge 1:

The existing structure was evaluated and a proposal for a revised structure was submitted to Corporate Services for further handling. DPSA is currently engaging the department on the revised structure and furthermore due to limited funds all posts on the revised structure are not funded. This Directorate continued with overtime mainly by Senior Manager, Managers and Senior State Accountants to ensure all legislative deadlines are met. During May 2012 official approval was granted for payment of one week's overtime worked.

Municipal budget and monitoring (IYM)

Challenge 1:

Credibility, late submission and non-submission of section 71 reports.

Response to challenge 1:

On-going technical support to municipality to verify information reported and to enhance completion and submission of reports.

Municipal Revenue & Debt Management

Challenge 1:

Implementation of municipal policies;

Inaccurate reporting by municipalities creates challenges in the early detection of financial problems at municipalities; and

Weak revenue and debt management operational plans at municipalities

Response to challenge 1:

The establishment of an intergovernmental debt steering committee to reduce intergovernmental debt;

The development of a guide document which will support municipalities strengthen their revenue value chain levers;

Municipal Accounting Officers to verify debt data sets submitted to Provincial Treasury; and

In addition debt data is reported to COGTA and DCOG by Provincial Treasury to reduce data inconsistencies.

Municipal Supply Chain Management and Compliance

Challenge 1

Insufficient staff in both SCM and Compliance sub-directorates due to vacancies

Response to challenge 1:

Finalization of job evaluations for Compliance posts and advertising and filling of vacancies in both sub-directorates

Municipal Risk Management and Internal Audit

Challenge 1

Disagreements with regard to the developed KPI's, Municipalities don't want to be assessed on best practices and frameworks as these are only guidelines.

Response to challenge 1:

A consultative process unfolded and the KPI's were agreed upon during the Provincial Forum

Risk Management and Internal Audit – Provincial

Challenge 1

Non submission of documents for evaluation by public entities.

Response to challenge 1:

Officials are visiting the entities to assess and collect the information from the entities.

PART 3: DEPARTMENTAL PERFORMANCE

3.1. Actual programme performance against quarterly targets

PROGRAMME 1: ADMINISTRATION

QUARTERLY TARGETS FOR 2012/13

Sub-program : Office of the MEC						
Strategic objective: To provide support to the MEC						
Performance indicators / measure		Annual target 2012/13	1 st Quarterly planned output	1 st Quarterly output (preliminary)	Challenge	Response
1.1.1	Accurate and efficient records management system is implemented	1 record management system	N/A	N/A		
1.1.2	Turn-around time for documents received by the Office of the MEC	2 working days	2 working days	2 working days		
1.1.3	Turn around on responses to issues raised by external stakeholders	5 Working Days	5 Working Days	5 working days		
1.1.4	Regular interaction with constituency and constituency office	50 interactions	12 interactions	14 interactions		
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) 	4 reviews 12 interactions	1 review 3 interactions	1 review 3 interactions with AG 3 FGSDS meetings 3 Governance meetings 1 Black Management Forum meeting		

Sub-program : Office of the CEO						
Strategic Objective : To provide support to the CEO						
Performance indicator / measure		Annual target 2012/13	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
1.2.1	Accurate and efficient records management system implemented and maintained	1 accurate and efficient record system	25% information populated on the record system	25% information populated on the record system		
1.2.2	Turn-around time for documents received by the Office of the CEO	2 working days	2 working days	2 working days		
1.2.3	Number of strategic leadership meetings held <ul style="list-style-type: none"> Meetings with Senior management 	12 meetings	3 meetings	3 meetings		
1.2.4	Consolidated report on all finalised Departmental delegations	1 report	N/A	N/A		
1.2.5	Risk management framework reviewed	1 risk framework	01/04/2012	1 risk framework		
1.2.6	Updated risk register for the department	1 risk register	01/04/2012	1 risk register		
1.2.7	Number of risk mitigation reports presented to Management	4 reports	1 report	1 report		
1.2.8	Annual finalisation of risk assessment report	1 report	N/A	N/A		
1.2.9	Policy compliance reports on MISS produced on quarterly basis	4 reports	1 report	1 report		
1.2.10	Designated officials and employees declaring financial interests	25 SMS members	25 SMS members	23 SMS members	2 posts are vacant	The matter will be addressed when posts are filled

Sub-program : Office of the CEO

Strategic Objective : To provide support to the CEO

Performance indicator / measure		Annual target 2012/13	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
1.2.11	Number of Vetting reports: <ul style="list-style-type: none"> • Individual shortlisted candidates before employment • Security clearance (Z204) on all employees • Service providers contracted to the department 	4 reports	1 report	1 report		
1.2.12	Number of Monthly reports on inspections and findings related to security aspects	12 reports	3 reports	3 reports		
1.2.13	Number of security awareness programmes conducted	10 sessions	3 sessions	3 sessions		
1.2.14	Number of security committee meetings held	4 meetings	1 meeting	0	The meeting could not be held before the finalization of security charter. The charter is still under development.	After the approval of the charter by the MEC and CEO the meetings will be held quarterly.

Sub-program : Corporate Services							
Strategic Objective : To facilitate a skilled, competent and responsive workforce for the Department							
Performance indicators / measure		Annual target 2012/13	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response	
1.3.1	Total number of funded posts filled on the approved staff establishment	410 posts filled	402 posts filled	384 posts filled	Approval to fill posts, as critical posts delayed by the recruitment process		
1.3.2	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 	<ul style="list-style-type: none"> African Males 162 African females 155 Coloured males 7 Coloured females 10 Indian males 1 Indian females 1 White males 21 White females 	<ul style="list-style-type: none"> African males 155 African females 140 Coloured males 6 Coloured females 10 Indian males 1 Indian females 1 White males 21 	<ul style="list-style-type: none"> African males 134 African females 167 Coloured males 6 Coloured females 10 Indian males 1 Indian females 1 White males 20 			

Sub-program : Corporate Services						
Strategic Objective : To facilitate a skilled, competent and responsive workforce for the Department						
Performance indicators / measure		Annual target 2012/13	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
		48	White females 48	White females 46	Oversupply of white females limits the Department's ability to reach set targets for all races.	Employment Equity profile taken into consideration during short listing processes. Only candidates whose appointments can improve the EE profile of the Department are considered.
1.3.3	Number of reviewed, approved and implemented departmental HRM policies	8 policies	Reviewed policies	8 policies reviewed		
1.3.4	Number of approved Human Resources Plan	1 HR plan approved	1 HR plan approved	1 HR Plan approved		
1.3.5	Number of leave reconciliations conducted	4 reconciliations	1 leave reconciliation	1 leave reconciliation		
1.3.6	Number of staff absenteeism reports	1 report	N/A	N/A		
1.3.7	Number of months to fill vacant funded posts	3 months	3 months	3 months		
1.3.8	Number on Human Resource delegations developed, approved and implemented	1 set of HR delegations reviewed	1 set of HR delegation reviewed	1 set of HR delegation reviewed		
1.3.9	Number of wellness workshops/empowerment or information sessions/written	12 sessions/ activities	3 sessions/ activities	5 sessions/ activities		

Sub-program : Corporate Services						
Strategic Objective : To facilitate a skilled, competent and responsive workforce for the Department						
Performance indicators / measure		Annual target 2012/13	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
	articles and other empowerment activities					
1.3.10	Quarterly compliance reports on relevant aspects of OHS Act	% of Adherence to developed (KPIs) for OHS Act compliance 1. Set KPIs of 100% compliance annually. 2. Develop KPIs and verify KPIs with subject expert. 3. train OHS task team on KPIs 4. implement KPIs	Develop KPIs Verify KPIs with Subject Expert	1. Developed KPIs 1. KPIs developed according to identified OHS challenges by the OHS Task Team and reported problems	KPIs not yet verified with Subject Expert	This must still be consulted with OHS Task Team Committee for inputs on developed KPIs
1.3.11	Reports on implemented EHWP Strategic framework	4 reports	1 report	1 report		
1.3.12	Reports on achieved targets in respect to planned appointments in line with EE targets	4 reports	1 report	1 report		
1.3.13	Reports on identified Outreach Projects for Woman, Youth, Children, Aged, Disabled and	4 reports	1 report	3 reports		

Sub-program : Corporate Services						
Strategic Objective : To facilitate a skilled, competent and responsive workforce for the Department						
Performance indicators / measure		Annual target 2012/13	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
	Moral regeneration produced					
1.3.14	Total number of posts evaluated on the staff establishment	410 posts	402 posts	A total of 421 posts have been job-evaluated thus far. (7 posts Job evaluated in the 1 st quarter)		
1.3.15	Annual review of organizational structure by specified deadline.	June 2012	June 2012	0	DPSA not yet concurred with the proposed structure	-The proposed structure and amendments requested by DPSA were submitted in January 2012. -On the 24th April a meeting was held with DPSA with regard to the proposed structure. -All posts that were filled were job evaluated.
1.3.16	Performance bonuses to qualifying officials finalised within the prescribed timeframe	July 2012	N/A	N/A		
1.3.17	Submission of Performance Development plans and Agreements	2 submissions	31-May (submission of Performance Agreements)	Total number of SMS = 24 Vacant posts = 02	Not all PDMS and Performance Agreements were submitted in time.	Follow-ups on outstanding plans were made.

Sub-program : Corporate Services						
Strategic Objective : To facilitate a skilled, competent and responsive workforce for the Department						
Performance indicators / measure		Annual target 2012/13	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
				<p>Filled posts = 22</p> <p>Total number not submitted = 13 (59.09%)</p> <p>Total number submitted = 09 (40.91%)</p> <p>Total number of level 1 to 12 = 422</p> <p>Filled posts 360</p> <p>Vacant posts 62</p> <p>Total number submitted = 180 (50%)</p> <p>Total not submitted = 180 (50%)</p>		
1.3.18	Finalisation of assessed Performance Agreements of SMS members	December 2012	N/A	N/A		

Sub-program : Corporate Services						
Strategic Objective : To facilitate a skilled, competent and responsive workforce for the Department						
Performance indicators / measure		Annual target 2012/13	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
1.3.19	Finalisation of Pay progression for qualifying level 1-12 officials	July 2012	N/A	N/A		
1.3.20	Number of information awareness and/or articles letters / circulars issued on Legal and Labour Relations matters	8 awareness articles/ circulars	2 awareness articles / circulars	3 awareness articles		
1.3.21	Number of days to finalise disciplinary cases in accordance with legislation	30 days	30 days	No cases		
1.3.22	Develop guidelines on PAIA and PAJA for officials	Develop guideline on PAJA for officials	1 guideline developed	0		Guidelines of both PAJA and PAIA are already done and submitted during the previous financial year.
1.3.23	Number of interns appointed	20 Interns	20 Interns	0	HRD had to identify the analysis of skills required for the Department through the Office of the Premier database and Youth Development Agency. The response from the above	Submission for shortlisted candidates approved and Interviews scheduled for the 9th July 2012.

Sub-program : Corporate Services						
Strategic Objective : To facilitate a skilled, competent and responsive workforce for the Department						
Performance indicators / measure		Annual target 2012/13	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
					mentioned agency delayed to identify the required skills	
1.3.24	Number of employees trained as per Departmental Annual Training Plan	380 employees	130 employees	127 employees	25 SMS Members Submission disapproved , 23 Pa's Submission disapproved	SMS to send their individual PDP's to HRD on/before 6th July 2012, Request sent to Supply Chain Management for PA's training
1.3.25	Number of induction sessions conducted	4 sessions	1 session	0	Lesser number of newly appointees	Planned for the next quarter
1.3.26	Number of workplace skills plan formulated and implemented (programme success rate)	1 Plan	1 Plan	1 plan		
1.3.27	Number of part- time bursaries awarded	15 bursaries	N/A	N/A		
1.3.28	Number of Human Resource Development Implementation Plan Developed and Implemented	1 Plan	1 Plan	1 Plan		
1.3.29	Number of service delivery improvement plan	1 Plan	1 Plan	1 plan		
1.3.30	Number of online quarterly newsletters produced	4 newsletters	1 newsletter	1 newsletter		
1.3.31	Develop and implement a comprehensive Communications strategy	1 Strategy	1 st draft Strategy developed	Draft 2012/13 Provincial Treasury	No approved Provincial Government	The 2012/13 Provincial Government Communication

Sub-program : Corporate Services						
Strategic Objective : To facilitate a skilled, competent and responsive workforce for the Department						
Performance indicators / measure		Annual target 2012/13	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
				Communication Strategy has been developed still awaiting the Provincial Communication Strategy for alignment and finalisation.	Communication Strategy as yet. Provincial Treasury Communication Strategy to be informed by the Provincial Government Strategy	Strategy is to be finalised before the end of July, and then afterwards the Treasury's Communication Strategy will be finalised.
1.3.32	Develop, implement and maintain electronic information resource strategy	Developed strategy	Strategy reviewed	IT Governance Framework approved, implementation in progress Request to SCM done for full DR plan and testing in progress Disaster recovery Device procured		
1.3.33	Provide sustainable and accessible ICT infrastructure	Test and enforce backup and disaster recovery plan	ICT infrastructure provided	New Server infrastructure functional Core Switch procured not yet functional		

Sub-program : Corporate Services						
Strategic Objective : To facilitate a skilled, competent and responsive workforce for the Department						
Performance indicators / measure		Annual target 2012/13	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
1.3.34	Developed and implemented master system plan	Reviewed and maintained	Master plan developed	IT Plan approved and implementation in progress Review in progress		

Sub-program : Financial Management						
Strategic Objective : To ensure that allocated funds are planned for, managed and spent efficiently						

Programme performance indicators / measure		Annual target 2012/13	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
1.4.1	Adherence to predetermined financial and banking KPI's <ul style="list-style-type: none"> Accounting Banking 	95% 93%	95% 93%	96.42% 97%		
1.4.2	Adherence to key Budget Deadlines: <ul style="list-style-type: none"> Produce Credible Adjustment Budget (one report submitted November) 	1 report	N/A	N/A		
	<ul style="list-style-type: none"> Produce Credible Estimates of Provincial Expenditure Statement II (2 drafts and 1 final report Submitted January) 	3 reports	N/A	N/A		
	<ul style="list-style-type: none"> A plan to improve the budget process, aligned to the provincial budget process developed 	Plan to be developed	N/A	N/A		
1.4.3	Adherence to PFMA Reporting requirements: Compile in year monitoring (IYM) reports	13 IYM Reports	4 IYM Reports	3 IYM reports finalized	March 2012 will only be finalized after outcome of the audit.	March 2012 will only be finalized after outcome of the audit.
1.4.4	Accurate Annual Financial Statements finalized before (May)	1 set of AFS	1 set of AFS	1 AFS		
1.4.5	Accurate interim financial statements	3 Interim Financial Statements	N/A	1 Set of IFS		The 4th quarter Interim Financial Statements as at 31st March 2012 were submitted on the 30th April 2012 as prescribed.

Sub-program : Financial Management						
Strategic Objective : To ensure that allocated funds are planned for, managed and spent efficiently						
Programme performance indicators / measure		Annual target 2012/13	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
1.4.6	Finalization of the Annual Report (August)	1 Annual report finalized (August)	N/A	N/A		
1.4.7	Final Departmental Annual Performance Plan submitted to the Legislature	Final APP submitted to the Legislature (March)	N/A	N/A		
1.4.8	Assist in production of operational plans for all directorates	March 2012-2013	N/A	N/A		
1.4.9	Quarterly Performance Information Reports produced and submitted	4 quarterly reports	1 report produced	1 report produced		
1.4.10	Number of quarterly performance reviews presentations done	4 quarterly performance review presentations done	1 review presentation presented	1 review presentation presented		
1.4.11	Number of reports submitted on Departmental budget injunctions	4 quarterly reports produced	1 quarterly report produced	1 quarterly report produced		
Sub-program : Supply Chain Management						
Strategic Objective : To procure and maintain quality goods and services in an economical and efficient manner						
1.4.12	Effective Management of all Departmental Assets to meet minimum LOGIS asset register requirements	1 updated asset management register	1 updated asset management register	1 updated asset management register		
1.4.13	Annual Demand Management Plan aligned with the APP/Budget	1 complete demand plan	Draft	Draft and project plan.		
1.4.14	All bids considered for procurement by bid committee	Bid committee reports produced	One report per Bid produced	None.	No bids were advertised during the	

Sub-program : Financial Management						
Strategic Objective : To ensure that allocated funds are planned for, managed and spent efficiently						
Programme performance indicators / measure		Annual target 2012/13	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
	and reports produced	(within 90 days of bid validity)	(provided a bid was advertised)		period.	
1.4.15	Payment of creditors within 30 days	100% payments within 30 days	100% payments within 30 days	99.86% of creditors were paid within 30 days.	Deviation (one invoice was paid outside 30 days) this was due to incorrect capturing of order quantities versus invoices received.	More emphasis put on chief-user clerks to ensure that the order quantity captured corresponds with the actual point-to-point transfers arranged to take place.

Sub-program : Internal Audit

Strategic Objective : To ensure compliance with best practices, norms and standards, independent assessment of the adequacy and effectiveness of internal controls						
Programme performance indicators/measure		Annual target 2012/13	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
1.5.1	Number of audits performed per year	12 audits performed	3 audits performed	4 audits performed		
1.5.2	Number of days after completion of audit within which a report is issued	N/A	N/A	N/A		
1.5.3	Number of unresolved recommendations of Auditor General's management letter at the year end	N/A	N/A	N/A		
1.5.4	Number of workshops conducted at service points for Internal controls	2 Workshops conducted	N/A	N/A		
1.5.5	Audit plans developed and submitted to audit committee for approval.	2 audit plans	2 audit plans	2 audit plans		
1.5.6	Audit charters reviewed and submitted to audit committee for approval.	2 audit charters	N/A	N/A		

5. PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

5.1 STRATEGIC OBJECTIVES AND ANNUAL TARGETS FOR 2012-13

The role of this programme is to promote the effective management of the provincial fiscal framework the programme consists of four sub-programmes:

5.2 QUARTERLY TARGETS FOR 2012-2013

Sub-program : Economic Analysis						
Strategic Objective : To influence policy development and implementation in line with Fiscal framework						
Programme performance indicators / measure	Annual target 2012/13	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response	
2.2.1	Updated Regional Explorer database	4 updates on database	1 updated database	0	The updated database was not delivered on time by the service provider.	The updated database will be delivered in the 2 nd quarter
2.2.2	Update of Computable General Equilibrium and Social Accounting Matrix	1 update	N/A	N/A		
2.2.3	Social Accounting Matrix Multiplier report	1 report	N/A	N/A		
2.2.4	Computable General Equilibrium studies	2 studies	N/A	N/A		
2.2.5	Number of research based reports produced	4 reports	N/A	1 research report		
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 	6 workshops	1 workshop	0	Research still in progress	The workshop was postponed to the 2 nd quarter, when research projects will be completed.
2.2.7	Publish Quarterly Labour Market Reviews	4 reviews	1 review	1 review		

Sub-program : Economic Analysis						
Strategic Objective : To influence policy development and implementation in line with Fiscal framework						
Programme performance indicators / measure		Annual target 2012/13	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
2.2.8	Publish the provincial economic review and outlook (PERO) annually	1 document	N/A	N/A		
2.2.9	Contribute Chapter 1 of Medium Term Budget Policy Statement	1 chapter	N/A	N/A		
2.3.6	Quarterly reports on Provincial Equitable Shares	4 reports	1 report	0	100% deviation. The function was transferred to the unit: economic analysis during the first quarter,	Proper work on the function will be performed in the second quarter. In this regard, 2 reports will be produced in the second quarter to cover the work of the 1 st quarter as well.
2.3.9	1 Submission on PES on the FFC's Division of Revenue recommendations	1 Submission	N/A	N/A	The function was transferred to economic analysis in the 1 st quarter,	The provincial draft submission was developed and will be canvassed and submitted in the first month of the second quarter

Sub-program : Fiscal Policy						
Strategic Objective : To provide Fiscal Policy implementation support						

Programme performance indicators / measure		Annual target 2012/2013	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
2.3.1	Credible revenue base for 12 departments	12 Depts	N/A	N/A		
	Train Departments on revenue	12 Depts	N/A	N/A		
2.3.2	Revenue target analysis reports	12 reports	3 reports	3 reports		
2.3.3	Quarterly meetings on revenue	4 meetings	1 meeting	1 meeting		
2.3.4	Develop & issue guidelines on revenue related matters	6 guidelines	1 guideline	3 guidelines		
2.3.5	Conduct revenue inspections	20 inspections	6 inspections	6 inspections		
2.3.6	Quarterly reports on Provincial Equitable Shares	4 reports	1 report	0		The function is being transferred & performed by Economic Analysis Directorate
2.3.7	Review of the Provincial Revenue Enhancement Strategy	A Revised Provincial Revenue Enhancement Strategy	N/A	N/A		
	Monthly reports on Revenue Enhancement Allocation Projects	12 reports	3 reports	2 reports		Deviation of 1 report is due to BAS closure for 1st quarter
2.3.8	Produce 1 chapter on provincial fiscal envelope for the MTBPS document	1 chapter	N/A	N/A		
2.3.9	1 Submission on PES on the FFC's Division of Revenue recommendations	1 Submission	N/A	N/A		The function is being transferred & performed by Economic Analysis Directorate

Sub-program : Fiscal Policy						
Strategic Objective : To provide Fiscal Policy implementation support						
Programme performance indicators / measure	Annual target 2012/2013	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response	
					Directorate	
2.3.10	Produce reports on all measures taken to optimise Conditional Grants	2 reports	N/A	N/A		
	Monthly reports on Condition Grants	12 reports	3 reports	3 reports		
2.3.11	Monthly report on donor funding	12 reports	3 reports	3 reports		
2.3.12	Reports on factors affecting provincial taxes/ or equitable share	2 reports	N/A	N/A		

Sub-program : Budget Management						
Strategic Objective : To allocate financial resources in line with Government priorities						
Programme performance indicators	Annual target 2012/2013	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response	
2.4.1	Tabled appropriation and Provincial Budget in line with National prescripts	Credible Provincial budget tabled within 2 weeks after National budget	Issue budget format guidelines and Initial allocation letters	0	The National Treasury has not finalised the 2013/14 MTEF budget format guidelines which impact on the	The adverse impact on the delay of issuing budget format guidelines and allocation letters was communicated to National Treasury; as a result the Provincial

Sub-program : Budget Management						
Strategic Objective : To allocate financial resources in line with Government priorities						
Programme performance indicators	Annual target 2012/2013	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response	
				initial allocations	Treasury will issue budget format guidelines and initial allocation letters in the second quarter	
2.4.2	Tabled Adjustment Budget in line with National prescripts	Credible Adjustment budget tabled within 30 days after National Adjustment Budget	Assessment and Evaluation of rollover requests	The assessment and evaluation of rollover requests was concluded on the 26 June 2012.		
2.4.3	Report on alignment of budget, strategic and annual performance plans	3 evaluation reports per department	Issue guidelines on preparation of APPs.	0	The National Treasury has not finalised the review of the 2013/14 APP guidelines and indicators	The adverse impact on the delay of APP guidelines was communicated to National Treasury, as a result the Provincial Treasury will issue APP guidelines in the second quarter
2.4.4	Produce 2 chapters on provincial budget allocation for the Medium Term Budget Policy Statement	2 chapters	N/A	N/A		
2.4.5	Produce quarterly reports on progress made against funded priorities	4 reports	1 report	Consolidated quarterly report for March 2012 was compiled; furthermore April and		

Sub-program : Budget Management					
Strategic Objective : To allocate financial resources in line with Government priorities					
Programme performance indicators	Annual target 2012/2013	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
			May monthly reports were also compiled.		

Sub-program : Public Finance					
Strategic Objective : To monitor financial and non-financial performance of the Provincial Government					
Programme performance indicators / measure	Annual target 2012/2013	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
2.5.1	Number of assessment reports prepared in terms of In Year Monitoring Model	19 reports	5 reports	5 reports	
2.5.2	Number of reports prepared in terms of infrastructure reporting model	4 reports	1 report	1 report	
2.5.3	Number of reports prepared in terms of the quarterly performance model	4 reports	1 report	1 report	

6. PROGRAMME 3: ASSETS AND LIABILITY MANAGEMENT

6.1 STRATEGIC OBJECTIVES AND ANNUAL TARGETS FOR 2012-13

The role of this programme is to promote effective management of provincial assets and liabilities. The programme consists of two sub-programmes:

6.2 QUARTERLY TARGETS FOR 2012-113

Sub-program : Asset Management						
Strategic Objective : Monitoring of effective and efficient management of movable and immovable assets						
Programme performance indicators / measure		Annual target 2012/13	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
3.2.1.	Movable and immovable assets management key performance indicators template implemented	1 template reviewed annually	1 template	0	PAM normally reviews the PAMKPI template in the 1 st quarter, but with the introduction of the KCM's through means of Instruction Note 7 by Program 4 in April 2012, it was postponed to the 2 nd quarter.	(to be reviewed in 2nd Quarter)
3.2.2	Quarterly asset management steering committee meetings held	4 meetings	1 meeting	1 meeting held		
3.2.3	Quarterly infrastructure review meetings held	4 meetings	1 meeting	1 meeting held		
3.2.4	IDIP Governance meetings held	4 meetings	1 meeting	0	Unavailability of the Senior Executive Manager	Appointment of the Senior Executive Manager

Sub-program : Asset Management						
Strategic Objective : Monitoring of effective and efficient management of movable and immovable assets						
Programme performance indicators / measure		Annual target 2012/13	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
3.2.5	Monthly meetings with the Provincial Banker (monitoring of tender)	11 meetings	3 meetings	2 meetings	Unavailability of the representatives from the bank	The meeting scheduled for June was therefore held in July.
3.2.6	Annual review and implementation of the settlement limit and bridging finance	Review of Bridging finance Implementation of 12 settlement limits	N/A 3 sets of limits	N/A 3 sets of limits		
3.2.7	Supply chain management key performance indicators implemented	1 set of KPI's developed and implemented.	1 template	1 template		
3.2.8	Develop SCM norms and standards (benchmarking of prices, capacitate the unit)	Benchmarking of prices and capacitating the unit,	Fill vacancies Depends on budget availability	Benchmarking done. Vacancies not filled yet.		
3.2.9	Number of physical assets management forums and training sessions conducted	14 AM Forums 8 Training Sessions	3 AM Forums 2 Training Sessions	6 PAM Forums 8 Training Sessions		
3.2.10	Number of physical asset management monitoring visits conducted • Monitoring reports	120 Reports	30 Reports	41 Reports	Compliance, reporting and adherence by Departments & Entities	
3.2.11	Number of monitoring and evaluation reports produced	44 reports	11 monitoring reports	Target already included and reported. Reported on performance	None	None

Sub-program : Asset Management						
Strategic Objective : Monitoring of effective and efficient management of movable and immovable assets						
Programme performance indicators / measure	Annual target 2012/13	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response	
			indicator 3.2.22.			
3.2.12	Number of infrastructure delivery meetings, including IDIP held	12 meetings	3 meetings	2 meetings	One meeting cancelled due to unavailability of the SEM	Appointment of the SEM
3.2.13	Number of training sessions conducted / facilitated	1 training session	N/A	N/A		
3.2.14	Number of infrastructure site visits conducted	60 projects	15 projects	15 projects		
3.2.15	Number of infrastructure monitoring reports produced	4 reports	1 report	1 report		
3.2.16	Number of infrastructure Review Reports Produced	4 reports	1 report	1 report		
3.2.17	Number of consolidated reports produced on effective management of PPP projects	4 consolidated reports	1 consolidated report	1 consolidated report		
3.2.18	Number of Training sessions on PPP projects conducted	2 training sessions	1 training session	0	Non availability of officials in the 1st quarter due to other commitments pushed the preparation to the earliest month of the 2nd quarter	Earlier preparation of workshop arrangements to avoid non availability of officials.
3.2.19	Number of supply chain management forums and training sessions conducted	4 SCM Forums 4 training sessions	1 SCM Forums 1 training sessions	3 SCM Forums 1 in-house training session		

Sub-program : Asset Management						
Strategic Objective : Monitoring of effective and efficient management of movable and immovable assets						
Programme performance indicators / measure	Annual target 2012/13	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response	
3.2.20	Supplier management system maintained	1 supplier management system maintained	1 report on maintenance	1 report		
3.2.21	Arrange and manage Transversal Procurement of goods and services in the FS Province	1 transversal contract	1 transversal contract	0	Current transversal processes	Review of the current transversal processes.
3.2.22	Number of SCM monitoring reports produced	52 monitoring reports. Was incorrectly set the correct target is 44 reports	13 monitoring reports Correct target is 11	14 monitoring reports		
3.2.23	Number of SCM evaluation reports produced	22 reports	N/A	N/A		
3.2.24	Timely submission of reliable annual financial statements on Provincial revenue Fund	1 Set of AFS submitted in time	1 Set of AFS submitted in June	1 set of AFS submitted on time		
3.2.25	Monthly cash transfer reports produced	12 monthly reports	3 reports	3 reports		
3.2.26	Number of reports produced on interest (investment) generated	12 monthly reports	3 reports	3 reports		
3.2.27	Number of practice notes/circulars issued on sound cash management	1 practice note/circular	N/A	1 practice note issued		

Sub-program : Supporting and Interlinked Financial Systems						
Strategic Objective : To manage transversal financial management systems						
Programme performance indicators / measure		Annual target 2012/13	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
3.4.1	Availability and stability of the BAS Terminal Servers	95 percent of 8 working hours	95 percent of 8 working hours	96.92% of 8 working hours		
3.4.2	Provide technical and functional support to Provincial Departments within working hours	Respond within 8 working hours	Respond within 8 working hours	BAS: Responded within 8 working hours IS: 4 out of 404 calls were not attended to within 8 working hours	The Assistant Manager Transversal IT was transferred to another department.	The post must be advertised and filled.
3.4.3	Process submissions from departments for online banking and/or hand written cheques	Within 24 working hours	Within 24 working hours	within 24 working hours		
3.4.4	Interfaces successfully integrated with external systems	100 percent of 3 Interfaces	100 percent of 3 Interfaces	100 percent of 3 Interfaces		
3.4.5	Number of clear and user-friendly Transversal System Circulars and Practice Notes	15 Circulars and practice notes	4 Circulars and practice notes	5 Transversal System Circulars and Practice Notes were issued		
3.4.6	Process credible and accurate entities within 10 working days	Within 10 working days	Within 10 working days	Processed within 10 working days		
3.4.7	Items codified and standardized (Process item- codification requests) Within 48 working hours	Within 48 working hours	Within 48 working hours	within 48 working hours		

Sub-program : Supporting and Interlinked Financial Systems						
Strategic Objective : To manage transversal financial management systems						
Programme performance indicators / measure		Annual target 2012/13	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
3.4.8	Number of employees trained on Transversal Systems (BAS, PERSAL and LOGIS)	700 Users trained	200 Users trained	<p>BAS: No Officials trained due to Financial Year end closure processes and preparation for new Financial Year</p> <p>LOGIS & PERSAL: 176 Officials were trained on these two Transversal Systems</p>	A new BAS Training Database had to be requested from NT due to SCOA update release	BAS Training Database was requested and will be finalized for training for 1st August 2012

7. PROGRAMME 4: FINANCIAL GOVERNANCE

7.1 STRATEGIC OBJECTIVES AND ANNUAL TARGETS FOR 2012-13

The role of this programme is to promote financial governance within the provincial government. There have been changes to programme 4. The programme now consists of seven (7) sub-programmes

7.2 QUARTERLY TARGETS FOR 2011/12

Sub-program : Accounting services							
Strategic Objective : To promote sound accounting practices and reporting							
Programme performance indicators / measure	Reporting period	Annual target 2012-2013	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response	
4.2.1	Number of forums/work sessions/bilaterals for provincial departments and entities Number of formal training sessions conducted/facilitated for Provincial Departments, and Entities on: <ul style="list-style-type: none"> • Asset and liability accounts • Basic accounting handbook • Annual financial statements 	Quarterly	8 6	1 0	2 0		
4.2.2	Number of interim and annual financial statements assessment reports produced	Quarterly	70	31	28	Our target is dependent on the submission of IFS and draft AFS by departments and entities for review. The three Public Entities did not submit Draft AFS for review	Based on the Legislative timeframe to submit AFS by 31 May no corrective measure could resolve non submission. P/T had only six working days to review all departments and entities. Entities thus forfeited the opportunity of receiving valuable

Sub-program : Accounting services							
Strategic Objective : To promote sound accounting practices and reporting							
Programme performance indicators / measure	Reporting period	Annual target 2012-2013	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response	
						inputs from P/T to improve the quality of their AFS.	
4.2.3 Timely submission of consolidated annual financial statements and Annual Report <ul style="list-style-type: none"> • Draft CFI • Final CFI • Annual Report 	Quarterly/Annually	30 June 31 August 31 October	30 June N/A N/A	29 June N/A N/A			
4.2.4 Number of Departments and Entities' Key Control Matrix assessment reports produced	Quarterly	136	34	37			

Sub-program : Municipal Budget and Monitoring (IYM)						
Strategic Objective : To monitor and enhance Budget, Planning and Implementation						
Programme performance indicators / measure	Annual target 2012/2013	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response	
4.3.1 Number of assessment reports with regard to MTREF on <ul style="list-style-type: none"> • Draft budget • Final budget • Adjustment budgets (received) 	23 reports 23 reports Reports on budgets received	23 reports N/A N/A	19 Reports	Ngwathe and Nketoana tabled late and did not submit for evaluation. Dihlabeng municipality submitted their budget during bilateral. Phumelela Municipality budget was not compiled in the correct format and	Support struggling municipalities with the new budget format to ensure adherence to deadlines.	

Sub-program : Municipal Budget and Monitoring (IYM)						
Strategic Objective : To monitor and enhance Budget, Planning and Implementation						
Programme performance indicators / measure		Annual target 2012/2013	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
					it was referred back to the municipality.	
4.3.2	Mid-year and budget performance assessment reports produced	23 reports	N/A	N/A		
4.3.3	Assessment reports on the alignment of the SDBIP to budget produced	23 reports	N/A	N/A		
4.3.4	Preparation and implementation of budget processes monitored	23 reports	N/A	N/A		
4.3.5	Number of assessment reports on revenue, and expenditure trends, borrowings, and grant allocation	12 Consolidated reports 4 publications within 45 days	3 consolidated reports 1 publication within 45 days	3 consolidated reports 1 publication		
4.3.6	Training sessions and capacity building initiatives on: in-year reports, budget and annual budget returns conducted	2 sessions	N/A	N/A		

Sub-program : Municipal Revenue and Debt Management						
Strategic Objective : To support, monitor and report on Municipal Revenue and Debt Management						
Programme performance indicators / measure		Annual target 2012/2013	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
4.4.1	Monthly assessment on municipal revenue and debt management	10 Local Municipalities	2 Local Municipalities	2 Local Municipalities		

Sub-program : Municipal Revenue and Debt Management						
Strategic Objective : To support, monitor and report on Municipal Revenue and Debt Management						
Programme performance indicators / measure		Annual target 2012/2013	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
4.4.2	Credible municipal indigent registers	3 Municipalities	N/A	N/A		
4.4.3	Annual assessment on policies and procedures as outlined in legislation	19 Municipalities	19 Municipalities	19 Municipalities		
4.4.4	Number of intergovernmental work sessions conducted to resolve government debt	10 work sessions	2 Municipalities	2 Municipalities		
4.4.5	Capacity building on: <ul style="list-style-type: none"> Billing 	1 Session on Billing	N/A	N/A		

Sub-program : Municipal Accounting Services

Strategic Objective : To promote sound financial reporting in line with legislation

Programme performance indicators / measure	Annual target 2012/2013	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
4.5.1	Issue guidelines on the GRAP standards	1 set of guidelines	N/A	N/A	
4.5.2	Reports on the preparation of working paper files and the annual financial statements	3 reports	1 report	1 report	
4.5.3	Reports compiled on <ul style="list-style-type: none"> • progress made in the implementation of audit action plans • Audit steering committee meetings 	2 report 1 report	1 report N/A	1 report N/A	
4.5.4	Reports compiled on support and monitoring of the following: <ul style="list-style-type: none"> • GRAP compliant asset register • Asset management • Liability management 	2 reports 2 reports 2 reports	1 report 1 report 1 report	1 report 0 0	Municipalities have been concentrating on the unbundling of the infrastructure assets, with no effort put on asset and liability management. Lack of staff to monitor the asset and liability management has also been a challenge Asset and Liability management will be concentrated on since the directorate has now been almost adequately staffed. National Treasury has been contacted to give PT officials training on asset management as a whole. Circulars that were issued in the 2009/10 financial year on liability management will be issued and monitoring of compliance thereon done
4.5.5	Reports compiled on: <ul style="list-style-type: none"> • Submission of Draft Annual Report to AG • Tabling of Annual Reports 	1 report 1 report	N/A N/A	N/A N/A	
4.5.6	Report on implementation of PROPAC resolutions	4 reports	1 report	1 report	

Sub-program : Municipal Accounting Services						
Strategic Objective : To promote sound financial reporting in line with legislation						
Programme performance indicators / measure		Annual target 2012/2013	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
4.5.7	Capacity building: <ul style="list-style-type: none"> GRAP and Preparation of working paper files Coordinate Provincial CFO forum Coordinate District CFO forums 	1 GRAP training 1 CFO forum 4 district forums	N/A N/A N/A	1 GRAP training	Very few CFO's attended the GRAP training	Municipal Managers will be encouraged to make it compulsory for their CFO's to attend such trainings

Sub-program : Municipal Supply Chain Management and Compliance						
Strategic Objective: To promote implementation of Supply Chain Management and compliance with Norms and Standards.						
Programme performance indicators / measure		Annual target 2012/2013	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
4.6.1	Number of municipalities assessed and assisted with implementation of SCM <ul style="list-style-type: none"> Policies and Procedures 	7 municipalities	N/A	N/A		
4.6.2	Number of assessment reports on MFMA compliance (MFMA 30 Indicators) produced	4 consolidated reports	1 report	1 report		
4.6.3	A consolidated report on the reviewed and adopted MFMA Delegations produced	1 consolidated report	N/A	N/A		
4.6.4	Capacity building:					

Sub-program : Municipal Supply Chain Management and Compliance

Strategic Objective: To promote implementation of Supply Chain Management and compliance with Norms and Standards.

Programme performance indicators / measure	Annual target 2012/2013	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
<ul style="list-style-type: none"> • SCM forums • interns forums • Minimum Competency Level requirements • SCM Training 	<p>10 forums</p> <p>2 interns forums</p> <p>2 reports</p> <p>2 training sessions</p>	<p>4 district SCM forums</p> <p>N/A</p> <p>N/A</p> <p>1 training session</p>	<p>4 district SCM forums</p> <p>N/A</p> <p>N/A</p> <p>2 training sessions</p>		

Sub-program : Municipal Risk Management and Internal Audit

Strategic Objective : To promote sound Risk Management and internal Audit practices

Programme performance indicators / measure	Annual target 2012-2013	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
<p>4.7.1 Review and Development new KPI's</p> <p><u>Reviewed KPI's</u></p> <p>Internal Audit</p> <ul style="list-style-type: none"> ○ Capacity ○ Functionality <p>Audit Committee</p> <p>Risk Management:</p> <ul style="list-style-type: none"> ○ Capacity 	<p>8 set of indicators</p>	<p>1 set of KPI's</p> <p>1 set of KPI's</p> <p>1 set of KPI's</p> <p>1 set of KPI's</p> <p>1 set of KPI's</p> <p>1 set of KPI's</p>	<p>1 set of KPI's</p> <p>1 set of KPI's</p> <p>1 set of KPI's</p> <p>1 set of KPI's</p> <p>1 set of KPI's</p>		

Sub-program : Municipal Risk Management and Internal Audit						
Strategic Objective : To promote sound Risk Management and internal Audit practices						
Programme performance indicators / measure		Annual target 2012-2013	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
	<ul style="list-style-type: none"> ○ Functionality <p>Risk management Committee</p> <p><u>Newly Developed KPI's</u></p> <ul style="list-style-type: none"> • Fraud management Strategies • Liability management • 		<p>1 set of KPI's</p> <p>1 set of KPI's</p> <p>1 set of KPI's</p>	<p>1 set of KPI's</p> <p>1 set of KPI's</p> <p>1 set of KPI's</p>		
4.7.2	<p>Number of bi-annual capacity assessment reports produced for delegated municipalities against predetermined KPI's</p> <ul style="list-style-type: none"> • Internal Audit • Risk Management 	46 reports	<p>8 reports</p> <p>8 reports</p>	<p>7 reports</p> <p>6 reports</p>	<p>No Supporting documentation provided for purposes of the review.</p> <p>It was for the following municipalities</p> <p>Risk</p> <p>Mohokare</p> <p>Kopanong</p> <p>Internal Audit</p> <p>Mohokare</p>	<p>Meeting scheduled with the district Municipality Manager to address issue of the Chief Risk Officer.</p> <p>Mohokare Assessment is scheduled for 10 July 2012.</p> <p>This will be reported in the second quarter</p>
4.7.3	<p>Number of bi-annual assessment reports produced for delegated municipalities against pre-determined KPI's.</p> <ul style="list-style-type: none"> • Internal Audit, Audit Committee and Liability Management 	46 reports	8 report for each	7 consolidated reports	<p>Consultative process of the KPI's for Liability Management and Fraud Management was concluded</p>	<p>The consolidated report does not include Liability management. Will be reported in the second quarter</p> <p>Meeting scheduled with</p>

Sub-program : Municipal Risk Management and Internal Audit					
Strategic Objective : To promote sound Risk Management and internal Audit practices					
Programme performance indicators / measure	Annual target 2012-2013	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response
<ul style="list-style-type: none"> Risk Management, Risk committee and Fraud Management Strategies 	46 report	8 report for each	7 consolidated reports	<p>very late. As a result consolidated report does not include the following.</p> <p>Liability and Fraud Management.</p> <p>No Supporting documentation provided for purposes of the review.</p> <p>It was for the following municipalities</p> <p>Risk</p> <p>Mohokare Kopanong</p> <p>Internal Audit</p> <p>Mohokare</p>	<p>the district Municipal Manager to address issue of the Chief Risk Officer.</p> <p>Mohokare Assessment is scheduled for 10 July 2012.</p> <p>This will be reported in the second quarter.</p>

Sub-program : Municipal Risk Management and Internal Audit							
Strategic Objective : To promote sound Risk Management and internal Audit practices							
Programme performance indicators / measure	Annual target 2012-2013	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response		
4.7.4	Capacity building: <ul style="list-style-type: none"> Formal training (IA & RM practices) Internal Audit and Risk Man forums Biannual Audit Committee chairperson's forums Host forum – fraud awareness week 	4 training 4 joint forums 2 forums 1 forum	1 training –RM 1 joint forum N/A N/A	No training took Place. 1 joint forum N/A N/A	Availability of Appointed consultant and procurement processes. N/A N/A	SCM / Procurement process took longer than anticipated as a result we lost the booked date with the Consultant.	

Sub-program : Provincial Risk Management and Internal Audit						
Strategic Objective : To promote sound Risk Management and Internal Audit practices						
Programme performance indicators / measure	Annual target 2012/2013	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response	
4.8.1	Bi-annual assessment reports produced for Departments and Public Entities against predetermined Risk Management Activity KPIs.	30 reports	N/A	N/A		
4.8.2	Bi-annual assessment reports produced for Departments and Entities against predetermined Risk Management Committee KPIs	30 reports	N/A	N/A		
4.8.3	Bi-annual consolidated FMCMM assessment report for Departments and	2 consolidated reports	1 consolidated report	1 consolidated report		

Sub-program : Provincial Risk Management and Internal Audit						
Strategic Objective : To promote sound Risk Management and Internal Audit practices						
Programme performance indicators / measure	Annual target 2012/2013	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response	
	Public Entities.					
4.8.4	Number of forums conducted for Departments and Public Entities on Risk Management	2 forums	1 forum	1 forum		
4.8.5	Number of formal training sessions conducted/facilitated on Risk Management	2 sessions	N/A	N/A		
4.8.6	Number of fraud awareness sessions	2 sessions	N/A	N/A		
4.8.7	Bi-annual assessment reports produced for Departments and Public Entities against predetermined Internal Audit Activity KPI's.	30 reports	N/A	N/A		
4.8.8	Bi-annual assessment reports produced for Departments and Entities against predetermined Internal Audit Committee KPI's.	20 reports	N/A	N/A		
4.8.9	Number of forums conducted for Departments and Public Entities Internal Audit Capacity Building	3 forums	1 forum	1 forum		
4.8.10	Number of formal training sessions conducted/facilitated on Internal Audit.	2 sessions	N/A	N/A		
4.8.11	Number of Audit Committee Forums	1 Forum	1 Forum	0	The forum has been postponed to the second quarter because of unavailability of identified	Most speakers unavailable due to 2011/2012 audit process which will be completed by July 2012. Forum scheduled for August

Sub-program : Provincial Risk Management and Internal Audit						
Strategic Objective : To promote sound Risk Management and Internal Audit practices						
Programme performance indicators / measure	Annual target 2012/2013	1st Quarterly planned output	1st Quarterly output (preliminary)	Challenge	Response	
				speakers	2012.	
4.8.12	Number of quarterly assessment reports produced on predetermined implementation rate of legislature resolutions for Departments and Public Entities	4 reports	1 report	1 report		
4.8.13	Number of quarterly assessment report produce on system of delegations for Departments and Public Entities	2 reports	1 report	1 report		
4.8.14	Annual assessment reports produced on Public Entity boards based on the compliance with PFMA and relevant legislature.	1 reports	N/A	N/A		
4.8.15	Confirmation (Listing) of contingent liability for housing guarantees in respect of financial institutions.	16 listings	4 listings	4 listings		
4.8.16	Reviewed PFMA as well as transversal departmental delegations template	7 templates	N/A	N/A		

