

Annual Performance Plan

2017 / 2018 - to - 2019 / 2020



treasury

Department of
Treasury
FREE STATE PROVINCE

FOREWORD



Provincial Treasury's mission is to instill prudent financial management and good governance in the province.

Our strategic goals to this end are:

- An efficient, effective and development oriented department
- Support departments, municipalities and entities towards improving financial accountability and sustainability
- Enhance processes, practices and systems towards efficiency gains, maximize cost-efficiencies and value for money
- Improve the development and management life cycle of infrastructure and assets

This Annual Performance Plan sets out our plans to achieve these goals and responds to national and provincial government plans and priorities, including the National Development Plan, Medium Term Strategic Framework and the Free State Growth and Development Strategy.

Ensuring the economic, effective and efficient management and utilisation of public resources remains the cornerstone of the Provincial Treasury's activities. We will therefore continue to closely monitor the implementation of cost containment measures to ensure that we limit growth of spending on non-core items in order to reprioritize funds towards frontline services. We will furthermore continue with our efforts to contain growth of the provincial wage bill through the central management of the PERSAL system and regular reporting on personnel cost.

The regression in the audit outcomes of provincial departments for the 2015/16 financial year requires an even greater effort to improve sound financial management, accountability and compliance with the relevant legislative frameworks. Sustainability of our improved financial management practices will continue to form the foundation of our support programmes whilst we will continue to monitor and support departments, public entities and municipalities.

Provincial Treasury will have to ensure fiscal discipline in the province in order for the Free State Provincial Government to meet its targets and deliver on government priorities despite the challenges brought about by the shrinking provincial revenue envelope, current economic conditions and the result of the severe drought in the province.

The Annual Performance Plan is aimed at focusing our energies and resources towards achieving our vision of being; ***Your partner in financial management and service excellence in the public sector, for a better life for all in the Free State.***

A handwritten signature in black ink, appearing to read 'EC Rockman'.

EC ROCKMAN

Executive Authority: Free State Provincial Treasury

OFFICIAL SIGN-OFF



As the CEO of Provincial Treasury, I hereby certify that this Annual Performance Plan:

- Was developed by the management of the Provincial Treasury under the guidance of MEC E.C. Rockman.
- Takes into account all the relevant policies, legislation and other mandates for which the Provincial Treasury is responsible.
- Accurately reflects the strategic goals and objectives which the Provincial Treasury will endeavour to achieve over the period 2017/18 to 2019/20 financial year.

Me AMJ HATTINGH
Senior Manager: Strategic Planning

Signature: 

Mr DJ VAN VUUREN
Acting Chief Financial Officer

Signature: 

Mr MNG MAHLATSI
Accounting Officer

Signature: 

Approved by:

Me EC ROCKMAN
Executive Authority: Free State Provincial Treasury

Signature: 

CONTENTS

ITEM NO.	HEADING(S)	PAGE NUMBER (S)
	Acronyms	5
PART A: Strategic Overview		
1	Updated Situational Analysis	8
1.1	Performance Delivery Environment	8
1.2	Organisational Environment	13
2	Revisions to legislative and other mandates	16
3	Overview of the 2017/18 budget and MTEF estimates	16
3.1	Expenditure estimates	16
3.2	Relating expenditure trends to strategic outcome oriented goals	17
PART B: Programme and sub-programme plans, budget & MTEF estimates		
4	Programme 1: Administration	19
4.1	Strategic objective annual targets for 2017/18	19
4.2	Programme performance indicators	20
4.3	Quarterly targets for 2017/18	21
4.4	Reconciliation: performance targets with the Budget and MTEF	22
5	Programme 2: Sustainable Resource Management	23
5.1	Strategic objective annual targets for 2017/18	23
5.2	Programme performance indicators	25
5.3	Quarterly targets for 2017/18	27
5.4	Reconciliation: performance targets with the Budget and MTEF	29
6	Programme 3: Asset and Liability Management	30
6.1	Strategic objective annual targets for 2017/18	30
6.2	Programme performance indicators	32
6.3	Quarterly targets for 2017/18	33
6.4	Reconciliation: performance targets with the Budget and MTEF	34

7	Programme 4: Financial Governance	35
7.1	Strategic objective annual targets for 2017/18	35
7.2	Programme performance indicators	37
7.3	Quarterly targets for 2017/18	39
7.4	Reconciliation: performance targets with the Budget and MTEF	40
8	Programme 5: Municipal Finance Management	41
8.1	Strategic objective annual targets for 2017/18	41
8.2	Programme performance indicators	42
8.3	Quarterly targets for 2017/18	44
8.4	Reconciliation: performance targets with the Budget and MTEF	46
PART C: Links to other plans		
9	Links to the long-term infrastructure and other capital plans	48
10	Conditional grants	48
11	Public Entities	48
12	Public-Private Partnerships	48
ANNEXURES		
Annexure A		50
Vision		
Mission		
Values		
Strategic Goals		
Annexure D		52
Amendments to Strategic Objectives included in the 2015-2020 Strategic Plan		
Annexure E		66
Technical Indicator Descriptions		

ACRONYMS

AFS	Annual Financial Statement
AG	Auditor General
BAS	Basic Accounting System
CFS	Combined Financial Statements
CoE	Compensation of Employees
DERO	District Economic Review and Outlook
EHW	Employee Health and Wellness
EPRE	Estimates of Provincial Revenue and Expenditure
EPWP	Extended Public Works Programme
FASSET	Finance and Accounting Services Sector Education and Training Authority
FSGDS	Free State Growth and Development Strategy
FMCMM	Financial Management Capability Maturity Model
GDP	Gross Domestic Product
IA	Internal Audit
ICS	Improvement in Condition of Services
IFS	Interim Financial Statement
IGR	Inter-Governmental Relations
IMF	International Monetary Fund
IRM	Infrastructure Reporting Model
IYM	In Year Monitoring
KCM	Key Control Matrix
KPI	Key Performance Indicators
LOGIS	Logistical Information System
MBRR	Municipal Budget and Reporting Regulations
MEC	Member of the Executive Council
MFM	Municipal Finance Management
MFMA	Municipal Finance Management Act
MPAT	Management Performance Assessment Tool
mSCOA	Municipal Standard Chart of Accounts
MTBPS	Medium Term Budget Policy Statement

MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
MSP	Municipal Support Programme
NDP	National Development Plan
NERSA	National Energy Regulator of South Africa
NGP	New Growth Plan
NSDS	National Skills Development Strategy
OSD	Occupational Specification Dispensation
PAM	Physical Asset Management
PERO	Provincial Economic Review and Outlook
PERSAL	Personnel and Salary Administration System
PFMA	Public Finance Management Act
PI	Performance Indicator
PPI	Programme Performance Indicator
POR	Provincial Own Revenue
PPP	Public, Private Partnerships
PRF	Provincial Revenue Fund
PSETA	Public Service Sector Education and Training Authority
QLMR	Quarterly Labour Market Review
RM	Risk Management
REA	Revenue Enhancement Allocation
SCOA	Standard Chart of Accounts
SCM	Supply Chain Management
SIPDM	Standard for Infrastructure Procurement and Delivery Management
SITA	State Information Technology Agency
SLA	Service Level Agreements
SMT	Systems Monitoring Tool

PART A

STRATEGIC OVERVIEW

PART A: STRATEGIC OVERVIEW

1. Updated Situational Analysis

1.1 Performance delivery environment

The Provincial Treasury derives its mandate from the Public Finance Management Act (Act No. 1 of 1999) and the Municipal Finance Management Act (Act No. 56 of 2003). Emanating from these acts, the Provincial Treasury is responsible for preparing the provincial budget, exercising control over the implementation thereof, promoting and enforcing transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and entities, overseeing the preparation of municipal budgets and the submission of reports by municipalities, as required by the MFMA.

The role of the Department is primarily one of monitoring and oversight, the Department's approach though is to also support and build capacity in the process. This approach is reflected in our vision of "Your partner in financial management and service excellence in the public sector, for a better life for all in the Free State". Our mission is to instil prudent financial management and good governance in provincial and local government.

Ensuring the efficient, effective and economic spending of resources is a priority for Provincial Treasury. From the projected growth rate of 0.5 per cent in 2015, the provincial economy is expected to recover over the medium term and reach growth rates of 2.4 per cent in 2019 (PERO, 2015). The fastest growing industries in Free State are expected to be transport (3.4 per cent), finance (2.9 per cent), manufacturing (2.7 per cent) and trade (2.6 per cent), while electricity and water, construction, and agriculture are projected to be the slowest growing. Free State has faced various challenges in some of its industries, which undermine growth. The challenges such as drought in agriculture, deep-rooted gold reserves that require new technologies and skills to extract the mineral, etc.

PERO, 2015, further indicate that Free State's economy is dominated by the tertiary industries, accounting for almost two-thirds of the provincial output. This could be viewed as a good sign of a maturing economy. However, even across some secondary and tertiary industries, there is heavy reliance on government or government-related participation, e.g. construction, community services and transport. Since fiscal consolidation has been introduced in 2014 provincially, this does not fare well for Free State economic growth. Free State is also not immune to a disastrous impact of high unemployment rate, which undermines the income base of the province and creates a higher dependence burden, and undercuts the performance of industries such as retail trade. At the moment, South Africa (and Free State) is a consumption-led economy. The primary industries have the second largest share and are increasing at the expense of the secondary industries. The community services sector is the largest single sector in the provincial economy, followed by finance and wholesale and retail services respectively. The heavy reliance on the government sector is still evident in the economy. The smallest sectors in the province are construction, electricity and water, and agriculture respectively.

According to QLMR 2016:Q1, in the first quarter of 2016, the labour absorption rate contracted in the province by 1.9 percentage point, leading to a tight labour market evidenced as access to job opportunities lessen. The total number of employed persons decreased by 35 000 in the first quarter 2016 compared to the fourth quarter 2015.

The prominent unemployment rate indicator in South Africa is the official unemployment rate (Official unemployment rate includes only the unemployed who are actively searching for work). According to Quarterly Labour Market Review (QLMR, 2016:Q1), national official unemployment rate rose by 2.2 percentage points from quarter 4 of 2015 to the 1st quarter of 2016. Notable, the high increase in the official unemployment rate was recorded in eight of the nine provinces. Provinces such as North West (4.2 percentage points), Free State (4.1 percentage points) and Mpumalanga (4.1 percentage points) had the largest unemployment growth rate.

The sizeable growth in unemployment rate in Free State could be ascribed to the loss of 35 000 jobs in the formal sector and a high number (33 000) of new entrants into the provincial labour market.

Youth unemployment remains a major concern in the province and stronger efforts are necessary to accelerate employment creation and to support the enterprises that create jobs. Active labour market policies and skills development initiatives, along with investments in public infrastructure and in strong social protection systems should be prioritized as appropriate, given national and provincial circumstances. Other interventions could include: enhancing public-private partnership investment in growth-inducing public infrastructure projects, encourage self-employment via entrepreneurship development programmes and provide access to finance, intensify government's commitment to use public employment programmes (e.g. EPWP) to a risk-coping mechanism, absorbs unskilled workers with a measure of skill-upgrading training and/or work experience, and actively pursue the socioeconomic development strategies outlined in the Free State Growth and Development Strategy (FSGDS) to encourage balanced growth.

Economic performance is not only important for the redress of the triple challenge of unemployment, poverty and inequality, but is also critical for the fiscus. The model that is used to allocate funds between provinces (i.e. Provincial Equitable Share formula) uses the relative contributions of the province to the national economy as one of the factors. Furthermore, the economic structure and performance in the province has implications on the ability of the province to raise own revenue from its own provincial sources, e.g. motor vehicle licenses, as well as the ability of people to pay for municipal services.

The Provincial Equitable Share as the main source of revenue for provinces accounts on average for about 81.6 per cent of the provincial transfers, whilst 18.4 per cent comes through conditional grants and own revenue. According to Free State 2016 MTBPS, Provincial Equitable Share allocation for 2016/17 financial year was R22.9 billion and is projected to increase by 5.4 per cent to R24.522 billion for 2017/18. The conditional grants share to the province is also expected to increase from 6.9 billion to 7.2 billion. The total provincial revenue for 2017/18 is projected to increase by an average of 5.5%, largely driven by equitable share allocation.

The Sustainable Resource Management programme, which is amongst other responsible for preparation and implementation of the provincial budget and enhancement of provincial

own revenue, will be challenged to develop a fiscal policy framework that will contribute to inclusive economic growth whilst ensuring delivery on priorities of government despite a perpetual decline in the province's equitable share allocations. The management of the provincial wage bill is one of the key focus areas of this programme. The province experienced the following challenges with regard to Compensation of Employees (CoE):

- The perpetual over expenditure on compensation of employees' budgets in the past financial years mainly due to the implementation of OSD and ICS.
- Shift of funds by departments away from compensation of employees in a year without taking into account the full cost implications for the remainder of the financial year, which resulted in an overspending of the budget at the end of the financial year (accurate projections and recruitment plans).
- In certain instances new/replacement appointments were made without an analysis of connected budgets and PERSAL Structure.
- Lack of mechanism/system to verify officials appointed by the provincial government other than signing of payrolls (Non-existence of headcounts).
- Impact of nationally agreed wage settlements on provincial coffers. Partial funding of improvement in conditions of service by National Government.
- Ever increasing proportionate share of compensation of employees (CoE) relative to other economic classifications (CoE crowding-out other service delivery areas).

Measures that have been put in place to address these challenges and to contain the provincial wage bill, include:

- The central management of PERSAL in an endeavour to improve the management of the provincial wage bill.
- Provincial Treasury has a dedicated unit that deals with compensation of employees. A monthly personnel expenditure report, focusing mainly on out of adjustments, overtime, posts additional to the establishments is compiled to assist the province to track progress made.
- Spending by departments on overtime has been reduced.
- Provincial Treasury assists departments with headcounts to ensure the integrity of payroll information.

The compensation of employees' budget was reduced by R325 million over the 2016 MTEF so that more funding could be directed towards frontline service delivery.

Provincial socio-economic developments form the backdrop against which the provincial government medium term budget is developed. The key socio-economic and development indicators that have to be taken into consideration are population indicators, education, health, poverty and welfare. The Free State is a centrally located province with an estimated population of 2.834 million, which is 5 per cent of the country's population (Statistics South Africa 2016 Community Survey). The province is sparsely populated at 22 people per km² and approximately 20 per cent of individuals living in rural farming areas. The equitable share is highly population driven (in terms of both the education and basic components) and captures changes or shifts of population among provinces and their resultant demand on public services, the low portion of Free State population in relation to other provinces dictates a smaller portion of nationally raised revenue.

The narrowing fiscal space will make it increasingly challenging to improve efficiencies. Effective supply chain management is key to the achievement of cost effectiveness and value for money. One of the strategies is the use of transversal contracts to capitalise on economies of scale. The Assets and Liability Management programme continue to play an important role in facilitating this process and ensuring effective contract management. The programme is also exploring ways to improve asset management in the province. The programme continue to assist departments and prospective suppliers with the use of the Central Supplier Database, this is done through training sessions with departments and entities and district road shows.

The main challenges facing the Free State Provincial Treasury are retaining its own internal efficiencies and positioning it to respond appropriately to the increasing demands of provincial departments and the local government sector. The Department further continues in building capacity in provincial departments, public entities and municipalities as well as inter-departmental collaboration on issues of interventions and general support.

The Financial Governance programme plays a key role in improving the quality and integrity of financial accounting and reporting of provincial departments and public entities. The Programme assesses and monitors the compliance to laws and regulations by means of monthly and quarterly Key Control Matrix (KCMs). At the end of the 3rd quarter 2015/16, the submission of supporting documents for the quarterly KCMs improved by 10%. Three (3) departments had 100% compliance for submission of KCM supporting documents. Furthermore, the following improvements were achieved:

- Disciplines that scored a 4 improved from 307 to 347 from the end on March 2015 to the end of the 3rd quarter of 2015/16.
- Disciplines scored a 3 regressed from 105 to 132 from the end on March 2015 to the end of the 3rd quarter of 2015/16.
- Disciplines scored a 1 regressed from 125 to 131 from the end on March 2015 to the end of the 3rd quarter of 2015/16.
- Disciplines not yet at score 3 meaning intervention is required regressed from 125 to 131 from the end on March 2015 to the end of the 3rd quarter of 2015/16.

The programme is also responsible for promoting and improving risk management and internal audit practices in the province and on a quarterly basis assess compliance of departments and entities with a set of key performance indicators. The Department aimed to have at least nine (9) departments and two (2) entities achieve 85% compliance with regard to risk management key performance indicators. For the 2015/16 financial year, provincial departments exceeded expectations with regard to risk management, 11 departments achieved an average of 95% compliance. With regard to internal audit, the Department aimed to have 10 departments and one (1) entity achieve 90% compliance. Ten (10) departments exceeded the expected compliance rate by achieving an average of 94%. Entities were less successful where none of them achieved the expected targets. The Department will continue with its monitoring and capacity building activities to support all departments and entities to improve compliance.

The MFM programme strives to improve financial accountability in the local sphere of government in order to improve financial governance and audit outcomes. The programme implemented a

new organisational structure, moving from a functionally based approach to a more integrated, district-based approach, which not only monitors but provides “hands on” technical support to struggling municipalities. Without compromising the integrity or independence of the audit process, a Provincial Audit Intervention Committee has been established to deal with the broader coordination of the provincial and municipal audit process and to intervene where audits do not progress within the envisaged time frames.

According to the 2014-15 general report on the audit outcomes of Free State local government, the number of disclaimed audit opinions declined from nine (9) municipalities in 2013-14 to three (3). This improvement was as a result of the provincial leadership's decision to focus on providing the necessary assistance to the municipalities that had previously been disclaimed to improve their audit outcomes by giving attention to commitments made, especially on improving key controls over records management. An audit intervention forum, chaired by the MEC for Finance was also established during the year to discuss transversal audit matters; intervene where required; facilitate a conclusion on unresolved outstanding matters; and provide the necessary political leadership during the audit process. These practices were observed at Thabo Mofutsanyane District Municipality, which was the first municipality in the province to achieve a clean audit opinion. Although compliance with SCM requirements improved slightly, this progress was very slow as material SCM findings were still prevalent at 86% of municipalities, resulting in irregular expenditure fluctuating between R675 million and R805 million per year over the past five years.

The programme's monitoring and support activities included the assessment of draft and final budgets on credibility, funding and compliance with the MBRR regulations, assistance with investigations of irregular, unauthorised, fruitless and wasteful expenditure and capacity building in terms of supply chain management, asset management and internal audit and risk management practices.

1.2 Organisational environment

The Department provides support and oversight to all departments, public entities and municipalities in terms of the PFMA and MFMA.

The Department consists of the following five programmes:

Programme 1: Administration

The role of this programme is to provide leadership and strategic management in accordance with legislation, regulations and policies as well as to ensure that there are appropriate support services to all other programmes to ensure the effective and efficient functioning of the department.

Programme 2: Sustainable Resource Management

The role of this programme is to provide professional advice and support on provincial economic analysis, fiscal policy, and the management of the annual budget process and the implementation of provincial budgets.

Programme 3: Asset and Liability Management

The role of this programme is to promote effective management of provincial assets and liabilities, procure transversal and cross-cutting goods and services and manage and maintain transversal financial systems in the province.

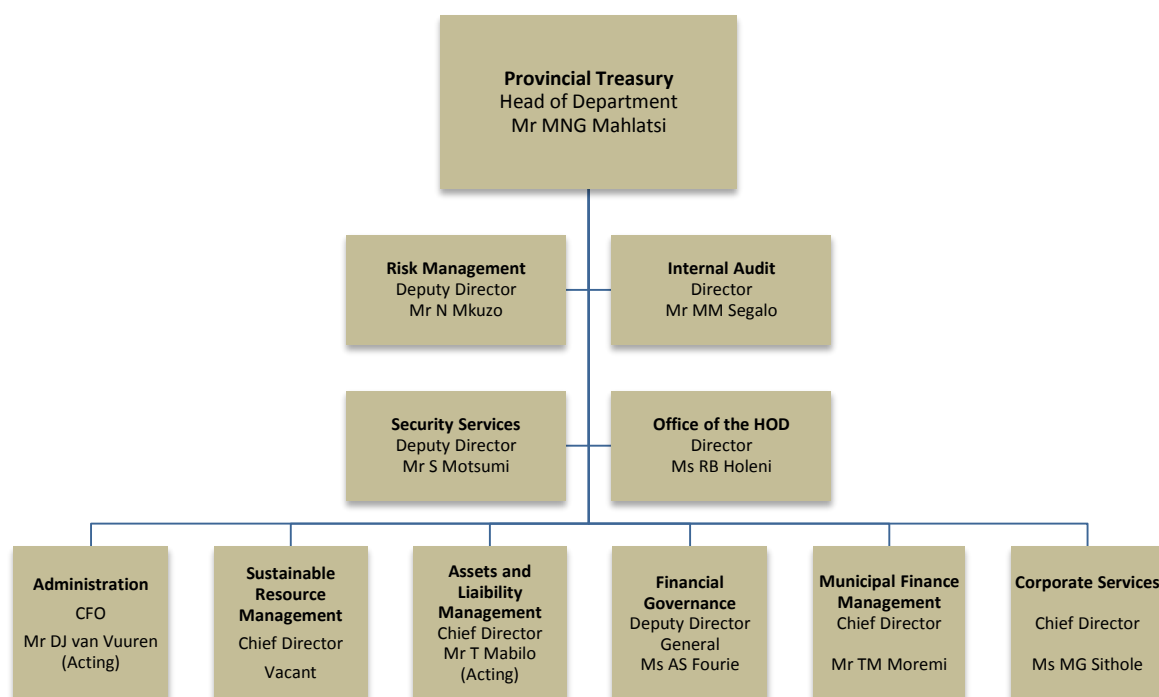
Programme 4: Financial Governance

The role of this programme is to promote financial governance in the provincial government through promoting sound accounting practices and reporting as well as sound risk management and internal audit practices.

Programme 5: Municipal Finance Management

The role of this programme is to promote and improve financial governance and management at local government level through monitoring and supporting delegated municipalities with the management of budgets and budget implementation, revenue, expenditure, supply chain management, accounting and reporting, risk management and internal audit practices.

The diagram below depicts the high level organisational structure of the Provincial Treasury.



The department has a staff establishment of 410 funded posts of which 359 are filled (January 2017 Employment Report). The vacancy rate at the end of January 2017 is 12 per cent. A number of critical vacancies have been identified for filling during 2016/17 to ensure that the department is in a position to fulfil its mandate. The department intended to improve the vacancy rate to less than 5 per cent over the 2015-2020 period. This target however had to be revised, as filling of posts will be constrained by the funding shortfall created by the 2015 public-sector wage settlement for the 2015/16 financial year and the two subsequent years.

The department is in the process of reviewing the organisational structure to ensure that the structure is aligned to the generic structure for treasuries and respond to the revised strategic goals and objective. New critical components are being created to improve the department's capability to effectively and efficiently provide oversight, capacity building and support to provincial departments, public entities and municipalities.

Amongst the anticipated changes is the creation of specific units to deal with Municipal Finance Management Intergovernmental Relations, provincial fraud management, forensic auditing, compensation management and supply chain management. The creation of these units aims to address some of the department's weaknesses which include a lack of capacity to effectively roll-out and monitor fraud management and anti-corruption programmes in departments and entities and the challenge of effectively managing compensation in the province.

The need for intensified, hands-on support to particularly municipalities, within the current financial constraints, requires that a more integrated approach has to be followed to ensure that current capacity and resources are optimally utilised.

Provincial Treasury is a specialised department that needs suitably qualified employees to monitor, assist and advise departments, municipalities and entities with regard to sustainable resource management, asset and liability management as well as financial governance matters. One of the Department's strengths is the experienced and knowledgeable personnel, with the majority of officials having qualifications above grade 12. The department will continue to draw on this, as well as the performance culture and work ethics of officials, to achieve its objectives. The department is committed to maintaining a health and responsive workforce and will continue to invest in health and wellness initiatives and skills development programmes. The department will also be able to draw from the province's extensive bursary programme to address future skills needs. The development of women employees for leadership positions will be prioritised to address the need for women employees in Senior Management positions.

The department's budget programme structure is as follows:

Budget Programmes	Sub-Programmes
Programme 1 Administration	Office of the MEC Management Services Corporate Services Financial Management Internal Audit
Programme 2 Sustainable Resource Management	Programme Support Economic Analysis Fiscal Policy Budget Management Public Finance Compensation
Programme 3 Asset & Liability Management	Programme Support Asset Management Supporting and Interlinked Financial Systems
Programme 4 Financial Governance	Programme Support Accounting Services Provincial Risk Management and Internal Audit
Programme 5 Municipal Finance Management	Programme Support Xhariep District Lejweleputswa Thabo Mofutsanyane District Fezile Dabi District Municipal Risk Management and Internal Audit Municipal Support Programme and IGR

2. Revisions to legislative and other mandates

There are no changes to the department's legislative mandates.

3. Overview of the 2017/18 budget and MTEF estimate

3.1 Expenditure estimates

Summary of payments and estimates by programme: Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
1. Administration	90,185	92,464	90,186	94,476	96,036	94,071	103,840	108,639	114,670
2. Sustainable Resource Management	32,764	31,785	32,540	38,724	39,207	39,944	41,896	44,206	44,826
3. Asset And Liabilities Management	54,862	70,778	102,245	104,345	105,278	107,873	76,814	79,645	71,719
4. Financial Governance	17,409	19,452	19,974	24,747	29,747	29,190	29,054	30,510	31,418
5. Municipal Finance Management	21,147	24,584	55,228	64,474	65,949	65,139	63,710	63,414	64,491
Total payments and estimates	216,367	239,063	300,173	326,766	336,217	336,217	315,314	326,414	327,124

Summary of provincial payments and estimates by economic classification: Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	209,117	235,101	276,630	310,673	306,917	306,390	306,889	311,238	311,098
Compensation of employees	145,101	155,792	170,553	187,040	190,520	191,424	203,595	220,513	234,411
Goods and services	64,016	79,309	105,298	123,633	116,397	114,966	103,294	90,725	76,687
Interest and rent on land	-	-	779	-	-	-	-	-	-
Transfers and subsidies to:	3,400	499	19,557	13,719	25,154	25,111	6,369	13,742	14,512
Provinces and municipalities	-	-	18,840	13,350	24,750	24,750	5,000	13,350	14,098
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	1,000	-	-
Households	3,400	499	717	369	404	361	369	392	414
Payments for capital assets	3,702	3,423	3,972	2,374	4,146	4,714	2,056	1,434	1,514
Buildings and other fixed structures	-	-	29	-	-	-	-	-	-
Machinery and equipment	3,702	3,423	3,943	2,374	4,146	4,714	2,056	1,434	1,514
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	148	40	14	-	-	2	-	-	-
Total economic classification:	216,367	239,063	300,173	326,766	336,217	336,217	315,314	326,414	327,124

3.2 Relating expenditure trends to strategic outcome oriented goals

- The allocation made to Programme 1 is towards providing appropriate support services to other programmes, and is linked to Strategic Outcome Oriented Goal 1: An efficient, effective and development oriented department.
- The allocation for Programme 2 contributes toward the achievement of Strategic Outcome Oriented Goal 2: Support departments, municipalities and entities towards improving financial accountability and sustainability, in terms of provincial departments and entities.
- The allocation for Programme 3 supports Strategic Oriented Goal 2: Support departments, municipalities and entities towards improving financial accountability and sustainability and 3: Enhance processes, practices and systems towards efficiency gains, to eliminate waste and derive value for money as well as Strategic Oriented Goal 4: Improve the development and management life cycle of infrastructure and assets, in terms of provincial departments and entities.
- The budget allocation in Programme 4 supports Strategic Oriented Goal 2: Support departments, municipalities and entities towards improving financial accountability and sustainability, in terms of provincial departments and entities.
- The budget allocation in Programme 5 supports the achievement of Strategic Oriented Goal 2: Support departments, municipalities and entities towards improving financial accountability and sustainability and 3: Enhance processes, practices and systems towards efficiency gains, to eliminate waste and derive value for money as well as Strategic Oriented Goal 4: Improve the development and management life cycle of infrastructure and assets, in terms of municipalities.

PART B

PROGRAMME AND SUB-PROGRAMME PLANS

4. Programme 1: Administration

The role of this programme is to provide leadership and strategic management in accordance with legislation, regulations and policies as well as to ensure that there are appropriate support services to all other programmes. This programme consists of five operational sub-programmes.

4.1 Strategic Objective Annual Targets for 2017/18

Strategic Objective		Performance Indicator	5-Year Target (2020)	Audited / Actual performance			Estimated performance 2016/17	Medium-Term targets		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
1.	Improve the quality of management practices	MPAT Scores	Fully compliant against 94% of standards (33 of 35)	Fully compliant against 64% of standards (21 of 33)	Fully compliant against 82% of standards (27 of 33)	Fully compliant against 92% of standards (33 of 36)	Fully compliant against 65% of standards (22 of 34)	Fully compliant against 85% of standards (29 of 34)	Fully compliant against 88% of standards (30 of 34)	Fully compliant against 94% of standards (32 of 34)
		Audit Opinion	Unqualified with no findings (clean) audit opinion	Unqualified with no findings (clean) audit opinion	Unqualified with no findings (clean) audit opinion	Unqualified with no findings (clean) audit opinion	Qualified audit opinion	Unqualified with findings audit opinion	Unqualified with no findings (clean) audit opinion	Unqualified with no findings (clean) audit opinion
2.	Establish a skilled, competent and responsive workforce	Vacancy Rate	7%	20.5%	16%	15%	12%	10%	9%	7%

4.2 Programme Performance Indicators

Strategic objective	Programme Performance indicator		Audited/Actual performance			Estimated performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Improve the quality of management practices	1.1	Number of Provincial Treasury findings on Interim Financial Statements	New PPI	New PPI	New PPI	18	14	10	9
	1.2	Provincial Treasury assessment score on accuracy and completeness of IFS work-file	New PPI	New PPI	New PPI	97%	98%	99%	99%
	1.3	Percentage of Key Control Indicators at level 4 score on Provincial Treasury KCM assessment: Monthly assessment Quarterly assessment	New PPI	New PPI	New PPI	82% 78%	85% 80%	87% 82%	89% 84%
	1.4	Percentage of invoices paid within 30 days	97.8%	99.9%	100%	99%	99%	99%	99%
Establish a skilled, competent and responsive workforce	2.1	Compliance with the NSDS III Framework	New PPI	New PPI	90% of skills budget spent	100% Compliance to the NSDS III Framework	100% Compliance to the NSDS III Framework	100% Compliance to the NSDS III Framework	100% Compliance to the NSDS III Framework
	2.2	Compliance with the EHW Strategic Framework	New PPI	New PPI	4 Pillars implemented	100% Compliance with the EHW Strategic Framework	100% Compliance with the EHW Strategic Framework	100% Compliance with the EHW Strategic Framework	100% Compliance with the EHW Strategic Framework
	2.3	Average number of days taken to resolve disciplinary cases	New PPI	No disciplinary cases reported for the 2014/15 financial year	No cases reported for the 2015/16 financial year	90 Days	90 Days	90 Days	90 Days

4.3 Quarterly Targets for 2017/18

Programme Performance indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
1.1	Number of Provincial Treasury findings on Interim Financial Statements	Quarterly	14	-	14	14	14
1.2	Provincial Treasury assessment score on accuracy and completeness of IFS work-file	Quarterly	98%	-	98%	98%	98%
1.3	Percentage of Key Control Indicators at level 4 score on Provincial Treasury KCM assessment: Monthly assessment Quarterly assessment	Quarterly	85%	-	85%	85%	85%
			80%	-	80%	80%	80%
1.4	Percentage of invoices paid within 30 days	Quarterly	99%	99%	99%	99%	99%
2.1	Compliance with the NSDS III Framework	Quarterly	100% Compliance to the NSDS III Framework	Development and submission of FASSET and PSETA Workplace Skills Plan	-	Report on 5% of Total Staff Establishment appointed as Interns and Experiential Learners	Consolidated Report on allocated 1% of personnel cost spent on training Report on allocated Part-Time Bursaries
2.2	Compliance with the EHW Strategic Framework	Annually Quarterly	100% Compliance with the EHW Strategic Framework	Annual EHW Integrated Plan Annual Integrated report on 4 EHW pillars	Quarterly EHW Integrated report on 4 EHW pillars SMT Annual Report	Quarterly EHW Integrated report on 4 EHW pillars	Quarterly EHW Integrated report on 4 EHW pillars 4 EHW Operational Plans
2.3	Average number of days taken to resolve disciplinary cases	Quarterly	90 Days	90 Days	90 Days	90 Days	90 Days

4.4 Reconciliation: Performance targets with the Budget and MTEF

Expenditure Estimates

Summary of payments and estimates by sub-programme: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Office of the MEC	6,509	5,864	6,057	6,911	6,933	6,307	7,501	7,677	8,106
Management Services	7,771	11,296	14,836	15,911	16,715	16,645	15,622	15,470	16,466
Corporate Services	31,131	32,161	24,402	27,913	27,184	26,512	31,929	34,304	37,182
Financial Management (Office of the CFO)	40,481	38,985	40,585	38,657	39,094	40,009	43,644	45,746	47,169
Internal Audit (Departmental)	4,293	4,158	4,306	5,084	5,084	4,598	5,144	5,442	5,747
Total payments and estimates	90,185	92,464	90,186	94,476	95,010	94,071	103,840	108,639	114,670

Summary of payments and estimates by economic classification: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	83,887	89,429	86,285	92,093	91,706	90,018	100,588	106,820	112,750
Compensation of employees	54,707	57,708	61,016	65,728	65,444	65,517	76,263	79,702	83,916
Goods and services	29,180	31,721	25,269	26,365	26,262	24,501	24,325	27,118	28,834
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	3,262	253	494	369	369	295	1,369	392	414
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	1,000	-	-
Households	3,262	253	494	369	369	295	369	392	414
Payments for capital assets	2,911	2,742	3,399	2,014	2,935	3,757	1,883	1,427	1,506
Buildings and other fixed structures	-	-	29	-	-	-	-	-	-
Machinery and equipment	2,911	2,742	3,370	2,014	2,935	3,757	1,883	1,427	1,506
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	125	40	8	-	-	1	-	-	-
Total economic classification:	90,185	92,464	90,186	94,476	95,010	94,071	103,840	108,639	114,670

The main cost drivers in programme 1 are compensation of employees, Auditor-General fees, printing of annual publications and other centralized services (photocopy machine leases, IT support, etc.). The MTEF allocations are sufficient to allow the programme to achieve its objectives.

5. Programme 2: Sustainable Resource Management

The role of this programme is to provide professional advice and support on provincial economic analysis, fiscal policy, and the management of the annual budget process and the implementation of provincial budgets. The programme consists of five sub-programmes

5.1 Strategic Objective Annual Targets for 2017/18

Strategic Objective		Performance Indicator	5-Year Target (2020)	Audited / Actual performance			Estimated performance 2016/17	Medium-Term targets		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
3.	Conduct research and provide economic information in pursuit of inclusive growth and development	Socio-economic information provided	10 Socio-economic reports produced annually	8	12	5 Research papers, 3 Publications and 4 Labour Market reviews produced	10	10	10	10
4.	Optimize provincial own revenue in order to fund key priorities	Revenue collected	Revenue collected in excess of R1.2 billion	New PI	New PI	R 979 979 000	R1.072 billion	R1.112 billion	R1.173 billion	R1.237 billion
5.	Monitor and assess the implementation of the fiscal policy framework	Timeous preparation of the provincial budget	EPRE published within two weeks of National Budget	New PI	New PI	New PI	EPRE published within two weeks of national budget	EPRE published within two weeks of national budget	EPRE published within two weeks of national budget	EPRE published within two weeks of national budget
		Variance between provincial budget and expenditure	Variance 2% or less	New PI	New PI	New PI	2% or less of appropriated budget	2% or less of appropriated budget	2% or less of appropriated budget	2% or less of appropriated budget
		Level of compliance with Monthly KCM Indicators – assessment score: • Own Revenue and Conditional Grants (DORA)	12 (100%) Depts. on score 4	New PI	New PI	New PI	5 (42%) Depts. on score 4	8 (67%) Depts on score 4	10 (83%) Depts on score 4	12 (100%) Depts on score 4

Strategic Objective		Performance Indicator	5-Year Target (2020)	Audited / Actual performance			Estimated performance 2016/17	Medium-Term targets		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
		<ul style="list-style-type: none"> Budget performance IYM, IRM & SCOA 	<p>12 (100%) Depts. on score 4</p> <p>12 (100%) Depts. on score 4</p>	New PI	New PI	New PI	5 (42%) Depts on score 4	8 (67%) Depts on score 4	10 (83%) Depts on score 4	12 (100%) Depts on score 4
		<p>Level of compliance with Quarterly KCM Indicators – assessment score:</p> <ul style="list-style-type: none"> Own Revenue and Conditional Grants (DORA) Budget performance IYM, IRM & SCOA 	<p>12 (100%) Depts. on score 4</p> <p>12 (100%) Depts. on score 4</p> <p>12 (100%) Depts. on score 4</p>	New PI	New PI	New PI	5 (42%) Depts on score 4	8 (67%) Depts on score 4	10 (83%) Depts on score 4	12 (100%) Depts on score 4
6	Promote effective and efficient infrastructure delivery	Percentage of projects completed in time and on budget	50% or more	New PI	New PI	4 Reports on monitoring visits 4 Reports on management of PPP projects	18%	25%	35%	50%
7.	Ensure sustainable and effective cash management practices and efficient management of the Provincial Revenue Fund	<p>Percentage of appropriated funds transferred to provincial departments</p> <p>Audit opinion on PRF</p>	<p>100% appropriated funds transferred to provincial departments annually</p> <p>Unqualified with no findings</p>	New PI	New PI	<p>12 Reports on cash allocations</p> <p>Unqualified with no findings on PRF</p>	<p>100% of appropriated funds</p> <p>Unqualified with no findings</p>	<p>100% of appropriated funds</p> <p>Unqualified with no findings</p>	<p>100% of appropriated funds</p> <p>Unqualified with no findings</p>	<p>100% of appropriated funds</p> <p>Unqualified with no findings</p>

5.2 Programme Performance Indicators

Strategic objective	Programme Performance indicator		Audited/Actual performance			Estimated performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Conduct research and provide economic information in pursuit of inclusive growth and development	3.1	Number of research papers produced	2	6	5	3	3	3	3
	3.2	Number of publications produced	2	2	3	3	3	3	3
	3.3	Quarterly Labour Market Reviews produced	4	4	4	4	4	4	4
Optimize provincial own revenue in order to fund key priorities	4.1	Revenue base for revenue generating departments developed	12 Departments	12 Departments	12 Departments	12 Departments	12 Departments	12 Departments	12 Departments
	4.2	Performance reports on Provincial Own Revenue (POR)	12 POR	12 POR	12 POR	12 POR	12 POR	12 POR	12 POR
	4.3	Performance reports on Revenue Enhancement Allocation (REA)	12 REA	12 REA	12 REA	12 REA	12 REA	12 REA	12 REA
	4.4	Research papers on revenue enhancement produced	1	1	1	N/A	1	1	1
Monitor and assess the implementation of the fiscal policy and budget framework	5.1	Performance reports on Conditional Grants	12	12	12	12	12	12	12
	5.2	Reports on financial and non-financial performance of public entities	4	4	4	4	4	4	4
	5.3	Appropriation Bill in line with national prescripts	Credible Provincial Budget tabled within 2 weeks after National Budget	Credible Provincial Budget tabled within 2 weeks after National Budget (11 March 2015)	Appropriation Bill in line with national prescripts	1	1	1	1

Strategic objective	Programme Performance indicator		Audited/Actual performance			Estimated performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
	5.4	Adjustment Appropriation Bill in line with national prescripts	Credible Adjustment Budget tabled within 30 days after National Adjustment Budget (Nov 2014)	Credible Adjustment Budget tabled within 30 days after National Adjustment Budget (Nov 2014)	Adjustment Appropriation Bill in line with national prescripts 2015/16 tabled on 20 Nov 2015	1	1	1	1
				Special Adjustment Budget tabled in March 2015	Second Adjustment Budget was tabled on the 8 March 2016		-	-	-
	5.5	Reports on funded priorities	4	4	4	4	4	4	4
	5.6	Analysis reports on spending on Personnel by provincial departments	New PPI	New PPI	New PPI	4	4	4	4
	5.7	Assessment reports in terms of IYM	14	15	15	15	15	15	15
	5.8	Assessment reports in terms of Infrastructure Model	4	5	11	12	12	12	12
Promote effective and efficient infrastructure delivery	6.1	Reports on infrastructure monitoring visits conducted	69	60	4 Reports on monitoring visits	4	4	4	4
	6.2	Quarterly Infrastructure review reports	18	12	4	4	4	4	4
	6.3	Evaluation of planning documents for departments	New PPI	New PPI	New PPI	8 Departments	8 Departments	8 Departments	8 Departments
Ensure sustainable and effective cash management practices and efficient management of the Provincial Revenue Fund	7.1	Annual review of settlement limit and bridging finance	Review of bridging finance 12 Settlement limits	Review of bridging finance 12 Settlement limits	1 Review	1 Review	1 Review	1 Review	1 Review

Strategic objective	Programme Performance indicator		Audited/Actual performance			Estimated performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
	7.2	Timely submission of Annual Financial Statements on PRF	1 Set of AFS	1 Set of AFS	1 Set of AFS	15 June	15 June	15 June	15 June

5.3 Quarterly Targets for 2017/18

Programme Performance indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
3.1	Number of research papers produced	Annually	3	-	-	-	3
3.2	Number of publications produced	Annually	3	-	-	MTBPS	PERO DERO
3.3	Quarterly Labour Market Reviews produced	Quarterly	4	1	1	1	1
4.1	Revenue base for revenue generating departments developed	Annually	12 Departments	-	-	12 Departments	-
4.2	Performance reports on Provincial Own Revenue (POR)	Monthly	12 POR	3	3	3	3
4.3	Performance reports on Revenue Enhancement Allocation (REA)	Monthly	12	3	3	3	3
4.4	Research papers on revenue enhancement produced	Annually	1	-	-	-	1
5.1	Performance reports on Conditional Grants	Monthly	12	3	3	3	3
5.2	Reports on financial and non-financial performance of public entities	Quarterly	4	1	1	1	1
5.3	Appropriation Bill in line with national prescripts	Annually	1	-	-	-	1
5.4	Adjustment Appropriation Bill in line with national prescripts	Annually	1	-	-	1	-
5.5	Reports on funded priorities	Quarterly	4	1	1	1	1
5.6	Analysis Reports of spending on Personnel by provincial departments	Quarterly	4	1	1	1	1

Programme Performance indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
5.7	Assessment reports in terms of IYM	Monthly	15	4	4	3	4
5.8	Assessment reports in terms of Infrastructure Model	Quarterly	12	3	3	3	3
6.1	Reports on infrastructure monitoring visits conducted	Quarterly	4	1	1	1	1
6.2	Quarterly Infrastructure review reports	Quarterly	4	1	1	1	1
6.3	Evaluation of planning documents for departments	Annually	8 Departments	-	-	8	-
7.1	Annual review of settlement limit and bridging finance	Annually	1 Review	1	-	-	-
7.2	Timely submission of Annual Financial Statements on PRF	Annually	15 June	15 June	-	-	-

5.4 Reconciliation: Performance targets with the Budget and MTEF

Expenditure Estimates

Summary of payments and estimates by sub-programme: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19
Programme Support	2,684	1,672	3,175	1,622	1,600	575	1,277	1,351	1,428
Economic Analysis	5,778	5,658	6,273	6,987	6,997	6,947	7,806	8,005	8,536
Fiscal Policy	4,578	4,823	6,106	7,310	7,280	6,980	7,414	7,967	8,413
Budget Management	9,226	9,082	9,411	10,268	11,076	11,717	11,449	12,084	12,234
Public Finance	10,498	10,550	7,575	11,992	12,162	13,363	13,104	14,039	13,412
Compensation Directorate	-	-	-	545	545	362	846	760	803
Total payments and estimates:	32,764	31,785	32,540	38,724	39,660	39,944	41,896	44,206	44,826

Summary of payments and estimates by economic classification: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2016/17	2017/18	2018/19
Current payments	32,542	31,652	32,328	38,724	39,283	39,557	41,747	44,206	44,826
Compensation of employees	29,088	29,036	28,005	35,468	36,406	37,125	38,473	40,558	40,886
Goods and services	3,454	2,616	4,323	3,256	2,877	2,432	3,274	3,648	3,940
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	50	19	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	50	19	-	-	-	-	-	-
Payments for capital assets	218	83	187	-	377	387	149	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	218	83	187	-	377	387	149	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	4	-	6	-	-	-	-	-	-
Total economic classification:	32,764	31,785	32,540	38,724	39,660	39,944	41,896	44,206	44,826

Main cost drivers are compensation of employees, travel and subsistence and printing of annual publications. The MTEF allocations are sufficient to allow the programme to achieve its objectives. Provision has been made for the filling of critical vacancies that will allow the programme to achieve its objectives.

6. Programme 3: Assets and Liability Management

The role of this programme is to promote effective management of provincial assets and liabilities, procure transversal and cross-cutting goods and services and manage and maintain transversal financial systems in the province. The programme consists of two sub-programmes.

6.1 Strategic Objective Annual Targets for 2017/18

Strategic Objective		Performance Indicator	5-Year Target (2020)	Audited / Actual performance			Estimated performance 2016/17	Medium-Term targets		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
8.	Strengthen supply chain management in the province through capacity building and oversight	Level of compliance with SCM KCM Indicators – assessment score	10 Departments and 1 public entity with scores >1 on all indicators	New PI	New PI	New PI	6 Depts and 1 public entity with score >1 on all indicators	8 Depts and 1 public entity with score >1 on all indicators	9 Depts and 1 public entity with score >1 on all indicators	10 Depts and 1 public entity with score >1 on all indicators
9.	Strengthen asset management in the province through capacity building and oversight	Number of Departments, trading and public entities with audit findings on assets management	5 Departments with findings on assets, 0 trading and 0 public entities with findings on assets	New PI	New PI	New PI	7 Depts, 1 trading and 1 public entity	6 Depts, 1 trading and 1 public entity	5 Depts, 1 trading and 1 public entity	5 Depts, 0 trading and 0 public entities
		Level of compliance with <u>Monthly</u> PAM KCM Indicators – assessment score	12 Departments and 2 trading entities with all scores >1	New PI	New PI	New PI	10 Depts and 1 trading entity with score >1 on all indicators	10 Depts and 2 trading entities with score >1 on all indicators	11 Depts and 2 trading entities with score >1 on all indicators	12 Depts and 2 trading entities with score >1 on all indicators
		Level of compliance with <u>Quarterly</u> PAM KCM Indicators – assessment score	12 Departments and 2 trading entities with all scores >1	New PI	New PI	New PI	9 Depts and 1 trading entity with score >1 on all indicators	10 Depts and 2 trading entities with score >1 on all indicators	11 Depts and 2 trading entities with score >1 on all indicators	12 Depts and 2 trading entities with score >1 on all indicators

Strategic Objective		Performance Indicator	5-Year Target (2020)	Audited / Actual performance			Estimated performance 2016/17	Medium-Term targets		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
10.	Support and capacitate transversal financial management systems users	Support provided on transversal systems	100% of support provided according to agreed upon standards	New PI	New PI	New PI	100%	100%	100%	100%
		Level of compliance with Monthly Transversal Systems KCM Indicators – assessment score	10 Departments and 2 trading entities with all scores >1	New PI	New PI	New PI	4 Depts and 1 trading entity with score >1 on all indicators	6 Depts and 2 trading entities with score >1 on all indicators	8 Depts and 2 trading entities with score >1 on all indicators	10 Depts and 2 trading entities with score >1 on all indicators
		Level of compliance with Quarterly Transversal Systems KCM Indicators – assessment score	10 Departments and 2 trading entities with all scores >1	New PI	New PI	New PI	4 Depts and 1 trading entity with score >1 on all indicators	6 Depts and 2 trading entities with score >1 on all indicators	8 Depts and 2 trading entities with score >1 on all indicators	10 Depts and 2 trading entities with score >1 on all indicators

6.2 Programme Performance Indicators

Strategic objective	Programme Performance indicator		Audited/Actual performance			Estimated performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Strengthen supply chain management in the province through capacity building and oversight	8.1	SCM monitoring reports	47	56	56	56	52*	52*	52*
	8.2	PPP monitoring reports	New PPI	New PPI	New PPI	4	4	4	4
	8.3	Reports on assessment of transversal contracts	New PPI	4	4	4	4	4	4
	8.4	Reports on payment of invoices within 30 days	New PPI	6	12	12	12	12	12
	8.5	SCM Forums	3	4	6	4	4	4	4
	8.6	SCM Training sessions	9	7	14	4	4	4	4
	8.7	Report on assessment of Annual Procurement Plans	New PPI	New PPI	New PPI	1	1	1	1
Strengthen asset management in the province through capacity building and oversight	9.1	Physical Asset monitoring reports	134	107	104	117	117	117	117
	9.2	Report on follow up of Prior Year asset audit issues	New PPI	New PPI	4	4	4	4	4
Support and capacitate transversal financial management systems users	10.1	Percentage of working hours that BAS Terminal Servers are available	99% of 8 Working hours	99% of 8 Working hours	99.89% of 8 Working hours	95% of 8 Working hours	95% of 8 Working hours	95% of 8 Working hours	95% of 8 Working hours
	10.2	Percentage of requests for technical and functional support responded to within 8 working hours	Responded within 8 working hours	100%	100% of calls responded to within 8 working hours	100% of calls responded to within 8 working hours	100% of calls responded to within 8 working hours	100% of calls responded to within 8 working hours	100% of calls responded to within 8 working hours
	10.3	Number of users trained on Transversal Systems (BAS, PERSAL and LOGIS)	1204	898	925	800	850	950	950

* Target decreased because of the merger of two public entities

6.3 Quarterly Targets for 2017/18

Programme Performance indicators		Reporting period	Annual target 2017/2018	Quarterly targets			
				1 st	2 nd	3 rd	4 th
8.1	SCM monitoring reports	Quarterly	52	13	13	13	13
8.2	PPP monitoring reports	Quarterly	4	1	1	1	1
8.3	Reports on assessment of transversal contracts	Quarterly	4	1	1	1	1
8.4	Reports on payment of invoices within 30 days	Monthly	12	3	3	3	3
8.5	SCM Forums	Quarterly	4	1	1	1	1
8.6	SCM Training sessions	Quarterly	4	1	1	1	1
8.7	Report on assessment of Annual Procurement Plans	Annually	1	1	-	-	-
9.1	Physical Asset monitoring reports	Quarterly	117	26	31	25	35
9.2	Report on follow up of Prior Year asset audit issues	Quarterly	4	1	1	1	1
10.1	Percentage of working hours that BAS Terminal Servers are available	Quarterly	95% of 8 Working hours	95% of 8 Working hours	95% of 8 Working hours	95% of 8 Working hours	95% of 8 Working hours
10.2	Percentage of requests for technical and functional support responded to within 8 working hours	Quarterly	100% of calls responded to within 8 working hours	100% of calls responded to within 8 working hours	100% of calls responded to within 8 working hours	100% of calls responded to within 8 working hours	100% of calls responded to within 8 working hours
10.3	Number of users trained on Transversal Systems (BAS, PERSAL and LOGIS)	Quarterly	850	150	300	250	150

6.4 Reconciliation: Performance targets with the Budget and MTEF

Expenditure Estimates

Summary of payments and estimates by sub-programme: Asset And Liabilities Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Programme Support	2,241	2,251	1,302	1,735	1,257	821	1,774	1,943	2,052
Asset Management	12,824	26,793	55,592	56,061	55,654	56,940	28,406	28,456	13,536
Supporting and Interlinked Financial Systems	39,797	41,734	45,351	46,549	49,578	50,112	46,634	49,246	56,131
Total payments and estimates:	54,862	70,778	102,245	104,345	106,489	107,873	76,814	79,645	71,719

Summary of payments and estimates by economic classification: Asset And Liabilities Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	54 564	70 461	101 878	103 985	105 941	107 588	76 814	79 645	71 719
Compensation of employees	26 158	30 310	37 109	33 758	35 430	35 816	36 933	39 610	45 202
Goods and services	28 406	40 151	63 990	70 227	70 511	71 772	39 881	40 035	26 517
Interest and rent on land	-	-	779	-	-	-	-	-	-
Transfers and subsidies to:	101	-	131	-	32	32	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	101	-	131	-	32	32	-	-	-
Payments for capital assets	183	317	236	360	516	253	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	183	317	236	360	516	253	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	14	-	-	-	-	-	-	-	-
Total economic classification:	54 862	70 778	102 245	104 345	106 489	107 873	76 814	79 645	71 719

Main cost drivers are compensation of employees, SITA fees for transversal systems and travel and subsistence cost. The decrease in the allocation is as a result of the finalization of the supplier management system. The MTEF allocations are sufficient to allow the programme to achieve its objectives.

7. Programme 4: Financial Governance

The role of this programme is to promote and enforce financial governance in the provincial government. The programme consists of two sub-programmes, i.e. Accounting Services and Provincial Risk Management and Internal Audit

7.1 Strategic Objective Annual Targets for 2017/18

Strategic Objective		Performance Indicator	5-Year Target (2020)	Audited / Actual performance			Estimated performance 2016/17	Medium-Term targets		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
11.	Promote and enforce sound accounting practices and reporting through capacity building and monitoring	% AFS findings resolved	90%	New PI	70%	86% or more of AFS findings resolved	82%	85%	87%	90%
		Number of departments / entities with 90% compliance to the minimum requirements of AFS work file	5 Depts = 100% 7 Depts, 2 trading and 1 public entity = 90%	New PI	1 Dept = 100% 4 Depts >90% 1 Entity > 80%	3 Depts. = 100% 6 Depts. >90% 1 Entity > 90%	3 Depts = 100% 6 Depts and 1 entity ≥90%	3 Depts = 100% 6 Depts and 1 trading entity ≥90%	4 Depts = 100% 6 Depts, 1 trading and 1 public entity ≥90%	5 Depts = 100% 7 Depts, 2 trading and 1 public entity ≥ 90%
		Level of compliance with <u>monthly</u> Accounting KCM Indicators – assessment score	12 Departments, 2 trading and 1 public entity with score >1 on all indicators	New PI	New PI	8 Dept. and 1 trading entity with score >1	8 Depts and 2 trading entities with score >1 on all indicators	9 Depts and 2 trading entities with score >1 on all indicators	10 Depts, 2 trading and 1 public entity with score >1 on all indicators	12 Depts and 2 trading and 1 public entity with scores >1 on all indicators
		Level of compliance with <u>quarterly</u> Accounting KCM Indicators – assessment	7 Departments, 2 trading and 1 public entity with score >1 on all indicators	New PI	New PI	New PI	New PI	3 Depts and 1 trading entity with score >1 on all indicators	5 Depts, 1 trading and 1 public entity with score >1 on all indicators	7 Departments, 2 trading and 1 public entities with score >1 on all indicators

Strategic Objective		Performance Indicator	5-Year Target (2020)	Audited / Actual performance			Estimated performance 2016/17	Medium-Term targets		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
12.	Promote and enforce risk management and internal audit practises through capacity building and monitoring	Percentage compliance and effectiveness by departments and public entities on Risk Management and Internal Audit Activities	Risk Management: 12 Depts and 2 public entities ≥ 90% Internal Audit: 12 Depts and 2 public entities ≥ 90%	New PI	New PI	Risk Man: 11 Depts and 1 public entity at 95% Internal Audit: 10 Depts and 0 public entity at 94%	Risk Man: 8 Depts and 1 public entity ≥ 90% Internal Audit: 10 Depts and 0 public entities ≥ 90%	Risk Man: 9 Depts and 1 public entity ≥ 90% Internal Audit: 10 Depts and 1 public entity ≥ 90%	Risk Man: 10 Depts and 2 public entities ≥ 90% Internal Audit: 11 Depts and 2 public entities ≥ 90%	Risk Man: 12 Depts and 2 public entities ≥ 90% Internal Audit: 12 Depts and 2 public entities ≥ 90%
		Level of compliance with Risk Management and Internal Audit Quarterly KCM Indicators – assessment score	11 Departments and 2 public entities with score >1 on all indicators	New PI	New PI	New PI	New PI	9 Depts and 0 public entities with score >1 on all indicators	10 Depts and 1 public entity with score >1 on all indicators	11 Depts and 2 public entities with score >1 on all indicators

7.2 Programme Performance Indicators

Strategic objective	Programme Performance indicator		Audited/Actual performance			Estimated performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Promote and enforce sound accounting practices and reporting through capacity building and monitoring	11.1	Formal training sessions to build capacity in provincial departments, trading and public entities on accounting practices	10	7	6	6	8	8	8
	11.2	Consolidated reports on interim and annual financial statements and work files assessments produced to promote the quality of financial statements	4	4	4	4	4	4	4
	11.3	Timely submission of quality consolidated annual financial statements and Annual Report <ul style="list-style-type: none"> • Draft CFS • Final CFS • Annual Report 	30 June 31 August 31 October	30 June 31 August 31 October	30 June 31 August 31 October	30 June 31 August 31 October	30 June 31 August 31 October	30 June 31 August 31 October	30 June 31 August 31 October
	11.4	Consolidated Key Control Matrix assessment reports produced for departments and entities to promote compliance with legislative requirements	11	13	14	19	19	19	19
Promote and enforce risk management and internal audit practises through capacity building and monitoring	12.1	Bi-annual consolidated assessment reports produced for departments and entities to promote compliance with Risk Management legislation and Fraud Risk Assessments.	2	2	2	2 Reports	2 Reports	2 Reports	2 Reports
	12.2	Bi-annual consolidated assessment reports produced for departments and public entities to promote compliance with Internal Audit legislation	1	2	2	2 Reports	2 Reports	2 Reports	2 Reports

Strategic objective	Programme Performance indicator		Audited/Actual performance			Estimated performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
	12.3	Formal training sessions to build capacity and promote Risk Management, Internal Audit and Fraud alertness for provincial departments and entities	6	3	2	6	6	6	6
	12.4	Fraud Awareness Seminars to promote alertness to provincial departments, entities and business	New PPI	4	7	3	4	4	4

7.3 Quarterly Targets for 2017/18

Programme Performance indicators		Reporting period	Annual target 2017/2018	Quarterly targets			
				1 st	2 nd	3 rd	4 th
11.1	Formal training sessions to build capacity in provincial departments, trading and public entities on accounting practices	Quarterly	8	2	2	1	3
11.2	Consolidated reports on interim and annual financial statements and work files assessments produced to promote the quality financial statements	Quarterly	4	1	1	1	1
11.3	Timely submission of quality consolidated annual financial statements and Annual Report <ul style="list-style-type: none"> • Draft CFS • Final CFS • Annual Report 	Quarterly	30 June 31 August 31 October	30 June	31 August	31 October	-
11.4	Consolidated Key Control Matrix assessment reports produced for departments and entities to promote compliance with legislative requirements	Quarterly	19	4	5	5	5
12.1	Bi-annual consolidated assessment reports produced for departments and entities to promote compliance with line with Risk Management legislation and Fraud Risk Assessments.	Bi-Annually	2 Reports	-	1 Report	-	1 Report
12.2	Bi-annual consolidated assessment reports produced for departments and public entities to promote compliance with Internal Audit legislation	Bi-Annually	2 Reports	1 Report	-	1 Report	-
12.3	Formal training sessions to build capacity and promote Risk Management, Internal Audit and Fraud alertness for provincial departments and entities	Quarterly	6	1	3	1	1
12.4	Fraud Awareness Seminars to promote alertness to provincial departments, entities and business	Annually	4	-	-	4	-

7.4 Reconciliation: Performance targets with the Budget and MTEF

Expenditure Estimates

Summary of payments and estimates by sub-programme: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Program Support	1,720	3,761	2,451	2,269	2,332	2,421	2,314	2,388	2,522
Accounting Services	7,641	9,355	10,610	13,019	18,077	18,069	19,181	20,153	20,479
Risk Management and Internal Audit Provincial	8,048	6,336	6,913	9,459	9,338	8,700	7,559	7,969	8,417
Total payments and estimates:	17,409	19,452	19,974	24,747	29,747	29,190	29,054	30,510	31,418

Summary of payments and estimates by economic classification: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	17,208	19,361	19,910	24,747	29,699	29,141	29,030	30,503	31,410
Compensation of employees	16,436	16,866	17,108	20,963	20,963	20,770	21,779	24,183	25,017
Goods and services	772	2,495	2,802	3,764	8,736	8,371	7,251	6,320	6,393
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	-	-	19	-	20	20	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	19	-	20	20	-	-	-
Payments for capital assets	201	91	45	-	28	29	24	7	8
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	201	91	45	-	28	29	24	7	8
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification:	17,409	19,452	19,974	24,747	29,747	29,190	29,054	30,510	31,418

The main cost driver is compensation of employees. Additional resources are required to improve capacity to effectively deal with fraud management and forensic auditing.

8. Programme 5: Municipal Finance Management

The role of this programme is to promote and improve the state of financial governance and management at local government level. The programme consists of 5 sub-programmes.

8.1 Strategic Objective Annual Targets for 2017/18

Strategic Objective		Performance Indicator	5-Year Target (2020)	Audited / Actual performance			Estimated performance 2016/17	Medium-Term targets		
				2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
13.	Monitor and support municipalities towards improved budget management	Number of municipalities at 60% compliance to budget regulations and reforms	16	New PI	New PI	New PI	10	12	14	16
14.	Monitor and support municipalities towards improved audit outcomes	Audit opinions: Reduction in audit paragraphs	20% reduction in audit paragraphs (Baseline 68)	New PI	New PI	New PI	New PI	10% reduction in audit paragraphs	15% reduction in audit paragraphs	20% reduction in audit paragraphs
15.	Monitor and support municipalities to strengthen compliance with SCM prescripts	Number of municipalities at 100% compliance to the FMCMM SCM KPIs	16 municipalities	New PI	New PI	New PI	New PI	8 municipalities	12 municipalities	16 municipalities
16.	Monitor and support municipalities to strengthen Internal Audit and Risk Management	Compliance with Internal Audit KPIs	20 Municipalities on 85% compliance on IA	New PI	New PI	New PI	10 municipalities at 65%	15 municipalities at 75% on IA	18 municipalities at 80% on IA	20 municipalities at 85% on IA
		Compliance with Risk Management KPIs	18 Municipalities at 80% compliance on RM				8 municipalities at 60 %	13 municipalities at 70 % on RM	16 municipalities at 75% on RM	18 municipalities at 80% on RM

8.2 Programme Performance Indicators

Strategic objective	Programme Performance indicator		Audited/Actual performance			Estimated performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Monitor and support municipalities towards improved budget management	13.1	Assessment reports on Draft and Final Budgets received on credibility and compliance with MFMA regulations	1 Consolidated report for 23 municipalities	3 Consolidated reports for 23 municipalities	2 Consolidated reports	2 Consolidated reports	2 Consolidated reports	2 Consolidated reports	2 Consolidated reports
	13.2	Quarterly publication of Section (71) reports for local government and legislature	Quarterly publication of section 71	75% of 23 municipalities	78% compliance with section 71 requirements	4 Publications	4 Publications	4 Publications	4 Publications
	13.3	Municipalities supported on NERSA application	New PPI	New PPI	New PPI	1 Provincial NERSA work session	1 Provincial NERSA work session	1 Provincial NERSA work session	1 Provincial NERSA work session
	13.4	mSCOA capacity building	New PPI	New PPI	New PPI	2 sessions	2 sessions	N/A	N/A
	13.5	mSCOA readiness assessment	New PPI	New PPI	New PPI	4 Assessment Reports	2 Assessment Reports	N/A	N/A
Monitor and support municipalities towards improved audit outcomes	14.1	Municipalities monitored on audit action plans	New PPI	New PPI	New PPI	4 Consolidated progress reports	2 Consolidated progress reports	2 Consolidated progress reports	2 Consolidated progress reports
	14.2	Monitoring of submission of pre-audited AFS to AG	New PPI	New PPI	New PPI	New PPI	1 Consolidated report	1 Consolidated report	1 Consolidated report
	14.3	Reports on Municipal Support Programme (MSP)	New PPI	New PPI	New PPI	2 Consolidated reports on MSP	2 Consolidated reports on MSP	2 Consolidated reports on MSP	2 Consolidated reports on MSP
	14.4	Training sessions on tax compliance	New PI	New PI	New PI	New PI	4	4	4
	14.5	Number of municipalities supported through working sessions on tax matters	New PI	New PI	New PI	New PI	6	6	6

Strategic objective	Programme Performance indicator		Audited/Actual performance			Estimated performance 2016/17	Medium-term targets		
			2013/14	2014/15	2015/16		2017/18	2018/19	2019/20
Monitor and support municipalities to strengthen compliance with SCM prescripts	15.1	Training on SCM compliance and on the use of the SCM Toolkit	New PPI	New PPI	New PPI	New PPI	8 Municipalities	15 Municipalities	22 Municipalities
	15.2	Number of Municipalities monitored on implementation of the Standard for Infrastructure Procurement and Delivery Management (SIPDM)	New PPI	New PPI	New PPI	New PPI	22 Municipalities	22 Municipalities	22 Municipalities
Monitor and support municipalities to strengthen Internal Audit and Risk Management	16.1	Municipalities assessed and supported on Internal Audit and Risk Management	5 Consolidated Reports	18 Muns (78%) on 60% score 9 Muns (39%) on 60% score 15 Muns (65%) on 50% Score 3 Muns (35%) on 50% score 17 Muns (74%) on 50% score	4 Consolidated reports	1 Consolidated report	1 Consolidated report	1 Consolidated report	1 Consolidated report
	16.2	Internal Audit and Risk Management training sessions held	2	4	2	2	2	2	2
	16.3	Fraud awareness seminars held to promote fraud alertness in municipalities	1	5	1 Fraud Awareness Week	3	3	3	3

8.3 Quarterly Targets for 2017/18

Programme Performance indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
13.1	Assessment reports on Draft and Final Budgets received on credibility and compliance with MFMA regulations	Bi-Annually	2 Consolidated reports	1 Consolidated draft budget report	1 Consolidated final budget report	-	-
13.2	Quarterly publication of Section (71) reports for local government and legislature	Quarterly	4 Publications	1	1	1	1
13.3	Municipalities supported on NERSA application	Annually	1 Provincial NERSA work session	-	-	1	-
13.4	mSCOA capacity building	Bi-Annually	2 sessions	-	1	-	1
13.5	mSCOA readiness assessment	Quarterly	2 Assessment Reports	-	1	-	1
14.1	Municipalities monitored on audit action plans	Quarterly	2 Consolidated progress reports	-	1	-	1
14.2	Monitoring of submission of pre-audited AFS to AG	Annually	1 Consolidated report	1	-	-	-
14.3	Reports on Municipal Support Programme (MSP)	Bi-Annually	2 Consolidated reports on MSP	-	1	-	1
14.4	Training sessions on tax compliance	Quarterly	4	2	-	-	2
14.5	Number of municipalities supported through working session on tax matters	Quarterly	6	2	2	-	2
15.1	Training on SCM compliance and on the use of the SCM Toolkit	Quarterly	8 Municipalities	2	2	2	2
15.2	Number of Municipalities monitored on implementation of the Standard for Infrastructure Procurement and Delivery Management (SIPDM)	Quarterly	22 Municipalities	5	6	5	6
16.1	Municipalities assessed and supported on Internal Audit and Risk Management	Annually	1 Consolidated report	-	-	-	1

Programme Performance indicators		Reporting period	Annual target 2017/18	Quarterly targets			
				1 st	2 nd	3 rd	4 th
16.2	Internal Audit and Risk Management training sessions held	Bi-Annually	2	-	1	-	1
16.3	Fraud awareness seminars held to promote fraud alertness in municipalities	Annually	3	-	-	3	-

8.4 Reconciliation: Performance targets with the Budget and MTEF

Expenditure Estimates

Summary of payments and estimates by sub-programme: Municipal Finance Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Program Support	999	2 638	29 268	2 339	2 202	2 124	1 911	2 021	2 134
Thabo Mafutsanyana District	5 597	6 016	6 869	7 154	6 958	6 796	6 452	8 570	9 269
Fezile Dabi District	4 730	5 184	6 027	5 795	5 399	5 026	5 591	6 293	6 867
Lejweleputswa District	3 447	3 766	4 353	6 832	6 863	6 813	6 265	7 465	8 105
Xhariep District	3 241	3 705	4 494	5 508	5 002	5 186	5 798	6 417	6 998
Municipal Risk Management & Internal Audit	3 133	3 275	4 111	4 490	4 448	4 369	4 675	5 047	5 331
Municipal Support Program & IGR	-	-	106	32 356	34 439	34 825	33 018	27 601	25 787
Total payments and estimates:	21 147	24 584	55 228	64 474	65 311	65 139	63 710	63 414	64 491

Summary of payments and estimates by economic classification: Municipal Finance Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2016/17	Revised estimate	Medium-term estimates		
	2013/14	2014/15	2015/16				2017/18	2018/19	2019/20
Current payments	20,916	24,198	36,229	51,124	40,251	40,086	58,710	50,064	50,393
Compensation of employees	18,712	21,872	27,315	31,103	32,277	32,196	32,036	36,460	39,390
Goods and services	2,204	2,326	8,914	20,021	7,974	7,890	26,674	13,604	11,003
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	37	196	18,894	13,350	24,793	24,764	5,000	13,350	14,098
Provinces and municipalities	-	-	18,840	13,350	24,750	24,750	5,000	13,350	14,098
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	37	196	54	-	43	14	-	-	-
Payments for capital assets	189	190	105	-	267	288	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	189	190	105	-	267	288	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	5	-	-	-	-	1	-	-	-
Total economic classification:	21,147	24,584	55,228	64,474	65,311	65,139	63,710	63,414	64,491

Main cost drivers are compensation of employees and travel and subsistence costs. The increase in the allocation provides for the strengthening of the Municipal Support project.

PART C

LINKS TO OTHER PLANS

9 Links to the long-term infrastructure and other capital plans

None

10 Conditional grants

None

11 Public entities

None

12 Public-private partnerships

None

ANNEXURES

Vision, Mission, Values and Strategic Goals

Vision

Your partner in financial management and service excellence in the public sector, for a better life for all in the Free State

Mission

To instil prudent financial management and good governance

Values

The actions of every Provincial Treasury employee will be guided by the following values and principles:

- **Collaborative**
We will be considerate in working with our stakeholders to realize shared goals. We will be devoted, dedicated and involved
- **Integrity**
We will conduct ourselves with uncompromising standards and principles as individuals, as teams and as a department
- **Accountability**
We will honour our commitments; we will take responsibility and we will act in a transparent manner
- **Assertive**
We will be honest, firm and decisive in our interaction with stakeholders
- **Proactive**
We will stay ahead by anticipating rather than reacting. We will be innovative and diligently seek new ways to address challenges.

Strategic Goals

Strategic Outcome Oriented Goal 1	An efficient, effective and development oriented department
Goal statement	A well-managed department that is professional, accountable and development oriented, that promotes the values and principles of public administration as contained in the Constitution and has skilled public servants who are committed to delivering high quality services.

Strategic Outcome Oriented Goal 2	Support departments, municipalities and entities towards improving financial accountability and sustainability
Goal statement	Support and assist departments, municipalities and their entities through oversight, capacity building and other interventions to improve transparent, economic, efficient and effective management of revenue, expenditure, assets and liabilities and have high quality, timely and accurate reporting.

Strategic Outcome Oriented Goal 3	Enhance processes, practices and systems towards efficiency gains, to eliminate waste and derive value for money
Goal statement	Support and assist departments, municipalities and their entities to develop and implement policies, practices and systems that will improve efficiency and effectiveness and eliminate waste in order to redirect the derived efficiency gains to higher priority areas of government and improve value for money.

Strategic Outcome Oriented Goal 4	Improve the development and management life cycle of infrastructure and assets
Goal statement	Support and assist departments and entities through oversight and capacity building to improve the development and management life cycle of infrastructure and assets in order to improve the delivery of infrastructure, including the use and management of PPP, and the management of movable and immovable assets.

Amendments to Strategic Objectives included in the Strategic Plan

The Department reviewed the strategic objectives and targets in the light of performance against the objectives and targets. In some instances strategic objective indicators had to be revised or further refined, as the indicators are no longer appropriate and in one case the 5-year target has already been achieved. Some targets had to be adapted, as in some instances, the interventions did not have the anticipated impact or, as in the case of revenue collected, the target was amended upwards. In other instances targets changed due to changing circumstances such as the merger of two public entities.

All strategic objectives and targets, including strategic objectives and targets that have not changed, are included in the section on the pages that follow.

1. PROGRAMME 1: ADMINISTRATION

Programme purpose	Sub-programmes
To provide leadership and strategic management in accordance with legislation, regulations and policies as well as to ensure there is appropriate support service to all other programmes.	<ul style="list-style-type: none"> • Office of the MEC • Management Services • Corporate Services • Financial Management • Internal Audit

Strategic objectives

Strategic Objective 1	Improve the quality of management practices
Objective statement	To improve the quality of management and management practices, including strategic, financial and human resource management, to ensure compliance with government's administrative policy and legislative frameworks, as per MPAT assessment and audit findings, in order to create a conducive environment for achieving the goals and objectives of the department
Indicators	MPAT scores Audit opinion
Baseline	Fully compliant score against 64% of the 33 MPAT standards for 2013, Unqualified opinion with no findings (clean audit)
5-Year target	Fully compliant score against 94% of the 34 MPAT standards Unqualified with no findings (clean audit) audit opinion
Justification	Effective and efficient management and management practices are necessary to build a public service that is professional, accountable and development oriented as envisaged by the Constitution of the Republic of South Africa and further espoused in the National Development Plan and Medium Term Strategic Framework.
Links	<p>Strategic Goal No 1: An efficient, effective and development oriented department</p> <p>MTSF: Outcome number 12: An efficient, effective and development-oriented public service, Impact Indicator 1: % of national and provincial departments that achieve at least level 3 within 50% of the Management Performance Assessment Tool (MPAT) standards for each cycle, Impact Indicator 4: Number of qualified, adverse and disclaimer annual audit reports on national and provincial government departments</p> <p>FSGDS: Pillar 6: Good Governance, Driver 15: Foster good governance to create a conducive climate for growth and development</p>

Strategic Objective 2	Establish a skilled, competent and responsive workforce
Objective statement	To provide strategic support to the department by establishing a skilled, competent and responsive workforce by improving staffing levels through recruitment processes and staff retention by creating a conducive work environment through skills development and wellness initiatives.
Indicators	Vacancy rate
Baseline	Current vacancy rate: 16%
5-Year target	Vacancy rate of 7% or less
Justification	Provincial Treasury renders oversight and support to provincial departments, municipalities and their entities and requires an adequate and skilled workforce that will be able to execute the department's mandate and provide expert advice.
Links	<p>Strategic Goal No 1: An efficient, effective and development oriented department</p> <p>MTSF: Outcome number 12: An efficient, effective and development-oriented public service, Impact Indicator 2: Funded vacancy rate (average 5 of posts on PERSAL which are vacant over a quarter, for all national and provincial departments)</p> <p>FSGDS: Pillar 6: Good Governance, Driver 15: Foster good governance to create a conducive climate for growth and development</p>

2. PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

Programme purpose	Sub-programmes
The role of this programme is to provide professional advice and support on provincial economic analysis, fiscal policy, and the management of the annual budget process and the implementation of provincial budgets.	<ul style="list-style-type: none"> • Economic Analysis • Fiscal Policy • Budget Management • Public Finance • Compensation

Strategic objectives

Strategic Objective 3	Conduct research and provide economic information in pursuit of inclusive growth and development
Objective statement	To provide a platform to enhance inclusive regional economic growth and development of the Free State and its people through quality research and up to date socio-economic information
Indicators	Socio-economic information provided
Baseline	6 Research Papers, 2 Publications and 4 Labour Market Bulletins per annum
5-Year target	10 Socio-economic reports produced annually
Justification	Research and economic information could influence policy decisions in order to stimulate job creation and poverty alleviation
Links	<p>Strategic Goal No 2: Support departments, municipalities and entities towards improving financial accountability and sustainability</p> <p>MTSF: Outcome number 4: Decent employment through inclusive economic growth</p> <p>FSGDS: Pillar 1: Inclusive growth and sustainable job creation</p>

Strategic Objective 4	Optimize provincial own revenue in order to fund key priorities
Objective statement	To enhance revenue collection for the province through effective and efficient revenue management, provision of revenue enhancement allocation, research work and oversight of revenue generating departments and entities
Indicators	Revenue collected
Baseline	The 2014/15 revenue estimate amounts to R965 million
5-Year target	Revenue collected target in excess of R 1.2 Billion
Justification	Optimization of revenue provides for additional funding for provincial priorities and service delivery needs
Links	<p>Strategic Goal No 2: Support departments, municipalities and entities towards improving financial accountability and sustainability</p> <p>MTSF: Outcome number 12: An efficient, effective and development-oriented public service</p> <p>FSGDS: Pillar 6: Good Governance, Driver 15: Foster good governance to create a conducive climate for growth and development</p>

Strategic Objective 5	Monitor and assess the implementation of the fiscal policy and budget framework
Objective statement	To monitor and assess the extent to which departments and public entities are spending allocated funds, including conditional grants, in line with the Estimates of Provincial Revenue and Expenditure and complying with the given conditions/regulations of the grants as per the Division of Revenue Act in order to promote and ensure effective and efficient implementation of the fiscal policy framework
Indicators	<p>Timeous publication of the EPRE</p> <p>Variance between provincial budget and expenditure</p> <p>Level of compliance with Key Control Matrix (KCM) indicators (assessment score) for:</p> <ul style="list-style-type: none"> • Revenue and Conditional Grants (DORA) • Budget Performance • IYM, IRM and SCOA
Baseline	<p>EPRE published within two weeks of the National Budget</p> <p>Variance of less than 2% between provincial budget and expenditure</p> <p>KCM assessment score:</p> <ul style="list-style-type: none"> • Revenue and Conditional Grants (DORA) - 8 (70%) Departments with scores 4 (100%) • Budget Performance – 5 (42%) Departments with scores 4 (100%) • IYM, IRM and SCOA – 8 (70%) Departments with scores 4 (100%)
5-Year target	<p>EPRE published within two weeks of the National Budget</p> <p>Variance of less than 2% between provincial budget and expenditure</p> <p>KCM assessment score:</p> <ul style="list-style-type: none"> • Revenue and Conditional Grants (DORA) - 12 (100%) Departments with scores 4 (100%) • Budget performance 12 (100%) Departments with scores 4 (100%) • IYM, IRM and SCOA 12 (100%) Departments with scores 4 (100%)
Justification	The provincial budget allocations and effective management thereof is key to ensuring delivery on government priorities and the optimal utilisation of financial resources.
Links	<p>Strategic Goal No 2: Support departments, municipalities and entities towards improving financial accountability and sustainability</p> <p>MTSF: Outcome number 12: An efficient, effective and development-oriented public service</p> <p>FSGDS: Pillar 6: Good Governance, Driver 15: Foster good governance to create a conducive climate for growth and development</p>

Strategic Objective 6	Promote effective and efficient infrastructure delivery
Objective statement	Support departments and public entities to improve the number of infrastructure projects that are completed in time and on budget in order to improve infrastructure delivery through monitoring infrastructure projects and evaluating and advising on planning documents
Indicators	Percentage of infrastructure projects completed in time and on budget
Baseline	15,5% of infrastructure projects are completed on time and on budget
5-Year target	50% or more of infrastructure projects completed on time and on budget
Justification	This objective also aims to address under-spending on budget allocations for infrastructure, delays and cost overruns on projects.
Links	<p>Strategic Goal No 3: Enhance processes, practices and systems towards efficiency gains, to eliminate waste and derive value for money</p> <p>MTSF: Outcome number 12: An efficient, effective and development-oriented public service</p> <p>FSGDS: Pillar 6: Good Governance, Driver 15: Foster good governance to create a conducive climate for growth and development</p>

Strategic Objective 7	Ensure sustainable and effective cash management practices, and efficient management of the Provincial Revenue Fund
Objective statement	To effectively manage the Provincial Revenue Fund, as well as monitoring of cash flow processes and investments in the province to ensure that 100% of appropriated funds are transferred to departments
Indicators	Percentage of appropriated funds transferred to provincial departments Audit opinion on PRF
Baseline	100% of appropriated funds transferred Unqualified with no findings audit opinion
5-Year target	100% of appropriated funds transferred annually Unqualified with no findings (clean) audit opinion on PRF
Justification	Effective and efficient management of the Provincial Revenue Fund will ensure that the province's cash flows are adequately managed to enable provincial departments to meet their payment obligations, and also to earn maximum returns on investments in order to contribute to the financial health and sustainability of the province.
Links	<p>Strategic Goal No 3: Enhance processes, practices and systems towards efficiency gains, to eliminate waste and derive value for money</p> <p>MTSF: Outcome number 12: An efficient, effective and development-oriented public service</p> <p>FSGDS: Pillar 6: Good Governance, Driver 15: Foster good governance to create a conducive climate for growth and development</p>

3. PROGRAMME 3: ASSETS AND LIABILITY MANAGEMENT

Programme purpose	Sub-programmes
The role of this programme is to promote effective management of provincial assets and liabilities, manage and maintain transversal systems and ensure effective and efficient implementation of compensation management in the province.	<ul style="list-style-type: none"> Asset management Supporting and Interlinked Financial Systems

Strategic objectives

Strategic Objective 8	Strengthen supply chain management in the province through capacity building and oversight
Objective statement	Support departments and public entities through monitoring and capacity building initiatives to develop and implement effective and efficient supply chain management practices and systems that ensure transparency and accountability and deliver value for money and to improve compliance of departments and entities with identified Key Performance Indicators.
Indicators	Level of compliance with SCM KCM indicators (assessment score)
Baseline	7 departments and entities on KCM score 1 on all indicators
5-Year target	10 departments and 1 public entity on KCM score > 1 on all indicators
Justification	The state's ability to procure what it needs on time, at the right quality, right quantity, right price, delivery at the right place is central to its ability to deliver on its priorities. This objective also aims to address non-compliance with supply chain management legislation.
Links	<p>Strategic Goal No 3: Enhance processes, practices and systems towards efficiency gains, to eliminate waste and derive value for money</p> <p>MTSF: Outcome number 12: An efficient, effective and development-oriented public service, Sub-outcome 5: Procurement systems that deliver value for money</p> <p>FSGDS: Pillar 6: Good Governance, Driver 15: Foster good governance to create a conducive climate for growth and development</p>

Strategic Objective 9	Strengthen asset management in the province through capacity building and oversight
Objective statement	Support departments and public entities through monitoring and capacity building initiatives to develop and implement effective and efficient asset management practices and systems that ensure transparency and accountability as reflected in the audit outcomes of departments and entities
Indicators	Level of compliance with monthly and quarterly PAM KCM indicators (assessment score) Number of departments, trading and public entities with audit qualification on assets management
Baseline	10 Departments are on KCM score 1 8 departments have audit findings on assets, 2 with unqualified with findings opinions and 6 with qualified opinions
5-Year target	12 Departments and 2 trading entities with monthly KCM scores > 1 12 Departments and 2 trading entities with quarterly KCM scores > 1 5 Departments, 0 trading and 0 public entities with findings on assets
Justification	The objective aims to enable departments to implement controls to improve the safeguarding and maintenance of assets.
Links	Strategic Goal No 3: Enhance processes, practices and systems towards efficiency gains, to eliminate waste and derive value for money MTSF: Outcome number 12: An efficient, effective and development-oriented public service, Sub-outcome 5: Procurement systems that deliver value for money FSGDS: Pillar 6: Good Governance, Driver 15: Foster good governance to create a conducive climate for growth and development

Strategic Objective 10	Support and capacitate transversal financial management systems users
Objective statement	To support transversal financial management system users with registration of supplier and banking details, codification and standardisation of items registration, submissions for hand written cheques as well as training these users in order to have competent transversal systems users and effective utilization of these systems.
Indicators	Extent to which support is provided according to agreed upon standards Level of compliance with monthly and quarterly Transversal Systems KCM indicators (assessment score)
Baseline	The department currently responds within agreed timeframes 12 Departments and 1 entity on KCM score 1
5-Year target	100% of support provided according to agreed upon standards 10 Departments and 2 trading entities with all scores > 1 on monthly and quarterly KCM
Justification	Supporting and training of transversal financial management system users are necessary to have competent users, minimise of risks and improve the utilization of the system.
Links	Strategic Goal No 3: Enhance processes, practices and systems towards efficiency gains, to eliminate waste and derive value for money MTSF: Outcome number 12: An efficient, effective and development-oriented public service FSGDS: Pillar 6: Good Governance, Driver 15: Foster good governance to create a conducive climate for growth and development

4. PROGRAMME 4: FINANCIAL GOVERNANCE

Programme purpose	Sub-programmes
The role of this programme is to promote and enforce financial governance in the provincial government.	<ul style="list-style-type: none"> Accounting Services Provincial Risk and Internal Audit

Strategic objectives

Strategic Objective 11	Promote and enforce sound accounting practices and reporting through capacity building and monitoring
Objective statement	To promote and enforce sound accounting practices and reporting through capacity building and monitoring in order to improve the quality of financial practices and reporting to ensure compliance with PFMA and relevant accounting frameworks.
Indicators	<p>Percentage of AFS findings resolved</p> <p>Percentage compliance with minimum requirements of AFS work file</p> <p>Level of compliance with monthly and quarterly Accounting KCM indicators (assessment score)</p>
Baseline	<p>65% of financial statement assessment findings resolved</p> <p>1 Department with 90% compliance to minimum requirements of work file for 2013/14</p> <p>12 Departments on KCM score 1 (2013/14)</p>
5-Year target	<p>90% or more of AFS findings resolved</p> <p>5 Departments at 100% compliance and 7 departments, 2 trading and 1 public entities at 90% compliance</p> <p>12 Departments, 2 trading and 1 public entities on KCM score > 1 (Monthly KCMs)</p> <p>7 Departments, 2 trading and 1 public entities on KCM score > 1 (Quarterly KCMs)</p>
Justification	Effective and efficient accounting practices and reporting are necessary to ensure sound financial management that will result in improved service delivery for a better life for all in the Free State Province.
Links	<p>Strategic Goal No 2: Support departments, municipalities and entities towards improving financial accountability and sustainability</p> <p>MTSF: Outcome number 12: An efficient, effective and development-oriented public service, Impact Indicator 4: Number of qualified, adverse and disclaimer annual audit reports on national and provincial government departments</p> <p>FSGDS: Pillar 6: Good Governance, Driver 15: Foster good governance to create a conducive climate for growth and development</p>

Strategic Objective 12	Promote and enforce risk management and internal audit practices through capacity building and monitoring
Objective statement	To improve the effectiveness and efficiency of Risk Management and Internal Audit to ensure compliance with relevant frameworks and the PFMA.
Indicators	Assessment score on compliance and effectiveness of departments and entities on: Risk Management Internal Audit Level of compliance with quarterly Risk Management and Internal Audit KCM indicators (assessment score)
Baseline	Risk Management: 7 Departments and 0 entities achieved $\geq 90\%$ Internal Audit: 8 Departments and 0 entities achieved $\geq 90\%$
5-Year target	Risk Management: 12 Departments and 2 public entities achieved $\geq 90\%$ Internal Audit: 12 Departments and 2 public entities achieved $\geq 90\%$ 11 Departments and 2 public entities on KCM score > 1 (Quarterly KCMs)
Justification	Effective and efficient governance practices are necessary to ensure sound financial management which will further improve service delivery to contribute to a better life for all in Free State Province.
Links	Strategic Goal No 2: Support departments, municipalities and entities towards improving financial accountability and sustainability MTSF: Outcome number 12: An efficient, effective and development-oriented public service, Impact Indicator 4: Number of qualified, adverse and disclaimer annual audit reports on national and provincial government departments FSGDS: Pillar 6: Good Governance, Driver 15: Foster good governance to create a conducive climate for growth and development

5. PROGRAMME 5: MUNICIPAL FINANCE MANAGEMENT

Programme purpose	Sub-programmes
The role of this programme is to improve the state of financial governance and management at local government level	<ul style="list-style-type: none"> • Thabo Mofutsanyane District • Fezile Dabi District • Lejweleputswa District • Xhariep District • Municipal Risk Management & Internal Audit • Municipal Support Program & IGR

Strategic objectives

Strategic Objective 13	Monitor and support municipalities towards improved budget management
Objective statement	To monitor and support municipalities in order to strengthen their budget management practices and ensure that budgets that are approved are funded
Indicators	Number of municipalities at 60% compliance to budget regulations and reforms
Baseline	10 municipalities with 60% compliance to budget regulations and reforms (2016/17 assessment)
5-Year target	16 municipalities with 60% compliance to budget regulations and reforms
Justification	Effective and efficient budget management is required to ensure credible and sustainable budgets that will allow municipalities to improve service delivery.
Links	<p>Strategic Goal No 2: Support departments, municipalities and entities towards improving financial accountability and sustainability</p> <p>MTSF: Outcome number 9: Responsive, accountable, effective and efficient developmental local government system, Sub-Outcome 3: Sound financial and administrative management</p> <p>FSGDS: Pillar 6: Good Governance, Driver 15: Foster good governance to create a conducive climate for growth and development</p>

Strategic Objective 14	Monitor and Support municipalities towards improved audit outcomes
Objective statement	To monitor and support municipalities in order to implement sound financial management practices, including sound accounting and reporting
Indicators	Audit opinions: Reduction in audit paragraphs
Baseline	68 Audit Paragraphs (2015/16 Audit)
5-Year target	20% reduction in audit paragraphs
Justification	Audit opinions offer a reliable measure of a municipality's financial management practices and may impact on accountability
Links	<p>Strategic Goal No 2: Support departments, municipalities and entities towards improving financial accountability and sustainability</p> <p>MTSF: Outcome number 9: Responsive, accountable, effective and efficient developmental local government system, Sub-Outcome 3: Sound financial and administrative management</p> <p>FSGDS: Pillar 6: Good Governance, Driver 15: Foster good governance to create a conducive climate for growth and development</p>

Strategic Objective 15	Monitor and support municipalities to strengthen compliance with SCM prescripts
Objective statement	To support municipalities through monitoring and capacity building to improve compliance with the supply chain management prescripts and thereby improving supply chain management practices to ensure transparency, accountability and value for money
Indicators	Number of municipalities at 100% compliance to FMCMM SCM KPIs
Baseline	The FMCMM is a new assessment instrument therefore no baseline available yet
5-Year target	16 municipalities
Justification	A municipality's ability to procure what it needs on time, at the right quality, right quantity and right place is central to its ability to deliver on its priorities. This objective aims to assess and address compliance with SCM prescripts to improve SCM practices.
Links	<p>Strategic Goal No 2: Support departments, municipalities and entities towards improving financial accountability and sustainability</p> <p>MTSF: Outcome number 9: Responsive, accountable, effective and efficient developmental local government system, Sub-Outcome 3: Sound financial and administrative management</p> <p>FSGDS: Pillar 6: Good Governance, Driver 15: Foster good governance to create a conducive climate for growth and development</p>

Strategic Objective 16	Monitor and Support municipalities to strengthen Internal Audit and Risk Management
Objective statement	To support municipalities through monitoring and capacity building to improve the functionality and effectiveness of Internal Audit and Risk Management functions
Indicators	Compliance with Internal Audit KPIs Compliance with Risk Management KPIs
Baseline	6 delegated municipalities at 50% compliance with Internal Audit KPIs 5 delegated municipalities at 50% compliance with Risk Management KPIs
5-Year target	20 municipalities at 85% compliance with Internal Audit KPIs 18 municipalities at 80% compliance with Risk Management KPIs
Justification	Effective and efficient governance practices are necessary to ensure sound financial management which will further improve service delivery to contribute to a better life for all in the Free State
Links	Strategic Goal No 2: Support departments, municipalities and entities towards improving financial accountability and sustainability MTSF: Outcome number 9: Responsive, accountable, effective and efficient developmental local government system, Sub-Outcome 3: Sound financial and administrative management FSGDS: Pillar 6: Good Governance, Driver 15: Foster good governance to create a conducive climate for growth and development

Technical Indicator Descriptions

The Technical Indicator Descriptions for the Strategic Objective performance indicators and the Annual Performance Plan programme performance indicators are published on the Department's website: www.treasury.fs.gov.za