

PROVINCIAL TREASURY

Strategic Plan

2020 – 2025

KWAZULU-NATAL



treasury

Department

Treasury

PROVINCE OF KWAZULU-NATAL

Executive Authority Statement

In the 25 years of democracy, South Africa (SA) has made remarkable progress in building a new nation in which all citizens have equal rights and broadening opportunities. As outlined by the President, Honourable Cyril Ramaphosa in his state of the nation address in June 2019, the National Development Plan (NDP) remains the government's long-term plan to reduce poverty, unemployment and inequality by 2030.

While delivering the Monetary Policy Committee press statement, in January 2020, the Governor of the South African Reserve Bank (SARB), Lesetja Kganyago, indicated that the global economic indicators have improved somewhat and global inflation remained low. Despite a rebound in local GDP in the second quarter of 2019, GDP contracted in the third quarter, however the fourth quarter is expected to show some positive growth. Recent monthly inflation has been lower than the mid-point of the inflation target range, as owners' equivalent rent, food and services inflation remain subdued.

These growth rates reduce the confidence of both Government and business to create the much needed employment opportunities, particularly for the youth. As indicated by Statistics South Africa (Stats SA), the unemployment rate increased by 0,1 of a percentage point to 29,1% in Q3 of 2019. Statistics released in October 2019, indicates that the expanded unemployment rate, which includes discouraged work seekers, is even higher at 38%. In KZN, the official unemployment rate is 25.1% and the expanded unemployment rate is staggering at 42.4%.

The Honourable Premier of KwaZulu- Natal, Sihle Zikalala, in his 2020 State of the Province address indicated that consequence management systems have been vigorously applied, ensuring that his 2019 pronouncement of underperforming or corrupt officials who hinder service delivery will be dealt with.

The 2020 - 2025 Strategic Plan of the Department ensures that Governments priorities have been institutionalized into the mandate of the Department, guaranteeing an integrated and results driven approach aligned to the targets of the MTSF and PGDP.

The Department will continue to provide hands-on support and undertake comprehensive compliance assessments of departments, municipalities and public entities to help reduce irregular, fruitless and wasteful expenditure, improve supply chain management related processes, build administrative and financial management capacity, all towards the objective of uninterrupted service delivery.

The route for the next five years has been mapped. Let us tackle this together - for the sake of those whom we serve.



Executive Authority of KwaZulu-Natal Finance, Mr RR Pillay

Head of Department Statement

I am pleased to comment on the 2020-2025 strategic plan for KZN Provincial Treasury, which will provide a roadmap, in line with the mandate of the Department, to deal with the triple challenge of unemployment, poverty and inequality.

This strategic plan has been developed to respond to the abovementioned challenges as clearly articulated in the 2019–2024 Medium Term Strategic Framework and the PGDP. KZN Treasury will play a significant role in the achievement of **Priority 1: A capable, ethical and developmental State, and Priority 2: Economic transformation and job creation** of the 2019-2024 MTSF, as well as **Strategic Goal 1: Inclusive Economic Growth and Strategic Goal 6: Governance and policy** of the KZNPGDP. A more focused, results driven approach in line with the targets as contained in the MTSF and PGDP has been proposed in this plan.

We are mindful of the impact of the reduced equitable share for KZN and the recently announced fiscal consolidation plans. Our strategic focus is geared towards the financial viability and sustainability of the Provincial Fiscus, ensuring prudent management of our financial resources and adherence to good governance principles contributing to a capable, ethical and developmental State. The plan further drives the strengthening of financial management capability in the Province ultimately improving audit outcomes and reducing fraud and corruption.

KZN Treasury has already made inroads in the facilitation of infrastructure delivery. This plan will ensure that the momentum is not lost and that contributions are made towards poverty alleviation and job creation through the delivery of public infrastructure utilizing the rigorous institutionalization of the Infrastructure delivery management system (IDMS).

A call has been made by government for procurement reforms that are geared towards broad based black economic empowerment (BBBEE) and support for local suppliers and SMMEs. These efforts are directed towards addressing inequalities. We will contribute towards the development of these reforms and ensure adequate implementation of the same within the Province.

This plan articulates the Institutional Outcomes that contribute to the overall Impact Statement of the Department which is **Credible, Accountable and Ethical Fiscal and Financial Management Practices in the Province of KwaZulu-Natal** and further outlines how we will reach the desired destination by being part of the broader government machinery that is responsive to the needs of our people.

I look forward to the continued dedication and commitment of Treasury officials who are at the centre of service delivery, to successfully effect the imperatives of this plan.



Head of Department of KZN Provincial Treasury
Mr SL Magagula

Official Sign-off

It is hereby certified that this Strategic Plan:

- Was developed by the management of the KwaZulu - Natal Provincial Treasury under the guidance of **Mr RR Pillay, MEC for Finance**
- Takes into account all the relevant policies, legislation and other mandates for which the KwaZulu - Natal Provincial Treasury is responsible
- Accurately reflects the impact and outcomes which the Provincial Treasury will endeavour to achieve over the five-year period 01 April 2020 to 31 March 2025.

Ms Nelisiwe Shezi

Programme Manager: Sustainable Resource Management (P2)

Signature:



Ms Amritha Singh

Programme Manager: Financial Governance (P3)

Signature:



Ms Motlalepula Radebe

Programme Manager: Internal Audit (P4)

Signature:



Mr Farhad Cassimjee

Programme Manager: Municipal Finance Management (P5)

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Mr Thabani Ndlovu

Chief Financial Officer

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Ms Kogie Chetty

Head official responsible for Planning

Signature:



Mr S Moodley

Accounting Officer

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Mr LS Magagula

Head of Department

Signature:



Approved by:



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PART A: OUR MANDATE

1. Constitutional mandate

The existence of KZN Provincial Treasury and its operations are governed by the following constitutional mandate:

The Constitution of the Republic of South Africa, Act No. 108 of 1996	<p>National, provincial and municipal budgets</p> <p>215.</p> <p>(1) National, provincial and municipal budgets and budgetary processes must promote transparency, accountability and the effective financial management of the economy, debt and the public sector.</p> <p>(2) National legislation must prescribe—</p> <p>(a) the form of national, provincial and municipal budgets;</p> <p>(b) when national and provincial budgets must be tabled; and</p>
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(c) that budgets in each sphere of government must show the sources of revenue and the way in which proposed expenditure will comply with national legislation.

(3) Budgets in each sphere of government must contain—

(a) estimates of revenue and expenditure, differentiating between capital and current expenditure;

(b) proposals for financing any anticipated deficit for the period to which they apply; and

(c) an indication of intentions regarding borrowing and other forms of public liability that will increase public debt during the ensuing year.

2. Legislative and policy mandates

The existence of KZN Provincial Treasury and its operations are governed *mainly* by the following legislative mandates:

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

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

18. Functions and powers

(1) A provincial treasury must –

(a) prepare the provincial budget;

(b) exercise control over the implementation of the provincial budget;

(c) promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities; and

(d) ensure that its fiscal policies do not materially and unreasonably prejudice national economic policies.

(2) A provincial treasury—

(a) must issue provincial treasury instructions not inconsistent with this Act;

(b) must enforce this Act and any prescribed national and provincial norms and standards, including any prescribed standards of generally recognized accounting practice and uniform classification systems, in provincial departments;

(c) must comply with the annual Division of Revenue Act and monitor and assess the implementation of that Act in provincial public entities;

(d) must monitor and assess the implementation in provincial public entities of national and provincial norms and standards;

(e) may assist provincial departments and provincial public entities in building their capacity for efficient, effective and transparent financial management;

(f) may investigate any system of financial management and internal control applied by a provincial department or a provincial public entity;

(g) must intervene by taking appropriate steps, which may include the withholding of funds, to address a serious or persistent material breach of this Act by a provincial department or a provincial public entity;

	<ul style="list-style-type: none"> (h) must promptly provide any information required by the National Treasury in terms of this Act; and (i) may do anything further that is necessary to fulfil its responsibilities effectively.
Municipal Finance Management Act, No.56 of 2003	<p>Chapter 2 General functions of National Treasury and Provincial Treasuries, inter alia,</p> <p>3) A provincial treasury must in accordance with a prescribed framework -</p> <ul style="list-style-type: none"> (a) fulfil its responsibilities in terms of this Act; (b) promote the object of this Act as stated in section 2 within the framework of co-operative government set out in Chapter 3 of the Constitution: and (c) assist the National Treasury in enforcing compliance with the measures established in terms of section 216(1) of the Constitution, including those established in terms of this Act. <p>4) To the extent necessary to comply with subsection (3), a provincial treasury-</p> <ul style="list-style-type: none"> (a) must monitor- <ul style="list-style-type: none"> (i) compliance with this Act by municipalities and municipal entities in the province; (ii) the preparation by municipalities in the province of their budgets; (iii) the monthly outcome of those budgets; and (iv) the submission of reports by municipalities in the province as required in terms of this Act; (b) may assist municipalities in the province in the preparation of their budgets; (c) may exercise any powers and must perform any duties delegated to it by the National Treasury in terms of this Act; and (d) may take appropriate steps if a municipality or municipal entity in the province commits a breach of this Act

Further Legislation and policy mandates that KZN Provincial Treasury is responsible for **implementing, managing and overseeing** are contained hereunder: -

Division of Revenue Act, No 10 of 2014	This Act provides for the equitable division of revenue anticipated to be raised nationally among the national, provincial and local spheres of government.
Provincial Appropriation Act, No. 2 of 2009	This Act provides for the appropriation of money from the Provincial Revenue Fund for the requirements of the Province
Broad Based Black Economic Empowerment Act, No. 53 of 2003	This Act provides for the establishment of the legislative framework for the promotion of black economic empowerment.
Preferential Procurement Policy	This Act gives effect to Section 217 (3) of the Constitution by providing a framework for the implementation of the procurement policy. The framework

Framework Act, No 5 of 2000	for the implementation of preferential procurement policy requires all organs of state to have preferential procurement policies and implement them within a prescribed set of criteria that applies a preference point system with emphasis to previously disadvantaged groups.
Provincial Borrowing Powers Act, No. 48 of 1996	This Act provides for norms and conditions in respect of the borrowing powers of Provincial governments and for matters incidental thereto.
Government Immovable Asset Management Act, No. 19 of 2007	The department has a responsibility to implement all applicable sections of this Act in managing its immovable assets or when providing support and advisory services to the provincial departments
Treasury Regulations, 2005 issued in terms of PFMA Act, No. 1 of 1999 (as amended)	To regulate the process of Institutional Planning and budgeting; to set minimum standards of financial and assets and Liability management; clarification of roles; and to regulate accounting and reporting requirements

3. Institutional Policies and Strategies over the five-year planning period (2020-2025)

For the 2020 to 2025, year period, the Department will align its strategies to the priorities of the Institutional policies and plans contained hereunder: -

- ***The National Development Plan (NDP)***

Aligned to the NDP, KZN Provincial Treasury (KZNPT) aspires to consistently assist and support provincial departments, public entities and municipalities to build a capable state to enhance socio-economic opportunities. This will contribute to eliminate poverty and reduce inequality; support the development of expertise, develop efficient systems and effective processes to reduce inefficiencies and enhance adherence to ethics and compliance with legislation; and build a government that is accountable to its people.

- ***The Medium Term Strategic Framework (MTSF) 2019-2024***

In response to the National Priority Outcomes, Provincial Treasury aims to contribute to:

- *Capable, Ethical & Developmental State*
- *Economic transformation and Job creation*

To this end, KZNPT must assist and support provincial departments, public entities and municipalities to improve their financial management practices and financial operating systems.

- ***The Provincial Growth and Development Plan 2019***

The main purpose of the PGDP is to translate the PGDS into an implementation plan which will provide a sound platform for departmental, sectoral and stakeholder annual performance planning and therefore guides resource allocation. *Provincial Treasury contributes to the achievement of Strategic Goal 6: Governance & Policy; Objective 6.2: Build Government Capacity, & Objective 6.3: Eradicate fraud & corruption*

• **SOPA 2020 Priorities**

Provincial Treasury contributes to the achievement of the following Provincial priorities.

- ***Job Creation**
- ***Growing the Economy**
- ***Build a caring and incorruptible government**

A comprehensive illustration of the link and alignment of Provincial Treasury’s planned strategies to the Institutional Plans and priorities of Government will be included in the Situational Analysis contained in Part B of the Plan.

4. Relevant court rulings

No.	CASE NAME	YEAR	PRINCIPLE	COURT
1.	Nelson Mandela Bay Municipality v Afrisec Strategic Solutions (Pty) Ltd	2008	<ul style="list-style-type: none"> • The Court set aside agreements concluded with the preferred bidder on the ground that they exceeded the scope of the bid invitation and specifications advertised • <u>Principle:</u> It is not fair to advertise one set of specs and then agree on another with the preferred bidder 	Eastern Cape High Court
2.	Metro Projects CC and Another v Klerksdorp Local Municipality and Other	(2004)	<ul style="list-style-type: none"> • Supreme Court of Appeal confirms that tender must be evaluated on the specs advertised • <u>Principle:</u> No supplementation of bids should be allowed after the closing date 	Supreme Court of Appeals
3.	Rainbow Civils CC v Minister of Transport and Public Works	(2013)	<ul style="list-style-type: none"> • Court set aside award on the basis that the adjudication criteria was vague in the bid document • <u>Principle:</u> The bid spec must be clear and the adjudication criteria must be consistent with the spec to prevent a large discrepancy in scores 	Western Cape High Court
4.	Actaris South Africa (Pty) Ltd v Sol Plaatjie Municipality	(2008)	<ul style="list-style-type: none"> • Court found the requirement that, as far possible, the BEC be comprised of officials from the requesting department was peremptory, or compulsory • This case confirms that in-house experts MUST sit on the BEC 	Northern Cape High Court

5.	Searle v Road Accident Fund	(2014)	<ul style="list-style-type: none"> An award is invalid if the validity period of the bid was not extended <u>Principle</u>: in order to ensure the validity of a bid, the municipality must ensure that the validity period is extended by the successful bidder This prevents the so-called technical appeal 	Eastern Cape High Court, Port Elizabeth
6.	Rodpual Construction CC v Ethekwini Municipality	(2014)	<ul style="list-style-type: none"> BEE Certificates must be provided before the close of the BID <u>Principle</u>: This must apply to all information that is required to be submitted by close of Bid - a failure makes the process unfair on other bidders. 	KwaZulu-Natal High Court, Durban
7.	KwaDukuza Municipality v Skilful 1169 CC	2017	<ul style="list-style-type: none"> Confirm the approach taken by KZN Provincial Treasury in Regulation 32 Circular The contract specification being used must be the same and cannot be altered; the contract must still be valid and current; proper bid processes must have been followed. 	KwaZulu-Natal High Court
8.	SITA v Gijima Holdings	2016	<ul style="list-style-type: none"> Promotion of Administrative Justice Act 3 of 2000 (PAJA) : applicability to organ of state seeking to set aside its own decision : legality review not available when PAJA applies. 	Supreme Court of Appeal
9.	City of Tshwane v Nambiti Technologies	2015	<ul style="list-style-type: none"> Tender – cancellation thereof – terms of tender authorizing its withdrawal – cancellation not administrative action cancellation set aside by High Court as unfair and municipality ordered to adjudicate tender no grounds for holding cancellation unfair – relief granted by High Court impinging on municipality's powers and obligations in regard to procurement such impermissible as infringing the doctrine of the separation of powers 	Supreme Court of Appeal
10.	Tetra Mobile Radio (Pty) Ltd. v Member of the Executive Council of the Department of Works and Others	2007	<ul style="list-style-type: none"> In an appeal, the aggrieved party is entitled to all the documentation that was before the Committee deciding the bid. If confidentiality is raised, then the legal representatives of the aggrieved party is entitled to view these documents 	Supreme Court of Appeals
11.	Allpay Consolidated Investment Holdings (Pty) Ltd and Others v Chief Executive Officer of	2014	<ul style="list-style-type: none"> Remedy – unlawful tender – just and equitable remedy – tender set aside – new tender ordered – existing contract to remain in place until final decision on whether to award new tender 	Constitutional Court

	the South African Social Security Agency and Others			
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PART B: OUR STRATEGIC FOCUS

5. Vision

Be the centre of excellence in financial and fiscal management in the country.

6. Mission

We, the KZN Provincial Treasury, seek to enhance the KwaZulu-Natal Provincial Government service delivery by responding to the expectations of all stakeholders in the value chain as a key driver **through**: -

- Optimum and transparent allocation of financial resources whilst enhancing revenue generation and financial management practices in compliance with applicable legislation and corporate governance principles;
- Our competent and dedicated employees who are at the centre of ensuring best value to our stakeholders.

7. Values

The core values of the department are as follows;

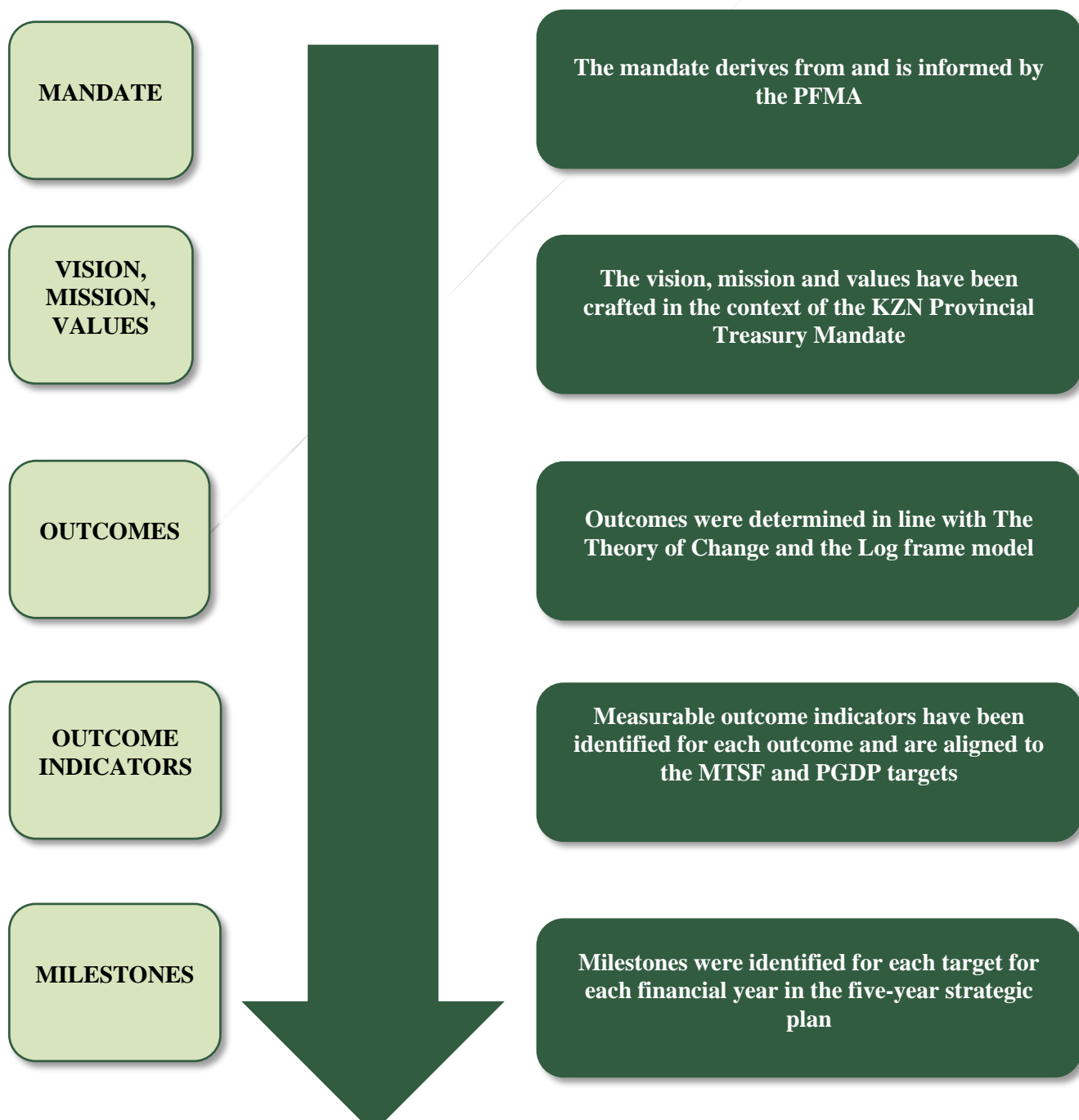
- Responsibility
- Efficiency
- Service Excellence
- Financial Discipline
- Professionalism
- Integrity
- Respect

- Loyalty

8. Situational Analysis

In the development of the strategic plan, the Provincial Treasury ensured that there is alignment with all the key planning processes that had to be followed. The diagram below outlines the roadmap followed to ensure strategic alignment of all processes in consultation with all relevant stakeholders at programme and organizational level.

The strategic design phase of the plan is depicted schematically below:



During the Strategic Planning process, Provincial Treasury conducted a situational analysis using an Integrated and Interactive Planning process consisting of the following steps:

- Problem Identification: internal and external variable analysis
- Systems Description and SWOT/PESTEL analysis
- The problem and solution trees analysis

The table below outlines the consultative process and engagement with key program officials and stakeholders who participated in the strategic planning:

DATE	STRATEGIC FOCUS AREA	OUTCOMES
04 July 2019	<p>Part A: Our Mandate</p> <ul style="list-style-type: none"> ▪ Constitutional Mandate ▪ Legislative & Policy mandates ▪ Institutional Policies & Strategies over the 5 year planning period <p>Relevant Court rulings</p> <p>Part B: Our Strategic Focus</p> <ul style="list-style-type: none"> ▪ Vision ▪ Mission ▪ Values 	<p>MEC for Finance and EXCO members - Thorough review of the mandate to identify the strategic focus over the next 5 years</p> <p>The vision, mission and values of the Department were adopted and current and future strategies linking to the medium and long-term policy environment of Government were unpacked.</p>
08 Aug 2019 - 16 Aug 2019	<p>Part B: Our Strategic Focus</p> <ul style="list-style-type: none"> ▪ Situational Analysis <p>External Environmental Analysis Internal Environment Analysis</p>	<p>Mini strategic sessions were held at Program levels. SWOT and PESTEL analysis were undertaken. A full analysis of the current situation (successes & challenges) was undertaken informing the strategic focus for the next five years.</p> <p>Planning section analyzed Program SWOT to compile Departmental external and internal environment analysis.</p>
19 Aug 2019 - 23 Aug 2019		
02 Sep 2019 – 27 Sep 2019	<p>Part C: Measuring Our Performance</p> <ul style="list-style-type: none"> ▪ Institutional Performance Information <p>Part D: Technical Indicator Descriptions (TID)</p>	<p>Further Strategic working sessions were held with all Programs to align Departmental mandates to Institutional policies and key Government priorities.</p> <p>SWOT & PESTEL Program information was analyzed to identify strategic risks and develop strategies to mitigate such. Aligning budget allocations performance monitoring, and evaluation in line with:</p>

		<ul style="list-style-type: none"> ▪ Theory of Change, and ▪ Log frame <p>As tools for planning, implementation, monitoring and evaluation of programs, a Log frame provides a structure of the impact, outcomes, outputs, activities and inputs as the full results chain and highlights the logical linkages between them. Outcome indicators & baselines were identified.</p>
15 Nov 2019	MANCO Strategic Planning Session	<p>Theory of Change for the Department and the outcome of the Log Frame exercises discussed.</p> <p>The Impact Statement for KZNPT and all Outcomes as well as Outcome Indicators and Targets adopted.</p> <p>MEC for Finance and Head of Department concurred with the next 5 year planned strategy for the Department and agreed that the same was well aligned to key Government priorities and that KZNPT were in a position to contribute to the achievement of Government priorities over the 2020-2025 planning period. Departments planned deliverables ensuring synergy between programs and effective control and monitoring of outcomes were developed and streamlined in line with SOPA and KZN Cabinet Resolutions.</p>

The Department's strategic goals derived from its legislative mandate are: -

Goal 1: To promote sound financial management practices and fiscal management to achieve good governance.

Goal 2: To ensure targeted financial resource allocation and promote utilization that contributes to improved service delivery.

Goal 3: To promote sound processes, controls and improved capabilities in departments, municipalities and public entities in order to reduce unauthorized, irregular, fruitless and wasteful expenditure thereby improving audit outcomes.

Goal 4: To facilitate and monitor infrastructure delivery in the province thereby contributing towards inclusive economic growth.

Aligned to the goals above, the Department's strategic focus over the next 5 year planning period, *in line with key Government priorities* are: -

Planned Strategies	Link to Institutional Policies and Plans
1. Promote good governance by performing Audit and Risk Advisory services at provincial departments and municipalities.	MTSF Priority 1: Capable, Ethical & Developmental State; <u>Outcome:</u> Functional, efficient and integrated government; <u>Intervention:</u> Improve financial management capability in the public sector.
2. Conduct Forensic investigations in provincial departments in line with dealing with fraud and corruption.	MTSF Priority 1: Capable, Ethical & Developmental State; <u>Outcome:</u> Functional, efficient and integrated government; <u>Intervention:</u> Programme to prevent and fight corruption in government. PGDP Strategic Goal 6: Governance & Policy; <u>Strategic Objective 6.3:</u> Eradicate fraud & corruption; <u>Intervention:</u> Expedite the conclusion of all forensic and disciplinary cases relating to fraud and corruption & ensure effective recovery of monies defrauded.
3. Provide support to municipalities through financial management support programs.	MTSF Priority 1: Capable, Ethical & Developmental State; <u>Outcome:</u> Functional, efficient and integrated government; <u>Intervention:</u> Improve financial management capability in the public sector. March 2020 SOPA – Make local government work better – The report on state of local government in KZN.
4. Providing audit readiness support to provincial departments, public entities and municipalities with	MTSF Priority 1: Capable, Ethical & Developmental State; <u>Outcome:</u> Functional, efficient and integrated government; <u>Intervention:</u> Improve financial management capability in the public sector; <u>and</u>

<p>the objective of improving audit outcomes in the Province.</p>	<p>Measures taken to eliminate wasteful; fruitless and irregular expenditure in the public service PGDP Strategic Goal 6: Governance & Policy; <u>Strategic Objective 6.2:</u> Build Government Capacity; <u>Intervention:</u> Operation clean audit March 2020 SOPA: – Enhance audit outcomes in the Province – develop audit improvement strategy.</p>
<p>5. Conduct Supply chain management compliance assessments, policy and contract management support services to provincial departments, municipalities and public entities</p>	<p>MTSF Priority 1: Capable, Ethical & Developmental State; <u>Outcome:</u> Functional, efficient and integrated government; <u>Intervention:</u> Improve financial management capability in the public sector. MTSF Priority 2: Economic Transformation & Job Creation; <u>Outcome:</u> Increased economic participation, ownership & access to resources & opportunities by women, youth and persons with disabilities; <u>Intervention:</u> Expand government spend on women, youth and PWDs through preferential procurement. March 2020 SOPA – Provincial policy on set-asides for specific commodities ensuring the sustainability of awarded contracts and increase participation, of blacks, women and youth in the identified commodities/sectors.</p>
<p>6. Provide infrastructure support to the sector departments through Infrastructure Delivery Management System (IDMS)</p>	<p>MTSF Priority 2: Economic Transformation & Job Creation; <u>Outcome:</u> Improve the quality and quantum of investment to support growth and job creation; <u>Intervention:</u> Improve the quality & rate of infrastructure investment. PGDP Strategic Goal 6: Governance & Policy; <u>Strategic Objective 6.2:</u> Build Government Capacity; <u>Intervention:</u> Develop alternative funding and partnership models for development, prioritising catalytic projects/infrastructure development. March 2020 SOPA – Establishment of job creation war rooms involving the infrastructure development cluster.</p>
<p>7. Ensure financial viability of the province</p>	<p>MTSF Priority 1: Capable, Ethical & Developmental State; <u>Outcome:</u> Functional, efficient and integrated government; <u>Intervention:</u> Improve financial management capability in the public sector. March 2020 SOPA – Make local government work better – The report on state of local government in KZN</p>

8.1 External Environment Analysis

8.1.1 Population dynamics (Social)

(a) Analysis

According to the 2019 mid-year population statistics released by Statistics SA, 19.2 per cent of the South African population called KwaZulu-Natal their home. This translates to approximately 11.3 million people, thus making KwaZulu-Natal the second most populous province in the country. Its share of the national total population, however, has seen a decline from 21.4 per cent to 19.2 per cent over the period 2011 to 2019. In absolute terms, the growth rate in the population of KZN between 2011 and 2019 was 5.2 per cent. Further trends indicate that in 2019 the bulk of the population in KwaZulu-Natal were youth between the ages of 15 to 34 years. South Africa, as with the Province, is extremely diverse, comprising of a wide variety of cultures, languages and religious beliefs. Social trends indicate a large increase in urbanisation because of migration of the rural population to urban areas. There is also a disparity in terms of economic viability, wealth and illiteracy levels between the rural and urban population.

(b) Implications & Challenges

The population dynamics is of paramount importance in addressing developmental needs in society. As the population grows, there is increased pressure for government to provide social services. Furthermore, the fact that the bulk of the population are of the youth age group exacerbates the provinces challenges of job creation to eradicate unemployment and poverty. In addition, there is a need to increase production and employment for the growing population in order to stabilize the gross domestic product (GDP) per capita. In the case of our province, we have been experiencing a decline in the population ratio due to migration to other provinces for employment opportunities. This has already resulted in a decrease of the percentage of the equitable share of national allocation to this Province.

(c) Recommended interventions

The Department will continue supporting initiatives that will create opportunities for the participation of previously disadvantaged individuals (PDIs) in the economy, with the objective of providing funding instruments, and creating an enabling environment for government procurement to enhance opportunities for PDIs through the implementation of the revised PPPFA Regulations. The Department will support Operation Vula, as part of implementing radical economic transformation. Through this program, the provincial government have identified commodities that are regularly procured by government to be sourced from small, medium and micro enterprises (SMMEs) and co-operatives. These efforts and interventions are geared towards ensuring that our economic transformation results in job creation – which will ultimately position KZN as a significant contributor towards the national target of 2 million jobs created by 2030. “Operation pay on time”, implemented by Provincial Treasury within the Province will continue as a program that has significantly improved the payment of supplier invoices with the stipulated 30 days. This intervention seeks to ensure that

businesses that provide goods and services to government do not experience cash flow challenges due to late payments.

Youth economic participation is of critical importance to the province to ensure radical economic transformation. Provincial Treasury has been instrumental in mobilizing additional funds from the private sector to complement the youth business fund. ABSA, has successfully partnered with the province with an allocation of R70 million in loans to complement the youth business fund. Furthermore, through a successful memorandum of understanding with ABSA and Government, ABSA has provided an additional R500 million in loans to all entrepreneurs with government contracts. Provincial Treasury will continue with this initiative in an attempt to collaborate with other financial institutions, with an aim of substantially increasing the youth business fund. A strong collaboration between KZN Treasury, Office of the Premier, Economic Development, Tourism & Environmental Affairs (EDTEA) and Private sector financial institutions is crucial to ensure the success of these initiatives.

8.1.2 Economic performance

(a) Analysis

The South African economy remains subdued and our GDP fell by 3.2% in the first quarter of 2019. Statistics South Africa (Stats SA) reported that manufacturing, mining and trade were the biggest contributors to the fall. It was the sharpest quarterly decline since Q1 2009, mainly reflecting the effects of Eskom's power cuts on manufacturing and mining. The agricultural sector contracted by 13.2% quarter on quarter. The global economy is facing strong headwinds, and emerging economies will be affected. Global Trade Wars and heightened tension are contributing to restrained growth. Recently, the world bank projected global economic growth to weaken to 2.6% in 2019. *"The recent spread of the corona virus is threatening the long expected rebound in global trade"* was the Premier's opening statement in dealing with global economic development in the March 2020 SOPA. Growth remains constrained by sluggish investment and reduced appetite for risk taking. In KwaZulu-Natal, the economic performance was even lower at a negative growth of 3.5% over the same period. One of the reasons for the uninspiring economic performance has been load shedding early this year, and continued uncertainty in the supply of electricity by Eskom, the state-owned power supply utility.

(b) Implications & Challenges

Clearly, this moderate economic performance has detrimental effects on tax revenue collection by government. Real GDP growth in 2019 is expected to reach 1.5 per cent, improving moderately to 2.1 per cent in 2021, (NT 2019 Budget Review). These growth rates are,

however, below the targeted 5 per cent required to achieve job creation as outlined in both the National Development Plan (NDP) and the Provincial Growth and Development Plan (PGDP). This, therefore signals a steeper trajectory ahead in terms of addressing poverty, unemployment, inequality and other socio-economic challenges facing the province. A further challenge within the Province is the contingent liability which currently amounts to approximately 23.3 billion, which places further strain on the Provinces budget.

(c) Recommended interventions

Gradual improvements in business and consumer confidence, and more effective public infrastructure spending, will be partially offset by slower global growth. While there has been progress on economic reforms, more effective implementation is needed. Government's efforts to stabilize state-owned companies – including the reconfiguration of Eskom, and infrastructure reforms are expected to support faster growth and investment in the years ahead. Provincial Treasury will continue to create a spatially based allocative framework for a balance between basic service delivery and growth of provincial economy, with the objectives of stimulating economic growth and employment creation through funding of strategic investment initiatives, and funding social needs in line with national norms and standards. Finally, the co-ordination and enhancement of revenue collection and the cash blocking system will continue to receive maximum attention by the Provincial Treasury of KZN, promoting sound cash management and thereby improving financial liquidity. Provincial Treasury's involvement in Financial Governance interventions at various Departments will continue as a medium term plan and these will result in future savings because of prudent financial management practices that could assist with the Provinces contingent liabilities. All sectors of Government, including state owned entities need to collaborate and cooperate in ensuring the fiscal sustainability of the province.

8.1.3 Poverty, unemployment and inequality

(a) Analysis

Despite both the political stability and moderate economic outlook of the Country, the challenges of poverty, unemployment and income inequality are still prevalent. Officially, South Africa has 6.2 million unemployed people between the ages of 15 and 64. The expanded unemployment rate, which includes discouraged work seekers, is even higher at 38%. KZN's unemployment rate is 25.1% and the expanded unemployment rate is 42.4%. This means that a little less than half of the provincial populace has no access to income. The latest information, however, from Stats SA that is somewhat encouraging, indicates that employment increased by 0.8% year-on-year between March 2018 and March 2019.

In 2015, 30.4 million of South Africa's 55 million citizens lived in poverty, or below the upper bound poverty line of R992 per person per month. One in three South Africans lived on less than R797 per month, with more women affected than men, and children and the elderly

hardest hit, while racial inequalities continue to define poverty as largely a black African problem. For one in seven South Africans (13.4%) this meant extreme food poverty, or survival on R441 or less per person per month. Effectively, this is a return to the poverty levels of 2007. A decade ago, 13.7% of South Africans were extremely vulnerable to hunger, although at the time this marked significant progress as the number of those living in extreme poverty had been halved in just five years from 29.3% in 2002. Progress since then has stalled significantly (Stats SA poverty report, 2017).

(b) Implications & Challenges

As pointed out by Statistics South Africa (Stats SA, 2015b), the poverty line establishes a minimum socially acceptable standard for a predetermined welfare indicator to separate the poor from the non-poor. Currently, three poverty lines are being used; the food poverty line (FPL)¹, upper bound poverty line (UBPL)² and lower bound poverty line (LBPL)³. The majority of people living in poverty in KZN were living below the UBPL in 2013 (54.2 per cent), 42 per cent was living below the LBPL and 29.5 per cent was living below the FPL. The fact that poverty is on a downward trend, particularly the proportion of households living below the FPL, is indicative of the effective implementation of the social grant programme within the province.

Since 2013, there has been no improvement in the Gini coefficient⁴ in South Africa. The index remained at 0.63 in 2015. The World Bank Report (March 2018) described South Africa as the most unequal country on earth. The report indicated that high wealth inequality and low intergenerational mobility inherited from historical inequality practices saw the disparities being passed down from generation to generation, with signs showing that the situation was worsening. While the report stressed that education and skills were the main avenue to address the inequalities - as many poor South Africans were unemployable and unskilled - it stressed that wealth inequality was much higher than income inequality.

(c) Recommended interventions

It is within this backdrop that the national government's long-term economic prospects are thus highly dependent on the successful implementation of the reforms pronounced in the MTSF and the National NDP. These include among others, large public-sector infrastructure

¹The FPL is the Rand value below which individuals are unable to purchase or consume enough food to supply them with minimum per-capita-per-day energy requirement for good health (which is about 2 100 kilocalories).

² Individuals at the LBPL do not have command over enough resources to consume or purchase both adequate food and non-food items and are therefore forced to sacrifice food to obtain essential non-food items.

³ Individuals at the UBPL purchase both adequate food and non-food items.

⁴The gini coefficient measures the extent to which the distribution of income or consumption expenditure among individuals or households within an economy deviates from a perfectly equal distribution (www.worldbank.org).

investments in electricity and transport; expanded partnerships to encourage private-sector investment; special economic zones to boost exports; programmes to encourage more dynamic, integrated cities; and initiatives to improve the quality of education and skills development. Provincial Treasury plays a pivotal role on the KZN Provincial Infrastructure Coordination Workgroup, which is tasked to develop the KZN Provincial Infrastructure Master Plan (IMP). The objective of the IMP is to ensure that strategic infrastructure is developed to support the successful implementation of the PGDP. The IMP aligns directly with one of Provincial Treasury's Strategic Goal, which is *to monitor and facilitate infrastructure delivery in the province*. A further strategy of Provincial Treasury is to ensure the initialization of the Infrastructure Delivery Management System into all Provincial Departments thereby contributing towards inclusive economic growth. The rigorous implementation of the PPPFA Regulations will certainly contribute towards ensuring elimination of poverty. These initiatives require strong partnership and collaborative efforts between KZN Treasury and KZN Department of Public Works who are the implementing agents in respect of infrastructure delivery. Public private partnerships, will serve as alternate funding methods for infrastructure delivery and this initiative will require collaboration and partnerships with the private sector.

8.1.4 Governance, Integrity and Financial Management

(a) Analysis

The 2018-2019 audit outcomes in KwaZulu-Natal pertaining to departments and public entities remained unchanged with three auditees improving and three regressing. There are now five clean audits as opposed to three in the previous year. At R11,4 billion, the irregular expenditure of the province is the highest of all the provinces and more than that of national government – this despite the AGSA's ongoing recommendations to leadership to take steps to avoid the abuse of supply chain management legislation. The 2017/2018 auditor-general's report on municipal audit outcomes released on 26 June 2019, indicated that even a revamped administration could do nothing to improve matters in KwaZulu-Natal. 14 municipalities regressed, while only five recorded improvements in their financial standing and only one metro registered a clean audit. The Honourable Premier, Mr Zikalala, indicated in his address to the province in June 2019, that the report by the auditor-general (AG) depicts a terrible state of local government that is in decline, and where public officials are simply not implementing advice. Of particular concern were the high levels of consumer debt reported as well as irregular, fruitless and wasteful expenditure.

South Africa ranked 73rd out of 180 countries that participated in a Transparency International (TI) survey - which ranks participating countries according to their perceived levels of corruption in the public sector. TI's Corruption Perceptions Index 2018, which gave South Africa a score of 43 - the same score earned in 2017 - was shared by Corruption Watch. The index is considered to be the leading global indicator of public sector corruption, which uses a

scale of zero to 100, where zero is highly corrupt and 100 is very clean. South Africa remains in the group of countries that scored below 50.

(b) *Implications & Challenges*

The Auditor-General, Mr Kimi Makwetu, called on government leaders to take urgent action to halt the trend of disappointing audit results, restore accountability and prevent mismanagement of public funds during the release of his 2018-19 general report for national and provincial government and their entities. Mr Makwetu indicated that political leaders, accounting officers and authorities, as well as oversight structures “must take immediate action to restore government’s accountability to the people of South Africa. This could be done by acting on the outcomes of the recent audits, dealing effectively with material irregularities that have been identified, and implementing preventative controls to turn the tide of undesirable stewardship over public funds”.

(c) *Recommended interventions*

Provincial Treasury, as the oversight department on sound financial management practices in the province will develop a rigorous audit improvement strategy ensuring improved audit outcomes over the next five year planning period in line with the MTSF 2019-2024 audit improvement targets. The strategy will also focus on programs to assist with the reduction of irregular, wasteful and unauthorized expenditure. Provincial Treasuries have now been appointed by National Treasury as the condonation authority to deal with provincial irregular expenditure. This will ensure a more structured, and effective manner in addressing this huge concern in the province. Furthermore, in partnership with the Office of the Premier, the newly established Provincial Audit Readiness Oversight Committee, chaired by the Director-General of the Province will coordinate and monitor all audit improvement initiatives, and report regularly to the Executive of the Province.

In addressing the scourge of fraud and corruption in the public service, the Honourable Premier, indicated that practical measures to uproot all forms of fraud and corruption, such as tender rigging, price-fixing, fronting, nepotism, bribery and abuse of all state institutions for personal gain, will be implemented, and rigorously monitored. KZN Provincial Treasury’s Internal Audit Unit will play a crucial role in promptly and effectively investigating issues of fraud and corruption, and in doing so, will serve as an enabler to the criminal justice system to prosecute and duly recover state monies. The Unit, through its transversal risk management and assurance services, will undertake regular risk assessments and follow up audits, ensuring the implementation of audit and risk recommendations, which will ultimately strengthen the control environments, thereby reducing the prevalence of corrupt activities within institutions.

All sectors of Government, need to collaborate and cooperate in ensuring good governance and integrity within the province.

8.2 Internal Environment Analysis

8.2.1 *Organisational environment*

(a) *The approved organizational structure of the Department*

The structure of the Department consists of the Executive Authority who is the political head of the department assisted by the Head of Department who is the administrative head. Provincial Treasury as a department consists of five functional programmes.

Programme 1 - Administration

Programme 1 is responsible for providing support services to the core programmes within the department. The sub-programmes under this programme are office of the MEC, management services, financial management and corporate services.

Programme 2 – Sustainable Resource Management

This programme is responsible for providing budgeting and reporting functions related to provincial departments and public entities, in terms of the PFMA. Analysis of the economy of the province, as well as infrastructure management are performed within this programme. The sub-programmes under this programme are infrastructure management & economic services and public finance.

Programme 3 - Financial Governance

This programme is responsible for providing financial management support to provincial departments, municipalities and public entities. The sub-programmes under this programme are asset and liabilities management, supporting and interlinked financial systems, supply chain management, public private partnerships, and accounting practices (financial reporting & norms and standards).

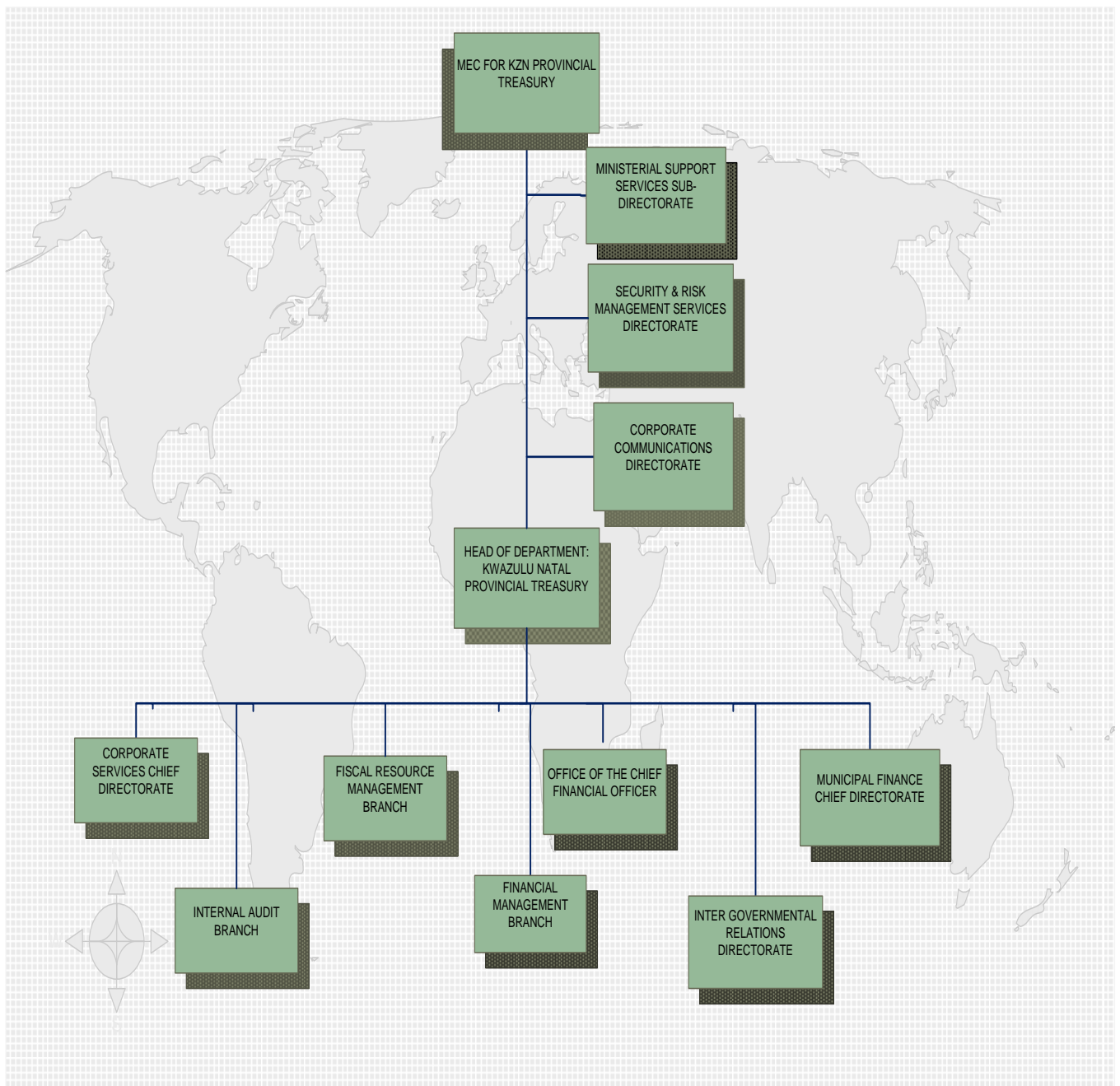
Programme 4 - Internal Audit

This programme is responsible for providing shared internal audit, risk management and forensic investigation services to provincial departments, and some of the public entities. The sub-programmes under this programme are assurance services, risk management and forensic services.

Programme 5 – Municipal Finance Management

This programme was established in the 2018/19 financial year due to structural alignment to that of other Provincial Treasuries. This programme will be responsible for municipalities' budget, accounting and reporting, revenue and debt management as well as the municipal support programme. The municipal revenue and debt management sub-programme will be phased in during the 2020/21 financial year.

The diagram below depicts the high-level structure of the Provincial Treasury and reflects the structural components that report directly to the Head of Department.



(b) The Departments enabling resources

The Department has an approved organizational structure of 444 posts. The current approved structure of the Department is under review in an attempt to align the same to the generic structure developed for Treasuries by the DPSA and National Treasury. Since the current approved structure does not fully support the effective delivery of the Departments mandate, there has been a need to employ a further 75 contract employees (all appointments have been

duly authorized via the Premier of the Province). The employment of additional staff is an interim capacity intervention until the structural amendments are finalized and approved.

The Department has a total number of 67 posts that are vacant indicating a current vacancy rate of 15.31%. This is above the preferred vacancy rate of 10%, however, all 67 posts are funded and approximately 52 posts have recruitment processes at various stages in place, to ensure that the Department is adequately resourced to successfully deliver the mandate of Provincial Treasury. Furthermore, the nature of the projects and support programs facilitated and managed by Provincial Treasury necessitates outsourcing. To this end, budget allocations to each program adequately compensate for the use of consultants by Programs 3, 4 and 5, which also assists with capacitating the Department to successfully achieve its objectives.

The table below, indicates the budget allocation to Vote 6 (Provincial Treasury) per program level

Table 6.6 : Summary of payments and estimates by programme: Provincial Treasury

R thousand	Audited Outcome			Main Appropriation	Adjusted Appropriation	Revised Estimate	Medium-term Estimates		
	2016/17	2017/18	2018/19	2019/20			2020/21	2021/22	2022/23
1. Administration	159 101	162 962	234 049	220 209	241 112	223 772	215 771	222 191	245 835
2. Sustainable Resource Management	43 866	39 099	38 344	47 641	44 641	44 078	49 984	52 732	55 263
3. Financial Governance	207 210	199 954	194 227	223 541	207 441	205 297	219 783	230 203	236 453
4. Internal Audit	132 745	133 643	130 111	166 345	174 595	167 354	156 495	163 365	168 835
5. Municipal Finance Management	53 193	53 218	59 439	63 893	59 865	59 120	76 730	80 946	78 893
Total	596 115	588 876	656 170	721 629	727 654	699 621	718 763	749 437	785 279

Note: Programme 1 includes MEC remuneration: Salary R1 977,795 million

The Information Technology Management Unit is adequately resourced in terms of human resources, technological infrastructure, software support services and disaster recovery capabilities. This in turn provides Provincial Treasury with continuous access to critical data to enable the Organization to make informed decisions and deliver effectively on its mandate. With the 4IR IT innovation expectations, the Department will require significant IT solutions to ensure Business effectiveness and efficiency.

(c) Internal Institutional factors that negatively impacts the Department

- **National Coordination of Treasury posts from levels 10 and 12, to levels 9 and 11**
Posts within Treasury that were previously filled at levels 10 and 12, have all been downgraded to levels 9 and 11, due to the National coordination process of all CORE Treasury posts embarked upon by the DPSA and National Treasury. This creates huge challenges in talent attraction and retention. Scarce skilled areas like Forensic

investigation, Economic Analysis and Budget Coordinators are facing challenges in recruiting and attracting suitable candidates for such posts due to the lowered levels.

- **Delays in finalizing the approval of the revised Organizational structure**

The current approved Organizational structure has gaps in the sense that it does not cater for critical areas of Monitoring and Evaluation, Risk and Integrity Management, Strategic Institutional Performance and additional CORE capacity to allow the Department to successfully deliver mandates relating to Revenue and Debt management within local government; Transversal contract Management; and Provincial and Municipal bid appeals tribunals. As an interim, all of these functions are performed either by contract staff or as additional responsibilities by existing staff, which is not sustainable and is not yielding the delivery results the Department would ideally intend to achieve. The structural amendments commenced in 2016 and due to budget constraints has only recently been submitted to the Minister of Public Service and Administration for concurrence.

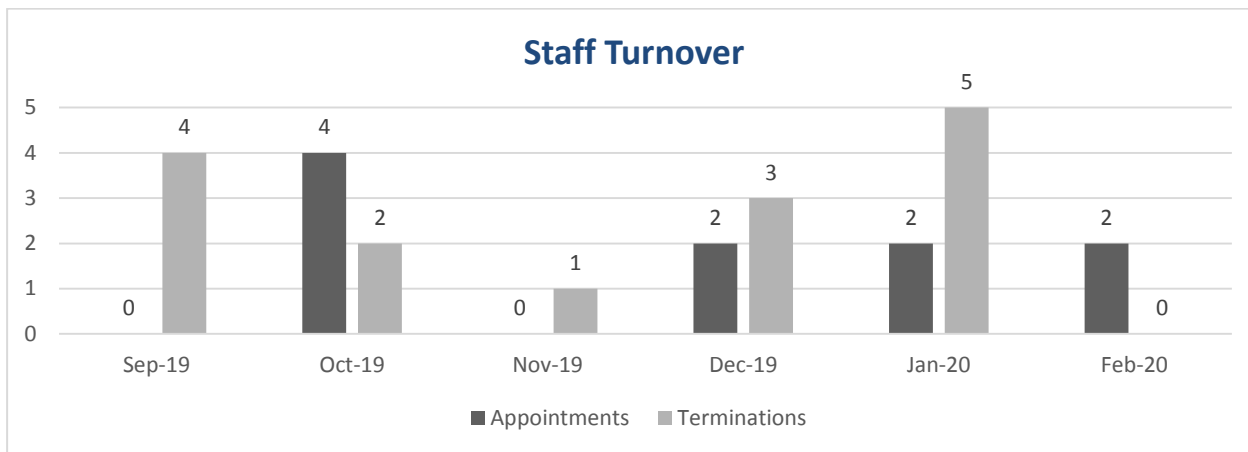
- **The possible decentralization of Program 4 – Shared Internal Audit services**

At a Provincial Executive Committee level, considerations regarding the current centralized shared services placement of the Internal Audit function are under way. Alternate options of either a fully decentralized Internal Audit versus a hybrid option is being considered. The uncertainty of the placement of this function is negatively impacting the program in that most capacity constraints can only be resolved by employing contract staff which impacts on attracting the correct skills since most skilled individuals are already within the employed populous and contract positions are not a lucrative option for such individuals.

- **High turnover of staff**

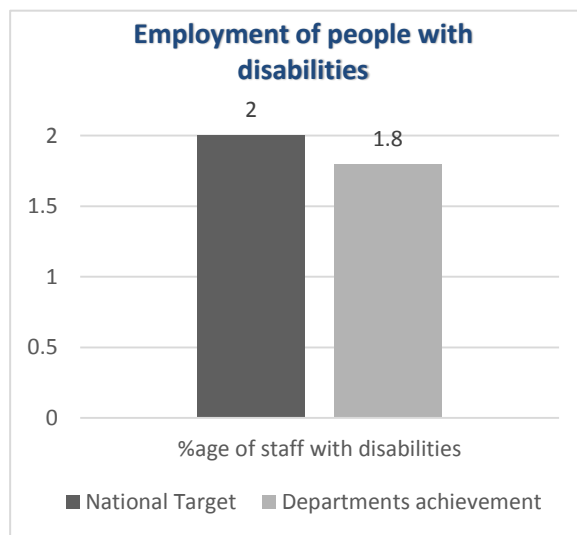
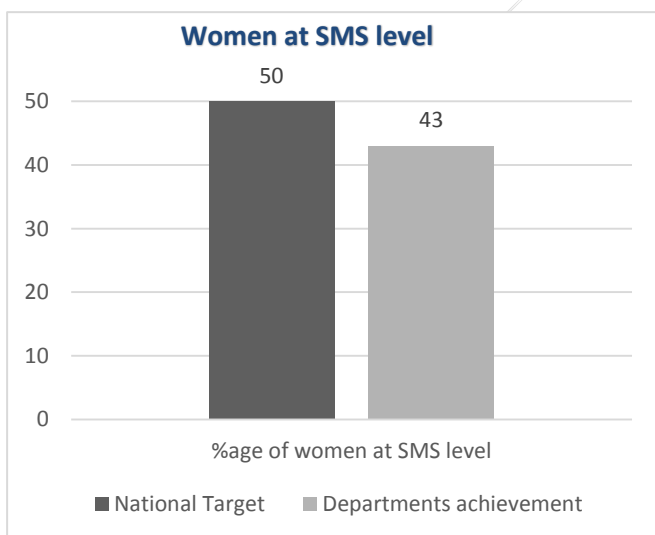
Despite the rigorous recruitment processes in place within the Department, the vacancy rate is constantly above the preferred 10% due to the high turnover of staff especially in Units like Internal Audit and Supply Chain Management.

The graph below reflects the appointments and terminations for the period Sep 2019 – Feb 2020



(d) Transformation profile of the Department

The Department is committed to meeting the National Employment Equity targets of 50% women at SMS, 2% people with disabilities and 75% Black. The Department has expressed its commitment by ensuring that only females and people with disabilities form part of the target group for all SMS posts and that an annual disability audit is conducted throughout the Department. The Head of Department has incorporated the 8-principled plan of action towards ensuring women empowerment and the institutionalization of the same into his performance agreement, and is assessed against this program’s deliverables on an annual basis. The Department as at 28 February 2020 employed 43% women at SMS; 1.80% people with disabilities and 79% Blacks. Approximately 60% of the total staff compliment constitutes the youth age group (18 to 34).



(e) Status of the Department in terms of BBBEE Compliance

The 2018/2019 verification conducted by Inkomba Verification Agency rated the Broad Based BEE Status of the Department as **Non-Compliant**. It is worth noting that the procurement of Professional Service Providers is the highest procurement-spending item in the

Department. Thus, for the Department to change the non-compliant status its procurement spend must reflect the empowerment of business enterprises that are owned by the designated groups, namely, **B-BBEE level 1: EME or QSE** as promulgated in the PPPFA Regulations of 2017. The Department has implemented strategies that will ensure effective participation and allocation of work to Professional Service Providers with B-BBEE rating of EME or QSE, going forward. Considering, however, that existing professional service contracts do extend well over a period of more than one year, senior management closely monitors improvements in this area and there has been notable progress thus far. Rigorous continuous improvement processes have been put in place that will ensure effective participation by designated groups in the procurement system of the Department. The Department is, therefore, confident and committed to changing the non-compliance status.

(f) Audit performance of the Department

KZN Provincial Treasury obtained its 10th consecutive “*clean audit*”, in the 2018/2019 financial year. The Department, as the oversight body of the provinces’ fiscus, prides itself in setting an example that is aligned to its vision of being *the centre of excellence in financial and fiscal management in the country*. A further strength is the departments skilled, highly qualified, professional, and ethical human capital with a strong control environment that drives issues of good governance within the organization.

Notwithstanding the audit outcome, the department is cognisant of the R1.2 million irregular expenditure in the 2018/2019 financial year, which was fully investigated in order to implement appropriate action and measures to ensure the non-recurrence of the same. The irregular expenditure was as a result of the manner in which the previous executive authority sourced legal expertise for advisory purposes. This has been rectified by ensuring that all outsourcing required at an executive level is routed through the accounting officer to ensure full compliance with supply chain management processes.

PART C: MEASURING OUR PERFORMANCE

9. Institutional Performance Information

KZN Provincial Treasury contributes to the 2019-2024 Medium Term Strategic Framework priorities of ***A capable ethical and developmental State*** and ***Economic transformation and job creation***. The South African Government wants to place the economy on the qualitative path that eliminates poverty, creates jobs and sustains livelihoods as well as sustainably

reduce inequality. A further thrust in ensuring effective governance, financial sustainability and improvement in financial capability is paramount. Provincial Treasury is at the helm to realise these goals.

The Department identified key strategic challenges of:

- Fraud and Corruption
- Poor audit outcomes
- Lack of sustainable radical economic transformation in the Province
- Unsustainable Infrastructure delivery, and
- Fiscal sustainability in the midst of a reduced equitable share;

A Problem and Solution tree and in-depth log frame design for each of the identified challenges was developed. This, ultimately lead to the identification of the key focus areas through an identified pathway of change, which will become KZN Provincial Treasury's Strategic Outcomes over the 2020 to 2025, five-year planning period.

9.1 Measuring the Impact

Impact statement of KZN Provincial Treasury	Credible, Accountable and Ethical Fiscal and Financial Management Practices in the Province of KwaZulu-Natal
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9.2 Measuring Outcomes

9.2.1

Outcome	Outcome Indicator	Baseline	Five year target
Improved Audit Outcomes	Number of Institutions with unqualified audit outcomes	Depts = 09 Pub. Ent. = 18 Munic. = 30	Depts = 15 Pub. Ent. = 18 Munic. = 49

Annual targets	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Number of Institutions with unqualified audit outcomes	Depts = 10 P. Ent = 18 Munic = 30	Depts = 11 P. Ent = 18 Munic = 32	Depts = 13 P. Ent = 18 Munic = 37	Depts = 14 P. Ent = 18 Munic = 43	Depts = 15 P. Ent = 18 Munic = 49

								P. Ent = 18
								Munic =
								49

Planned Performance over the Five Year Planning Period

The problem and solution tree analysis conducted for the challenge of poor audit ratings indicated poor financial management capability and lack of accountability as the root causes of poor audit outcomes. The Department’s planned delivery in line with the developed logic model for this challenge will therefore provide hands-on financial management support and undertake comprehensive compliance assessments of departments, municipalities and public entities to help reduce irregular, fruitless and wasteful expenditure, improve supply chain management related processes, build administrative and financial management capacity, as well as provide continued assurance on all legislative compliance, all towards the objective of uninterrupted service delivery, and improved audit outcomes.

The identified outcome of **Improved audit outcomes** in the Province contributes to the **MTSF (2019-2024) Priority 1: Capable, Ethical & Developmental State**; **Outcome:** Functional, efficient and integrated government; **Intervention:** Improve financial management capability in the public sector; **and Measures** taken to eliminate wasteful; fruitless and irregular expenditure in the public service. This outcome also contributes to the **PGDP Strategic Goal 6: Governance & Policy**; **Strategic Objective 6.2: Build Government Capacity**; **Intervention:** Operation clean audit; and further aims to resolve the Provinces concerns raised around the area of enhancing audit outcomes as is contained in page 38 of the **June 2019 SOPA**. Furthermore, Treasury’s mandate is to ensure efficient and effective use of financial resources, promote accountability, reduce risks and ensure clean audit outcomes.

The indicator of number of Institutions with unqualified audit outcomes at departmental, municipal and public entity level will be used to track improvement of audit outcomes in the Province, over the next five-year period. Annual audit performance of Institutions will improve if the planned support initiatives to departments, municipalities and public entities are provided effectively by Treasury and if the political and administrative officials display awareness, commitment and discipline thus ensuring long term sustainability of the expected improvements introduced by Treasury. Targets set, are in line with the MTSF and PGDP targets.

The enablers required to achieve the five-year targets are adequate resources, stakeholder commitment and cooperation, transfer of skills strategy in Institutions, ethical and accountable Institutional Heads, improved oversight on governance matters, legislative compliance, adequately skilled and highly efficient work force that is readily available.

Improved audit outcomes within the Province ultimately indicates that the financials of an Institution are credible, executive levels of management are accountable and that ethical financial management practices are evident, thereby contributing to the achievement of the Institution’s overall impact.

Key Risks which may affect the achievement of the Outcome

Outcome	Key Risk	Risk Mitigation
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Improved outcomes	Audit	Reluctance and non-cooperation to implement support and improvement strategies by Institutions.	<ul style="list-style-type: none"> Actively strengthen stakeholder engagements to illustrate value add of assistance provided. Non-compliance reporting at Committee of heads of department (CoHOD) and
		Threats and intimidation of staff as well as protest action at Municipal level that impacts the delivery of planned support interventions	<ul style="list-style-type: none"> Non-compliance reporting at CoHOD and Executive Council levels.
		Duplication of support programs to Municipalities by sister Department due to lack of understanding of MOU for Provincial Treasury and Cooperative Governance and Traditional Affairs (CoGTA).	<ul style="list-style-type: none"> Clear guidance regarding the roles and responsibilities of KZNPT and CoGTA requires Executive Council intervention. Fast track the appointment of a joint steering committee as per MOU for Provincial Treasury and CoGTA.
		Lack of consequence management within Institutions to deal with issues of noncompliance.	<ul style="list-style-type: none"> Non-compliance reporting at CoHOD and Executive Council levels.

9.2.2

Outcome	Outcome Indicator	Baseline	Five year target
Enhanced Fiscal sustainability of the Province	Number of Municipalities with a funded budget	35	49
	% of Provincial Budget Spent	98.7%	99.2%

Annual targets	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Number of Municipalities with a funded budget	35	36	37	43	49

% of Provincial Budget Spent	98.8%	98.9%	99.0%	99.1%	99.2%
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Planned Performance over the Five Year Planning Period

The reduction of the KZN equitable share allocation as well as lack of prudent budget management, in terms of the problem tree analysis, were identified as the root causes of the current Provincial Fiscus threat. Therefore, the department (in line with the logic model developed for this challenge) has to be more innovative by identifying further sources of provincial own revenue and enhancing the existing revenue collection strategies in order to augment this challenge. Despite the significant current and future budget cuts, the province has to remain focussed on implementing its cost-cutting measures, which now also includes controlling the public wage bill, ensuring that as much funding as possible goes towards rendering services to our people. The KZNPT's cash blocking system will be intensified to ensure adequate cash management by the departments, as they are not able to disburse payments to suppliers unless they have the funds available in their cashbook. Despite the subdued economic challenges, facing the country the Department will continue to ensure financial governance and risk analysis in respect of the banking and tax functions in the Province, and rigorously monitor and evaluate municipal budget performance. This is achieved through supporting municipalities throughout the budget cycle by evaluating the draft budget and engaging with municipalities to assist in implementing recommendations that can assist them in adopting a funded budget. Performance is monitored and evaluated through *In-Year Monitoring* contributing towards the enhanced fiscal sustainability of the Province.

The identified outcome of ***Enhanced fiscal sustainability of the Province*** contributes to the ***MTSF (2019-2024) Priority 1: Capable, Ethical & Developmental State***; ***Outcome***: Functional, efficient and integrated government; ***Intervention***: Improve financial management capability in the public sector, and aims to further resolve the Provinces concerns raised around the area of Improving accountability in Municipal governance as is contained in page 38 of the ***June 2019 SOPA***. Furthermore, Treasury's mandate is to ensure efficient and effective use of financial resources, promote accountability, reduce risks and ensure financial resource utilization that contributes to improved service delivery.

The budget monitoring processes within provincial departments and municipalities differ, hence the use of two indicators. The indicators will be utilized to track fiscal sustainability, over the next five-year period by evaluating budgets to support municipalities in adopting budgets that are fully funded to deliver their mandate, and as well as monitoring provincial spending. Quarterly budget monitoring will ensure the timely identification of fiscal threats and risks making it possible to mitigate these prior to financial year-end, thereby enhancing fiscal sustainability.

The enablers required to achieve the five-year targets are stakeholder commitment and cooperation, ethical and accountable institutional heads, improved oversight on governance matters as well as strong legislative compliance.

Enhanced fiscal sustainability within the Province is indicative of accountability at the Executive levels of Management in Institutions as well as a strong compliance to legislation, thereby contributing to the achievement of the Organization's impact of *Credible, accountable and ethical fiscal and financial management practices in the Province of KwaZulu-Natal*.

Key Risks which may affect the achievement of the Outcome

Outcome	Key Risk	Risk Mitigation
Enhanced fiscal sustainability of the Province	Contingent liabilities; and unfunded mandates.	<ul style="list-style-type: none"> Budgeting for a contingency reserve Targeted revenue enhancement strategies to increase provincial own revenue. Non-compliance reporting at Executive Council and CoHOD levels.
	Reduced Provincial equitable share and anticipated future budget cuts	<ul style="list-style-type: none"> Enhance compliance monitoring of cost containment measures. Targeted revenue enhancement strategies to increase provincial own revenue.
	Reluctance to cooperate and comply; and lack of consequence management within Institutions to deal with issues of non-compliance.	<ul style="list-style-type: none"> Non-compliance reporting at Executive Council and CoHOD levels. Actively strengthen stakeholder engagements to illustrate value of compliance. Foster strong collaboration with Department of Cooperative Governance to ensure compliance at Municipal level.

9.2.3

Outcome	Outcome Indicator	Baseline	Five year target
Improve Governance, Risk & Control processes thereby reducing fraud & corruption	Number of findings relating to control processes.	3458	1250 (64% improvement or reduction)

Annual targets	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Number of findings relating to Control processes.	3200	2850	2400	1850	1250

Planned Performance over the Five Year Planning Period

The problem and solution tree analysis conducted for the challenge of fraud and corruption in the Province identified a poor control environment as the root cause of this serious issue. In

line with the logic model developed for this challenge, the Department needs to focus on the rigorous improvement of governance, risk and control through effective risk assessments, risk reviews, follow-up audits relating to poor control environment findings, and the in-depth interrogation of existing controls during the forensic investigation process. The Department will further continue providing effective facilitation, development and monitoring of risk management and fraud prevention strategies in the areas of strategy development; project management; information technology; financial management & reporting throughout the Province. There will also be active efforts towards the timely finalization of forensic investigations, coupled with criminal prosecutions and ultimate recovery of state monies.

The identified outcome of **Improve Governance, Risk and Control processes thereby reducing fraud and corruption** contributes to the **MTSF Priority 1: Capable, Ethical & Developmental State**; **Outcome:** Functional, efficient and integrated government; **Intervention:** Improve financial management capability in the public sector; **and** Programme to prevent and fight corruption in government, and contributes further to the **PGDP Strategic Goal 6: Governance & Policy**; **Strategic Objective 6.3:** Eradicate fraud & corruption; **Intervention:** Expedite the conclusion of all forensic and disciplinary cases relating to fraud and corruption & ensure effective recovery of monies defrauded.

The indicator of reduced findings relating to control processes will talk directly to the effective risk, assurance and forensic strategies that the Department will embark on. If these are effective, control environments will be strengthened, and risk and audit findings around these control environments will gradually reduce. A strengthened control environment will ultimately over a medium term period, begin contributing towards reducing fraud and corruption. Targets set are in line with the MTSF and PGDP targets

The enablers required to achieve the five-year targets are stakeholder commitment and cooperation; ethical and accountable Institutional Heads; and strong legislative compliance.

Improved governance, risk and control processes which will ultimately contribute towards the reduction of corruption is indicative of accountability, strong corporate values and ethics, and thereby strongly contributes to the Departments impact of *Credible, accountable and ethical fiscal and financial management practices in the Province of KwaZulu-Natal.*

Key Risks which may affect the achievement of the Outcome

Outcome	Key Risk	Risk Mitigation
Improve Governance, Risk & Control processes thereby reducing fraud & corruption	Reluctance and non-cooperation to implement proposed actions to mitigate audit, forensic and risk findings.	<ul style="list-style-type: none"> • Actively strengthen stakeholder engagements to illustrate value of compliance. • Non-compliance reporting at Executive Council and CoHOD levels.
	Lack of consequence management within Institutions to deal with issues of noncompliance.	<ul style="list-style-type: none"> • Non-compliance reporting at Executive Council and CoHOD levels • Foster strong collaboration with OTP Integrity Management Unit to strengthen Provincial

9.2.4

Outcome	Outcome Indicator	Baseline	Five year target
Improved participation of targeted groups in the economy of the Province	Percentage of bids advertised in terms of PPPFA Regulations	NIL (new indicator)	80% of all bids advertised in terms of PPPFA Regulations

	2020/2	2021/2	2022/2	2023/2	2024/2
Annual targets	021	022	023	024	025
Percentage of bids advertised in terms of PPPFA Regulations	40%	50%	60%	70%	80%

Planned Performance over the Five Year Planning Period

The problem and solution tree analysis conducted for the challenge of lack of radical economic transformation in the supply chain space of the Province reflected reluctance to transform and the lack of monitoring mechanisms ensuring compliance as the root causes for this challenge. In line with the developed logic model, the Department needs to strengthen its transversal oversight, support and advisory roles within the Province to ensure compliance with the PPPFA Regulations. Furthermore, the Department will continue with its initiatives that will create opportunities for the participation of previously disadvantaged individuals (PDIs) in the economy, with the objectives of providing funding instruments, and creating an enabling environment for government procurement to enhance opportunities for PDIs. The Department will strengthen legislative and reporting support to *Operation Vula*, as part of implementing Radical Economic Transformation. Through the *Operation Vula* program, the provincial government have identified commodities, regularly procured by government and are targeting small, medium and micro enterprises (SMMEs) and cooperatives in respect of such commodities. These efforts and interventions gear towards ensuring that our economic transformation contributes to resolving an even larger challenge, of poverty and unemployment.

The identified outcome of ***Improved participation of targeted groups in the economy of the Province***, contributes to the ***MTSF Priority 2: Economic Transformation & Job Creation***; **Outcome**: Increased economic participation, ownership & access to resources & opportunities by women, youth and persons with disabilities; **Intervention**: Expand government spend on women, youth and PWDs through preferential procurement, and aims to further resolve the Province's concerns raised around the area sustainability of awarded contracts and increase participation of blacks, women and youth in the identified commodities/sectors as is contained in page 11 of the ***June 2019 SOPA***.

The indicator of percentage of bids advertised in terms of PPPFA Regulations, is an identified mechanism to ensure economic transformation. Procurement Plans of Provincial Departments will indicate the number of bids that will be advertised on an annual basis. Enforcing the inclusion of targeted groups into advertised bids, ensures that contracts will be awarded to specified target groups thereby improving participation of targeted groups in the economy and further ensures increased government spend on local firms. Targets set are in line with the MTSF targets

The enablers required to achieve the five-year targets are stakeholder commitment and cooperation; ethical and accountable Institutional Heads; and strong legislative compliance.

Improved participation of targeted groups in the economy of the Province is indicative of accountability, and thereby contributes to the Departments impact of *Credible, accountable and ethical fiscal and financial management practices in the Province of KwaZulu-Natal*.

Key Risks which may affect the achievement of the Outcome

Outcome	Key Risk	Risk Mitigation
Improved participation of targeted groups in the economy of the Province	Reluctance and non-cooperation to adhere to PPPFA regulations.	<ul style="list-style-type: none"> Actively strengthen stakeholder engagements to illustrate value of compliance. Non-compliance reporting at Executive Council and CoHOD levels.
	Lack of consequence management within Institutions to deal with issues of non-compliance.	<ul style="list-style-type: none"> Non-compliance reporting at Executive Council and CoHOD levels. Foster strong collaboration with EDTEA to strengthen Provincial compliance.

9.2.5

Outcome	Outcome Indicator	Baseline	Five year target
Improved and sustainable Infrastructure delivery which contributes to Inclusive economic growth	Number of Provincial Departments institutionalizing IDMS	2	6

Annual targets	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Number of Provincial Departments Institutionalizing IDMS	2	3	4	5	6

Infrastructure is a critical area of investment that supports structural transformation, growth and job creation. As announced in the February 2019 SONA, Government has set aside R100 billion to seed the Infrastructure Fund. The problem tree analysis undertaken for this challenge reflected poor infrastructure planning from the initial feasibility study phase as a root cause for unsustainable infrastructure delivery in the Province. In line with the developed logic model for this challenge Provincial Treasury will continue assisting and providing specialist technical support to the Province, through the application of the principles and guidelines of the Infrastructure Delivery Management System (IDMS), including creating implementation awareness with the primary aim of improving infrastructure delivery and optimal utilization of assets to realise value for money. At a strategic level, the Department will continue developing alternate infrastructure funding and partnership models for development and pursue increased

infrastructure investment opportunities, thereby creating a gateway for employment opportunities within the Province.

The identified outcome of **Improved and sustainable Infrastructure delivery**, contributes to the **MTSF Priority 2: Economic Transformation & Job Creation**; **Outcome**: Improve the quality and quantum of investment to support growth and job creation; **Intervention**: Improve the quality & rate of infrastructure investment and to **PGDP Strategic Goal 6: Governance & Policy**; **Strategic Objective 6.2: Build Government Capacity**; **Intervention**: Develop alternative funding and partnership models for development, prioritising catalytic projects/infrastructure development.

The indicator of number of departments institutionalizing IDMS, is indicative of the fact that by institutionalizing IDMs, optimisation of infrastructure assets will be ensured and value for money will be improved This is prudent in the midst of funding deficiencies and to further ensure that infrastructure delivery is sustainable, thereby contributing towards job creation, in the long term.

The enablers required to achieve the five-year targets are stakeholder commitment and cooperation; ethical and accountable financial and project management; and political interest that supports economic growth.

Improved and sustainable infrastructure delivery is indicative of credible and accountable Infrastructure delivery and project management practices, which contributes to the Departments impact of *Credible, accountable and ethical fiscal and financial management practices in the Province of KwaZulu-Natal.*

Key Risks which may affect the achievement of the Outcome

Outcome	Key Risk	Risk Mitigation
Improved and sustainable Infrastructure delivery which contributes to inclusive economic growth	Reluctance and non-cooperation to adhere to IDMS principles and guidelines.	<ul style="list-style-type: none"> Actively strengthen stakeholder engagements to illustrate value of compliance. Non-compliance reporting at Executive Council and CoHOD levels.
	Lack of consequence management within Institutions to deal with issues of non-compliance.	<ul style="list-style-type: none"> Non-compliance reporting at Executive Council and CoHOD levels. Foster strong collaboration with Department of Public Works to strengthen Provincial compliance.
	Lack of technical skills in departments to institutionalize IDMS.	<ul style="list-style-type: none"> Encourage departments to fund students through state aided bursaries to obtain relevant tertiary qualifications in this field. Continuous training and support

10. Public Entities

Name of Public Entity	Mandate	Outcomes	Current Annual Budget
None that report to the Department	n/a	n/a	n/a

Part D: Technical Indicator Description (TID)

Indicator Title	Number of Institutions with unqualified audit outcomes
Definition	<ul style="list-style-type: none"> The number of Provincial Departments, Municipalities and Public Entities with an unqualified audit outcome. Unqualified audit outcome (with or without findings) indicate that the financials of an Organization meet with the required standards.
Source of data	<ul style="list-style-type: none"> Reports of the Auditor-General, Internal Audit and information obtained through departments and municipalities.
Method of Calculation/ Assessment	<ul style="list-style-type: none"> A count of the number of institutions with unqualified audit opinions as reflected in the AGSA report.
Assumptions	<ul style="list-style-type: none"> Financial Management Support programs or initiatives add value to Institutions, close identified gaps and ensure full audit readiness. Full cooperation of stakeholders in implementing outcomes of support initiatives. Institutions that currently have unqualified audit outcomes maintain their current status with no regression.
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> Not applicable
Spatial Transformation	<ul style="list-style-type: none"> Not applicable
Reporting Cycle	<ul style="list-style-type: none"> Annual progress against the five-year target
Desired performance	<ul style="list-style-type: none"> The desired outcome is for the Province to achieve unqualified audit outcomes with no findings in all departments, municipalities and

	public entities.
Indicator Responsibility	<ul style="list-style-type: none"> The heads of the Treasury units responsible for Accounting Services, Supply Chain Management, Municipal Finance Management and Assurance Services.

Indicator Title	Number of Municipalities with a funded budget
Definition	<ul style="list-style-type: none"> The number of delegated KZN municipalities that have adopted funded budgets. Municipalities are required in terms of the MFMA to table and adopt a budget that is credible, relevant and sustainable to ensure that all financial commitments are met.
Source of data	<ul style="list-style-type: none"> Tabled and Adopted budgets with required supporting documentation submitted by delegated municipalities in terms of the MFMA and MBRR.
Method of Calculation/ Assessment	<ul style="list-style-type: none"> Number of municipalities that have adopted a funded budget for the relevant financial year. (quantitative) An improved number of municipalities with funded budgets is an indication that there has been an improvement in the budget cycle process of municipalities and that they consider the recommendations made by Municipal Finance Management. (qualitative)
Assumptions	<ul style="list-style-type: none"> The budget evaluations conducted by the Department is dependent on delegated municipalities submitting the complete and accurate budget documentation within the required timeline. Municipalities need to implement the recommendations made by the Department. Municipalities that currently have funded budgets maintain their current funding position and do not regress to unfunded budgets.
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> Not applicable
Spatial Transformation	<ul style="list-style-type: none"> Not applicable
Reporting Cycle	<ul style="list-style-type: none"> Annual progress against the five-year target
Desired performance	<ul style="list-style-type: none"> The desired outcome is that all delegated KZN Municipalities would have adopted funded budgets
Indicator Responsibility	<ul style="list-style-type: none"> The Head of Treasury Unit responsible for the monitoring and evaluation of delegated KZN Municipality budgets

Indicator Title	Percentage of Provincial Budget spent
Definition	<ul style="list-style-type: none"> This indicator measures the percentage of the provincial budget spent within a financial year. The ideal scenario is to not over or under spend by more than 2%
Source of data	<ul style="list-style-type: none"> The source data is from the provincial In-Year Monitoring (IYM)

	reporting tool.
Method of Calculation/ Assessment	<ul style="list-style-type: none"> This is calculated by taking the Actual amount spent by the province (numerator) and dividing it by the Adjusted Budget for the province (denominator) and calculating this as a percentage.
Assumptions	<ul style="list-style-type: none"> Credible budget information submitted by Departments Compliant Departments do not regress to a state of noncompliance
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> Not applicable
Spatial Transformation	<ul style="list-style-type: none"> Not applicable
Reporting Cycle	<ul style="list-style-type: none"> Annual progress against the five-year target This target is measured annually at the end of a financial year
Desired performance	<ul style="list-style-type: none"> The desired performance would be 100% provincial budget spend (2% deviation (under/over) is acceptable)
Indicator Responsibility	<ul style="list-style-type: none"> The Head of Treasury Unit responsible for the allocation, monitoring and evaluation of provincial budgets

Indicator Title	Number of findings relating to control processes
Definition	<ul style="list-style-type: none"> The current collective findings emanating from compliance audits, risk assessments and forensic investigations that reflect weaknesses in control environments to be reduced over the 5-year period.
Source of data	<ul style="list-style-type: none"> Findings emanating from compliance audits, risk assessments and forensic investigations relating to control environment weaknesses.
Method of Calculation/ Assessment	<ul style="list-style-type: none"> Actual count of findings relating to control environment weaknesses contained on finalized compliance audits, risk assessments and forensic investigation reports. (quantitative)
Assumptions	<ul style="list-style-type: none"> Full cooperation of stakeholders in implementing actions to eliminate control deficiencies identified in previous year processes, throughout the planning period. Transversal oversight in the areas of strategic management, HR, and IT are effectively performed by the responsible bodies/departments in the Province.
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> Not applicable
Spatial Transformation	<ul style="list-style-type: none"> Not applicable
Reporting Cycle	<ul style="list-style-type: none"> Annual progress against the five year target
Desired performance	<ul style="list-style-type: none"> Provincial Institutions with no findings that relate to control environment deficiencies.
Indicator Responsibility	<ul style="list-style-type: none"> Head of Treasury Units responsible for Assurance, Risk and Forensic Services in the Province

Indicator Title	Percentage of bids advertised in terms of the PPPFA Regulations
Definition	<ul style="list-style-type: none"> Departments develop Procurement Plans on an annual basis which translate into advertised tenders/bids relating to projects. These bids will be monitored to ensure that they are advertised as per the PPPFA regulations inclusive of targets as per the targeted groups. If the bid specification includes target per targeted group, this will ensure that contracts are in fact awarded to the stipulated target groups.

Source of data	<ul style="list-style-type: none"> Advertised bids from Provincial Departments and Public Entities
Method of Calculation/ Assessment	<ul style="list-style-type: none"> The percentage will be calculated based on the number of bids advertised in terms of the PPPFA Regulations, meaning inclusive of targets for targeted groups, (numerator), against the total number of contracts advertised as per the approved Procurement Plans of Institutions (denominator) (quantitative). Consolidated for the province.
Assumptions	<ul style="list-style-type: none"> Factors that are accepted as true and certain to happen without proof
Disaggregation of Beneficiaries	<ul style="list-style-type: none"> Target for Women: 30% Target for Youth: 30% Target for People with Disabilities: 30%
Spatial Transformation	<ul style="list-style-type: none"> KZN in line with 30% spend on local firms only
Reporting Cycle	<ul style="list-style-type: none"> Annual progress against the five year target
Desired performance	<ul style="list-style-type: none"> 100% of bids from the approved procurement plans to be advertised inclusive of targets as per the PPPFA Regulations.
Indicator Responsibility	<ul style="list-style-type: none"> Head of Treasury Unit responsible for transversal SCM (Contract Management)
Indicator Title	Number of Provincial Departments institutionalizing IDMS
Definition	<p>Departments adopt the guidance provided by Treasury through the KZN Infrastructure Delivery Management Protocol document that includes monitoring, capacitating and reviewing of applicable departments to improve the quality of infrastructure asset management plan submissions, implementation and reporting thereof. Where:</p> <ul style="list-style-type: none"> Institutionalising means: – <i>establishing good infrastructure management processes through capacitation and training.</i> Infrastructure Delivery Management System (IDMS) means: – <i>The Government endorsed management system that guides, directs, and enables infrastructure delivery in the Public Sector.</i>
Source of data	<ul style="list-style-type: none"> Departments Infrastructure Asset Management Plans. IRM reports. End of Year Evaluation reports.
Method of Calculation/ Assessment	<ul style="list-style-type: none"> Plans submitted by departments assessed in accordance with the Framework for Infrastructure delivery and procurement management requirements (qualitative). The number of Departments that comply indicate that IDMS has been institutionalized (quantitative).
Assumptions	<ul style="list-style-type: none"> Protocol Document approved by the relevant HODs and endorsed by the KZN Executive. Departments submit plans and reports timeously. Skills within institutions to institutionalize IDMS are being developed.
Disaggregation of Beneficiaries (where applicable)	<ul style="list-style-type: none"> Not applicable
Spatial Transformation (where applicable)	<ul style="list-style-type: none"> Not applicable
Reporting Cycle	<ul style="list-style-type: none"> Annual progress against the five-year target.

Desired performance	<ul style="list-style-type: none"> All Departments in the Province with IDMS institutionalized.
Indicator Responsibility	<ul style="list-style-type: none"> Head of Infrastructure Management and Economic Analysis.

ANNEXURES TO THE STRATEGIC PLAN

ANNEXURE A: DISTRICT DELIVERY MODEL

Area of Intervention (Below examples)	Five Year Planning Period		
	Project Description and Budget Allocation	District Municipality and Specific Location / GPS Coordinates	Responsibility/ Project Leader and Project / Social Partners
Water			
Sanitation	Not applicable to KZN	Provincial Treasury	
Roads			
Storm Water			
Electricity			

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