

FREE STATE PROVINCIAL TREASURY

Annual Performance Plan

2022/2023



treasury

Department of
Treasury
FREE STATE PROVINCE

Executive Authority Statement



The Annual Performance Plan comes at a time when we are hopeful that the worst of the COVID-19 pandemic is behind us and we look to the future with hope and confidence as we rebuild our country and economy.

We remain resolute in pursuit of prudent fiscal management, socio-economic growth and service delivery. We are committed to building a capable, ethical and developmental state that will create an environment where the people of the Free State are able to pursue their dreams and aspirations. As such, it is our mission to promote socio-economic inclusiveness for shared growth through innovative fiscal management, sustainable resource management and good governance.

Provincial Treasury has a key role to play in ensuring that the resources that we have are optimally used to improve people's lives. Economic recovery will require prioritisation and meticulous alignment of funding to the priorities, with special emphasis on the economy, jobs and infrastructure. Stringent cost containment and fiscal discipline will be required. This will be supported through our processes of preparing and monitoring the implementation of the provincial budget.

Municipalities are at the heart of service delivery and the Provincial Treasury will actively support the efforts to improve the state of municipalities in the province. Municipalities will be supported in the development of their budgets and special attention will be given to supporting municipalities with revenue and debt collection and addressing unwanted expenditure.

The ability to manage an organisation's finances is one of the most important contributors to running a successful organisation and as Provincial Treasury we believe that financial governance is at the heart of good financial management. We are therefore committed to strengthen and institutionalise the principles of transparency, accountability, responsibility, efficiency and effectiveness in the utilisation of public resources in provincial departments, entities and municipalities. Monitoring and capacity building will be the cornerstones of our efforts to improve financial management and governance. In performing our oversight duties, we will also be supporting provincial and municipal structures to effectively play an oversight role.

Provincial Treasury remains committed to exploring and introducing innovative measures to ensure that we institutionalise good practices and financial discipline to, above all, ensure that the limited resources that we have are optimally used to improve service delivery to the benefit of all our people.

I herewith endorse the 2022-2023 Annual Performance Plan of the Provincial Treasury and affirm my commitment to support the achievement of the outcomes and outputs that are embodied herein.

A handwritten signature in black ink, appearing to read 'G. Brown', written in a cursive style.

Ms G. Brown
Executive Authority: Free State Provincial Treasury

Accounting Officer Statement



Provincial Treasury plays a pivotal role in enforcing public finance management legislation and building capacity in departments, entities and municipalities to achieve the objectives of such legislation. It is an institution that seeks to promote fiscal coordination across the spheres of government.

The Free State Provincial Treasury strives to be an innovative and resilient partner in prudent fiscal management, socio-economic growth and service delivery. Its mission is to promote socio-economic inclusiveness for shared growth through innovative fiscal management, sustainable resource management and good governance.

The 2021/22 financial year continued to be marked by the unprecedented challenges brought about by the COVID-19 pandemic. Although the pandemic had a significant impact on the economy and fiscus of the province, the economy is expected to recover to an estimated growth rate of 0.1 percent in 2022.

As the custodian of public financial management in the province, the Department continued to execute its mandate of monitoring and oversight to improve governance and compliance to regulatory frameworks at both provincial and local government level. Although the overall audit outcomes for the 2020/21 financial year remained stagnant from 2019/20, there was an improvement of 29 percent in the number of disclaimer/qualification findings and the total number of findings on non-compliance with laws and regulations by departments and entities improved with 5 percent during the 2020/21 financial year. One entity received a clean audit opinion and no department received a disclaimer of audit opinion during the 2020/21 financial year.

The Department remains committed to ensuring sustainable and accountable fiscal governance in provincial departments, entities and municipalities. We aim to not only ensure financial sustainability in the constraint fiscal environment but will be working towards building contingency reserves for the province. Our focus is on ensuring that we improve our cash coverage in the province, reduce accruals and payables and unauthorised expenditure at both provincial and local government level.

To improve financial accountability the Department will work towards reducing irregular, fruitless and wasteful expenditure at provincial and local government level, improving the quality of financial statements and reducing the number of audit findings in an effort to improve the audit outcomes for the province.

Infrastructure development is a critical component of the plans to rebuild our economy. Provincial Treasury will therefore pay particular attention to the institutionalisation of the Framework for Infrastructure Delivery and Procurement Management (FIDPM) and the Infrastructure Delivery Management System (IDMS) as this would form the foundation for creating opportunities for social and economic growth through infrastructure investment. The Department will also focus on building its own capacity to support departments and municipalities.

Provincial Treasury has a key role to play in ensuring effective service delivery whilst maintaining compliance with regulatory frameworks and good practice. Fulfilling the Department's mandate requires a strong Provincial Treasury with the necessary technical knowledge and skills to provide guidance and oversight. The Department will focus on ensuring sound and responsive management practices in the department, as this is a critical enabler to achieving the other outcomes. The Department received an unqualified with findings audit opinion for the 2020/21 financial year and is committed to revert to clean audit status in the 2021/22 financial year.

The Department achieved 84 percent of its output indicator targets for the 2020/21 financial year and progress has been made towards the achievement of the 5-year outcome indicators. Progress has been made in areas such as provincial cash coverage; accruals and payables; unauthorised expenditure; irregular expenditure; resolving Provincial Treasury findings on draft annual financial statements; compliance to the minimum requirements of the AFS work file and the total number of audit qualification paragraphs.

The provincial cash coverage, which is measured as the bank balance as a percentage of the budget of the following year, improved from a baseline of -0,65 in 2019/20 to -0.1 percent in the 2021/22 financial year. Accruals and payables, measured as a percentage of the following financial year's budget improved from the baseline of 5.9 percent in 2019/20 to 5.4 percent in 2021/22. Unauthorised expenditure as a percentage of the budget of the following financial year decreased from the baseline of 1.7 percent in 2019/20 to 1.2 percent in 2021/22. The total amount of irregular expenditure decreased from R2.5 billion in 2018/19 to R1.87 billion in 2020/21. In relation to total expenditure, irregular expenditure decreased from a baseline of 7.1 percent in 2018/19 to 5.0 percent in 2020/21.

Some municipal audits are still outstanding but indications are that there has been a marked reduction in the number of qualification paragraphs in the municipalities that have been audited. It remains a challenge to ensure that municipalities submit financial statements on time.

Areas that need further attention include reducing the compensation of employees as a percentage of the total budget; reducing fruitless and wasteful expenditure as a percentage of total expenditure; building contingency reserves; increasing the number of municipalities that concluded the Financial Management Capability Maturity Model (FMCMM) self-assessment. The improvement of fiscal sustainability and financial accountability in municipalities remains a priority for the Department and particular attention will be paid to financial recovery of municipalities during the 2022/23 financial year.

I wish to acknowledge the MEC for Finance for her vision, leadership and support, our stakeholders such as National Treasury, the AGSA and the Portfolio Committee on Public Accounts and Finance for their valuable inputs and the management and staff of Provincial Treasury for their commitment and dedication in crafting this plan and for making the achievable thereof possible. I thank you all.

I herewith submit the 2022-2023 Annual Performance Plan of the Provincial Treasury and affirm my commitment to ensure the implementation and delivery of the outputs that are embodied herein.



Ms. MA Sesing

Acting Accounting Officer of Provincial Treasury

OFFICIAL SIGN-OFF

It is hereby certified that this Annual Performance Plan:

- Was developed by the management of the Free State Provincial Treasury under the guidance of the MEC for Finance, Mrs Gadija Brown
- Takes into account all the relevant policies, legislation and other mandates for which the Free State Provincial Treasury is responsible
- Accurately reflects the outcomes and outputs which the Free State Provincial Treasury will endeavour to achieve over the period 2022–2023.

M.G. Sithole
Chief Director: Corporate Services

Signature: 

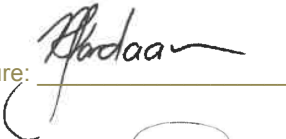
P.E. Lebone
Chief Director: Sustainable Resource Management

Signature: 

T.M. Mabilo
Chief Director: Asset and Liabilities Management

Signature: 

N. Jordaan
Acting Deputy Director General: Financial Governance

Signature: 

I. Poee
Acting Chief Director: Municipal Finance Management

Signature: 

J.H. Botes
Chief Financial Officer

Signature: 

A.M.J. Hattingh
Director: Strategic Management

Signature: 

M.A. Sesing
Accounting Officer

Signature: 

Approved by:

G. Brown
Executive Authority

Signature: 

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Abbreviations and Acronyms

AGSA	Auditor General South Africa
AFS	Annual Financial Statements
BAS	Basic Accounting System
COE	Compensation of Employees
COVID-19	Coronavirus Disease 2019
DERO	District Economic Review and Outlook
EHW	Employee Health and Wellness
EXCO	Executive Council
FIDPM	Framework for Infrastructure Development Procurement Management
FOHOD	Forum of Heads of Department
FOSAD	Forum of South African Directors-General
FSGDS	Free State Growth and Development Strategy
GDP	Gross Domestic Product
GIAMA	Government Immovable Asset Management Act
HIV	Human Immunodeficiency Virus
HR	Human Resources
ICT	Information and Communication Technology
IDMS	Infrastructure Development Management System
IFS	Interim Financial Statements
IGR	Inter Governmental Relations
IRM	Infrastructure Reporting Model
IT	Information Technology
IYM	In Year Monitoring
KCM	Key Control Matrix
KPI	Key Performance Indicator
LOGIS	Logistical Information System
MBRR	Municipal Budget and Reporting Regulations
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MTBPS	Medium Term Budget Policy Statement
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework

NDP	National Development Plan
NSDF	National Spatial Development Framework
PCM	Preventative Control Measures
PERO	Provincial Economic Review and Outlook
PERSAL	Personnel and Salary Administration System
PFMA	Public Finance Management Act
PRF	Provincial Revenue Fund
PSR	Public Service Regulations
SCM	Supply Chain Management
SHERQ	Safety, Health, Environment, Risk, Quality
SITA	State Information Technology Agency
SMS	Senior Management Service
SOP	Standard Operating Procedure
TB	Tuberculosis
UAMP	User Asset Management Plan
WSP	Work Skills Plan

Part A: Our Mandate

1 Updates to relevant legislative and policy mandates

1.1 Constitutional Mandate

The Provincial Treasury's mandate is based on Chapter 13 of the Constitution of the Republic of South Africa Act, 1996 (Act No.108 of 1996).

1.2 Legislative mandates

Public Finance Management Act, 1999 (Act No. 1 of 1999)

The Public Finance Management Act (PFMA) regulates financial management in the national government and provincial governments. It aims to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively and it provides the responsibilities of persons entrusted with financial management in the said governments.

The Provincial Treasury is established in terms of Section 17 of the PFMA (Act No. 1 of 1999) and its functions and powers are set out in Section 18 of the Act. These include amongst other, that the Provincial Treasury must prepare and exercise control over the implementation of the provincial budget and promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities.

The Provincial Treasury must, furthermore, enforce the Act and prescribed standards and generally recognised accounting practices and uniform classification systems in provincial departments. It must also comply with the Annual Division of Revenue Act and monitor and assess the implementation of that Act in provincial public entities as well as the implementation of national and provincial norms and standards in provincial public entities. Provincial Treasury must intervene by taking appropriate steps, which may include the withholding of funds, to address a serious or persistent material breach of the Act by a provincial department or provincial public entity.

The Act allows the Provincial Treasury to assist provincial departments and provincial public entities to build their capacity for efficient, effective and transparent financial management and to also investigate any system of financial management or internal control applied by such departments and entities.

Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)

The Act aims to secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government and it establishes treasury norms and standards for the local sphere of government.

Section 5(4) of the MFMA, 2003 (Act No. 56 of 2003) determines that the Provincial Treasury must, amongst other, monitor compliance with the Act by municipalities and municipal entities, the preparation of their budgets and the monthly outcome thereof as well as the submission of reports as required by the Act.

It may further assist municipalities in the preparation of their budgets. It may exercise any powers and must perform any duties delegated to it by the National Treasury in terms of the Act and may take appropriate steps if a municipality or municipal entity in the province commits a breach of the Act.

Annual Division of Revenue Act

This Act is passed annually to provide for the equitable share of revenue raised nationally amongst the national, provincial and local spheres of government for the particular financial year. It determines each province's equitable share and allocations to provinces, local government and municipalities from national government's share as well as the responsibilities of all three spheres pursuant to such division and allocations. The Act sets out specific duties for the Provincial Treasury.

1.3 Policy mandates

National Development Plan

The National Development Plan (NDP), which was adopted in September 2012, aims to eliminate poverty and reduce inequality by 2030. In order to achieve this South Africa has to, amongst other, spend more on investment and also improve the quality of such spending through better planning, sound procurement systems and greater competition in the economy. There is a need for greater efficiency in all areas of government expenditure, because the overall envelope is likely to grow relatively slow over the medium term. Particular attention needs to be given to managing the government wage bill, making resources available for other priorities.

Provincial Treasury has to ensure that the provincial fiscal policy framework supports the priorities of the National Development Plan and systems and processes are put in place to reduce inefficiencies in expenditure, improve accountability and support the achievement of a capable and developmental state.

Medium Term Strategic Framework

The Medium Term Strategic Framework (MTSF) 2019-2024 outlines the implementation priorities across South Africa's national development priorities for sixth administration. It aims to address the challenges of unemployment, inequality and poverty through the following three pillars:

- Achieving a more capable state
- Driving a strong and inclusive economy
- Building and strengthening the capabilities of South Africans

The MTSF 2019-2024 is both a five-year implementation plan and an integrated monitoring framework. It translates the ruling party's electoral mandate into government's priorities over a five-year period. The three pillars underpin seven priorities, which will be achieved through the joint efforts of government, the private sector and civil society. The priorities are:

- Priority 1: A capable, ethical and developmental state
- Priority 2: Economic transformation and job creation
- Priority 3: Education, skills and health
- Priority 4: Consolidating the social wage through reliable and quality basic services
- Priority 5: Spatial integration, human settlements and local government
- Priority 6: Social cohesion and safe communities
- Priority 7: A better Africa and world

The MTSF 2019-2024 serves as a five-year building block towards achieving Vision 2030. All national sector plans, provincial growth and development strategies, municipal integrated development plans, departmental strategic plans and annual performance plans must be aligned to the MTSF 2019-2024. It provides a clear, transformative framework within which national, provincial and local government can plan for and drive service delivery.

Free State Growth and Development Strategy

The Free State Growth and Development Strategy (FSGDS) is steeped within the National Development Plan and serves as the development framework for the entire province. It is an important instrument to shape and coordinate the allocation of resources across government and societal spectrum based on the provincial development needs and priorities.

Provincial Treasury is responsible to ensure that the provincial budget is aligned to the provincial priorities as set out in the FSGDS. In addition, Provincial Treasury has to assist and support provincial departments, public entities and municipalities towards the implementation of Pillar 6: Good governance, Driver 15: Foster good governance to create a conducive climate for growth and development, Long-term Programme: Improve the overall financial management in governance structures in the province to ensure clean audits and appropriate financing towards the growth and development of the province.

2 Updates to Institutional Policies and Strategies

The following are key policies and strategies that the Department will continue with or initiate:

- Ensuring that financial sustainability within the constraint fiscal environment and working towards building contingency reserves for the province
- Supporting the Provincial Government to implement innovative programmes aimed at stimulating the economy of the province
- Using government procurement as a tool to assist in transforming the economy and closing some of the gaps that exist from the unequal society of the past and advance economic opportunities for previously disadvantaged designated groups, small businesses and locally produced goods
- Improving accountability and governance and ensuring that irregular expenditure in the province is reduced and ultimately eliminated
- Supporting the improvement of intergovernmental coordination, specifically with regard to infrastructure investment and the district model

Provincial Treasury's strategy for 2020-2025 is based on two key elements, which are oversight and capacity building.

The Department will exercise oversight through regular monitoring activities and comprehensive feedback to the administrative and political leadership of departments, public entities and municipalities.

Capacity building is a two pronged strategy with one leg directed at building the financial resources of the province through generating savings by ensuring more effective utilisation of available funds and value for money to build reserves and the other leg directed at building capacity within departments, entities and municipalities to effectively manage and account for the finances in the respective organisations.

3 Updates to Relevant Court Rulings

The ENGO court judgment comes with budget implications over the MTEF period and will thus require the Department to work with all other stakeholders (departments, Executive Council etc.) to reprioritize funds towards the implementation of the judgment.

Part B: Our Strategic Focus

1 Updated Situational Analysis

The Medium Term Strategic Framework (MTSF) identifies a Capable, Ethical and Developmental State as a critical enabler for the effective implementation of the priorities of government and the achievement of the NDP 2030 goals. It underpins all seven priorities of the MTSF and has the following outcomes:

- Improved leadership, governance and accountability
- Functional, efficient and integrated government
- Professional, meritocratic and ethical public administration
- Social compact and engagement with key stakeholders
- Mainstreaming of gender, empowerment of youth and people with disabilities

Interventions that will impact on Provincial Treasury include:

- Programme to prevent and fight corruption in government which includes 75 percent of cases finalised by departments through investigations; 80 percent of consequence management cases related to corruption cases finalised within 90 days; 100 percent of Financial Disclosure completed by various categories of public servants and 100 percent of departments implementing lifestyle audits framework.
- Enabling leadership in national and provincial departments to build capacity and also intervene to resolve blockages in government bodies and administrations. This includes approval of Intergovernmental Monitoring, Support and Intervention Bill as well as the implementation of monitoring coordination and capacity building mechanism for interventions.
- Enhance productivity and functionality of public sector institutions in supporting people-centred service delivery. Target in this regard includes the implementation of Organisational Functionality Assessment Framework to ensure a 22 percent improvement in productivity.
- Improving financial management capability in the public sector which includes strengthening of the Municipal Financial System, implementation of the Integrated Financial Management System in the public sector, and developing a programme to strengthen asset management and reporting in the public sector.
- Taking measures to eliminate wasteful, fruitless and irregular expenditure in the public sector. Targets in this regard include developing a programme to strengthen awareness, internal controls, reporting and consequence management with regard to wasteful and fruitless expenditure in the public sector as well as irregular expenditure in the public sector and the development of intervention and/or support strategies to address common causes for qualifications in the public sector.
- Improving coordination between national, provincial and local government to improve service delivery.
- Ensure state capacity on Disaster Management is enhanced to plan for and manage future pandemics and the targets include the updating of disaster risk management framework and establishment of institutional capacity.

- Monitoring the implementation of regulatory frameworks on empowerment of women, youth and persons with disabilities. Hundred percent of government entities implementing socio-economic empowerment programmes and projects benefitting women, youth and persons with disabilities and 100 percent of District Development Model plans which integrate priorities of women, youth and persons with disabilities

Provincial Treasury, as one of the departments at the centre of the provincial government, will have to play a key role in building a capable, ethical and developmental state with specific emphasis on institutionalising clean, responsive, accountable, effective and efficient government.

Priority two, Economic Transformation and Job Creation, identifies faster and inclusive growth as key to improving and sustaining higher living standards and successfully reducing the inequalities that still puncture the economy. For this, South Africa's productive capacity, human capital and state capability need to be improved urgently. Amongst the outcomes and interventions for this priority, the following will impact more directly on Provincial Treasury:

- Investing for accelerated inclusive growth which includes reviewing the macroeconomic policy to support growth and developing and implementing a framework for a just transition to a low carbon economy.
- Re-industrialisation of the economy which includes industrialisation, localisation and exports and requires support for localisation and industrialisation through government procurement.
- Improving quality and quantum of investments, particularly improving the quality and rate of infrastructure investment and the target of 8 percent public sector contribution by 2024.
- Increasing participation, ownership and access to resources and opportunities by women, youth and persons with disabilities which includes, amongst other, expanding government spend on women, youth and persons with disabilities through preferential procurement with targets of 40 percent for women, 30 percent for youth and 7 percent for people with disabilities by 2024.

In supporting municipalities, Provincial Treasury takes cognisance of Priority Five, Spatial Integration, Human Settlements and Local Government. Particularly the following outcomes, interventions and targets:

- Shared national spatial vision and frames to support integration between sector departments, provinces and regions and the adoption of a National Spatial Development Framework (NSDF), requiring amongst other the development of detailed implementation plans for each of the NSDF priority action areas and departments being capable of reporting on projects spatially by March 2021.
- Integrated service delivery, settlement transformation and inclusive growth in urban and rural places which requires, amongst other, supporting intergovernmental action in support of national development objectives and local needs through piloting, refinement and implementation of the District Development Model.
- Municipalities prepared to deal with climate change which requires capacitation of municipalities to fund and implement climate change programmes and adaptation measures.

South Africa's public finances have been deteriorating for some time, with government spending remaining too high. According to 2021 Medium Term Budget Policy Statement, consolidated government spending is expected to increase from R2.13 trillion in 2021/22 to R2.24 trillion in 2024/25, at an average annual growth rate of 1.7 percent. To maximise the value of this spending, government needs to contain costs, exercise prudent and compliant financial management, and

eradicate wasteful treatment of public funds and resources. Despite difficult reductions in government spending, a stronger than expected recovery in GDP has increased tax revenue. The gross tax revenue estimate for 2021/22 has been revised up by R120.3 billion compared with the projection in the 2021 Budget. This improved outlook is due to better than expected collections in the last quarter of 2020/21, upward revisions to near-term economic growth projections and strong income tax collections, especially from corporates. After falling to 22.5 percent last year, the tax-to-GDP ratio is expected to increase to 24.1 percent in the current year. Strong and sustained economic growth, coupled with greater efficiency in revenue collection, is needed to raise the tax-to-GDP ratio over the medium term.

In line with government's commitment to stabilise public finance, Provincial Treasury's strategic focus for the 2020-2025 period will be on fiscal sustainability. Provincial Treasury will continue in its support to implement fiscal consolidation which is aimed at stabilizing budget deficit and government debt. The Department will continue with thorough evaluation of departments' budget baselines with the view to reprioritize towards key service delivery programmes. Attention will be given to fiscal sustainability through the revenue enhancement strategy, efficient and effective use of resources as well as prudent management of compensation of employees.

The Department will furthermore focus on governance and accountability at both provincial and local government level, with an emphasis on annual financial statements, irregular expenditure, fruitless and wasteful as well as unauthorised expenditure and supply chain management compliance.

In fulfilling its legal mandate and achieving its strategic outcomes, Provincial Treasury relies heavily on the support of its stakeholders. These include the National Treasury, political leadership and accounting officers/authorities and chief financial officers of provincial departments, entities and municipalities, the provincial Department of Cooperative Governance and Traditional Affairs, South African Local Government Association (SALGA), the Auditor General of South Africa (AGSA), the Portfolio Committee on Public Accounts and Finance of the Free State Legislature and the Provincial Budget Committee.

The Department relies on the political and administrative leadership of provincial departments, public entities and municipalities to implement prudent financial management and ensure compliance with legislative requirements to enhance accountability and the quality of financial reporting.

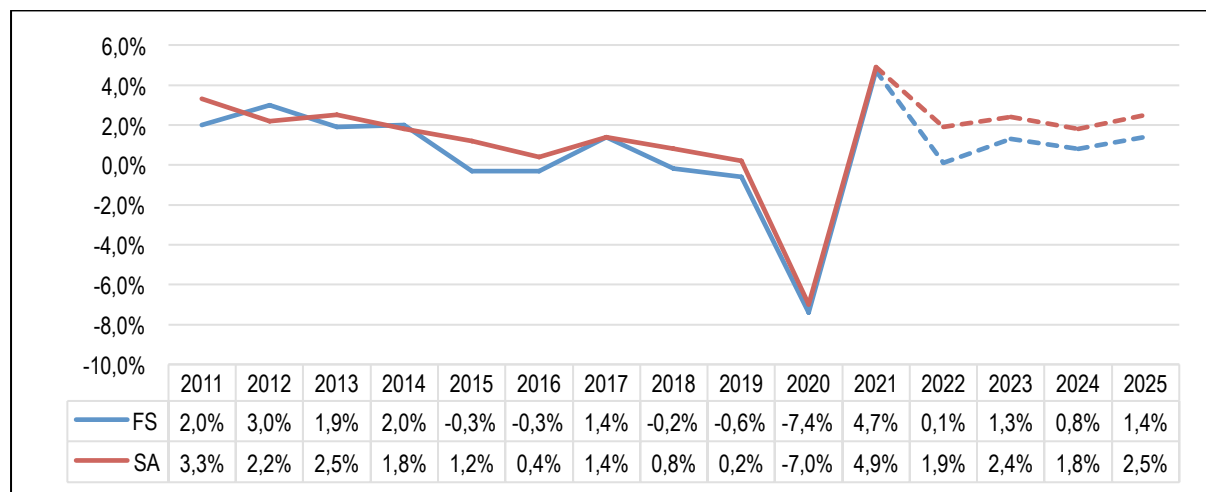
Provincial Treasury works closely with the Auditor General and the Portfolio Committee on Public Accounts and Finance with regard to ensuring financial accountability.

2 External environment

COVID-19 caused recessions for both the country and the province due to the implementation of restrictive lockdown measures required to contain the virus. Although the lockdown measures were eased from level five to level one, the national economy declined by 7.0 percent in 2020, whilst the provincial economy declined by 7.4 percent in the same year.

According to Free State Medium Term Budget Policy Statement, both the economy of Free State and South Africa are projected to record a peak growth of 4.9 percent and 4.7 percent respectively in 2021. South Africa's GDP is projected to grow at an average annual growth rate of 2.7 percent whilst Free State's GDP is projected to grow at an average annual growth rate of 1.8 percent from 2020 to 2025. The Free State is ranked the lowest compared to other provinces, taking into account the low base effect of the previous year's recession.

Free State and South Africa's GDP growth rates projections



Source: Free State Medium Term Budget Policy Statement 2021.

The recovery of both South Africa and the Free State is a broader reflection of the development and distribution of vaccines globally and to some extent, domestically; the subsequent global economic recovery; the recovery of commodity demand and prices, as well as accommodative fiscal and monetary policy, both domestic and externally. However, the main downside risks faced by the country and province are the low rate of vaccination; the rise in global inflation, which will likely affect the direction of monetary policy globally and in South Africa; the subdued gross fixed capital formation and high electricity prices together with interrupted energy supply.

The economic outlook of the country is anticipated to taper off from 5.0 percent in 2021 to 2.2 percent in 2022, whilst the provincial growth is also projected to decline from 4.7 percent to 0.7 percent over the same period. In 2022, the economic deceleration will come from the previous year's high base effect, together with employment lag affecting household welfare and household expenditure. Also, the lagged effects of higher oil prices, exchange rate depreciation and subsequent tightening of monetary policy might negatively affect growth prospects for the two regions in the coming year. Lastly, the path of COVID-19 with its increasing variants, make the medium term outlook highly difficult to predict.

The quarter-to-quarter national official unemployment rate increased by 0.5 percentage points from 34.4 percent in the second quarter of 2021 to 34.9 percent in the third quarter. For the same period, the Free State province recorded an increase of 1.6 percentage points from 36.5 percent to 38.1

percent (*Statistics South Africa, Quarterly Labour Force Survey, 2021: Q3*). Year-on-year, the national official unemployment rate increased by 4.1 percentage points and the Free State recorded an increase of 2.6 percentage points with Mpumalanga recording the highest increase of 9.7 percentage points.

The national expanded unemployment rate increased by 2.2 percentage points from 44.4 percent in the second quarter to 46.6 percent in the third quarter. Provinces such as North West, Limpopo and Mpumalanga recorded the highest increase of 5.3, 4.6 and 3.2 percentage points respectively. With regard to year-on-year, the national expanded unemployment rate increased by 3.5 percentage points and the Free State by 3.2 percentage points.

The structural causes of unemployment in South Africa are numerous and multifaceted, reflecting skills-mismatch between workforce and industry demand, a subdued economic environment and high inequality. Changes in the sectoral composition of employment in the province towards a more capital- and skill-intensive economy has meant that fewer low-skilled jobs are becoming available. The province had approximately 720 000 people employed in 2021: Q3, of which 445 000 (61.8 percent) were in the formal sector, 120 000 (16.7 percent) in the informal sector, 82 000 (11.4 percent) in private households and 72 000 (10.0 percent) in the agriculture sector. Jobs were however only created in the informal sector while the formal, agricultural sector and private households shed jobs.

With a deep recession experienced in the province in 2020 due to the pandemic, the labour indicators may take longer to improve even though the economy is expected to start to recover.

Provincial Treasury, which is, amongst other, responsible for the preparation and implementation of the provincial budget and enhancement of provincial own revenue is challenged to develop a fiscal policy framework that will contribute to inclusive economic growth whilst ensuring delivery on priorities of government. The advent of the COVID-19 pandemic and the resultant lockdown measures has put immense strain on the provincial economy and the fiscal framework. Added to this is the continuation of fiscal consolidation stance, which seeks to stabilize government debt and budget deficit over the 2021 MTEF period. All of the above as well as the proposal to reduce public wage bill will impact on the MTEF.

The provincial fiscal landscape has drastically changed. Over the 2021 MTEF, the provincial equitable share (PES) was reduced by R11.137 billion from R95.571 billion in the 2020 MTEF to R87.067 billion. The budget cuts were mainly driven by fiscal consolidation (R7.066 billion) and wage freeze (R4.528 billion). The equitable share allocation for the province increased to R92.325 billion over the 2022 MTEF.

The equitable share is the main source of revenue for provinces and consists of six components (education, health, basic share, poverty, institutional and economic element) that capture the relative demand for services between provinces and take into account specific provincial circumstances. The most weighing factor in the equitable share formula is the population dynamics. For example, the education component is driven mostly by learner population, health component by patient population without medical aid, basic share by total population count, etc. According to Statistics South Africa (2021 Mid-year population estimates), the Free State Province accounts for a total population of 2.93 million, or 4.9 percent of the total population in South Africa ranking the second smallest share of the South African population. The province is sparsely populated at 22 people per km² and approximately 20 percent of individuals living in rural farming areas. The low portion of Free State population in relation to other provinces dictates a smaller portion of nationally raised revenue.

The provincial own generated revenue, although it represents a small share of the provincial envelope, plays a vital role in supplementing national transfers. The limited streams of revenue in the province are not well diversified and are of a concern and poses revenue shortfall risk. The Province is however looking at ways to broaden the scope of revenue collection without putting excessive burden on tax payers. Provincial own revenue is generally dominated by two items (motor vehicle license fees which is the largest contributor as well as patient fees). The introduction of national lockdown rules and regulations affected the performance of certain departments and entities in terms of own revenue collection, for example, the Department of Police, Roads and Transport was affected by the extension of renewals of various licenses (motor vehicle license discs, driver's licenses, learner's license etc.). Provincial own revenue is projected to increase from R1.143 billion in 2022/23 to R1.165 billion in 2023/24 and further to R1.168 billion in 2024/25.

The unsustainably high levels of the public sector wage bill will have to be managed downwards to unlock funding for other priorities as well as derive efficiency on compensation of employees' budgets. In 2019/20, compensation of employees (COE) accounted for 63 percent of the provincial budget and increased to 64.4 percent of the initial provincial budget in 2020/21. However, after the adjustment budget, COE decreased to 61 percent of the total budget. For the 2021/22 financial year, COE amounted to 62.7 percent of the provincial budget.

The high level of payables and accruals increases pressure on the budget and impacts on financial sustainability as the province starts the financial year on a deficit. Payables and accruals as a percentage of the budget of the following financial year declined from the baseline of 5.9 percent in 2019/20 to 5.6 percent in 2020/21 and further to 5.4 percent in the 2021/22 financial year.

With regard to improvement in financial accountability in provincial departments and entities, the high level of irregular expenditure is of concern. However, the province is making progress in reducing irregular expenditure in provincial departments and entities. Irregular expenditure as a percentage of the total expenditure decreased from 7 percent in 2020/21 to 5 percent in 2021/22 financial year.

Fruitless and wasteful expenditure increased from R40.6 million in 2018/19 (0.12 percent of the provincial expenditure) to R60.9 million in 2020/21 (0.20 percent of the provincial expenditure).

The provincial audit outcomes for the 2020/21 financial year showed slight improvement with regard to the number of qualification paragraphs, which reduced from 31 for the 2019/20 financial year to 22. Non-compliance with laws and regulations by departments and entities improved by 5 percent from 169 in 2019/20 to 161 in 2020/21. With regards to audit opinion, one department regressed from unqualified with no findings (clean) audit opinion to unqualified with findings and one department improved from disclaimer to qualified opinion. One entity improved from an unqualified with findings opinion in 2019/20 to an unqualified with no findings (clean) opinion in 2020/21, bringing the number of entities with clean audit opinions to two with the Housing Fund remaining clean for the past nine years.

The following are the audit outcomes for provincial departments, public and trading entities (including the Housing Fund) and the Provincial Revenue Fund for the past six years:

Audit Outcome	Number of departments and entities					
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Unqualified with no findings (clean)	4	4	2	1	2	2
Unqualified with findings	7	8	7	6	7	7
Qualified	7	6	6	9	8	8
Disclaimer	-	-	3	2	1	1
Adverse	1	1	1	-	-	-
TOTAL	19	19	19	18	18	18

Payment of suppliers within 30 days remains a major concern given the role that government procurement plays in the empowerment of Small, Medium and Micro Enterprises (SMMEs). A combination of factors has been reported to contribute to the challenge of paying suppliers within 30 days. These include difficulties with the Central Supplier Database, the tax status of suppliers and service providers, disputed invoices and inadequate funding. The Department implemented a grievance procedure to assist service providers and continuously monitor and report progress with the payment of invoices. By the end of August 2021 the province had 5 413 invoices to the value of R 177, 573, 166.51 that were older than 30 days. This however improved significantly to 1 553 invoices to the value of R85, 273, 551.34 at the end of October 2021.

In terms of Section 5(4) of the MFMA, 2003 (Act No. 56 of 2003) the Provincial Treasury must, amongst other, monitor compliance with the Act by municipalities and municipal entities, the preparation of their budgets and the monthly outcome thereof, as well as the submission of reports as required by the Act. It may further assist municipalities in the preparation of their budgets. It may exercise any powers and must perform any duties delegated to it by the National Treasury in terms of the Act and may take appropriate steps if a municipality or municipal entity in the province commits a breach of the Act. Currently the Department is responsible for 22-delegated municipalities.

The following are the audit outcomes for the past six years:

Audit Outcome	Number of municipalities					
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Unqualified with no findings (clean)	1	-	-	-	-	-
Unqualified with findings	16	11	4	4	4	6
Qualified	4	4	14	12	14	7
Disclaimer	2	7	5	6	3	-
Adverse	-	1	-	0	-	-
Audit pending	-	-	-	1	2	10
TOTAL	23	23	23	23	23	23

For the 2020/21 financial year, the audits for only 12 of the 22 delegated municipalities and the metropolitan municipality were finalized at the time of writing. Only 11 of the 22 delegated municipalities submitted their financial statements on time, one submitted late but in time for the audit to be completed. Four municipalities submitted later and audits were still underway at the time of writing. By mid-January 2022 six municipalities still had to submit financial statements.

The 13 audits that have been finalised resulted in six unqualified with findings and seven qualified audit opinions with one district municipality as well as the metropolitan municipality improving from a qualified to unqualified with findings opinion.

The Consolidated general report on the local government audit outcomes for 2019-20 reflected the dire state and poor financial management of the municipalities in the province. Eleven of the 15 municipalities in which the 2019/20 audits have been completed at the time when the Auditor-General released its report were assessed as having a material uncertainty relating to their going concern. The 15 municipalities had a net current liability position of R8.57 billion (2018/19: R6.73 billion), meaning that their current liabilities exceeded their current assets.

Municipalities continued to suffer extensive distribution losses on water and electricity due to the municipalities' dilapidating infrastructure, unmetered consumption and theft. The continued disregard for supply chain management prescripts and poor financial disciplines have also contributed to the dire financial positions that in turn affected service delivery.

Irregular expenditure increased from R2.20 billion in 2018/19 to R3.09 billion in 2019/20, as all municipalities had material findings on procurement and did not prevent irregular expenditure as required by legislation. Municipalities incurred a total of R603 million fruitless and wasteful expenditure in 2019/20. The largest amount was incurred by Matjhabeng Municipality at R281.9 million or 14.3 percent. Unauthorised expenditure of R4.39 billion (2018/19: R4.95 billion) was incurred. According to the Parliament's report of July 2021 Matjhabeng Municipality was amongst the top ten municipalities in the country that incurred the largest rand value of unauthorised by R1.49 billion which accounts for 33.9 cent of the total R4.39 billion (provincially) uncovered and disclosed at the time of reporting. The report concluded that it is no surprise that there were no clean audits in the Free State; unauthorised, irregular as well as fruitless and wasteful expenditure was high; investigations were seldom done; and projects that should have benefited citizens were delayed and led to increased costs.

Unauthorized, irregular, fruitless and wasteful (UIF&W) expenditure for the 2020/21 financial year is likely to increase from the estimated R22.75 billion based on the draft financial statements to more than R23 billion with the finalization of outstanding audits. Preliminary unaudited figures for 2020/21 indicate that unauthorised expenditure increased from R11.55 billion in 2019/20 to R12.53 billion in 2020/21, irregular expenditure increased from R5.81 billion to R6.76 billion whilst fruitless expenditure stabilized at R3.46 billion for the same period. The department shall continue to provide hands-on support to municipalities to help reduce irregular, fruitless and wasteful expenditure on the supply chain management related processes, building capacity, financial management and service delivery.

Another concern emanating from the AGSA report, is the use of consultants to perform tasks such as monthly reconciliations, asset verifications and updating irregular and fruitless and wasteful expenditure registers, especially as there were already people employed to perform such tasks. The AGSA further more reported that chief financial officers relied on consultants to provide audit support and to assist with the responses to audit findings, even on non-technical matters, instead of municipal staff.

Due to the financial crises that municipalities in the Free State faced, the Free State Executive Council had to intervene, by invoking Section 139 of the Constitution in an endeavor to restore municipalities to a healthy financial state. The Executive Council of the Free State resolved on a mandatory intervention for Mangaung Metro and discretionary intervention for other municipalities where the intervention occurred.

Financial recovery plans will be used as an instrument to guide the municipalities and the Provincial Intervention Team in addressing the financial crisis in the municipalities as well as to ensure that they regain their financial health within the shortest timeframe whilst ensuring that all issues which adversely affect the financial health of municipalities are comprehensively addressed. The managerial autonomy of senior municipal officials has subsequently been limited by the Provincial Executive through an EXCO Resolution in order to allow the Provincial Intervention Team to give effect to the financial recovery plans and the overall recovery process. The approach is designed to ensure that financial recovery is not only achieved, but more importantly, that progress is institutionalised and sustained within municipalities.

3 Internal 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.

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 Liabilities Management

The role of this programme is to provide policy direction, facilitate the effective and efficient management of assets, liabilities and financial management systems and procure transversal and cross-cutting goods and services.

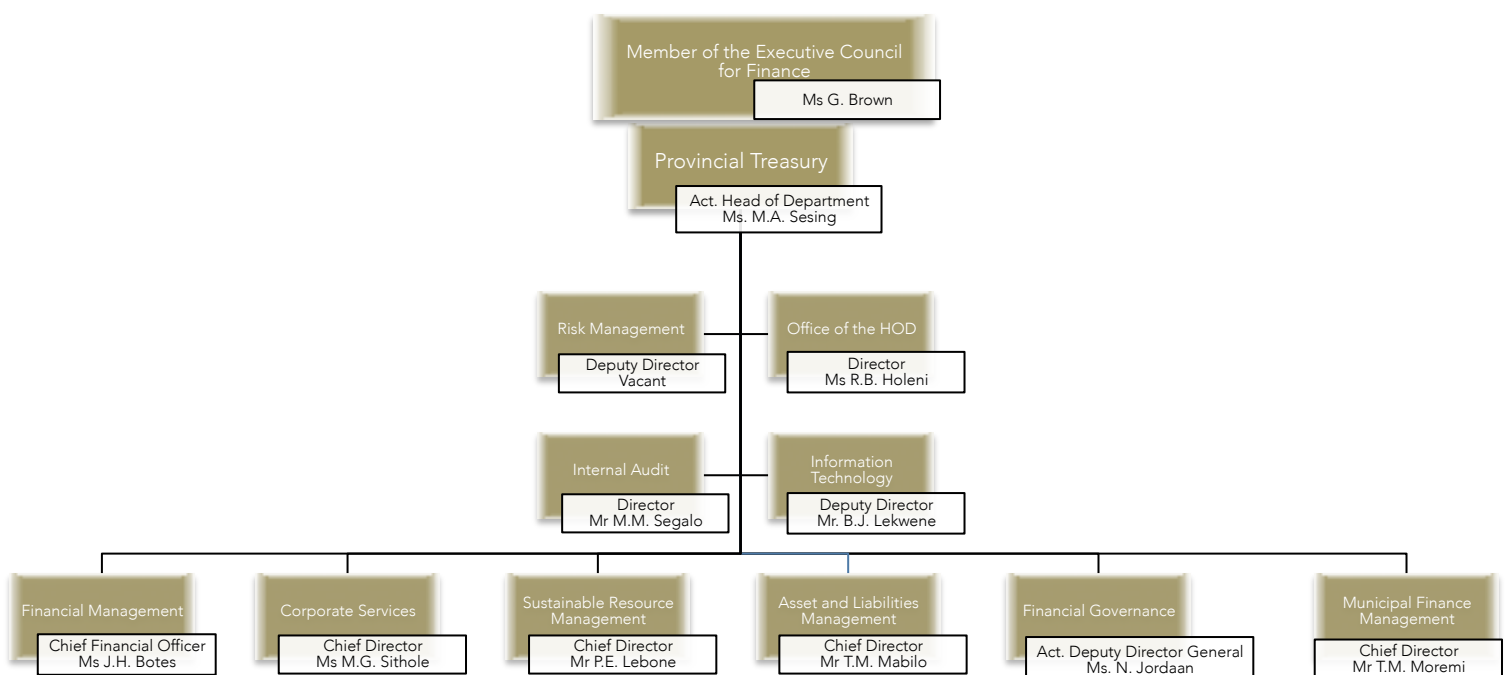
Programme 4: Financial Governance

The role of this programme is to promote accountability through substantive reflection of financial activities of the province as well as compliance with financial norms and standards.

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



The Department has a staff establishment of 434 funded posts, of which 355 are filled. The Department has a vacancy rate of 18 percent. The Department lost the services of 16 officials from 1 April 2021 to 31 January 2022. Twenty-eight vacancies were funded to be filled during the 2021/22 financial year, as the budget of the Department had to be re-prioritised due to the COVID-19 pandemic. The Department has three vacant senior management posts as well as that of Head of Department.

The post of Head of Department (HOD) is vacant after the incumbent was appointed as acting HOD for the Department of Health in May 2021 and his subsequent transfer to that department in October 2021. The Provincial Accountant General is currently acting as Head of Department and the Departmental Accountant for the Department of Public Works and Infrastructure is acting as Provincial Accountant General.

Capacity in the areas of monitoring and oversight of infrastructure and supply chain management is a concern, which is aggravated by the financial constraints in the province. The Department's compensation budget was cut from R252.157 million in the 2020/21 main appropriation to R224.985 million in the adjusted appropriation. The cut was reflected in the compensation budget for 2021/22 which shows a slight increase to R239.930 million. Posts have been created to improve the Department's capacity for infrastructure monitoring and oversight.

The Department's staff complement is well educated with more than 85 percent of employees having a tertiary qualification.

The employment equity profile of the Department for employees with disabilities improved to 1.9 percent at the end of the third quarter 2021/22 financial year. This is however still below the target of 2 percent and a concerted effort is required to increase the percentage of employees with disabilities. The representation of women in SMS posts remained at 36 percent as at the end of the third quarter 2021/22, which is still below the target of 50 percent.

The equity profile for the Department is as follows:

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	0	0	0	2	0	1	1	7
Senior Management	9	0	1	3	3	2	0	1	19
Professionally qualified and experienced specialists and mid-management	25	1	0	2	19	0	2	8	57
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	66	3	0	9	95	7	0	22	202
Semi-skilled and discretionary decision making	14	1	0	1	21	1	1	2	41
Unskilled and defined decision making	14	0	0	0	15	0	0	0	29
Total	131	5	1	15	155	10	4	34	355

The Department's budget is projected to increase over the MTEF from the main appropriation of R317.266 million in 2022/23 to R330. 274 million in 2024/25 (see the table below).

Programmes	2022/23	2023/24	2024/25
	R'000	R'000	R'000
Administration	113 687	114 694	118 136
Sustainable Resource Management	55 639	55 651	58 433
Asset and Liabilities Management	62 410	62 611	64 528
Financial Governance	29 963	28 944	30 801
Municipal Finance Management	55 567	55 824	58 376
Total	317 266	317 724	330 274

Economic Classification	2022/23	2023/24	2024/25
	R'000	R'000	R'000
Compensation of employees	244 075	243 817	256 367
Goods & Services	69 655	70 607	70 456
Interest paid	-	-	-
Transfer payments	418	429	430
Capital payments (including finance leases)	3 118	2 871	3 021
Total	317 266	317 724	330 274

The Department received an unqualified with findings audit opinion for 2020/21, which is a regression from the unqualified with no findings audit opinion ("clean") for 2019/20.

The Provincial Treasury did not report any unauthorized expenditure for the 2021/22 financial year. At the end of the third quarter of the 2021/22 financial year, there were eight confirmed cases of irregular expenditure and one unconfirmed case. Five cases were submitted to an external service provider for determination testing. A report was received for three of the cases of which the department must further investigate and implement recommendations as determined by the Unwanted Expenditure Committee. The Department is currently awaiting reports with regard to the other two cases. One case remains outstanding as the determination testing is done within the Office of the Premier, where the case originated from. Two cases are still awaiting implementation of the Special Investigating Unit report in order for condonement to be considered.

Governance of Information Communication Technology (ICT) structures and policies are in place in the Department but the use of ICT to improve efficiency is limited and the move to e-governance slow. Although limited, the Department has ICT capacity to develop solutions and applications. COVID-19 brought new challenges, specifically with ensuring that technology and systems are in place to allow officials to work remotely. The greater need for virtual meetings etc. resulted in the roll-out of communications platforms such as Microsoft Teams. These tools are being used effectively and are expected to continue to be used extensively. The Departmental IT Strategic Plan has been updated to reflect these challenges and the Department's response.

The operations of the Department were affected by COVID-19 as many of the monitoring and oversight as well as capacity building activities are normally done through physical visits and interactions. The Department explored alternative ways of working to minimise contact between employees as well as between employees and clients, whilst still delivering on the Department's

mandate. The Department has embarked on using virtual interviews to address the high vacancy rate.

Whilst the lifting of restrictions allowed the Department to revert back to pre-pandemic ways of working, changes such as virtual meetings etc. that brought about greater efficiency will be retained and further explored.

Part C: Measuring Our Performance

1 Institutional Programme Performance Information

The sections below set out per programme the outputs, with indicators and targets, which the Department plans to deliver during the 2022/23 financial year.

1.1 Programme 1: Administration

The purpose 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. The programme consists of five operational sub-programmes.

1.1.1 Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual performance			Estimated performance	MTEF Period		
			2018/19	2019/20	2020/21		2021/22	2022/23	2023/24
Sound and responsive management practices	1	Employment of designated groups: people with disabilities	New indicator	New indicator	1.9%	New indicator	1.9%	2%	2%
	2	Employment of designated groups: women	New indicator	New indicator	36%	New indicator	39%	42%	44%
	3	Improved employment rate	New indicator	New indicator	85%	New indicator	87%	90%	90%
	4	Access to email and internet	New indicator	New indicator	90%	New indicator	95%	95%	98%
	5	Disciplinary cases finalized timeously	New indicator	New indicator	100%	New indicator	85%	60%	70%
	6	Finalization of grievances timeously	New indicator	New indicator	0%	New indicator	85%	85%	90%
	7	Financial disclosures submitted	New indicator	New indicator	100%	New indicator	100%	100%	100%
	8	Trained personnel	New indicator	New indicator	New indicator	New indicator	80%	82%	85%
	9	EHW Programmes	New indicator	New indicator	<ul style="list-style-type: none"> • HIV & TB • Health and productivity Management • SHERQ • Wellness 	4	4	4	4

Outcome	Outputs	Output Indicators	Annual Targets							
			Audited/Actual performance				Estimated performance	MTEF Period		
			2018/19	2019/20	2020/21	2021/22		2022/23	2023/24	2024/25
10	Online newsletters	Number of online newsletters	New indicator	New indicator	2	2	4	4	4	4
11	Quality Interim Financial Statements	Average number of Provincial Treasury findings on Interim Financial Statements	9.3	6	9	9	9	9	9	9
12	Quality IFS work-file	Provincial Treasury assessment score on accuracy and completeness of IFS work-file	96%	98%	95%	95%	95%	95%	95%	95%
13	Improved Key Control Indicators Assessment	Percentage of Key Control Indicators at level 4 score on Provincial Treasury KCM assessment: Monthly assessment Quarterly assessment	90.7% 72%	89% 70%	89% 72%	90% 75%	91% 75%	91% 75%	91% 75%	91% 75%
14	Paid invoices	Percentage of invoices paid within 30 days	100%	100%	100%	100%	100%	100%	100%	100%

1.1.2 Output Indicators, Annual and Quarterly Targets

Output Indicators	Annual target	Quarterly targets			
		1 st	2 nd	3 rd	4 th
1	Percentage of employees with disabilities	-	-	-	2%
2	Percentage of women in Senior Management Service	-	-	-	42%
3	Percentage of funded posts filled	-	-	-	90%
4	Percentage of network uptime	-	-	-	95%
5	Percentage of disciplinary cases finalized within 90 days	-	-	-	60%
6	Percentage of grievances finalized within 30 days	-	-	-	85%
7	Percentage of designated employees that submit financial disclosures on time	100%	-	100%	-
8	Percentage of employees included in the WSP trained	-	-	-	82%
9	Number of EHW programmes	-	-	-	4
10	Number of online newsletters	1	1	1	1
11	Average number of Provincial Treasury findings on Interim Financial Statements	-	-	-	9
12	Provincial Treasury assessment score on accuracy and completeness of IFS work-file	-	-	-	95%
13	Percentage of Key Control Indicators at level 4 score on Provincial Treasury KCM assessment: Monthly assessment Quarterly assessment	-	-	-	90% 75%
14	Percentage of invoices paid within 30 days	-	-	-	100%

1.1.3 Explanation of planned performance over the medium term period

Programme 1 provides support services to programmes that are responsible for giving effect to the mandate of the Department. The programme plays a key role in establishing sound and responsive management practices, which are critical in enabling the Department to achieve its planned results.

The programme is expected to ensure that the Department is adequately staffed and has the necessary skills and competencies available. This include ensuring that the Department improves in employment of designated groups, particularly with regard to women at senior management level and people with disabilities as well as the improvement in the percentage of employees trained.

Percentage of disciplinary cases finalized within 90 days tracks the department's compliance with the Labour Relation Act, PSR and Basic Conditions of Employment Act. However, the unavailability of presiding officers and initiators; union representatives as well as the affected employees hamper the department's ability to finalise cases within the prescribed period. Whilst the Department will be pursuing a number of strategies to address the challenge of presiding officers, including the training of Middle Management Service (MMS) and SMS members and deviating from the normal procedure of appointing presiding officers and initiators by using the services of private legal practitioners depending on the nature of the matter, the complexity and the public interest, the Department also had to revise the target to a more realistic level in the interim.

The programme further intends to improve on the department's compliance with PFMA and other related requirements by improving the percentage of Key Control Indicators at level 4 score on Provincial Treasury KCM assessment for both monthly and quarterly assessments.

1.1.4 Programme Resource Considerations

Expenditure Estimates

Summary of payments and estimates by sub-programme: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
1. Office Of The Mec	6 588	9 532	7 411	8 211	8 327	8 389	8 211	8 418	8 557
2. Management Services	11 007	11 533	13 601	6 748	6 490	6 490	6 634	6 860	6 977
3. Corporate Services	33 507	35 641	33 391	45 053	48 034	48 514	45 438	44 244	48 015
4. Financial Management (Office Of The Cfo)	45 896	43 537	38 815	47 627	44 502	43 955	47 194	49 068	48 219
5. Internal Audit (Departmental)	5 360	5 644	5 338	6 174	6 677	6 682	6 210	6 104	6 368
Total payments and estimates	102 358	105 887	98 556	113 813	114 030	114 030	113 687	114 694	118 136

Summary of payments and estimates by economic classification: Programme 1: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Current payments	98 711	102 405	95 301	110 557	109 937	109 768	110 621	111 514	114 955
Compensation of employees	74 614	80 755	78 001	84 654	84 605	84 589	85 903	86 809	90 310
Goods and services	24 097	21 650	17 300	25 903	25 332	25 179	24 718	24 705	24 645
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	597	974	431	385	720	736	418	429	430
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	597	974	431	385	720	736	418	429	430
Payments for capital assets	3 045	2 484	2 807	2 871	3 373	3 526	2 648	2 751	2 751
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 045	2 484	2 807	2 871	3 373	3 526	2 648	2 751	2 751
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	5	24	17	-	-	-	-	-	-
Total economic classification	102 358	105 887	98 556	113 813	114 030	114 030	113 687	114 694	118 136

The main expenditure items in Programme 1 are compensation of employees, Auditor-General fees, centralised support services such as photocopy machines, IT support etc. The MTEF allocations are sufficient to allow the programme to achieve its objectives.

1.2 Programme 2: Sustainable Resource Management

The purpose 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 six sub-programmes (including Programme Support).

1.2.1 Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets							
			Audited/Actual performance		Estimated performance	MTEF Period				
			2018/19	2019/20		2020/21	2021/22	2022/23	2023/24	2024/25
Improved fiscal sustainability in provincial departments and public entities	15	Research papers	2	3	3	2	2	2	2	2
	16	Publications	3	3	3	3	3	3	3	3
	17	Quarterly Labour Market Review reports	4	4	4	4	4	4	4	4
	18	Performance reports on Provincial Own Revenue (POR)	12	12	12	12	12	12	12	12
	19	Performance reports on Conditional Grants	12	12	12	12	12	12	12	12
	20	Reports on non-financial performance of public entities	4	4	4	4	4	4	4	4
	21	Reports on funded priorities	4	4	4	4	4	4	4	4
	22	Timeous tabling of Appropriation Bill	1	1	2	1	1	1	1	1
	23	Timeous tabling of Adjustment Appropriation Bill	3	2	3	1	1	1	1	1
	24	Compensation of employees analysis reports	4	4	4	4	4	4	4	4
	25	Analysis reports on recruitment plans	New indicator	New indicator	New indicator	1	1	1	1	1

Outcome	Outputs	Output Indicators	Annual Targets							
			Audited/Actual performance			Estimated performance 2021/22	MTEF Period			
			2018/19	2019/20	2020/21		2022/23	2023/24	2024/25	
	26	Reports on In-Year monitoring of expenditure	Number of IYM assessment reports	15	15	15	15	15	15	15
	27	Reports on monitoring of spending on infrastructure	Number of IRM assessment reports	12	12	12	12	12	12	12
FIDPM and IDMS institutionalised in the province for effective and efficient infrastructure delivery and management	28	Reports on monitoring of infrastructure projects	Number of infrastructure monitoring reports	4	4	4	4	4	4	4
	29	Infrastructure progress review	Number of reports on quarterly infrastructure reviews	4	4	4	4	4	4	4
	30	Infrastructure assessments reports	Number of departments assessed for infrastructure performance based incentive grant	New indicator	New indicator	2	2	2	2	2
	31	UAMP assessment	Number of UAMP assessment reports	New indicator	New indicator	10	8	8	8	8
	32	Custodian Asset Management Plan assessment	Number of Custodian Asset Management Plan assessment reports	New indicator	New indicator	1	1	1	1	1
	33	Infrastructure Progression Model assessment	Number of Infrastructure Progression Model assessment reports	New indicator	New indicator	8	8	8	8	8
Improvement in financial accountability in provincial departments and public entities	34	PRF Annual Financial Statements	Submission of Annual Financial Statements on PRF in accordance with the PFMA	15 June 2018	14 June 2019	25 August 2020	1	1	1	1

1.2.2 Output Indicators, Annual and Quarterly Targets

	Output Indicators	Annual target	Quarterly targets			
			1 st	2 nd	3 rd	4 th
15	Number of research papers	2	-	-	-	2
16	Number of publications produced	3	-	-	1	2
17	Number of quarterly labour market review reports	4	1	1	1	1
18	Number of reports on Provincial Own Revenue	12	3	3	3	3
19	Number of reports on Conditional Grants	12	3	3	3	3
20	Number of reports on non-financial performance of public entities	4	1	1	1	1
21	Number of reports on funded priorities	4	1	1	1	1
22	Tabling of Appropriation Bill within legislated timeframe	1	-	-	-	1
23	Tabling of Adjustment Appropriation Bill within legislated timeframe	1	-	-	1	-
24	Number of analysis reports on spending on Personnel by provincial departments	4	1	1	1	1
25	Number of reports on the analysis of recruitment plans	1	-	-	1	-
26	Number of IYM assessment reports	15	4	4	3	4
27	Number of IRM assessment reports	12	3	3	3	3
28	Number of infrastructure monitoring reports	4	1	1	1	1
29	Number of reports on quarterly infrastructure reviews	4	1	1	1	1
30	Number of departments assessed for infrastructure performance based incentive grant	2	-	-	2	-
31	Number of UAMP assessment reports	8	-	8	-	-
32	Number of Custodian Asset Management Plan assessment reports	1	-	-	1	-
33	Number of Infrastructure Progression Model assessment reports	8	-	-	8	-
34	Submission of Annual Financial Statements on PRF in accordance with the PFMA	1	1	-	-	-

1.2.3 Explanation of planned performance over the medium term period

The outputs emanate from the Department's mandate to prepare and exercise control over the implementation of the provincial budget and promote and enforce transparency and effective management in respect of revenue and expenditure.

The programme plays a key role in achieving fiscal sustainability in the province both in terms of the budget of the province and monitoring or expenditure. The outputs include providing advice from an economic analysis perspective on policy decisions that will impact on the economic growth and fiscal position of the province and timeously preparing a budget that will support the provincial priorities and the building of contingency reserves.

The monitoring of revenue and expenditure will enable the Department to identify red flags and pressures in order to advise departments on corrective measures to prevent over- or underspending of the budget thus contributing to the financial sustainability of the province.

The programme aims to address challenges with regard to the efficient and effective delivery of infrastructure through ensuring that the FIDPM and IDMS are institutionalised in the provincial departments that have infrastructure delivery as well as municipalities.

1.2.4 Programme Resource Considerations

Expenditure Estimates

Summary of payments and estimates by sub-programme: Programme 2: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
1. Programme Support	1 812	2 385	1 753	2 004	2 115	2 115	1 919	2 044	2 116
2. Economic Analysis	7 174	6 238	5 957	7 966	7 655	7 655	8 040	8 467	8 584
3. Fiscal Policy	7 541	8 610	8 294	8 791	9 235	9 235	9 252	9 212	9 803
4. Budget Management	12 682	13 373	13 371	12 865	13 948	13 948	13 425	13 496	14 297
5. Public Finance	14 493	15 546	14 892	20 521	21 588	21 588	21 755	21 140	22 285
6. Compensation Directorate	1 008	1 080	1 067	1 271	1 196	1 196	1 248	1 292	1 348
Total payments and estimates	44 710	47 232	45 334	53 418	55 737	55 737	55 639	55 651	58 433

Summary of payments and estimates by economic classification: Programme 2: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Current payments	44 661	46 689	45 264	53 363	55 123	54 739	55 639	55 651	58 433
Compensation of employees	42 196	43 766	43 683	48 716	51 027	51 012	50 870	50 569	53 337
Goods and services	2 465	2 923	1 581	4 647	4 096	3 727	4 769	5 082	5 096
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	7	133	-	-	8	23	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	7	133	-	-	8	23	-	-	-
Payments for capital assets	42	398	70	55	606	975	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	42	398	70	55	606	975	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	12	-	-	-	-	-	-	-
Total economic classification	44 710	47 232	45 334	53 418	55 737	55 737	55 639	55 651	58 433

The functions of the programme are human resource intensive. 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, particularly in infrastructure, that will allow the programme to achieve its objectives.

1.3 Programme 3: Asset and Liabilities Management

The purpose of this programme is to provide policy direction, facilitate the effective and efficient management of assets, liabilities and financial management systems and procure transversal and cross-cutting goods and services. The programme consists of three sub-programmes (including Programme Support).

1.3.1 Outcomes, Outputs, Output Indicators and Targets

Outcomes	Outputs	Output Indicators	Annual Targets						
			Audited/Actual performance			Estimated performance			
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Improvement in financial accountability in provincial departments and public entities	35	SCM Compliance assessment reports to departments and entity	52	52	52	52	52	52	52
	36	Procurement plan assessment reports	1	1	13	13	52	65	65
	37	Supplier development	New indicator	New indicator	New indicator	New indicator	4	4	4
	38	Consolidated reports on 30 days payment of suppliers	12	12	12	12	12	12	12
	39	Asset monitoring reports	60	45	36	56	56	56	56
	40	Asset management KPI reports	New indicator	New indicator	36	48	48	48	48
	41	Access to BAS	99.94% of 8 working hours	99.72% of 8 working hours	99.99% of 8 working hours	95%	95%	95%	95%
	42	Functional and technical support to users of transversal systems	98.97% of calls responded to within 8 working hours	98.48% of calls responded to within 8 working hours	98.98%	97%	97%	98%	98%
	43	User Capacity Building Sessions on transversal systems (BAS, PERSAL and LOGIS)	New indicator	New indicator	New indicator	New Indicator	24	24	24

5.3.2 Output Indicators, Annual and Quarterly Targets

	Output indicators	Annual target	Quarterly targets			
			1 st	2 nd	3 rd	4 th
35	Number of SCM assessment reports	52	13	13	13	13
36	Number of procurement plan assessment reports	52	13	13	13	13
37	Number of supplier development sessions	4	1	1	1	1
38	Number of consolidated reports on 30 days payment of suppliers	12	3	3	3	3
39	Number of assets monitoring reports	56	14	14	14	14
40	Number of reports on asset management KPI	48	12	12	12	12
41	Percentage of 8 working hours that the BAS terminal servers are available	95%	-	-	-	95%
42	Percentage of requests for technical and functional support responded to within 16 working hours	97%	-	-	-	97%
43	Number of capacity building sessions on transversal systems (BAS, PERSAL and LOGIS)	24	-	-	-	24

1.3.3 Explanation of planned performance over the medium term period

The programme contributes mainly towards improvement in financial accountability in provincial departments and public entities. One of the main reasons for the high levels of irregular expenditure incurred in the province is non-compliance with SCM legislation. The monitoring of compliance with SCM prescripts and the feedback provided to the accounting officers are expected to contribute towards improving compliance with legislation with a subsequent reduction in irregular expenditure.

The department will also be strengthening the monitoring of procurement plans. In addition to the assessment of annual procurement plans for compliance, the department will also be monitoring and reporting on the implementation of the plans with effect from the 2022/23 financial year.

The province has a high number of invoices that are not paid within the stipulated 30 days which impacts negatively on small businesses. Regular monitoring and reporting is expected to improve compliance with this requirement.

1.3.4 Programme Resource Considerations

Expenditure Estimates

Summary of payments and estimates by sub-programme: Programme 3: Asset And Liabilities Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
1. Programme Support	1 767	3 084	240 600	11 854	11 939	11 929	1 892	1 917	2 006
2. Asset Management	21 775	22 334	21 552	12 995	12 213	12 223	10 418	10 483	11 311
3. Supporting And Interlinked Financial Systems	54 277	55 180	55 530	57 884	59 242	59 242	50 100	50 211	51 211
Total payments and estimates	77 819	80 598	317 682	82 733	83 394	83 394	62 410	62 611	64 528

Summary of payments and estimates by economic classification: Programme 3: Asset And Liabilities Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Current payments	77 604	80 352	317 565	82 673	83 137	82 917	62 410	62 611	64 528
Compensation of employees	37 990	40 439	40 871	44 382	44 959	44 959	43 734	43 432	45 319
Goods and services	39 614	39 913	276 694	38 291	38 178	37 958	18 676	19 179	19 209
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	39	-	104	-	84	84	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	39	-	104	-	84	84	-	-	-
Payments for capital assets	164	246	13	60	173	393	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	164	246	13	60	173	393	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	12	-	-	-	-	-	-	-	-
Total economic classification	77 819	80 598	317 682	82 733	83 394	83 394	62 410	62 611	64 528

Main cost drivers are compensation of employees, SITA fees for transversal systems and travel and subsistence cost. The MTEF allocations are sufficient to allow the programme to achieve its objectives.

1.4 Programme 4: Financial Governance

The purpose of this programme is to promote accountability through substantive reflection of financial activities of the province as well as compliance with financial norms and standards. The programme consists of three sub-programmes (including Programme Support)

1.4.1 Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual performance			Estimated performance			
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Improvement in financial accountability in provincial departments and public entities	44	Reports on the assessment of interim and draft annual financial statements and work files	4	4	3	4	4	4	4
	45	Draft Annual Consolidated Financial Statements	New Indicator	New Indicator	New Indicator	New Indicator	2	2	2
	46	Annual Report of consolidated financial statements	Annual Report 31 October 2018	Annual Report 31 October 2019	Annual Report Not submitted	1	1	1	1
	47	Consolidated monthly and quarterly Key Control Matrix for departments and entities on compliance with legislative requirements	19	19	17	19	19	19	19
	48	Consolidated assessment reports on compliance with Risk Management and Fraud and Ethics Risk regulatory requirements by departments and entities	2 Reports	2	2	2	2	2	2
49	Consolidated assessment reports on compliance with Internal Audit activities regulatory requirements	2 Reports	2	1	2	2	2	2	

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual performance		Estimated performance 2021/22	Medium-term targets			
			2018/19	2019/20		2020/21	2022/23	2023/24	2024/25
	50	Training sessions to build capacity and promote Risk Management and Internal Audit for provincial departments and entities	2	2	2	2	2	2	
	51	Fraud Awareness Sessions	N/A	5	3	5	3	3	

1.4.2 Output Indicators, Annual and Quarterly Targets

	Outputs Indicators	Annual target	Quarterly targets			
			1 st	2 nd	3 rd	4 th
44	Number of reports on assessment of IFS, draft AFS and work files	4	1	1	1	1
45	Draft consolidated financial statements submitted to AGSA as prescribed by the PFMA	2	2	-	-	-
46	Annual Report of consolidated financial statements submitted to legislature as prescribed by the PFMA	1	-	-	1	-
47	Number of consolidated monthly and quarterly Key Control Matrix assessment reports	19	5	5	4	5
48	Number of consolidated assessment reports on Risk Management and Fraud and Ethics Risk	2	-	1	-	1
49	Number of consolidated assessment reports on Internal Audit activities	2	1	-	1	-
50	Number of training sessions relating to Risk Management and Internal Audit	2	-	-	-	2
51	Number of Fraud Awareness Sessions	3	-	-	-	3

5.4.3 Explanation of planned performance over the medium term period

The assessment of the IFS, AFS and work files are all aimed at improving the quality of the financial statements and ensuring that there are no misstatements that could lead to qualifications.

Monthly and quarterly assessment of key controls through the Key Control Matrix is aimed at assessing compliance with legislation and providing accounting officers with feedback and recommendations for improvement where necessary. The consolidated reports provide the leadership of Provincial Treasury with an overview of the performance of departments and provide early warnings when interventions are required.

Assessment of risk management and internal audit activities in departments aims to provide information on the capacity and effectiveness of governance structures which play a key role in ensuring a healthy control environment in departments.

Fraud Awareness sessions are intended to promote fraud alertness in provincial departments, entities, municipalities etc. The indicator tracks the extent to which the department builds capacity on Anti-Fraud management strategies through information sessions / seminars / conferences etc. There are overlapping fraud awareness activities by other stakeholders that target the same audience. To minimise duplication, Provincial Treasury is collaborating with these stakeholders, resulting in fewer sessions to be facilitated by Provincial Treasury.

1.4.4 Programme Resource Consideration

Expenditure Estimates

Summary of payments and estimates by sub-programme: Programme 4: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
1. Program Support	8 458	2 806	2 600	2 764	3 116	3 116	3 138	2 888	3 192
2. Accounting Services	16 518	23 350	18 397	15 418	16 632	16 632	16 565	16 154	17 414
3. Risk Management And Internal Audit Provincial	7 489	7 633	7 029	9 640	8 750	8 750	10 260	9 902	10 195
Total payments and estimates	32 465	33 789	28 026	27 822	28 498	28 498	29 963	28 944	30 801

Summary of payments and estimates by economic classification: Programme 4: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Current payments	31 239	33 654	27 966	27 647	28 074	28 043	29 893	28 874	30 731
Compensation of employees	23 464	24 262	24 452	24 448	25 809	25 809	26 546	25 651	27 508
Goods and services	7 775	9 392	3 514	3 199	2 265	2 234	3 347	3 223	3 223
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	1 170	-	-	-	115	115	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 170	-	-	-	115	115	-	-	-
Payments for capital assets	56	122	60	175	309	340	70	70	70
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	56	122	60	175	309	340	70	70	70
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	13	-	-	-	-	-	-	-
Total economic classification	32 465	33 789	28 026	27 822	28 498	28 498	29 963	28 944	30 801

The functions of this programme are human resource driven hence the main cost driver is compensation of employees.

1.5 Programme 5: Municipal Finance Management

The purpose of this programme is to promote and improve the state of financial governance and management at local government level. The programme consists of 7 sub-programmes (including Programme Support).

1.5.1 Outcomes, Outputs, Output Indicators and Targets

Outcome	Outputs	Output Indicators	Audited/Actual performance					Annual Targets			
			2018/19		2019/20		2020/21		Estimated performance		
			2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25		
Improved fiscal sustainability in municipalities	Consolidated reports on assessment of tabled municipal budgets	Number of consolidated reports on the assessment of tabled municipal budgets	New Indicator	New Indicator	New Indicator	New Indicator	1	1	1		
	Section 71 (7) monitoring reports on the state of municipalities' budget performance	Number of Section 71 (7) budget performance reports	4 Publications	4 Publications	4	4	4	4	4		
	Preventative Control Measures (PCM) programme	Number of municipalities supported on PCM programme	New Indicator	New Indicator	2	1	5	5	7		
Improvement in financial accountability in municipalities	Reports on monitoring of municipal audit action plans	Number of consolidated reports on monitoring of audit action plans	2 Consolidated progress reports	2 Consolidated progress reports	1	2	2	2	2		
	Monitoring reports on submission of AFS to AG	Number of consolidated reports on submission of AFS to AGSA	1 Consolidated report	1 Consolidated report	1	1	1	1	1		
	Asset management capacity building	Number of Asset Management forums	New Indicator	New Indicator	New Indicator	New Indicator	2	2	2		
Support provided to municipalities to improve SCM compliance	Support provided to municipalities to improve SCM compliance	Number of municipalities supported on SCM compliance	22	22	20	22	22	22	22		
	Assessment of and support provided to municipalities on Internal Audit and Risk Management	Number of municipalities assessed and supported on Internal Audit and Risk Management	22	22	22	22	22	22	22		

Outcome	Outputs	Output Indicators	Annual Targets						
			Audited/Actual performance			Estimated performance 2021/22	Medium-term targets		
			2018/19	2019/20	2020/21		2022/23	2023/24	2024/25
Improved fiscal sustainability in municipalities	60	Internal Audit and Risk Management training	2	1	2	2	2	2	2
	61	Reports on municipal financial recovery plans	New Indicator	New Indicator	New Indicator	New Indicator	2	2	2
	62	Monitoring reports on revenue management	New Indicator	New Indicator	New Indicator	New Indicator	13	13	13
	63	Revenue and debt related Intergovernmental Relations engagements	New Indicator	New Indicator	New Indicator	New Indicator	16	16	16
	64	Revenue and debt related capacity building sessions	New Indicator	New Indicator	New Indicator	New Indicator	8	8	8

1.5.2 Output Indicators, Annual and Quarterly Targets

	Output Indicators	Annual target	Quarterly targets			
			1 st	2 nd	3 rd	4 th
52	Number of consolidated reports on the assessment of tabled municipal budgets	1	-	1	-	-
53	Number of Section 71 (7) budget performance reports	4	1	1	1	1
54	Number of municipalities supported on PCM programme	5	-	-	-	5
55	Number of consolidated reports on monitoring of audit action plans	2	-	1	-	1
56	Number of consolidated reports on submission of AFS to AGSA	2	-	1	-	1
57	Number of Asset Management forums	2	1	-	-	1
58	Number of municipalities supported on SCM compliance	22	1	-	-	22
59	Number of municipalities assessed and supported on Internal Audit and Risk Management	22	-	-	-	22
60	Number of training sessions on Internal Audit and Risk Management	2	-	-	-	22
61	Number of reports on municipal financial recovery plans	2	-	-	-	2
62	Number of reports on revenue management at targeted municipalities	13	-	6	4	3
63	Number of revenue and debt related IGR engagements	16	4	4	4	4
64	Number of revenue and debt related capacity building sessions	8	2	2	2	2

1.5.3 Explanation of planned performance over the medium term period

The assessment of municipal budgets for compliance with the MBRR is a key output towards providing municipalities with recommendations towards improving budgets and to monitor the level of implementation by the delegated municipalities of the MFMA and its Regulations, identify gaps and provide support where needed. The report on the assessment outcomes provides Provincial Treasury's leadership with the necessary information to constructively engage the municipal leadership on their budgets. Budget performance is monitored on a monthly basis and reported on a quarterly basis through the Section 71(7) reports to the relevant oversight authorities to support municipalities where necessary.

A number of municipalities have not been able to submit their AFS on time to AGSA resulting therein that audits cannot be finalised on time and annual reports submitted to councils. The Department therefore plans to monitor and report on the preparedness of municipalities to submit their AFS in order to allow for timeous intervention when necessary.

Municipalities had material findings on procurement in prior audits. The Department therefore plans to provide support on SCM to municipalities based on the needs of individual municipalities. It is expected that improvements in SCM practices will result in improved accountability and subsequently audit outcomes.

Assessment of risk management and internal audit activities in municipalities aims to provide information on the capacity and effectiveness of governance structures, which play a key role in the control environment of municipalities. Training on risk management and internal audit related matters would further improve capacity of governance structures in municipalities.

In providing oversight and support to the delegated municipalities on the implementation of the MFMA the programme will facilitate IGR (Inter Governmental Relations) engagements between and amongst National, Provincial and Local spheres of Government with particular focus on matters relating to revenue and debt.

Municipalities continue to experience cash flow challenges due to low revenue collection and the directorate will embark on building capacity to monitor revenue and cash flows in order to encourage efficient and effective collection of revenue and cash flows for integrated planning, budget and implementation.

1.5.4 Programme Resource Considerations

Expenditure Estimates

Summary of payments and estimates by sub-programme: Programme 5: Municipal Finance Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
1. Program Support	1 906	38 750	5 899	18 353	17 341	17 341	14 262	14 246	14 376
2. Municipal Budgets & Iym	7 810	7 094	6 907	7 190	7 568	7 568	7 495	7 834	8 057
3. Municipal Accounting & Assets	6 021	5 477	4 864	5 785	5 467	5 467	7 637	7 225	8 228
4. Municipal Revenue & Debt Management	8 121	6 186	5 759	5 569	6 164	6 165	6 090	6 278	6 661
5. Municipal Supply Chain Management	4 400	4 923	4 712	4 971	5 198	5 198	6 698	6 531	6 539
6. Municipal Risk Management & Internal Audit	4 822	4 317	3 979	5 524	4 951	4 954	5 365	5 389	5 889
7. Municipal Support Program & Igr	34 148	-	-	-	-	-	-	-	-
8. Municipal Mfrs & Reporting	-	6 612	6 396	6 313	6 895	6 891	8 020	8 321	8 626
Total payments and estimates	67 228	73 359	38 516	53 705	53 584	53 584	55 567	55 824	58 376

Summary of payments and estimates by economic classification: Programme 5: Municipal Finance Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2021/22	Revised estimate	Medium-term estimates		
	2018/19	2019/20	2020/21				2022/23	2023/24	2024/25
Current payments	34 582	39 256	35 775	53 478	52 715	49 199	55 167	55 774	58 176
Compensation of employees	32 240	35 230	35 104	37 730	38 868	38 868	37 022	37 356	39 893
Goods and services	2 342	4 026	671	15 748	13 847	10 331	18 145	18 418	18 283
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	32 564	33 941	2 604	-	259	3 759	-	-	-
Provinces and municipalities	32 500	33 831	2 540	-	-	3 500	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	64	110	64	-	259	259	-	-	-
Payments for capital assets	71	162	137	227	610	626	400	50	200
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	71	162	137	227	610	626	400	50	200
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	11	-	-	-	-	-	-	-	-
Total economic classification	67 228	73 359	38 516	53 705	53 584	53 584	55 567	55 824	58 376

The functions of the programme are human resource intensive and require regular visits to municipalities. Main cost drivers are compensation of employees, travel and subsistence costs and transfers to municipalities in terms of the municipal support programme.

2 Updated Key Risks and Mitigations from the Strategic Plan

Outcome	Key Risk	Risk Mitigation
Sound and responsive management practices	<ul style="list-style-type: none"> Failure to recruit and retain skilled personnel 	<ul style="list-style-type: none"> Review the Recruitment and Retention Strategy Sufficient budget for skilled personnel Implementation of the workplace skills plan for the department
Improved fiscal sustainability in provincial departments and public entities	<ul style="list-style-type: none"> Incurring of accruals and unauthorized expenditure 	<ul style="list-style-type: none"> Scaling down or deferment of programmes/projects Re-prioritisation of budgets from non-core to core services Implementation of cost-containment measures
Improvement in financial accountability in provincial departments and public entities	<ul style="list-style-type: none"> Non-adherence to legislative reporting requirements by departments and entities which will result in inaccurate reporting by Provincial 	<ul style="list-style-type: none"> Interact with executive authorities and accounting officers/authorities of departments/entities via the MEC for Finance and HOD for Treasury on issues of non-adherence/non-compliance

Outcome	Key Risk	Risk Mitigation
	<p>Treasury</p> <ul style="list-style-type: none"> Failure by departments and public entities to implement assurance provider's recommendations 	<ul style="list-style-type: none"> Issue non-compliance letters Issue and monitor implementation of legal prescripts / policies / SOPs / instruction notes / frameworks and circulars to guide implementation Do regular follow-ups Reminders prior to due dates Site visits to verify information Monitoring and evaluation of information (e.g. KCMs) in systems and models Assessment reports with recommendations Training/ Forums / Workshops / Bi-laterals / consultation and engagements with departments & entities
Improved fiscal sustainability in municipalities	<ul style="list-style-type: none"> Unfunded budgets 	<ul style="list-style-type: none"> Conduct budget bilaterals Conduct Mid-Year Review Conduct adjustment budget sessions Support municipalities with technical support on budgets Monthly monitoring of section 71 reporting and identifying distress municipalities Support municipalities with development of financial recovery plans through the Municipal Financial Recovery Service (MFRS)
Improvement in financial accountability in municipalities	<ul style="list-style-type: none"> Non-adherence to legislative reporting requirements by municipalities which will result in inaccurate reporting by Provincial Treasury Failure by municipalities to implement assurance provider's recommendations 	<ul style="list-style-type: none"> Interact with mayors and accounting officers of municipalities via the MEC for Finance and HOD for Treasury on issues of non-adherence/non-compliance Issue non-compliance letters Issue and monitor implementation of legal prescripts / policies / SOPs / instruction notes / frameworks and circulars to guide implementation Do regular follow-ups Reminders prior to due dates Site visits to verify information Monitoring and evaluation of information in systems and models Assessment reports with recommendations Training/ Forums / Workshops/ Bi-laterals / consultation and engagements with municipalities
FIDPM and IDMS institutionalised in the province for effective and efficient infrastructure delivery and management	<ul style="list-style-type: none"> Inability of Provincial Treasury, departments and municipalities to enforce and support implementation of National Treasury Instruction No 3 of 2019/20 	<ul style="list-style-type: none"> FIPDM and IDMS institutionalization promoted and facilitated by Provincial Treasury at all provincial governance structures (Chief Financial Officer Forum, Cluster meetings, FOHOD and EXCO) Capacitation of all departments' and municipalities' infrastructure units in terms of human resources and training

Outcome	Key Risk	Risk Mitigation
		<ul style="list-style-type: none"> • Departmental and municipal management enforce and support institutionalization of FIDPM and IDMS • Departmental and municipal management support for assessment of level of institutionalization through Infrastructure Progression Model (IPM) • Departmental and municipal management support for all infrastructure planning and monitoring initiatives by Provincial Treasury

3 Public Entities

The Department does not have public entities.

4 Infrastructure Projects

The Department does not have infrastructure projects.

5 Public Private Partnerships

The Department does not have public private partnerships

Part D: Technical Indicator Descriptions (TID)

PROGRAMME 1: ADMINISTRATION

Indicator Title 1	Percentage of employees with disabilities
Definition	The employees with disabilities refers to employees who have declared a disability
Source of data	PERSAL
Method of calculation/assessment	Number of posts filled by employees with disabilities as a % of the total number of filled funded posts on the staff establishment
Means of verification	PERSAL reports
Assumptions	People with disabilities will apply for advertised posts
Disaggregation of Beneficiaries (where applicable)	People with disabilities: 2%
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	Higher
Indicator Responsibility	Chief Director: Corporate Services

Indicator Title 2	Percentage of women in Senior Management Service
Definition	Senior Management Service refers to posts on salary level 13 upwards
Source of data	PERSAL
Method of calculation/assessment	Number of posts filled by women in SMS as a % of the number of SMS filled funded posts on the staff establishment
Means of verification	PERSAL reports
Assumptions	Women meeting requirements apply for Senior Management vacant positions
Disaggregation of Beneficiaries (where applicable)	Women: 42% of senior management
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	Higher percentage
Indicator Responsibility	Chief Director: Corporate Services

Indicator Title 3	Percentage of funded posts filled
Definition	Funded posts refer to posts on the approved staff establishment as at 1 April of the applicable financial year. It excludes appointments additional to the staff establishment
Source of data	PERSAL
Method of calculation/assessment	Number of filled funded posts as a % of the total number of funded posts on the staff establishment as on 1 April of the applicable financial year.
Means of verification	Employment report as at the end of the financial year
Assumptions	Posts will be advertised and filled within twelve months as required by the Public Service Regulations 2016
Disaggregation of Beneficiaries (where applicable)	Women: 42% women in senior management Youth: 30% People with disabilities: 2%
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	Higher employment rate
Indicator Responsibility	Chief Director: Corporate Services

Indicator Title 4	Percentage of network uptime
Definition	The indicator refers to the availability and stability of the network during normal working hours
Source of data	Service desk service level agreement reports
Method of calculation/assessment	Uptime as a percentage of total working hours
Means of verification	SITA Reports
Assumptions	No load-shedding encountered
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	Higher
Indicator Responsibility	Chief Director: Corporate Services

Indicator Title 5	Percentage of disciplinary cases finalized within 90 days
Definition	Disciplinary case refers to instances where a disciplinary enquiry has to be held. 90 days refers to the total number of working days, from the date when a disciplinary case is instituted against an employee until it is finalised. The indicator tracks department's compliance with the Labour Relation Act, PSR and Basic Conditions of Employment Act.
Source of data	Administrative records (Management report on disciplinary cases)
Method of calculation/assessment	Number of cases finalized within 90 days as a percentage of the total number of cases that had to be finalised within the reporting period
Means of verification	FOSAD reports
Assumptions	All cases are captured on PERSAL
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non- Cumulative
Reporting cycle	Annually
Desired performance	Higher
Indicator Responsibility	Chief Director: Corporate Services

Indicator Title 6	Percentage of grievances finalized within 30 days
Definition	30 days refers to total number of working days, from the date when a grievance is instituted until it is finalised.
Source of data	Administrative records
Method of calculation/assessment	Number of grievances finalized within 30 working days as a percentage of the total number of grievances that were due to be resolved within the reporting period.
Means of verification	Management report on grievances (FOSAD report)
Assumptions	All grievances are captured on PERSAL
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non- Cumulative
Reporting cycle	Annually
Desired performance	Higher
Indicator Responsibility	Chief Director: Corporate Services

Indicator Title 7	Percentage of designated employees that submit financial disclosures on time
Definition	Designated employees refer to any member of the Senior Management Service, any other person in terms of section 36 (3) of the PFMA approved or instructed by the relevant Treasury to be the Accounting Officer of the department or any other employee or category of employees determined by the Minister of Public Service and Administration. Financial disclosure refers to disclosure of interest in terms of sections 18 and 19 of the Public Service Regulations.
Source of data	Administrative records
Method of calculation/assessment	Number of designated employees who submitted disclosures on time as a percentage of all designated employees.
Means of verification	e-Disclosure reports
Assumptions	Designated employees will comply with the Public Service Regulations
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting cycle	Bi-annually
Desired performance	On-target
Indicator Responsibility	Chief Director: Corporate Services

Indicator Title 8	Percentage of employees included in the WSP trained
Definition	Training refers to performance based capacity building programmes in line with work skill plan.
Source of data	Administrative records
Method of calculation/assessment	Number of officials who attended training as a percentage of the number of official who's training requests have been included in the WSP
Means of verification	Work Skills Plan and Quarterly Monitoring Report
Assumptions	Officials will avail themselves to attend training/ Supply chain management processes will be concluded timeously
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting cycle	Annually
Desired performance	Higher
Indicator Responsibility	Chief Director: Corporate Services

Indicator Title 9	Number of EHW programmes
Definition	Employee Health and Wellness programmes refer to activities related to HIV and Tuberculosis, Health and productivity management, SHERQ and Wellness management.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	EHW integrated reports
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting cycle	Annually
Desired performance	On-target
Indicator Responsibility	Chief Director: Corporate Services

Indicator Title 10	Number of online newsletters
Definition	Online newsletters refer to departmental newsletters aimed at informing employees on all relevant issues pertaining to the department and government as a whole published on the intranet.
Source of data	Administrative data
Method of calculation/assessment	Simple count
Means of verification	Newsletters and screenshots
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year end
Reporting cycle	Bi-annual
Desired performance	Higher
Indicator Responsibility	Chief Director: Corporate Services

Indicator Title 11	Average number of Provincial Treasury findings on Interim Financial Statements
Definition	Provincial Treasury Findings refers to the findings from Financial Governance in their assessment of the Interim Financial Statements. The indicator tracks the department's progress in reducing the number of findings.
Source of data	Administrative records
Method of calculation/assessment	Average of the number of findings for the three quarters
Means of verification	Provincial Treasury IFS assessment reports
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	Lower
Indicator Responsibility	Chief Financial Officer

Indicator Title 12	Provincial Treasury assessment score on accuracy and completeness of IFS work-file
Definition	The work-file is a supporting document to the IFS. Provincial Treasury (Financial Governance) assesses the accuracy and completeness against a checklist of supporting documents required.
Source of data	Administrative records
Method of calculation/assessment	Average of the assessment score for the three quarters
Means of verification	IFS assessment reports
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	Higher
Indicator Responsibility	Chief Financial Officer

Indicator Title 13	Percentage of Key control indicators at level 4 score on Provincial Treasury KCM assessment: Monthly Assessment Quarterly Assessment
Definition	The Key Control Matrix is a set of indicators that measures of the extent to which the department complies with PFMA and related requirements.
Source of data	Administrative records
Method of calculation/assessment	Monthly Assessment: Averages of the monthly assessment reports received between 1 April and 31 March of a financial year Quarterly Assessment: Average of the and quarterly assessments received between 1 April and 31 March of a financial year
Means of verification	KCM assessment reports
Assumptions	All units will comply with the requirements and submit information timeously.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	On target
Indicator Responsibility	Chief Financial Officer

Indicator Title 14	Percentage of invoices paid within 30 days
Definition	Percentage of invoices paid within 30 days of receipt of legitimate invoice from a supplier
Source of data	Administrative records
Method of calculation/assessment	Number of unopposed invoices paid within 30 days as a % of total number of unopposed invoices received and due for payment during the reporting period
Means of verification	Payment reports
Assumptions	Accuracy of information captured
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	On target
Indicator Responsibility	Chief Financial Officer

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

Indicator Title 15	Number of research papers
Definition	The indicator tracks the volume of research produced by the department to influence policy in order to enhance inclusive economic growth and development in the Free State
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Research papers produced
Assumptions	Availability of relevant data at sub-national level and response rate on questionnaires
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	Higher
Indicator Responsibility	Director: Economic Analysis

Indicator Title 16	Number of publications produced
Definition	<p>The indicator tracks the extent to which the department publishes economic related information and includes:</p> <p>PERO provides an overview of the state of the economy, on the global, national and provincial spheres.</p> <p>DERO provides an overview of the state of municipal district economy.</p> <p>MTBPS is a mid-year review of budget implementation and a pre-cursor to the next budget, it includes a review of macroeconomic forecasts, mid-year analysis of expenditure and revenue as well as policy changes</p>
Source of data	Administrative data
Method of calculation/assessment	Simple count
Means of verification	Publications produced
Assumptions	Data will be released timeously by the various institutions
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative
Reporting cycle	Quarterly
Desired performance	On-target
Indicator Responsibility	Director: Economic Analysis

Indicator Title 17	Number of quarterly labour market review reports
Definition	The indicator tracks the extent to which the department provides up-to-date and relevant information on current issues in the provincial labour market. The Quarterly Labour Review reports are based on secondary data from StatsSA's QLFS, IHS-Global Insight. Primary data collected from surveys, interviews, etc.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Quarterly Labour market review report
Assumptions	Data will be released timeously by StatsSA
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Quarterly
Desired performance	On-target
Indicator Responsibility	Director: Economic Analysis

Indicator Title 18	Number of reports on Provincial Own Revenue
Definition	Analysis reports on Provincial Own Revenue collected The indicator tracks the extent to which the department monitors the performance of departments on revenue collection. This allows for early detection of poor performance and timely intervention of Treasury where necessary
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Monthly analysis reports based on departmental reports
Assumptions	Departments submit information/reports on time
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Quarterly
Desired performance	On-target
Indicator Responsibility	Director: Fiscal Policy

Indicator Title 19	Number of reports on Conditional Grants
Definition	Reports on spending on Conditional Grants The indicator tracks the extent to which the department monitors the performance of departments on spending of grants. This allows for early detection of poor performance and timely intervention of Treasury where necessary
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Monthly analysis reports based on departmental reports
Assumptions	Departmental reports are submitted on time
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Quarterly
Desired performance	On-target
Indicator Responsibility	Director: Fiscal Policy

Indicator Title 20	Number of reports on non-financial performance of public entities
Definition	Non-financial performance of Public Entities evaluated on quarterly basis The indicator tracks the extent to which the department monitors and evaluates performance against targets.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Quarterly performance reports
Assumptions	Reports received from entities are submitted and accurate
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Quarterly
Desired performance	On-target
Indicator Responsibility	Director: Fiscal Policy

Indicator Title 21	Number of reports on funded priorities
Definition	Quarterly reports on funded priorities. The indicator measures the extent to which the department tracks expenditure as well as progress made towards implementation of identified priorities.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Report on expenditure and progress with priorities
Assumptions	Information received from departments is accurate
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Quarterly
Desired performance	On-target
Indicator Responsibility	Director: Budget Management

Indicator Title 22	Tabling of Appropriation Bill within legislated timeframe
Definition	The Appropriation Bill appropriates money from the Provincial Revenue fund as the Constitution requires that money may be withdrawn from the Provincial Revenue Fund only in terms of an appropriation by an Act of the Provincial Legislature.
Source of data	Administrative records
Method of calculation/assessment	Determining date of tabling
Means of verification	Appropriation Bill and Tablings, Announcements and Committee updates
Assumptions	Adherence to legislated timeframes
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	On-target
Indicator Responsibility	Director: Budget Management

Indicator Title 23	Tabling of Adjustment Appropriation Bill within legislated timeframe
Definition	The Adjustment Appropriation Bill appropriates adjusted funds from the Provincial Revenue Fund, as the Constitution requires that money may be withdrawn from the Provincial Revenue Fund only in terms of an appropriation by an Act of the Provincial Legislature.
Source of data	Administrative records
Method of calculation/assessment	Determining date of tabling
Means of verification	Adjustment Appropriation Bill and Tablings, Announcements and Committee updates
Assumptions	Adherence to legislated timeframes
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	On-target
Indicator Responsibility	Director: Budget Management

Indicator Title 24	Number of analysis reports of spending on personnel by provincial departments
Definition	The indicator measures the extent to which the department tracks spending on Personnel by provincial departments.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Reports of spending on personnel by provincial departments
Assumptions	Data from departments is available and accurate
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Quarterly
Desired performance	On-target
Indicator Responsibility	Director: Compensation

Indicator Title 25	Number of reports on the analysis of recruitment plans
Definition	The indicator measures the extent to which the department analyses the alignment of recruitment plans of departments with the budget
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Report of analysis of budget allocated for funded positions in provincial departments
Assumptions	Recruitment plans of departments is available and submitted timeously
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annual
Desired performance	On-target
Indicator Responsibility	Director: Compensation

Indicator Title 26	Number of IYM assessment reports
Definition	The indicator measures that the department assesses and monitors projected expenditure against actual expenditure to identify early challenges and provide National Treasury with an Expenditure Analysis Report
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Provincial Preliminary Expenditure Analysis reports, pre-audited and audited data files submitted to National Treasury
Assumptions	Data from departments is accurate and submitted on time
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Annual
Desired performance	On-target
Indicator Responsibility	Director: Public Finance

Indicator Title 27	Number of IRM assessment reports
Definition	Monthly assessments reports prepared in terms of the infrastructure model. The indicator measures that the department assesses and monitors projects against actual expenditure in line with project status to identify early challenges
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Assessment reports
Assumptions	Data from departments is accurate and submitted on time
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Quarterly
Desired performance	On-target
Indicator Responsibility	Director: Public Finance

Indicator Title 28	Number of infrastructure monitoring reports
Definition	Consolidated reports on the monitoring of infrastructure projects. The indicator measures whether the department monitors progress with the implementation and expenditure on infrastructure projects.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Consolidated infrastructure monitoring reports
Assumptions	Reported information is accurate
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Quarterly
Desired performance	On-target
Indicator Responsibility	Director: Public Finance

Indicator Title 29	Number of reports on quarterly infrastructure reviews
Definition	The indicator measures that the department monitors progress reported on infrastructure and address issues such as: <ul style="list-style-type: none"> • Monitor progress with spending • Monitor the number of variation orders per project • HR issues relating to level of capacitation of infrastructure units in depts. • Progress with section 42 transfers • Implementation of audit action plans related to previous infrastructure audit issues
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Reports and/ or attendance registers
Assumptions	The data/ reports from departments are accurate
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Quarterly
Desired performance	On-target
Indicator Responsibility	Director: Public Finance

Indicator Title 30	Number of departments assessed for infrastructure performance based incentive grant
Definition	Assessment of Departments of Health and Education to determine whether they qualify for the incentive grants
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Assessment of: Infrastructure Programme Management Plan End of year evaluation report UAMP IRM HR capacitation report
Assumptions	Departments submit timeously and implement recommendations
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	On-target
Indicator Responsibility	Director: Public Finance

Indicator Title 31	Number of UAMP assessment reports
Definition	UAMP assessments are departmental strategic infrastructure planning documents as prescribed by GIAMA guidelines
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Assessment reports, including non-compliance reports/letters
Assumptions	All infrastructure departments submit plans on time
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	On-target
Indicator Responsibility	Director: Public Finance

Indicator Title 32	Number of Custodian Asset Management Plan assessment reports
Definition	The Custodian Asset Management Plan is a provincial strategic infrastructure planning document as prescribed by GIAMA guidelines.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Assessment reports
Assumptions	All relevant departments submit on time
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	On-target
Indicator Responsibility	Director: Public Finance

Indicator Title 33	Number of Infrastructure Progression Model assessment reports
Definition	The Infrastructure Progression Model is a tool used to determine the level of institutionalisation of the IDMS in a department.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Assessment reports
Assumptions	All departments submit on time
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	On-target
Indicator Responsibility	Director: Public Finance

Indicator Title 34	Submission of Annual Financial Statements on PRF in accordance with the PFMA
Definition	Annual Financial Statements on PRF submitted on time to the AGSA in compliance with the Public Finance Management Act section 19.1
Source of data	Administrative records
Method of calculation/assessment	Determine date of submission
Means of verification	AG's acknowledgment of receipt
Assumptions	Information is available on time
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	On-target
Indicator Responsibility	Director: Public Finance

PROGRAMME 3: ASSET AND LIABILITIES MANAGEMENT

Indicator Title 35	Number of SCM assessments reports
Definition	The indicator tracks that the department assesses departments' compliance with the SCM prescripts, practices and systems and provide them with feedback and recommendations in order to improve compliance.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	SCM Assessment Reports issued to accounting officers
Assumptions	Departments submit required information on time
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Quarterly
Desired performance	On-target
Indicator Responsibility	Director: SCM Compliance and Asset Management

Indicator Title 36	Number of procurement plan assessment reports
Definition	Annual procurement plans refer to procurement above R 500 000.00. Provincial Treasury assesses departments' Annual Procurement Plans for compliance and provide feedback to accounting officers.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Feedback/reports on assessment
Assumptions	Departments submit plans on time
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting cycle	Quarterly
Desired performance	On-target
Indicator Responsibility	Director: SCM Compliance and Asset Management

Indicator Title 37	Number of supplier development sessions
Definition	Conduct supplier development programmes to FS based suppliers. Supplier development programmes include e.g. information and work sessions etc.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Attendance registers
Assumptions	Suppliers attend the sessions
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Quarterly
Desired performance	On-target
Indicator Responsibility	Director: SCM Compliance and Asset Management

Indicator Title 38	Number of consolidated reports on 30 days payment of suppliers
Definition	Consolidated reports on 30 days' payment of suppliers refers to number of invoices from suppliers reported as not paid within 30 days by departments and public entities. The indicator tracks the monitoring of compliance to Treasury Regulations 8.2.3 and Instruction Note 34/2012 to settle accounts within required timeframes.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Report on invoices not paid within 30 days
Assumptions	BAS and LOGIS payment reports and monthly reports from departments and entities are available on time
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Quarterly
Desired performance	On-target
Indicator Responsibility	Director: SCM Compliance and Asset Management

Indicator Title 39	Number of assets monitoring reports
Definition	Asset monitoring reports produced on Asset Management practices in the Province. The indicator measures that the department monitors and evaluates internal control systems of departments, trading and public entities with regard to asset management.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Asset Management Monitoring reports
Assumptions	None
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Quarterly
Desired performance	Higher
Indicator Responsibility	Director: Asset Management

Indicator Title 40	Number of reports on asset management KPI
Definition	This indicator measures that the department monitors and evaluates internal control systems of departments with regard to asset registers, monthly asset counts and compliance to asset management key performance indicators.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	KCM reports
Assumptions	Departments submit information required on time
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Quarterly
Desired performance	Higher
Indicator Responsibility	Director: Asset Management

Indicator Title 41	Percentage of 8 working hours that BAS Terminal Servers are available
Definition	Measures the extent to which the BAS terminal servers are available for Free State BAS users to logon to the BAS system during 8 working hours.
Source of data	Administrative records
Method of calculation/assessment	The availability of the BAS terminal server is checked twice a day by logging-on to verify that it is online. Up- and downtime is recorded in a register. These records form the basis from which uptime is calculated. Uptime (x) is calculated by deducting the total no of hours' downtime (y) for a month from the total number of normal working hours in the month (z) and dividing it by the total number of working hours (z) multiply by 100, i.e. $X = (z - y)/z * 100$
Means of verification	Up-time/ down time monitoring register
Assumptions	All down-time will be picked up through the checking
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	Higher
Indicator Responsibility	Director: Supporting and Interlinked Financial Systems

Indicator Title 42	Percentage of requests for technical and functional support responded to within 16 working hours
Definition	The indicator measures the extent to which the department is able to ensure that logged calls are responded to within acceptable timeframes.
Source of data	Administrative records
Method of calculation/assessment	The number of requests/calls responded to within 16 working hours is calculated as a percentage of the total number of calls logged to determine the overall percentage for responses within 16 working hours
Means of verification	I-Request reports (Statistics report/register)
Assumptions	Uninterrupted availability of e-mail and network
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	Higher
Indicator Responsibility	Director: Supporting and Interlinked Financial Systems

Indicator Title 43	Number of capacity building sessions on transversal systems (BAS, PERSAL and LOGIS)
Definition	Capacity building sessions include training, forums and information sessions in order to have competent transversal systems users, minimisation of risks and effective utilization of the system.
Source of data	Administrative records
Method of calculation/assessment	Simple Count
Means of verification	Attendance Registers (In classroom/Microsoft Teams virtual sessions)
Assumptions	Departments send officials to attend capacity building sessions. Stable network is available.
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	Higher Training is demand driven and the actual number of sessions could be influenced by training demands and requests from departments
Indicator Responsibility	Director: Supporting and Interlinked Financial Systems

PROGRAMME 4: FINANCIAL GOVERNANCE

Indicator Title 44	Number of reports on assessment of IFS, draft AFS and work files
Definition	Reports refer to consolidated reports on interim and draft annual financial statements assessments produced to promote quality financial statements. The indicator measures the extent to which the Department complies with its mandate to promote enforcement of section 18(2)(b) of the PFMA and identify capacity/ support required to be addressed to ensure complete and quality financial reporting
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Financial Statement Consolidated Assessment report
Assumptions	Departments will submit financial statements and work files for assessment on time
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Quarterly
Desired performance	On-target
Indicator Responsibility	Director: Accounting Services

Indicator Title 45	Draft consolidated financial statements submitted to AGSA as prescribed by the PFMA
Definition	Compilation of draft consolidated financial statements for the Province in respect of departments and entities and submission to the AGSA in accordance to section 19 (3) and (5) of the PFMA.
Source of data	Administrative records
Method of calculation/assessment	Verification of dates
Means of verification	Proof of submission of draft consolidated financial statements
Assumptions	Departments and entities will submit draft financial statements on time
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	On-target
Indicator Responsibility	Director: Accounting Services

Indicator Title 46	Annual Report of consolidated financial statements submitted to legislature as prescribed by the PFMA
Definition	Compilation of Annual Report of consolidated financial statements for the Province in respect of departments and entities and submission to the legislature in accordance to section 19 (3) and (5) of the PFMA.
Source of data	Administrative records
Method of calculation/assessment	Verification of dates
Means of verification	Proof of submission of Annual Report of Consolidated Financial Statements or written explanation setting out the reasons why Annual Report of Consolidated Financial Statement could not be submitted to legislature
Assumptions	Departments and entities will submit financial statements on time and the Auditor-General concludes audits in time
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	On-target
Indicator Responsibility	Director: Accounting Services

Indicator Title 47	Number of consolidated monthly and quarterly Key Control Matrix assessment reports
Definition	Assessment reports refer to consolidated monthly and quarterly Key Control Matrix (KCM) assessment reports produced regarding departments and entities to promote compliance with legislative requirements. The indicator measures the extent to which the department complies with Provincial Treasury mandate to promote enforcement of relevant legislative requirements and identify capacity /support required to enhance sound financial management, service delivery and improve future audit outcomes.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Consolidated monthly and quarterly KCM reports
Assumptions	Departments and entities submit KCM for assessment
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Quarterly
Desired performance	On-target
Indicator Responsibility	Director: Accounting Services

Indicator Title 48	Number of consolidated assessment reports on Risk Management and Fraud and Ethics Risk
Definition	Consolidated assessment reports refer to reports based on the assessment of compliance by departments and public entities on related prescripts and effective functioning of risk management and Fraud and Ethic risks.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Consolidated Risk Management and Fraud and Ethics Risk Assessments KPI Reports
Assumptions	Departments and entities will submit required information
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Bi-annually
Desired performance	On-target
Indicator Responsibility	Director: Provincial Risk Management and Internal Audit

Indicator Title 49	Number of consolidated assessment reports on Internal Audit activities
Definition	Consolidated assessment reports on Internal Audit Activities refer to reports based on the assessment of compliance by departments and public entities to related prescripts and the effective functioning of internal audit activities.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Consolidated Internal Audit activities Reports
Assumptions	Departments and entities will submit required information
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Annually
Desired performance	On-target
Indicator Responsibility	Director: Provincial Risk Management and Internal Audit

Indicator Title 50	Number of training sessions relating to Risk Management and Internal Audit
Definition	Training refers to formal training and awareness sessions to build capacity for Provincial Departments and Entities. The indicator measures the extent to which the department provides training to increase skills and knowledge of relevant officials to enhance the quality and effectiveness of their performance in the respective areas.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Attendance registers / screenshots and/or recordings of virtual sessions
Assumptions	Departments and entities will nominate officials to attend training/awareness sessions
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Quarterly
Desired performance	On-target Training is demand driven and the actual number of training sessions could be influenced by training demands and nominations from departments and entities
Indicator Responsibility	Director: Provincial Risk Management and Internal Audit

Indicator Title 51	Number of Fraud Awareness Sessions
Definition	Fraud Awareness sessions held to promote fraud alertness in provincial departments, entities, municipalities etc. The indicator tracks the extent to which the department builds capacity on Anti-Fraud management strategies through information sessions / seminars / conferences etc.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Attendance registers / screenshots and/or recordings of virtual sessions
Assumptions	Departments, entities and municipalities will nominate officials to attend
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Quarterly
Desired performance	Higher The target is demand driven and the actual number of sessions could be influenced by requests from departments, entities and municipalities
Indicator Responsibility	Director: Provincial Risk Management and Internal Audit

PROGRAMME 5: MUNICIPAL FINANCE MANAGEMENT

Indicator Title 52	Number of consolidated reports on the assessment of tabled municipal budgets
Definition	Consolidated reports refer to reports on the assessment of the tabled budgets received in compliance with MBRR.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Assessment report
Assumptions	Municipalities will submit budgets for assessment in compliance with legislation and NT circulars and on time
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	On-target
Indicator Responsibility	Director: Municipal Budgets and IYM

Indicator Title 53	Number of Section 71 (7) budget performance reports
Definition	Quarterly consolidated reports on the status of municipalities' budgets in compliance with Section 71(7) of the MFMA
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Quarterly Section 71 reports
Assumptions	Municipalities will submit data strings without errors
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year end
Reporting cycle	Quarterly
Desired performance	On-target
Indicator Responsibility	Director: Municipal Budgets and IYM

Indicator Title 54	Number of municipalities supported on PCM programme
Definition	The Preventative Control Measures (PCM) programme aims to put in place measures that will ensure that municipalities are compliant with selected laws and regulations. The nature of support provided will depend on the circumstances of individual municipalities.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Feedback reports to municipalities
Assumptions	Municipalities will submit necessary information
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	On-target
Indicator Responsibility	Director: Municipal Financial Recovery Services and Reporting

Indicator Title 55	Number of consolidated reports on monitoring of audit action plans
Definition	The indicator tracks the extent to which the Department monitor whether all issues raised by the Auditor General have been addressed and cleared prior to auditing the current financial year.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Reports on the monitoring of audit action plans
Assumptions	Municipalities submit audit action plans
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year end
Reporting cycle	Bi-annually
Desired performance	On-target
Indicator Responsibility	Director: Municipal Accounting and Assets

Indicator Title 56	Number of consolidated reports on submission of AFS to AGSA
Definition	The indicator tracks the monitoring done by Provincial Treasury to assess the readiness of municipalities and provide support where required to submit the AFS to the AG
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Monitoring report
Assumptions	Municipalities will avail the information to allow Provincial Treasury to conduct an audit readiness assessment
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-cumulative
Reporting cycle	Annually
Desired performance	Higher
Indicator Responsibility	Director: Municipal Accounting and Assets

Indicator Title 57	Number of Asset Management forums
Definition	The indicator measures Provincial Treasury's efforts to support all municipalities to improve on compliance with regard to Asset Management.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Attendance Registers
Assumptions	Municipalities will attend forum meetings
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting cycle	Quarterly
Desired performance	On-target
Indicator Responsibility	Director: Municipal Accounting and Assets

Indicator Title 58	Number of municipalities supported on SCM compliance
Definition	The indicator measures Provincial Treasury's efforts to support all municipalities to improve on compliance with regard to SCM. Support depends on the circumstances of municipalities and may include, amongst other, the following: <ul style="list-style-type: none"> • Train municipalities on SCM related matters • SCM Forum meetings • Interns Forum meetings • Assessment of SCM policies
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Attendance Registers / Reports / feedback on the assessment of draft policies
Assumptions	Municipalities will attend training and forum meetings and develop and submit draft policies
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting cycle	Annually
Desired performance	On-target
Indicator Responsibility	Director: Municipal Supply Chain Management

Indicator Title 59	Number of municipalities assessed and supported on Internal Audit and Risk Management
Definition	The indicator tracks the extent to which the Department assessed municipalities' internal audit and risk management in order to improve the functionality and efficiency of internal audit, risk management, audit and risk management committees. Support include the following: <ul style="list-style-type: none"> • Review of compiled risk management and internal audit strategic documents and provide recommendations for implementation. • Awareness sessions to municipal councils, management and other officials on risk and internal audit. • Risk Management and Internal audit forums to inform the activities of the latest developments in the profession. • Audit Committee Chairperson's Forum • Fraud awareness session • Attendance of audit and risk committee meetings in order to provide advice
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Assessment reports / Attendance Registers / invitations/ engagement letters
Assumptions	Municipalities will submit the required information for assessments and attend entry meetings and trainings/ awareness session
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Non-Cumulative
Reporting cycle	Annually
Desired performance	On-target
Indicator Responsibility	Director: Municipal Risk Management and Internal Audit

Indicator Title 60	Number of training sessions on Internal Audit and Risk Management
Definition	The indicator tracks the extent to which the Department provides training to improve the capacity of municipalities on Internal Audit and Risk Management Activities
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Attendance Registers / invitation letters / screenshots and/or recordings of virtual sessions
Assumptions	Municipalities will nominate officials for training
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Bi-annually
Desired performance	On-target
Indicator Responsibility	Director: Municipal Risk Management and Internal Audit

Indicator Title 61	Number of reports on municipal financial recovery plans
Definition	The indicator tracks the extent to which the Department provides support on Municipal Financial Recovery Service to improve governance and financial management in the municipalities
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Reports
Assumptions	Municipalities will submit required information on time
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Bi-annually
Desired performance	On-target
Indicator Responsibility	Director: Municipal Financial Recovery Services and Reporting

Indicator Title 62	Number of reports on revenue management at targeted municipalities
Definition	The indicator seeks to show the extent to which Provincial Treasury monitors targeted municipalities on the extent to which they implement revenue management protocols in order to ensure financial sustainability.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Reports
Assumptions	Targeted municipalities will provide information as required
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Quarterly
Desired performance	On-target
Indicator Responsibility	Director: Municipal Revenue and Debt Management

Indicator Title 63	Number of revenue and debt related IGR engagements
Definition	The indicator tracks efforts made to establish and foster the spirit of cooperative governance between and amongst National, Provincial and Local spheres of Government with particular focus on matters relating to revenue and debt.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Attendance registers and letters of invitation
Assumptions	Affected stakeholders will participate actively on these platforms
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Quarterly
Desired performance	On-target
Indicator Responsibility	Director: Municipal Revenue and Debt Management

Indicator Title 64	Number of revenue and debt related capacity building sessions
Definition	The indicator tracks Provincial Treasury's capacity building endeavours at municipalities. Capacity building refers to trainings, workshops and forums.
Source of data	Administrative records
Method of calculation/assessment	Simple count
Means of verification	Attendance registers and letters of invitation
Assumptions	Relevant municipal officials will attend/participate in capacity building sessions
Disaggregation of Beneficiaries (where applicable)	N/A
Spatial Transformation (where applicable)	N/A
Calculation Type	Cumulative at year-end
Reporting cycle	Quarterly
Desired performance	On-target
Indicator Responsibility	Director: Municipal Revenue and Debt Management

Annexures to the Annual Performance Plan

Annexure A: Amendments to the Strategic Plan

Not applicable

Annexure B: Conditional grants

Not applicable

Annexure C: Consolidated indicators

Not applicable

Annexure D: District Development Model

Not applicable