

**KWAZULU-NATAL
PROVINCIAL TREASURY**



ANNUAL PERFORMANCE PLAN 2016/17

Introduction by the MEC for Finance

During the State of the Nation address, the President mentioned that the IMF and the World Bank predict that the South African Economy will grow by less than one percent this year. The lower economic growth outcomes and outlook suggest that the revenue collection will be lower than previously expected.

Coupled with this, in the 2013 MTEF, KwaZulu-Natal province suffered a reduction in the equitable share allocation due to the 2011 Census data updates. Even as we plan for the year ahead, the financial challenges caused by slow growing economy are upon us.

There is, however, one thing that has not changed and that is the KZN Treasury's mandate. As informed by chapter 3, section 216 of the Constitution of the Republic of South Africa of 1996, read with Chapter 2 of the Public Finance Management Act of 1999, our job is to ensure sound financial and fiscal management for the Provincial Government.

In line with this, KZN Treasury has no option but to remain steadfast and continue to promote a stricter spending culture by ourselves and other government departments. We need to ensure that sound financial management is not compromised and we can ensure this through good governance practices.

The general monitoring of spending culture of departments, public entities and municipalities will remain a huge part of our operational focus.

The cost-cutting measures that were first implemented in 2009/10 will continue to characterise our financial management in the public sector.

In the same vein, enforcing compliance and ensuring best practice in Supply Chain Management processes at different levels of government in KwaZulu-Natal remains a priority. It is important to emphasise that in 2012, we introduced Contract Management, Municipal Bid Appeals Tribunal and Operation Clean Audit programmes which were very successful. Along with this, we piloted the eProcurement system, a new system that will help us to ensure better management of budgets by departments. These are some of the initiatives that will assist KwaZulu-Natal to navigate successfully the stormy financial waters going forward.

Another important area that will need Treasury to be even stronger in, in the light of the current financial situation, is in our support to municipalities and this will ensure that they comply with the Municipal Finance Management Act continuously. Our Municipal Support Programme plays a key role in providing support to municipalities through Cash Flow Management, Internal Control Enhancement which include Information Technology General Controls, Review of Value Added Tax, Budgeting, SCM Compliance, Internal Audit Risk and Advisory, Policy Development and Reviews, "Getting the Basics Right", Financial Management Support as well as Infrastructure Management. For this to succeed, we will need continued co-operation of municipalities.

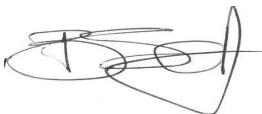
The current financial climate under which government is operating requires that we strengthen our relationships with the private sector so that, in partnership with them, we can achieve quality life for the people of KwaZulu-Natal.

A good example of this relationship is our partnership with the South African Institute for Chartered Accountants (SAICA) through their Thuthuka Bursary programme. To achieve our vision of the centre of excellence in financial management, the Provincial Treasury forged relations with the South African Institute for Chartered Accountants (SAICA) to train students from all municipal areas to become Chartered Accountants.

The three-year agreement identifies students with potential from all municipalities to participate in the SAICA's training programme. The bursary holders are expected to serve their respective municipalities after qualification so that they can improve the financial management capacity at municipal level.

The strength of this partnership has recently seen KZN Treasury getting officially accredited as a Training Office for Chartered Accountants in KwaZulu-Natal. This is a milestone in the history of public administration in this province and we hope that, in the near future, the significance of this initiative will manifest itself in the improvement of capacity in the area of financial management, both in the provincial and local government levels.

More strategic private public partnerships need to be identified in order for our government to cushion the harsh financial reality that characterises our socio-economic environment. As KZN Treasury, we will continue to look for the best possible ways to ensure best practice in financial management.

A handwritten signature in black ink, appearing to be 'B.F. Scott', written in a cursive style.

Ms. B.F. Scott

MEC for Finance

Introduction by the Head of Department

The KZN Treasury's mandate, as informed by Chapter 3, section 216 of the Constitution of the Republic of South Africa of 1996, read with Chapter 2 of the Public Finance Management Act of 1999, is to ensure sound financial and fiscal management for the Provincial Government.

This mandate remains unchanged even as we experience various challenges in respect of the national fiscus, affecting the provincial budgets. In the 2013 MTEF, KwaZulu-Natal had its equitable share allocation reduced due to the 2011 Census data updates.

To date, the financial climate in the country is even more challenging, prompting us to be stricter in the manner in which we allocate budgets while ensuring that the priorities of government are not affected. This also requires us to be equally strict in implementing our monitoring mechanisms. The financial turbulences ahead will leave the province worse off if proper planning and robust financial decisions are not taken now.

Part of those decisions involves ensuring compliance with financial legislation including the Public Finance Management Act and the Municipal Finance Management Act (MFMA), firstly. In practice, this means that we have to enforce compliance with the PFMA and MFMA through various programs undertaken by different programmes/business units of the Department, including the Municipal Support Programme (MSP).

Secondly, we have to ensure that the shared Provincial Internal Audit Services is adequately deployed to conduct Internal Audits, Forensic Audits and Risk Management Advisory services across all Provincial Departments, Public Entities and Municipalities that need to be supported.

Thirdly, good governance will continue to be enforced through oversight provided by the Provincial Audit Committee. The Committee is appointed by the MEC for Finance in consultation with the Cabinet. Efforts are being made to ensure that the Committee is adequately capacitated.

Our humble appeal to the community of KwaZulu-Natal who rightfully expect service delivery is to understand that while we deliver services to them, we also have to comply with various laws governing the use of public finances in this country. Our communities also need to understand that service delivery is linked to the availability of financial resources, which are currently limited. Despite the fiscal constraints, we will endeavor to do more with less.

We, therefore, will continue to look for the best good governance approaches and best practice so that the programmes of government are not affected and that government gets value for money.



Mr. L.S. Magagula

Head of Department

Official Sign-off

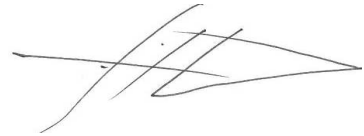
It is hereby certified that this Annual Performance Plan:-

- Was developed by the management of KwaZulu-Natal Provincial Treasury under the guidance of MEC Ms. B.F. Scott.
- Was prepared in line with the current Strategic Plan of KwaZulu-Natal Provincial Treasury and takes into account all the relevant policies, legislation and other mandates for which the department is responsible.
- Accurately reflects the performance targets which KwaZulu-Natal Provincial Treasury will endeavor to achieve given the resources made available in the budget for 2016/17 financial year.

Mr. I.T. Ndlovu

Chief Financial Officer

Signature:



Mr. H.A.W. Conradie

Acting Accounting Officer

Signature:



Mr. L.S. Magagula

Head of Department

Signature:



Approved by:

Ms. B.F. Scott

MEC for Finance

Signature:

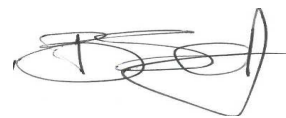


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PART A: STRATEGIC OVERVIEW FOR THE DEPARTMENT

1. Updated situational analysis

In the 2015/16 Medium Term Expenditure Framework KwaZulu-Natal was confronted by a sharply deteriorating economic environment and a declining equitable share allocation which will have knock-on effects on government revenue and available resources. Despite these cuts Provincial Treasury will have to tighten controls on expenditure management to ensure departments remain within budget and do not exceed available cash and to continue to practice fiscal prudence. This will be undertaken through the promotion of sound financial management practice and fiscal management, ensuring equitable allocation of financial resources aimed at improving service delivery. Provincial Treasury will also continue to maintain and improve the financial integrity of this province by; institution of the necessary processes to improve overall financial management practices across departments and public entities; production of timely in-year early warning reports and tightening of systems and processes to reduce the possibility of abuse and corruption, and thereby improving service delivery.

KZN Provincial Treasury as a custodian of provincial fiscal will continue working closely with departments, municipalities in order to eliminate non-compliance and to monitor the continuous implementation of cost containment measures throughout the province.

Our focus in this financial year will be to maintain good systems in the Supply Chain Management through the roll-out of the E-procurement tool to the province, Financial Reporting and Financial Management to assist Departments to improve their audit outcomes, especially in the areas of unauthorised and irregular expenditure, assets management and the elimination of misstatements in the Annual Financial Statements. Moreover Provincial Treasury will continue to focus on achieving clean audit report and improvements in the audit outcomes for the province.

Finally, Provincial Treasury will strive to build strong relationships with all municipalities in promoting good governance and acceptable service delivery. The co-ordination and enhancement of revenue collection will also receive maximum attention while at the same time promoting sound cash management and thereby improving financial liquidity in the province.

1.1 Performance delivery environment

Programme 2: Fiscal Resource Management

Economic Analysis: The unit is responsible for the analysis of the economy of the province, which in turn will address the allocation of the resources in the province. This is done through district profiling, analysis of departmental spending, contributing to the annual report of provincial treasury and conducting various research activities that will contribute in analysing the economics of the province.

The unit has seen the need to assist in the allocation of resources by involving itself with the municipalities directly, through conducting workshops and attending municipalities' IDP forums and providing municipalities with economic expertise and data. The unit is fully involved in the financial literacy project conducted in the MEC's office. This project becomes relevant to the unit as it addresses economic issues on financial levels.

Infrastructure Management and Economic Analysis: The mandate of the Infrastructure Management and Economic Analysis Unit is fivefold, i.e.,

- To provide and oversee the provisioning of infrastructure management and economic services in the province in terms of legislative mandates.
- To determine and evaluate economic parameters and socio-economic imperatives that inform provincial and local resource allocation and to provide a platform to enhance regional economic growth and development through quality research.

- To monitor infrastructure planning and delivery performance in the province.
- To coordinate and facilitate the implementation and institutionalization of the IDMS regulations and methodologies.
- To support the funding and implementation of strategic infrastructure projects in the province

Key Functions of the Unit include the following:

- Provide a comprehensive economic analysis for the province and municipalities. This entails:
 - Compiling, updating and reporting on “the demographic and socio-economic profile of the province” with specific focus on key social, demographic and economic indicators, their interrelation, possible impact and relevance to the MTEF and provincial budgetary process.
 - Compiling, updating and reporting on the socio economic profiles of the municipalities as and when required.
 - Assessment of economic opportunities, challenges and constraints to growth; and recommending strategies to address the challenges and exploit the opportunities.
 - Compilation of provincial department economic reports.
- Provide quality research for regional policy development. This includes:
 - Provision of input for the provincial policy framework, such as Provincial Growth and Development Plan (PGDP).
 - Compilation of framework documents for other policies including unemployment, poverty alleviation, Growth strategy, municipalities’ Intergrated Development Plans (IDPs) etc., as need arises.
 - Assessment of and reporting on the impact of existing policies on selected economic and development variables.
- Provide input to Estimates of Provincial Revenue and Expenditure (EPRE). This entails:
 - Provision of input for compilation Estimates of Provincial Revenue and Expenditure (EPRE).
 - Support for (i) compiling the (ii) compiling, and coordinating the publication of, the “budget supplement” in the local newspapers.
- Maintain the KZN statistical database. This includes:
 - Development, implementation and maintenance of social and economic database for the province.
- Special Projects. This includes:
 - To effectively and efficient manage and oversee Departmental Special Projects
- Infrastructure Planning and Management. This includes:
 - To monitor infrastructure planning and delivery performance.
 - Monitor adherence and compliance of the statutory deadlines as stipulated in the PFMA and DORA.
 - To submit IRM reports to National Treasury monthly by 22 of each month
 - To submit HR Report to NT on a quarterly basis.
 - Site visits in order to verify reports and monitor quality.
 - Continue to participate in the IDMS Review.
- Implementation and Institutionalization of the IDMS. This includes:
 - Work with the KZN Treasury Infrastructure Unit to coordinate the implementation and institutionalisation of the IDMS regulations and methodologies in KZN with National Treasury.
 - Assist, support and capacitate Provincial Departments and Local Government to implement IDMS methodologies that contribute to an improvement in institutional arrangements, systems and processes, organisational capacity and regulatory or governance controls.
 - To assist, provide technical support and promote IDMS methodologies as well as infrastructure monitoring principles (value for money) in the development of the KZN Provincial Infrastructure Master Plan that contribute to the KZN PGDS/P goals and strategic objectives.
- Implementation and Institutionalization of Alternative Funding Mechanisms This includes:
 - The funding and financing of public and specifically bulk infrastructure in the province,
 - Supporting planned and approved private sector development/s,
 - Monitor the implement a pilot (case study) project so as to create a best practice framework and methodology,
 - Ensure that all funding mechanisms are compliant with the PFMA and the MFMA,

- Provision of technical support to the various infrastructure plans such as the PGDP and municipal approved infrastructure projects,
- Assist provincial departments and municipalities with funding applications where appropriate
- Manage the logistics of the Infrastructure Funding Fair and the Infrastructure Funding Work Groups so as to facilitate funding options for infrastructure and business, thereby stimulating the economy.

Public Finance: The functions of the Public Finance unit remain unchanged from year to year in terms of processes that need to be undertaken, such as the preparation of the annual MTEF budget for KwaZulu-Natal, preparation of the Adjustments Budget, as well as revenue and expenditure monitoring of provincial departments and public entities. The spending, revenue and service delivery of 16 departments are monitored and these inputs are used to:

- Keep Cabinet updated on the budget performance of the province.
- Prepare first quarter, mid-year and close-out budget performance reports for departments.
- Prepare mid-year and close-out budget performance reports for public entities.
- Brief the Finance Portfolio Committee on the mid-year and close-out budget performance of KZN.
- Brief the Finance Portfolio Committee on the Adjustments Budget and the Main Budget.
- Hold bilateral meetings with departments and public entities to engage on budget matters, as well as spending trends.

Municipal Finance: The Municipal Finance Unit will continue to focus on improving the technical support it provides to delegated municipalities in the province on the preparation of multi-year budgets, the monthly outcomes of those budgets, in-year monitoring including statutory returns, the preparation of monthly, quarterly, mid-yearly and annual consolidated reports on the state financial performance in terms of the Municipal Finance Management Act (MFMA).

The Municipal Support Programme (MSP) within the Municipal Finance Unit was established to assist and provide technical support to delegated municipalities in financial distress and has had a positive impact on the financial management within municipalities. The MSP will continue to support municipalities and provide innovative solutions to municipal finance challenges.

Programme 3: Financial management

Supply Chain Management: The Provincial Supply Chain Management Unit will continue to establish and maintain a strategic link between financial management reforms and procurement processes. To this end, the Unit has conceptualised important SCM reforms that are being implemented in the current financial year and will continue into the outer years of the MTEF period. The Unit will provide hands-on support and undertake comprehensive compliance assessments to departments as well as municipalities to ensure that incidents of irregular expenditure relating to SCM processes are reduced. Capacity building interventions will be conducted in SCM components of departments and municipalities where SCM systems are found to be non-existent or completely collapsed. Interventions in SCM components have been facilitated at the Department of Sport and Recreation, Department of Agriculture and Rural Development, Umkhanyakhude District Municipality, Hlabisa Local Municipality, Ugu District Municipality and Umtshezi Municipality. Interventions are still in progress at KZN Wildlife.

Provincial SCM Unit will implement transversal contracts for events management and purchasing of paper during the next financial year. This is to ensure streamlining of SCM processes to many frequently procured goods and services by different state institutions, including public entities.

In enforcing compliance and best practice in SCM processes at different levels of government in the province, the Provincial SCM Unit is implementing the following projects:

1. Contract management

Contract Management Project was rolled out to all provincial departments and 13 Municipalities. Treasury will continue the process of rolling out to the remainder 43 municipalities. Provincial Treasury completed implementation of all phases of the Contract Management pilot project in the following pilot sites: Human Settlements, Public Works, Transport, Agriculture, Environmental Affairs and Rural Development, Education, COGTA, Hibiscus Coast, Uthukela and Msunduzi. Phase-1 of this project was the setting up of contract registers and contract filling system. Phase-2 is a comprehensive legal and financial reviews of contracts concluded with third parties and the preparation of action plans to be carried out by the institutions in order to correct any anomaly identified in the contracts under review. This Phase also involved the drafting of standardised contracts for frequently purchased items. Phase-3 was the development of Contract Management Policy Framework. This system ensures effective supplier performance management and value for money and will culminate in municipalities having fully completed contract registers supported by legitimate contract documents.

2. E-Procurement Tool

The department has concluded the development of the e-Procurement Tool and the setting up of a price benchmarking system which will automate SCM processes thereby minimising human manipulation thereof. The on-going challenge of fraud and corruption through price inflation has necessitated a review on how we procure goods and services. There is a need for monitoring supplier's quoted prices against market prices for different goods and services procured by government departments. The tool will be used by all Provincial Departments in the procurement of goods and services and will interface with the National Treasury Central Supplier Database. The Tool is expected to go live, with effect from 01 April 2016 to the first 6 confirmed Departments through a phased implementation process.

Norms and Standards: The enhancement of financial management in provincial departments, municipalities and entities is realised by the Unit through activities related to the developing, facilitating implementation and the monitoring of compliance with financial norms and standards.

The Unit's assistance to National Treasury in the development of a more high-level monitoring tool for provincial departments will culminate in the piloting thereof in two selected KZN provincial departments prior to its roll-out in the Province and to all state departments.

Departmental activities will centre on analysing and reviewing all National Treasury Instructions and Standard Operating Procedures to ensure alignment with the Provincial Treasury Instruction Notes, providing policy assistance to identified public entities and implementing and reviewing the system of financial delegations within Departments.

The Unit's municipal-related activities will centre on policy support and the financial system of delegations in selected municipalities and will primarily function under the auspices of the KZN Provincial Treasury's Municipal Support Programme (MSP).

Gaming and Betting : The Unit provides a gambling policy development, line function support and monitoring service for the MEC responsible for gambling and top management in the department. The Chief Directorate: Gaming and Betting provides, to national and provincial gambling regulatory bodies, stakeholders and the general public, an information and advice service, on gambling policy and law. The Unit operates in a highly litigious environment.

Programme 4: Internal audit

Assurance Services: The Unit is the shared Internal Audit function to the Provincial Government departments; and also provides Internal Audit services to certain Provincial Public Entities that do not have

internal capacity to carry out this function. The purpose of the Unit is to provide independent and objective assurance and consulting activities which are intended to add value and improve the KZNPG's operations. The components objective is to review the adequacy and effectiveness of systems of financial, operational and management controls. This includes evaluating the governance processes, systematically analyzing and evaluating business processes and associated controls, assessing the effectiveness of risk management and internal control, and providing a source of information, as appropriate, regarding instances of fraud, corruption, unethical behavior and irregularities.

Audit testing is in terms of risk profiles and transversal weaknesses identified by the Unit. Reviews have been conducted on Supply Chain Management, Asset Management, Predetermined Objectives, Transfer Payments; Information Technology; as well as service delivery programmes specific to each department or entity. These reviews therefore play a vital role in assisting the Units clients to proactively identify potential areas of control weaknesses that may have an unfavorable impact on audit outcomes.

The Unit reports functionally to the Provincial and Cluster Audit & Risk Committees. The Committees have been appointed by the MEC: Finance in consultation with Cabinet and have been established to assist the Provincial Government in fulfilling their oversight responsibilities for the integrity of the Government's financial reporting process, system of internal controls, audit processes, processes for monitoring compliance with laws and regulations and KZNPG's Code of Conduct, fraud prevention, the risk management process and any other good governance processes.

Assurance Services continues to face a major challenge relating to the lack of funding to fully capacitate the component, to meet the increased demand for internal audit services. There has been an increase in scope of work, additional requests for internal audit projects and requests to service additional provincial public entities, which have all contributed to the need for additional capacity to adequately address weaknesses in control processes. Also of significant concern is the lack of adequate IT skills within the Province which hinders the improvement of the control environment in this area. Although certain weaknesses are reported to management of institutions by the Internal Audit Unit, prompt and effective implementation is still lacking to ensure that risk exposures in this critical area are mitigated.

Advisory Services (Risk Management): The component is responsible for providing risk management, and governance-related advisory services to provincial departments, public entities and municipalities. While the component is starting to make in-roads in terms of risk management support to these institutions, we have also seen an increased need to strengthen our advisory services capabilities. In addition to risk management, we have identified a need to support our institutions on strategic planning and the development of Annual Performance Plans; review and assistance with development of business continuity plans; review and assistance with development of OHS programmes, etc.

Advisory Services (Forensic Services): Following the establishment of Forensics as an independent component its focus is predominantly reactive in nature in that it undertakes investigations of allegations of fraud, theft corruption and contraventions of relevant legislation relating to the administration of public resources on behalf of the provincial departments, public and other entities and municipalities with a view to instituting departmental, criminal and civil proceedings. System weaknesses identified during the investigation are reported on to the client department/entity/municipality and Risk Management to ensure that the risks identified are appropriately addressed. The component retains the responsibility to follow up with the client department on the outcome of the departmental proceedings and progress in the civil litigation. The component plays the leading role working with the criminal justice departments to facilitate the criminal proceedings. The outcome of the follow ups conducted is reported on in the various reports issued by the component.

1.2 Organisational Environment

Programme 1 (one) - Administration

Programme 1 is responsible for providing support service to the core programmes within the department. A new responsibility has been added under the sub-programme: Corporate Services namely Information Technology moving it from programme 3 due to function shift.

The sub-programmes under this programme are Office of the MEC, Head of Department, Chief Financial Office and Corporate Services.

Programme 2 (two) – Fiscal Resource Management

This programme is responsible for providing budgeting and reporting functions related to provincial departments and public entities, in terms of the Public Finance Management Act, analysis of the economy for the province, as well as the Municipal Finance Management Act (MFMA).

The sub-programmes under this programme are Programme Support, Economic Analysis (which includes Infrastructure Management), Public Finance and Municipal Finance.

Programme 3 (three) – Financial Management

This programme is responsible for providing financial management support to the provincial departments, Municipalities and Public Entities.

The sub-programmes under this programme are Financial Asset and Liability Management, Public Private Partnerships, Supply Chain Management, Financial Reporting, Norms and Standards, Supporting and Interlinked Financial Systems and Gaming and Betting.

Programme 4 (four) – Internal Audit

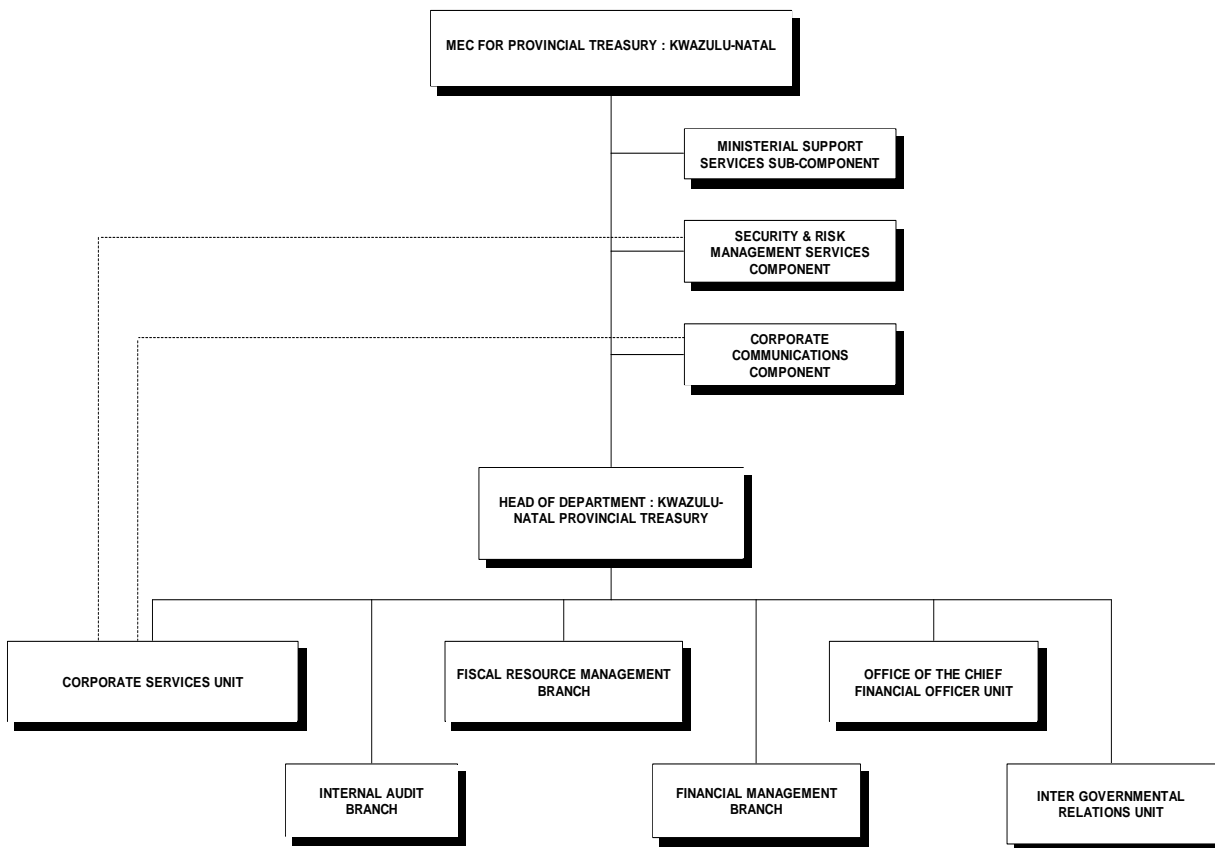
This programme is responsible for providing shared internal audit services to provincial departments, and some of the public entities. The Unit also provides risk advisory services, including forensic investigation services, to provincial departments, public entities and municipalities.

The sub-programmes under this programme are Assurance Services, Risk Advisory Services as well as Forensic Investigation Services.

Programme 5 (five) – Growth and development

This programme is provincial specific. All special projects and community outreach projects of the MEC are housed under this programme.

The below diagram depicts the high level structure of the Provincial Treasury:



2. Revisions to legislative and other mandates

The department is governed by relevant legislation and policy mandates. These are listed in detail on the Strategic Planning document which corresponds with the 5 year planning cycle

The department is governed by the following legislation and policy directives:

- Constitution of the Republic of South Africa (Act 208 of 1996)
- Public Finance Management Act (Act No. 1 of 1999, as amended) and its regulations
- Municipal Finance Management Act (Act No. 56 of 2003)
- Promotion of Access to Information Act (Act No. 2 of 2000)
- Annual Division of Revenue Act
- Annual Provincial Appropriation Acts
- Broad-Based Black Economic Empowerment Act (Act No. 53 of 2003)
- Preferential Procurement Policy Framework Act (Act No. 5 of 2000)
- Intergovernmental Relations Framework Act (Act No. 13 of 2005)

- Borrowing Powers of Provincial Governments Act (Act No. 48 of 1996)
- Government Immovable Asset Management Act (Act No. 19 of 2007)
- Construction Industry Development Board Act (Act No. 38 of 2000)
- Public Audit Act (Act No. 25 of 2004)
- Provincial Tax Regulation Process Act (Act No. 53 of 2001)
- KwaZulu-Natal Gaming and Betting Act (Act No. 08 of 2010)
- KwaZulu-Natal Gaming and Betting Tax Act (Act No. 9 of 2010)

2.1 Constitutional mandates

Sections 213, 215, 216, 217, 218, 219, 226 and 228 of the Constitution of the Republic of South Africa (Act 208 of 1996) deal with general financial matters for the national and provincial spheres of government. These sections require the national legislation to give effect to the following:

- to establish a national treasury;
- to introduce generally recognised accounting practices;
- to introduce uniform treasury norms and standards;
- to prescribe measures to ensure transparency and expenditure control in all spheres of government; and
- to set the operational procedures for borrowing, guarantees, procurement and oversight over the various national and provincial revenue funds.

2.2 Policy mandates

The following policies outline the key responsibilities for the department.

- PPP policy, this policy provides guidelines for administration and managing Public Private Partnership's transactions in the public sector environment.
- SCM and PPPFA policy, this policy provides guidelines for the administration of a Supply Chain Management in line with broad government objectives. It also aims at promoting emerging enterprises with particular emphasis on black economic empowerment.
- Budgeting process policies, they provide framework within which budgeting process must be managed in the public sector in line with the relevant Acts.
- Treasury Regulations, provides procedural guidelines of implementation of the Public Finance Management Act (Act No. 1 of 1999, as amended by Act No. 29 of 1999).

3. Overview of 2016/17 budget and MTEF estimates

3.1 Expenditure estimates

Table 2.1 : Summary of payments and estimates by programme: Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Administration	97 905	96 932	113 215	123 089	128 089	119 716	134 552	137 096	140 946
2. Fiscal Resource Management	76 870	91 204	75 467	103 567	103 567	94 471	103 056	95 456	100 230
3. Financial Management	251 487	286 894	311 048	319 778	292 078	261 843	295 563	295 563	313 724
4. Internal Audit	93 154	107 363	130 420	131 558	151 758	149 353	121 683	123 888	130 082
5. Growth And Development	38 317	41 940	43 812	34 159	42 377	38 470	20 426	7 026	3 526
Total payments and estimates	557 733	624 333	673 962	712 151	717 869	663 853	675 280	659 029	688 508

Note: Programme 1 includes MEC remuneration: Salary R1 821,577 million

Table 2.2 : Summary of provincial payments and estimates by economic classification: Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	478 406	549 746	578 813	654 524	657 524	601 931	627 760	608 977	640 453
Compensation of employees	165 967	188 527	211 837	260 566	257 166	236 794	279 429	282 558	290 287
Goods and services	312 439	361 219	366 976	383 726	399 426	364 905	345 057	323 185	347 321
Interest and rent on land	-	-	-	10 232	932	-	3 274	3 234	2 845
Transfers and subsidies to:	73 405	68 056	80 291	51 636	54 354	55 418	42 977	42 793	41 604
Provinces and municipalities	28 026	21 983	31 691	10 318	10 303	10 305	24	24	26
Departmental agencies and account	35 775	41 881	39 276	32 532	32 532	32 532	34 255	35 968	38 054
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and internatio	-	-	-	-	-	-	-	-	-
Public corporations and private ente	-	-	-	-	-	4	-	-	-
Non-profit institutions	-	893	1 468	3 150	4 383	4 735	3 370	3 370	244
Households	9 604	3 299	7 856	5 636	7 136	7 842	5 328	3 431	3 280
Payments for capital assets	5 909	6 114	14 854	5 991	5 991	6 504	4 543	7 259	6 451
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	5 515	6 114	14 854	5 991	5 991	6 504	4 543	7 259	6 451
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible asset	394	-	-	-	-	-	-	-	-
Payments for financial assets	13	417	4	-	-	-	-	-	-
Total economic classification	557 733	624 333	673 962	712 151	717 869	663 853	675 280	659 029	688 508

3.2 Reconciling expenditure trends to strategic goals

- The allocation made to Programmes 2 and 3 is mainly contributing toward attainment of sound financial, fiscal management and good governance.
- The promotion of sound cash management practices and to improve liquidity in the province is catered for under Programme 3, sub-programme: Financial Asset and liability.
- The budget allocation in Programme 3 under sub-programme: Supply Chain Management, and Programme 5: Growth and Development is aimed at the attainment of fighting poverty and creating jobs in partnership with provincial departments through procurement targeting.
- The attainment of good governance and implementing a policy on zero tolerance on fraud and corruption is catered for under Programme 4, Internal Audit budget allocation.

3.3 Departmental budgeted receipts

Table 1.1 : Summary of receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Equitable share	567 640	485 764	559 154	648 589	648 589	648 589	675 280	659 029	688 508
Conditional grants	-	-	-	-	-	-	-	-	-
Departmental receipts	718 176	738 992	850 967	932 322	932 322	900 767	859 860	908 780	964 957
Total receipts	1 285 816	1 224 756	1 410 121	1 580 911	1 580 911	1 549 356	1 535 140	1 567 809	1 653 465

Table 1.2 : Summary of departmental receipts collection

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Tax receipts	447 730	488 254	538 524	648 227	648 227	543 366	557 338	591 152	628 907
Casino taxes	383 056	421 355	467 319	556 890	556 890	466 336	478 167	510 227	545 111
Horse racing taxes	64 674	66 899	71 205	91 337	91 337	77 030	79 171	80 925	83 796
Liquor licences	-	-	-	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-	-	-	-
Sales of goods and services other th	159	169	322	203	203	255	204	209	221
Transfers received	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	1	-	-	-	-	-	-	-
Interest, dividends and rent on land	269 818	249 807	309 569	283 341	283 341	352 546	301 754	316 842	335 219
Sales of capital assets	32	409	39	170	170	734	181	192	203
Transactions in financial assets and	437	352	2 513	380	380	3 866	382	385	407
Total departmental receipts	718 176	738 992	850 967	932 322	932 322	900 767	859 860	908 780	964 957

PART B: PROGRAMME AND SUB-PROGRAMME PLANS

1. PROGRAMME 1: ADMINISTRATION

The strategic objective of Programme 1 is to provide strategic leadership support in the area of financial management, human resources, auxiliary services, information communication and technology and legal services to the department. The programme consists of the following measurable sub-programmes:

- 1.1 Sub-programme: Chief Financial Office
- 1.2 Sub-programme: Human Resource Management
- 1.3 Sub-programme: Information Technology Management

1.1 Sub-programme: Chief Financial Office

The strategic objective is:

- Effective management of departmental finances in line with statutory requirements.

Specified policies and priorities

The Office of the Chief Financial Officer (OCFO) provides financial management support services to internal and external customers. The services rendered by OCFO range from budgetary control, supply chain management, financial management, asset management as well as advisory services on internal control systems and governance issues.

Strategic objective annual targets: 2016/17

Sub-programme: 1.1	Chief Financial Office							
Strategic objective	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets			5 –Year Target
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
Effective management of departmental finances in line with statutory requirements.	4	4	11	11	10	10	10	51
	20	20	20	17	17	17	17	85
	12	12	12	12	12	12	12	60
	2	2	2	2	2	2	2	6
	New	New	New	Overall annual MPAT rating of 3	Overall annual MPAT rating of 3	Overall annual MPAT rating of 3	Overall annual MPAT rating of 3	Overall annual MPAT rating of 3

Programme performance indicators and annual targets: 2016/17

Sub-programme: 1.1	Chief Financial Office						
Programme Performance Indicator	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Compile budget submission and planning documents (EPRE; APPX4; AR; PP; ADJ Est; CF& MTEF)	4	4	11	11	10	10	10
Provide legislative financial reports. (IYM * 12;QPR x 4 and AFS x 1)	20	20	20	17	17	17	17
Supply chain Management compliance Report.	12	12	12	12	12	12	12
Updated asset register – Asset count	2	2	2	2	2	2	2
Overall annual MPAT rating on KPA4: Financial Management	New	New	New	Overall annual MPAT rating of 3	Overall annual MPAT rating of 3	Overall annual MPAT rating of 3	Overall annual MPAT rating of 3

Quarterly targets: 2016/17

Sub-programme: 1.1		Chief Financial Office				
Performance indicators	Reporting period	Annual target 2016/17	Quarterly targets			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
Compile budget submission and planning documents(EPRE; APPX4; AR; PP; ADJ Est; CF& MTEF)	Annually, Bi-Annually, Quarterly & Monthly	10	2	3	2	3
Provide legislative financial reports. (IYM * 12;QPR x 4 and AFS x 1)	Annually, Bi-Annually, Quarterly & Monthly	17	5	4	4	4
Supply chain Management compliance Report.	Monthly	12	3	3	3	3
Updated asset register – Asset count	BI-Annually	2	1	N/A	1	N/A
Overall annual MPAT rating on KPA4: Financial Management	Annually	Overall annual MPAT rating of 3	Finalized moderated rating of 3	N/A	N/A	Finalized moderated rating of 3

1.2 Sub-programme: Human Resource Management

The strategic objective is:

- To provide optimal Human Resource services to the department.

Specified policies and priorities

The purpose of the sub-programme is to provide strategic human resources management support services to the department and to ensure compliance with relevant National and Provincial legislative mandates.

Strategic objective annual targets: 2016/17

Strategic objectives	Human Resource Management							5 –Year Target
	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets			
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
To provide optimal Human Resource services to the department	New	New	New	Overall annual MPAT rating of 3	Overall annual MPAT rating of 3	Overall annual MPAT rating of 3	Overall annual MPAT rating of 3	Overall annual MPAT rating of 3
	12 sessions	12 sessions	10 sessions	8 seminars	8 seminars	8 seminars	8 seminars	40
	11 information seminars	10 information seminars	4 information seminars	4 information seminars	4 information seminars	4 information seminars	4 information seminars	20
	15 policies and 12 seminars	13 policies and 12 seminars	15 policies and 10 seminars	8 policies and 8 seminars	8 policies and 8 seminars	8 policies and 8 seminars	8 policies and 8 seminars	80
Human Resource(HR) Plan developed	New	New	New	1X Annual HR Plan	1X Annual HR Plan	1X Annual HR Plan	1X Annual HR Plan	5
Quarterly monitoring reports to ensure implementation of HRP	New	New	New	4 quarterly HRP implementation monitoring reports	4 quarterly HRP implementation monitoring reports	4 quarterly HRP implementation monitoring reports	4 quarterly HRP implementation monitoring reports	20
Work Place Skills Plan developed	New	New	New	1X Annual WSP	1X Annual WSP	1X Annual WSP	1X Annual WSP	5
Quarterly monitoring reports to ensure implementation of WSP	New	New	New	4 quarterly WSP implementation monitoring reports	4 quarterly WSP implementation monitoring reports	4 quarterly WSP implementation monitoring reports	4 quarterly WSP implementation monitoring reports	20

Programme performance indicators and annual targets: 2016/17

Sub-programme: 1.2	Human Resource Management						
	Audited / Actual performance			Estimated performance	Medium-term targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Overall annual MPAT rating on Human Resource Management	New	New	New	Overall annual MPAT rating of 3	Overall annual MPAT rating of 3	Overall annual MPAT rating of 3	Overall annual MPAT rating of 3
No. of HR seminars	12 sessions	12 sessions	10 sessions	8 seminars	8 seminars	8 seminars	8 seminars
No. of EWP seminars	11 information seminars	10 information seminars	4 information seminars	4 information seminars	4 information seminars	4 information seminars	4 information seminars
No. of policies developed/ reviewed and seminars conducted	15 policies and 12 seminars	13 policies and 12 seminars	15 policies and 10 seminars	8 policies and 8 seminars	8 policies and 8 seminars	8 policies and 8 seminars	8 policies and 8 seminars
Annual Human Resource(HR) Plan developed	New	New	New	1X Annual HR Plan	1X Annual HR Plan	1X Annual HR Plan	1X Annual HR Plan
Quarterly monitoring reports to ensure implementation of HRP	New	New	New	4 quarterly HRP implementation monitoring reports	4 quarterly HRP implementation monitoring reports	4 quarterly HRP implementation monitoring reports	4 quarterly HRP implementation monitoring reports
Annual Work Place Skills Plan developed	New	New	New	1X Annual WSP	1X Annual WSP	1X Annual WSP	1X Annual WSP
Quarterly monitoring reports to ensure implementation of WSP	New	New	New	4 quarterly WSP implementation monitoring reports	4 quarterly WSP implementation monitoring reports	4 quarterly WSP implementation monitoring reports	4 quarterly WSP implementation monitoring reports

Quarterly targets: 2016/17

Sub-programme: 1.2	Human Resource Management					
	Reporting period	Annual target 2016/17	Quarterly targets			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
Overall annual MPAT rating on Human Resource Management	Annually	Overall annual MPAT rating of 3	Finalized moderated rating of 3	N/A	N/A	Finalized moderated rating of 3
No. of HR seminars	Quarterly	8 seminars	2 seminars	2 seminars	2 seminars	2 seminars
No. of EWP seminars	Quarterly	4 information seminars	1 information seminar	1 information seminar	1 information seminar	1 information seminar
No. of policies developed/ reviewed and seminars conducted	Quarterly	8 policies and 8 seminars	2 policies and 2 policy related seminars	2 policies and 2 policy related seminars	2 policies and 2 policy related seminars	2 policies and 2 policy related seminars
Annual Human Resource(HR) Plan developed	Annually	1X Annual HR Plan	Annual HR Plan	N/A	N/A	N/A
Quarterly monitoring reports to ensure implementation of HRP	Quarterly	4 quarterly HRP implementation monitoring reports	1 quarterly HRP implementation monitoring report	1 quarterly HRP implementation monitoring report	1 quarterly HRP implementation monitoring report	1 quarterly HRP implementation monitoring report
Annual Work Place Skills Plan developed	Annually	1X Annual WSP	Annual WSP	N/A	N/A	N/A
Quarterly monitoring reports to ensure implementation of WSP	Quarterly	4 quarterly WSP implementation monitoring reports	1 quarterly WSP implementation monitoring report	1 quarterly WSP implementation monitoring report	1 quarterly WSP implementation monitoring report	1 quarterly WSP implementation monitoring report

1.3 Sub-programme: Information Technology Management

The strategic objective is:

- To provide IT technical and IT functional support to the department.

Specified policies and priorities

The purpose of the sub-programme is to render technical and functional support on departmental wide Information Technology systems, Information Technology architecture and Information Technology services.

Strategic objective annual targets: 2016/17

Sub-programme: 1.3	Information Technology Management							
Strategic objective	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets			5 -Year Target
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
To provide technical and functional support to the department	New	New	New	2	2	2	2	10
	6	5	4	4	4	4	4	20
	11	12	12	12	12	12	12	60
	6	9	8	4	4	4	4	20
	55 min per quarter	48 min	48 min	4 hr MTTR	4 hr MTTR	4 hr MTTR	4 hr MTTR	20 hr MTTR
	99% per quarter	99%	99%	99%	99%	99%	99%	99%

Programme performance indicators and annual targets: 2016/17

Sub-programme: 1.3	Information Technology Management						
Programme Performance indicators	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
No. of initiatives implemented	New	New	New	2	2	2	2
No. of policy reviews completed	6	5	4	4	4	4	4
No. of compliance reports completed	11	12	12	12	12	12	12
No. of information sessions conducted	6	9	8	4	4	4	4
Mean time to resolve (MTTR) -Treasury	55 min per quarter	48 min	48 min	4 hr MTTR	4 hr MTTR	4 hr MTTR	4 hr MTTR
Percentage network uptime	99% per quarter	99%	99%	99%	99%	99%	99%

Quarterly targets: 2016/17

Sub-programme: 1.3	Information Technology Management					
Performance Indicators	Reporting period	Annual target 2016/17	Quarterly targets			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
No. of initiatives implemented	Bi-Annually	2	N/A	1	N/A	1
No. of policy reviews completed	Quarterly	4	1	1	1	1
No. of compliance reports completed	Quarterly	12	3	3	3	3
No. of information sessions conducted	Quarterly	4	1	1	1	1
Mean time to resolve (MTTR)-Treasury	Quarterly	4hr MTTR	4 hr MTTR	4 hr MTTR	4 hr MTTR	4 hr MTTR
Percentage network uptime	Quarterly	99%	99%	99%	99%	99%

1.3 Reconciliation of budget with plan
Table 3.1 : Summary of payments and estimates by sub-programme: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Office Of The Mec	22 680	23 465	24 507	29 768	26 768	24 779	28 845	28 845	26 980
2. Head Of Department	6 808	6 669	8 055	9 486	8 486	7 473	9 489	9 989	10 488
3. Chief Financial Office	13 729	17 441	23 014	28 687	28 687	25 720	30 560	30 560	32 088
4. Corporate Services	54 688	49 357	57 639	55 148	64 148	61 744	65 658	67 702	71 390
Total payments and estimates	97 905	96 932	113 215	123 089	128 089	119 716	134 552	137 096	140 946

Table 3.2 : Summary of payments and estimates by economic classification: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	87 232	91 313	102 757	113 133	116 633	108 792	124 060	125 844	133 848
Compensation of employees	43 763	49 660	55 836	68 415	70 385	60 680	79 466	81 250	79 966
Goods and services	43 469	41 653	46 921	44 718	46 248	48 112	44 594	44 594	53 882
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	9 004	3 525	7 113	7 659	9 159	9 525	7 872	5 932	2 605
Provinces and municipalities	14	13	26	256	23	25	24	24	26
Departmental agencies and account	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and internatio	-	-	-	-	-	-	-	-	-
Public corporations and private ente	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	893	241	3 150	3 383	3 735	3 370	3 370	244
Households	8 990	2 619	6 846	4 253	5 753	5 765	4 478	2 538	2 335
Payments for capital assets	1 669	2 073	3 345	2 297	2 297	1 399	2 620	5 320	4 493
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1 669	2 073	3 345	2 297	2 297	1 399	2 620	5 320	4 493
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible asset	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	21	-	-	-	-	-	-	-
Total economic classification	97 905	96 932	113 215	123 089	128 089	119 716	134 552	137 096	140 946

2. PROGRAMME 2: FISCAL RESOURCE MANAGEMENT

The strategic objective of Programme 2 is to effectively manage and monitor the provincial and local government fiscal resources. The programme consists of the following sub-programmes:

- 2.1 Sub-programme: Programme Support**
- 2.2.1 Sub-programme: Economic Analysis**
- 2.2.2 Sub-programme: Infrastructure Management**
- 2.3 Sub-programme: Public Finance**
- 2.4 Sub-programme: Municipal Finance**

2.1 Sub-programme: Programme Support

This sub-programme is responsible for providing strategic leadership support to fiscal resource management division. There are no measurable performance indicators, hence this office is not measured.

2.2.1 Sub-programme: Economic Analysis

The strategic objectives are to:

- Determine and evaluate economic parameters and socio-economic imperatives that inform provincial and local resource allocation.
- Provide platform to enhance regional economic growth and development through quality research.

Specified policies and priorities

The mandate of the economic analysis unit of the province of KZN provincial treasury is to determine and evaluate economic parameters and socio-economic imperatives within a local, provincial and national macro-economic context; and to provide the KwaZulu-Natal treasury and executives with sound statistical information for decisions on the MTEF and budget framework allocations.

The key functions of the economic analysis unit are to:

- provide comprehensive economic analysis of the province;
- provide quality research for regional policy development;
- provide input to Overview of Provincial Estimates of Revenue and Expenditure;
- maintain the KZN statistical database.

Strategic objective annual targets: 2016/17

Sub-programme: 2.2.1		Economic Analysis						
Strategic objective	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets			5 –Year Target
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
To determine and evaluate economic parameters and socio-economic imperatives to inform provincial and local resource allocation		Produced 4 provincial department economic reports	Produced 4 provincial department economic reports	Produce 4 provincial department economic reports	Produce 4 provincial department economic reports	Produce 4 provincial department economic reports	Produce 4 provincial department economic reports	20 provincial department economic reports
	10 district profiles and SERO, 4 presentations, 1 OSS report and 1 input into municipal close-out report	Produced 1 Socio-Economic review and Outlook Report SERO	Produced 1 Socio-Economic Review and Outlook report (SERO)	Produce 1 SERO	Produce 1 SERO	Produce 1 SERO	Produce 1 SERO	5
		New	New	Produce 1 Provincial Economic Review and Outlook (PERO)	Produce 1 PERO	Produce 1 PERO	Produce 1 PERO	5 PERO
		Produced 9 districts Socio-Economic reports	Produced 9 district Socio-economic Reports	Produce 9 districts socio-economic reports	Produce 9 districts socio-economic reports	Produce 9 districts socio-economic reports	Produce 9 districts socio-economic reports	45 districts socio-economic reports
	Input to Overview of Provincial Revenue and Expenditure (OPRE) submitted on time for tabling	Input to OPRE submitted on time for tabling	Input to OPRE submitted on time for tabling	Input to OPRE submitted on time for tabling	Input to OPRE submitted on time for tabling	Input to OPRE submitted on time for tabling	Input to OPRE submitted on time for tabling	Input to OPRE submitted on time for tabling
Provide a platform to enhance regional economic growth and development through quality research	2 Abstract submitted, 1 questionnaire compiled, Mini research on uMgungundlovu as metro and research papers.	Produced 9 economic research projects	Produced 5 economic research projects	Produce 5 economic research projects	Produce 5 economic research projects	Produce 5 economic research projects	Produce 5 economic research projects	25 economic research projects

Programme performance indicators and annual targets: 2016/17

Sub-programme: 2.2.1		Economic Analysis					
Programme Performance Indicators	Audited / Actual Performance			Estimated performance 2015/16	Medium-term targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
To provide economic analysis for the province		Produced 4 provincial department economic reports	Produced 4 provincial department economic reports	Produce 4 provincial department economic reports	Produce 4 provincial department economic reports	Produce 4 provincial department economic reports	Produce 4 provincial department economic reports
	10 district profiles and SERO, 4 presentations, 1 OSS report and 1 input into municipal close-out report	Produced 1 Socio-Economic review and Outlook Report SERO	Produced 1 Socio-Economic Review and Outlook report (SERO)	Produce 1 SERO	Produce 1 SERO	Produce 1 SERO	Produce 1 SERO
		New	New	Produce 1 Provincial Economic Review and Outlook (PERO)	Produce 1 PERO	Produce 1 PERO	Produce 1 PERO
		Produced 9 districts Socio-Economic reports	Produced 9 district Socio-economic Reports	Produce 9 districts socio-economic reports	Produce 9 districts socio-economic reports	Produce 9 districts socio-economic reports	Produce 9 districts socio-economic reports
To provide input to the Overview of Provincial Revenue and Expenditure (OPRE)	Input to OPRE submitted on time for tabling	OPRE submitted on time for tabling	Input to OPRE submitted on time for tabling	OPRE submitted on time for tabling	OPRE submitted on time for tabling	OPRE submitted on time for tabling	OPRE submitted on time for tabling
To provide quality research for regional	2 Abstract submitted, 1	Produced 9 economic research projects	Produced 5 economic research	Produce 5 economic research	Produce 5 economic research	Produce 5 economic research	Produce 5 economic research

policy analysis	questionnaire compiled, Mini research on Umgungundlovu as metro and research papers		projects	projects	projects	projects	projects
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Quarterly targets: 2016/17

Sub-programme: 2.2.1		Economic Analysis				
Performance Indicators	Reporting period	Annual target 2016/17	Quarterly targets			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
To provide economic analysis for the province	Quarterly	Produced 4 provincial department economic reports	1	1	1	1
	Annually	Produce 1 SERO	N/A	N/A	N/A	1
	Annually	Produce 1 PERO	N/A	1	N/A	N/A
	Quarterly	Produce 9 districts socio-economic reports	3	3	3	N/A
To provide input to the Overview of Provincial Revenue and Expenditure (OPRE)	Annually	OPRE submitted on time for tabling	N/A	N/A	N/A	1
To provide quality research for regional policy analysis	Quarterly	Produce 5 economic research projects	1	2	2	N/A

2.2.2 Sub-programme: Infrastructure Management

The strategic objective:

- Support efficient Infrastructure planning and management in KZN that contributes to effective economic and social infrastructure for KZN;
- To facilitate implementation and institutionalisation of the Integrated Development Municipal Support (IDMS) in all KZN provincial departments and municipalities;
- To assist and provide technical support to the development of the KZN Provincial Infrastructure Master Plan;
- To assist and provide infrastructure funding support to all KZN provincial departments and municipalities.

Specified policies and priorities

KZN Treasury Infrastructure Unit focus ahead will continue to monitor infrastructure planning and delivery performance. Inclusive of those that are process driven and influenced by statutory deadlines as stipulated in the PFMA and DORA. Coordinate and facilitate the implementation and institutionalisation of the IDMS in KZN with National Treasury. Facilitate infrastructure funding mechanisms and opportunities to support the provincial fiscal framework, including funding fares and assisting departments with funding applications; assist and provide technical support to the KwaZulu-Natal Provincial Infrastructure Co-ordination Group (KZN-PICWG) in the development and management of the KZN Provincial Infrastructure Master Plan.

Strategic objective annual targets: 2016/17

Strategic objective	Infrastructure Management							5 –Year Target
	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets			
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
Efficient infrastructure planning and management in KZN that contributes to effective economic and social infrastructure for KZN	New	Compiled a report to NT by 28 February 2014	Compiled a consolidated assessment report on the User Asset Management Plans(U-AMPs)	Compile a consolidated assessment report on U-AMPs	Compile a consolidated assessment report on U-AMPs	Compile a consolidated assessment report on U-AMPs	Compile a consolidated assessment report on U-AMPs	Compile a consolidated assessment report on U-AMPs

Sub-programme: 2.2.2	Infrastructure Management							
Strategic objective	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets			5 –Year Target
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
To facilitate implementation and institutionalisation of the IDMS in all KZN provincial departments and municipalities	4	Produced 4 reports on the implementation of IDIP in the province	Produced 4 reports on the implementation of IDIP in the province	Produce 4 reports on the implementation of IDMS in the province	Produce 4 reports on the implementation of IDMS in the province	Produce 4 reports on the implementation of IDMS in the province	Produce 4 reports on the implementation of IDMS in the province	20 reports on the implementation of IDMS in the province
	53	Submitted 4 reports on the site visits conducted	Submitted 4 reports on the infrastructure site visits conducted	Submit 4 reports on the site visits conducted	Submit 4 reports on the site visits conducted	Submit 4 reports on the site visits conducted	Submit 4 reports on the site visits conducted	20 reports on the site visits conducted
	12 Quarterly reports	Submitted 4 reports on the infrastructure expenditure in the province	Submitted 11 reports on the infrastructure expenditure	Submit 4 reports on the infrastructure expenditure in the province	Submit 4 reports on the infrastructure expenditure in the province	Submit 4 reports on the infrastructure expenditure in the province	Submit 4 reports on the infrastructure expenditure in the province	20 reports on the infrastructure expenditure in the province
	1	Input into OPRE submitted on time for tabling	Input into OPRE submitted on time for tabling	Input into OPRE on time for tabling	Input into OPRE on time for tabling	Input into OPRE on time for tabling	Input into OPRE on time for tabling	Input into OPRE on time for tabling
To assist and provide technical support to the development of the KZN Provincial Infrastructure Master Plan	New	New	New	Produce 4 reports on the support to develop Prov IMP	Produce 4 reports on the support to develop Prov IMP	Produce 4 reports on the support to develop Prov IMP	Produce 4 reports on the support to develop Prov IMP	20 reports on the support to develop Prov IMP
	New	New	New	Produce 4 reports on the infrastructure mechanisms in the province	Produce 4 reports on the infrastructure mechanisms in the province	Produce 4 reports on the infrastructure mechanisms in the province	Produce 4 reports on the infrastructure mechanisms in the province	20 reports on the infrastructure mechanisms in the province

Programme performance indicators and annual targets: 2016/17

Sub-programme: 2.2.2	Infrastructure Management						
Programme Performance Indicator	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Assessment Report on the User Asset Management Plans (U-AMPs)	New	Compiled a report to NT by 28 February 2014	Compiled a consolidated assessment report on the User Asset Management Plans(U-AMPs)	Compile a consolidated assessment report on U-AMPs	Compile a consolidated assessment report on U-AMPs	Compile a consolidated assessment report on U-AMPs	Compile a consolidated assessment report on U-AMPs
Reports on the implementation of IDMS in KZN	4	Produced 4 reports on the implementation of IDIP in the province	Produced 4 reports on the implementation of IDIP in the province	Produce 4 reports on the implementation of IDMS in the province	Produce 4 reports on the implementation of IDMS in the province	Produce 4 reports on the implementation of IDMS in the province	Produce 4 reports on the implementation of IDMS in the province
Progress reports on infrastructure budgets and delivery plans using IRM data	53	Submitted 4 reports on the site visits conducted	Submitted 4 reports on the infrastructure site visits conducted	Submit 4 reports on the site visits conducted	Submit 4 reports on the site visits conducted	Submit 4 reports on the site visits conducted	Submit 4 reports on the site visits conducted
Reports on the infrastructure site visits conducted	12 Quarterly reports	Submitted 4 reports on the infrastructure expenditure in the province	Submitted 11 reports on the infrastructure expenditure	Submit 4 reports on the infrastructure expenditure in the province	Submit 4 reports on the infrastructure expenditure in the province	Submit 4 reports on the infrastructure expenditure in the province	Submit 4 reports on the infrastructure expenditure in the province
Estimates of Provincial Revenue and Expenditure (EPRE).	1	Input into OPRE submitted on time for tabling	Input into OPRE submitted on time for tabling	Input into OPRE on time for tabling	Input into OPRE on time for tabling	Input into OPRE on time for tabling	Input into OPRE on time for tabling
Reports on support to develop the Prov Infrastructure Master Plan (IMP) KZN	New	New	New	Produce 4 reports on the support to develop Prov IMP	Produce 4 reports on the support to develop Prov IMP	Produce 4 reports on the support to develop Prov IMP	Produce 4 reports on the support to develop Prov IMP
Reports on infrastructure funding mechanisms and opportunities to support the provincial fiscal framework	New	New	New	Produce 4 reports on the infrastructure mechanisms in the province	Produce 4 reports on the infrastructure mechanisms in the province	Produce 4 reports on the infrastructure mechanisms in the province	Produce 4 reports on the infrastructure mechanisms in the province

Quarterly targets: 2016/17

Sub-programme: 2.2.2	Infrastructure Management					
Performance Indicator	Reporting period	Annual target 2016/17	Quarterly targets			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
Assessment Report on the User Asset Management Plans (U-AMPs)	Annually	Compile a consolidated assessment report on U-AMPs	N/A	1	N/A	N/A

Sub-programme: 2.2.2	Infrastructure Management					
Performance Indicator	Reporting period	Annual target 2016/17	Quarterly targets			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
Reports on the implementation of IDMS in KZN	Quarterly	Produce 4 reports on the implementation of IDMS in the province	1	1	1	1
Progress reports on infrastructure budgets and delivery plans using IRM data	Quarterly	Submit 4 reports on the site visits conducted	1	1	1	1
Reports on the infrastructure site visits conducted	Quarterly	Submit 4 reports on the infrastructure expenditure in the province	1	1	1	1
Estimates of Provincial Revenue and Expenditure (EPRE)	Annually	Input into OPRE on time for tabling	N/A	N/A	N/A	1
Reports on support to develop the Prov Infrastructure Master Plan (IMP) KZN	Quarterly	Produce 4 reports on the support to develop Prov IMP	1	1	1	1
Reports on infrastructure funding mechanisms and opportunities to support the provincial fiscal framework	Quarterly	Produce 4 reports on the infrastructure mechanisms in the province	1	1	1	1

2.3 Sub-programme: Public Finance

The strategic objectives are:

- Promote effective and optimal financial resource allocation for provincial government (including public entities).
- Ensure efficient budget and expenditure management and accurate financial reporting for the provincial government (including public entities).
- Promote optimal and sustainable revenue generation and collection by provincial departments and public entities.

Specified policies and priorities

Most of the functions of the **Provincial Budget Management** unit are governed by the PFMA and the Treasury Regulations, and are process driven. These include the tabling of the Main and Adjusted Appropriations, within set regulated periods, preparation of an annual Unauthorised Expenditure Authorisation Bill for tabling in the Provincial Legislature, as well as monthly, quarterly and annual reporting.

Provincial Own Revenue is responsible for optimising revenue generated by the province, to augment transfers from National Treasury. Its mandate includes conducting continuous assessments of revenue generation and collection capacity of all departments and public entities, as well as researching and proposing ways that own revenue could be enhanced. The unit is also responsible for monitoring the revenue budgets of departments and public entities. The unit established the Provincial Revenue Forum, where all the revenue sections of the different departments gather, to discuss, analyse and resolve issues as they arise.

Specialised Advisory Support Services provides economic and other fundamental analysis in the unit. Among other things, it engages in the research and articulation of Treasury's policy stances on various fiscal matters related to public finance. This includes formulation of policy positions on the review of the equitable share formula, intergovernmental fiscal relations, formulations for incorporation into the annual Division of Revenue Bills, institutionalising a framework for the monitoring of provincial public entities, among others.

Strategic objective annual targets: 2016/17

Strategic objective	Public Finance: Provincial Budget Management							5 -Year Target
	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets			
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
Promote effective and optimal financial resource allocation for provincial government	16 chapters	16 chapters completed 1 working day before Medium	16	15 chapters completed 1 working day before MTEC as per budget process timetable	15 chapters completed 1 working day before MTEC	15 chapters completed 1 working day before MTEC	15 chapters completed 1 working day before MTEC as per	15 chapters completed 1 working day before MTEC as per

Strategic objective annual targets: 2016/17

Sub-programme: 2.3		Public Finance: Provincial Budget Management						
Strategic objective	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets			5 –Year Target
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
		Term Expenditure Committee (MTEC) as per budget process timetable			as per budget process timetable	as per budget process timetable	budget process timetable	budget process timetable
	Estimates of Provincial Revenue and Expenditure (EPRE) on time for tabling	EPRE prepared on time for tabling	1	EPRE on time for tabling	EPRE on time for tabling	EPRE on time for tabling	EPRE on time for tabling	5 EPRE on time for tabling
	Adjusted Estimates of Provincial Revenue and Expenditure (AEPRE) on time for tabling	AEPRE prepared on time for tabling	1	AEPRE on time for tabling	AEPRE on time for tabling	AEPRE on time for tabling	AEPRE on time for tabling	5 AEPRE on time for tabling
Ensure efficient budget and expenditure management and accurate financial reporting for provincial departments and including public entities	12 In-Year Monitoring (IYM) reports	12 IYM reports p/a (submitted to NT by 22 nd monthly)	12	12 IYM reports p/a (submitted to NT by 22 nd monthly)	12 IYM reports p/a (submitted to NT by 22 nd monthly)	12 IYM reports p/a (submitted to NT by 22 nd monthly)	12 IYM reports p/a (submitted to NT by 22 nd monthly)	60 IYM reports p/a (submitted to NT)
	3 quarterly budget performance report	3 quarterly performance reports	3	3 quarterly performance reports	3 quarterly performance reports	3 quarterly performance reports	3 quarterly performance reports	15 quarterly performance reports

Programme performance indicators and annual targets: 2016/17

Sub-programme: 2.3		Public Finance: Provincial Budget Management						
Programme Performance Indicator	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets			
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
No. of chapters in MTEC report	16 chapters	16 chapters completed 1 working day before MTEC as per budget process timetable	16	15 chapters completed 1 working day before MTEC as per budget process timetable	15 chapters completed 1 working day before MTEC as per budget process timetable	15 chapters completed 1 working day before MTEC as per budget process timetable	15 chapters completed 1 working day before MTEC as per budget process timetable	
Estimates of Provincial Revenue and Expenditure (EPRE)	EPRE on time for tabling	EPRE prepared on time for tabling	1	EPRE on time for tabling	EPRE on time for tabling	EPRE on time for tabling	EPRE on time for tabling	
Adjusted Estimates of Provincial Revenue and Expenditure (AEPRE)	AEPRE on time for tabling	AEPRE prepared on time for tabling	1	AEPRE on time for tabling	AEPRE on time for tabling	AEPRE on time for tabling	AEPRE on time for tabling	
Section 32 report (Monthly provincial IYM report)	12 IYM reports	12 IYM reports p/a (submitted to NT by 22 nd monthly)	12	12 IYM reports p/a (submitted to NT by 22 nd monthly)	12 IYM reports p/a (submitted to NT by 22 nd monthly)	12 IYM reports p/a (submitted to NT by 22 nd monthly)	12 IYM reports p/a (submitted to NT by 22 nd monthly)	
Quarterly performance reports for provincial departments	3 quarterly budget performance report	3 quarterly performance reports	3	3 quarterly performance reports	3 quarterly performance reports	3 quarterly performance reports	3 quarterly performance reports	

Quarterly targets: 2016/17

Sub-programme: 2.3		Public Finance: Provincial Budget Management				
Performance Indicators	Reporting period	Annual target 2016/17	Quarterly targets			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
No. of chapters in MTEC reports	Annually	15	N/A	15	N/A	N/A
Estimates of Provincial Revenue & Expenditure	Annually	1	N/A	N/A	N/A	1
Adjusted Estimates of Provincial Revenue and Expenditure (AEPRE)	Annually	1	N/A	N/A	1	N/A
Section 32 report (Monthly provincial IYM report)	Monthly	12	3	3	3	3
Quarterly performance reports for provincial departments	Quarterly	3	1	1	1	N/A

Strategic objective annual targets: 2016/17

Sub-programme: 2.3	Public Finance: Provincial Own Revenue							
Strategic objective	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets			5 –Year Target
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
Promote optimal and sustainable revenue generation and collection by provincial departments and public entities	4	4 Forums per year	4 forums conducted per year	4 Forums per year	1 Forum per year	1 Forum per year	1 Forum per year	5 Forums per year
	3	4 Quarterly Reports	4 Revenue quarterly performance reports	3 Revenue quarterly performance reports	3 Revenue quarterly performance reports	3 Revenue quarterly performance reports	3 Revenue quarterly performance reports	15 Revenue quarterly performance reports
	1	1 OPRE and EPRE	Revenue input into OPRE and EPRE submitted on time for tabling	Revenue input into OPRE and EPRE on time for tabling	Revenue input into OPRE and EPRE on time for tabling	Revenue input into OPRE and EPRE on time for tabling	Revenue input into OPRE and EPRE on time for tabling	Revenue input into OPRE and EPRE on time for tabling

Programme performance indicators and annual targets: 2016/17

Sub-programme: 2.3	Public Finance: Provincial Own Revenue						
Programme Performance Indicator	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Conduct and co-ordinate quarterly Provincial Revenue Forums	4	4 Forums per year	4 forums conducted per year	4 Forums per year	1 Forum per year	1 Forum per year	1 Forum per year
Monitoring of departmental revenue collection	3	4 Quarterly Reports	4 Revenue quarterly performance reports	3 Revenue quarterly performance reports	3 Revenue quarterly performance reports	3 Revenue quarterly performance reports	3 Revenue quarterly performance reports
Revenue input into Overview of Provincial Revenue and Expenditure (OPRE) and Estimates of Provincial Revenue and Expenditure (EPRE)	1	1 OPRE and EPRE	Revenue input into OPRE and EPRE submitted on time for tabling	Revenue input into OPRE and EPRE on time for tabling	Revenue input into OPRE and EPRE on time for tabling	Revenue input into OPRE and EPRE on time for tabling	Revenue input into OPRE and EPRE on time for tabling

Quarterly targets: 2016/17

Sub-programme: 2.3	Public Finance: Provincial Own Revenue						
Performance Indicators	Reporting period	Annual target 2016/17	Quarterly targets				
			Quarter 1	Quarter 2	Quarter 3	Quarter 4	
Conduct and co-ordinate quarterly Provincial Revenue Forums	Annually	1 Forum per year	N/A	N/A	1	N/A	
Monitoring of departmental revenue collection	Quarterly	3 Revenue Quarterly Performance Reports	1	1	1	N/A	
Revenue input into Overview of Provincial Revenue (OPRE) and Estimates of Provincial Revenue and Expenditure (EPRE)	Annual	Revenue input into OPRE and EPRE on time for tabling	N/A	N/A	N/A	1	

Strategic objective annual targets: 2016/17

Sub-programme: 2.3	Public Finance: Specialised Advisory Support Services							
Strategic objective	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets			5 –Year Target
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
Promote effective and optimal financial resource allocation for provincial government (including public entities)	Submitted by due date	Input submitted by due date as set by NT	PT input into 2015 DORA was submitted to NT by due date	Input to be submitted by due date as set by NT	Input to be submitted by due date as set by NT	Input to be submitted by due date as set by NT	Input to be submitted by due date as set by NT	Input to be submitted by due date as set by NT
	Close-out report one month after end of financial year	Implemented and reported bi-annually for all public entities	Prepared Unaudited Close-out reports for all entities, Prepared budget MTEC report, Mid-year report and EPRE tables for all listed entities	Report bi-annually for all listed public entities	Report bi-annually for all listed public entities	Report bi-annually for all listed public entities	Report bi-annually for all listed public entities	Report bi-annually for all listed public entities

Programme performance indicators and annual targets: 2016/17

Sub-programme: 2.3		Public Finance: Specialised Advisory Support Services					
Programme Performance indicators	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Input into the revision and maintenance of Division Of Revenue Act (DORA)	Submitted by due date	Input submitted by due date as set by NT	PT input into 2015 DORA was submitted to NT by due date	Input to be submitted by due date as set by NT	Input to be submitted by due date as set by NT	Input to be submitted by due date as set by NT	Input to be submitted by due date as set by NT
Institutionalise framework for the monitoring of provincial public entities	Close-out report one month after end of financial year	Implemented and reported bi-annually for all public entities	Prepared Unaudited Close-out reports for all entities, Prepared budget MTEC report, Mid-year report and EPRE tables for all listed entities	Report bi-annually for all listed public entities	Report bi-annually for all listed public entities	Report bi-annually for all listed public entities	Report bi-annually for all listed public entities

Quarterly targets: 2016/17

Sub-programme: 2.3		Public Finance: Specialised Advisory Support Services				
Performance Indicators	Reporting period	Annual target 2016/17	Quarterly targets			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
Input into the revision and maintenance of DORA	Annually	Input to be submitted by due date as set by NT	Input to be submitted by due date as set by NT	Input to be submitted by due date as set by NT	Input to be submitted by due date as set by NT	Input to be submitted by due date as set by NT
Institutionalise framework for the monitoring of provincial public entities	Bi-annually	Report bi-annually for all listed public entities	N/A	1	1	N/A

2.4 Sub-programme: Municipal Finance

The strategic objectives are:

- To ensure efficient budget and expenditure management and accurate financial reporting for the delegated municipalities in the province; and
- To assist and provide technical support to the delegated municipalities in financial distress in the province.

Specified Policies and Priorities

Municipalities are the custodians of public funds and are tasked with using their resources to respond to the needs of communities for infrastructure, local services, community development and spatial development. National and Provincial Government has a constitutional mandate to monitor the state of local government finances and financial management to ensure sustainable service delivery, while concurrently promoting good budget and fiscal management by municipalities.

In order to achieve this mandate, the Municipal Finance Unit monitors the preparation and performance of municipal budgets as well as the compliance by all delegated municipalities with the Municipal Finance Management Act, Act No.56 of 2003 (MFMA) and the Municipal Budget and Reporting Regulations (MBRR).

The Municipal Finance Unit further provides technical support to delegated municipalities, particularly those that are in financial distress, in order that these municipalities may achieve their strategic objectives and compliance with the MFMA and MBRR. Towards this end, the Municipal Finance Unit constructively engages all delegated municipalities to ensure that all budget related requirements in terms of the MFMA and MBRR are complied with. The functions of the Municipal Finance Unit are process driven and are largely determined by statutory deadlines as stipulated in the MFMA and the MBRR.

Strategic objective annual targets: 2016/17

Sub-programme: 2.4	Municipal Finance							5 –Year Target
	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets			
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
To ensure efficient budget and expenditure management and accurate financial reporting for the delegated municipalities in the Province	12 Section 71(6) reports	12 Section 71(6) reports	12 Section 71(6) reports	12 Section 71(6) reports	12 Section 71(6) reports	12 Section 71(6) reports	12 Section 71(6) reports	60 Section 71(6) reports
	4 Section 71(7) Quarterly budget performance reports	4 Section 71(7) Quarterly budget performance reports	4 Section 71(7) Quarterly budget performance reports	4 Section 71(7) Quarterly budget performance reports	4 Section 71(7) Quarterly budget performance reports	4 Section 71(7) Quarterly budget performance reports	4 Section 71(7) Quarterly budget performance reports	20 Section 71(7) Quarterly budget performance reports
To assist and provide technical support to municipalities	10 municipalities supported through the MSP	12 municipalities supported through the MSP	16 municipalities supported through the MSP	10 municipalities to be supported through the MSP	10 municipalities to be supported through the MSP	10 municipalities to be supported through the MSP	10 municipalities to be supported through the MSP	50 municipalities to be supported through the MSP

1. Target is dependent on the cut-off date and closure of the NT Igdatabase.
2. Targets are not cumulative

Programme performance indicators and annual targets: 2016/17

Sub-programme: 2.4	Municipal Finance							
	Programme Performance indicators	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets		
		2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Section 71(6) report (Monthly municipal IYM report) within the prescribed time frame ¹	12 Section 71(6) reports	12 Section 71(6) reports	12 Section 71(6) reports	12 Section 71(6) reports	12 Section 71(6) reports	12 Section 71(6) reports	12 Section 71(6) reports	
Section 71(7) Quarterly budget performance reports ¹	4 Section 71(7) Quarterly budget performance reports	4 Section 71(7) Quarterly budget performance reports	4 Section 71(7) Quarterly budget performance reports	4 Section 71(7) Quarterly budget performance reports	4 Section 71(7) Quarterly budget performance reports	4 Section 71(7) Quarterly budget performance reports	4 Section 71(7) Quarterly budget performance reports	
No. of municipalities supported by the MSP ²	10 municipalities supported through the MSP	12 municipalities supported through the MSP	16 municipalities supported through the MSP	10 municipalities to be supported through the MSP	10 municipalities to be supported through the MSP	10 municipalities to be supported through the MSP	10 municipalities to be supported through the MSP	

1. Target is dependent on the cut-off date and closure of the NT Igdatabase.
2. Targets are not cumulative

Quarterly targets: 2016/17

Sub-programme: 2.4	Municipal Finance						
	Programme performance indicators	Reporting period	Annual target 2016/17	Quarterly targets			
				Quarter 1	Quarter 2	Quarter 3	Quarter 4
Section 71(6) report (Monthly municipal IYM report) within the prescribed time frame ¹	Monthly	12 Section 71(6) reports	3 reports	3 reports	3 reports	3 reports	
Section 71(7) quarterly budget performance reports ¹	Quarterly	4 Section 71(7) Quarterly budget performance reports	1 report	1 report	1 report	1 report	
No. of municipalities supported by the Municipal Support Programme (MSP) ²	Quarterly	10 municipalities to be supported through the MSP	2 municipalities	2 municipalities	3 municipalities	3 municipalities	

1. Target is dependent on the cut-off date and closure of the NT Igdatabase
2. Targets are not cumulative

2.5 Reconciliation of budget with plan

Table 4.1 : Summary of payments and estimates by sub-programme: Fiscal Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Programme Support	751	1 825	1 150	3 262	3 262	2 735	2 970	2 970	3 119
2. Economic Analysis	19 499	37 544	26 301	24 951	26 451	24 007	24 715	17 115	17 971
3. Public Finance	9 739	10 347	11 611	14 188	14 188	13 493	14 190	14 190	14 900
4. Municipal Finance	46 881	41 488	36 405	61 166	59 666	54 236	61 181	61 181	64 240
Total payments and estimates	76 870	91 204	75 467	103 567	103 567	94 471	103 056	95 456	100 230

Table 4.2 : Summary of payments and estimates by economic classification: Fiscal Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	76 716	90 510	74 981	103 166	103 166	94 064	102 770	95 170	99 944
Compensation of employees	30 283	37 038	45 548	59 892	59 492	54 815	59 397	59 397	61 256
Goods and services	46 433	53 472	29 433	43 274	43 674	39 249	43 373	35 773	38 688
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	23	66	-	-	-	59	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and account	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and internatio	-	-	-	-	-	-	-	-	-
Public corporations and private ente	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	23	66	-	-	-	59	-	-	-
Payments for capital assets	131	425	486	401	401	348	286	286	286
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	131	425	486	401	401	348	286	286	286
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible asset	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	203	-	-	-	-	-	-	-
Total economic classification	76 870	91 204	75 467	103 567	103 567	94 471	103 056	95 456	100 230

3. PROGRAMME 3: FINANCIAL MANAGEMENT

The strategic objectives of Programme 3 are to:

- Assist departments in improving cash management.
- Provide substantial technical, financial and legal advice in support of all provincial PPPs in line with the PPP project cycle as regulated by National Treasury.
- Support and monitor adherence of departments, public entities and municipalities on SCM.
- Assist departments and municipalities in the attainment of a clean audit outcome for the Province.
- To develop, facilitate implementation and monitor compliance with financial norms and standards in provincial departments, municipalities and public entities.
- To develop, facilitate implementation and monitor compliance with financial norms and standards in provincial departments, municipalities and public entities.
- To provide technical and functional support to supporting and interlinked financial systems.
- To enhance the gaming and betting regulatory environment in KwaZulu-Natal.

The programme consists of the following measurable sub-programmes:

- 3.1 **Sub-programme: Cash Management and Liabilities**
- 3.2 **Sub-programme: Public Private Partnerships (PPPs)**
- 3.3 **Sub-programme: Supply Chain Management**
- 3.4 **Sub-programme: Financial Reporting**
- 3.5 **Sub-programme: Norms and Standards**
- 3.6 **Sub-programme: Supporting and Interlinked Financial Systems**
- 3.7 **Sub-programme: Gaming and Betting**

3.1 Sub-programme: Cash Management and Liabilities

The strategic objective is:

- To assist departments in improving cash management

Specified policies and priorities:

The Banking division provides an effective support service to all client departments and ensures that municipalities conform to the reporting requirements in terms of the Municipal Finance Management Act.

The priority of the Tax section is to provide efficient support and guidance to all client departments and to increase the knowledge and skills of officials at the departments. The EMP 10 guide issued by SARS is used as a base to perform Risk Analysis in terms of tax compliance and processes. In addition a practical Tax manual has been compiled which focuses on the Persal and BAS Tax functions and the technical aspects of the pay as you earn (PAYE) tax functions to assist tax officials at all departments.

Strategic objective annual targets: 2016/17

Sub-programme: 3.1	Cash management and Liabilities							
Strategic objective	Audited/Actual performance			Estimated performance 2015/16	Medium-term targets			5 –Year Target
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
To assist departments in improving cash management	2 sessions	3 sessions	2 sessions	2 sessions	1 session	1 session	1 session	5 session
	64 reports	64 reports	63 reports	60 reports	56 reports	56 reports	56 reports	284 reports
	64 assessment reports	60 assessment reports	60 assessment reports	60 assessment reports	56 assessment reports	56 assessment reports	56 assessment reports	284 assessment reports
	192 reconciled bank reconciliation	180 reconciled bank reconciliation	180 Reconciled bank reconciliation	180 reconciled bank reconciliation	168 reconciled bank reconciliation	168 reconciled bank reconciliation	168 reconciled bank reconciliation	852 reconciled bank reconciliation
	4 reports on withdrawals from municipal bank accounts	4 reports on withdrawals from municipal bank accounts	4 reports on withdrawals	4 reports on withdrawals from municipal bank accounts	4 reports on withdrawals from municipal bank accounts	4 reports on withdrawals from municipal bank accounts	4 reports on withdrawals from municipal bank accounts	20 reports on withdrawals from municipal bank accounts

Programme performance indicators and annual targets: 2016/17

Sub-programme: 3.1	Cash Management and Liabilities						
Programme Performance indicators	Audited/Actual performance			Estimated performance 2015/16	Medium-term targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Conduct Tax Information Seminar annually	2 sessions	3 sessions	2 sessions	2 sessions	1 session	1 session	1 session
Risk Analysis per dept. to ensure compliance to tax legislation	64 reports	64 reports	63 reports	60 reports	56 reports	56 reports	56 reports
Provide quarterly assessment reports to depts. on status of bank related suspense accounts	64 assessment reports	60 assessment reports	60 Compliance Assessment reports	60 assessment reports	56 assessment reports	56 assessment reports	56 assessment reports
Review monthly bank reconciliations per department	192 reconciled bank reconciliation	180 reconciled bank reconciliation	180 Reconciled bank reconciliation	180 reconciled bank reconciliation	168 reconciled bank reconciliation	168 reconciled bank reconciliation	168 reconciled bank reconciliation
Produce quarterly report on withdrawals from municipal bank accounts	4 reports on withdrawals from municipal bank accounts	4 reports on withdrawals from municipal bank accounts	4 reports on withdrawals	4 reports on withdrawals from municipal bank accounts	4 reports on withdrawals from municipal bank accounts	4 reports on withdrawals from municipal bank accounts	4 reports on withdrawals from municipal bank accounts

Quarterly targets: 2016/17

Sub-programme: 3.1	Cash Management and Liabilities					
Performance indicators	Reporting period	Annual target 2016/17	Quarterly targets			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
Conduct Tax Information Seminar annually	Annually	1 session	NIL	1 session	NIL	NIL
Risk Analysis per dept. to ensure compliance to tax legislation	Quarterly	56 reports	14 Risk Analysis reports	14 Risk Analysis reports	14 Risk Analysis reports	14 Risk Analysis reports
Provide quarterly assessment reports to depts. on status of bank related suspense accounts	Quarterly	56 assessment reports	14 assessment reports	14 assessment reports	14 assessment reports	14 assessment reports
Review monthly bank reconciliations per department	Monthly	168 reconciled bank reconciliation	42 reconciled bank reconciliation	42 reconciled bank reconciliation	42 reconciled bank reconciliation	42 reconciled bank reconciliation
Produce quarterly report on withdrawals from municipal bank accounts	Quarterly	4 reports on withdrawals from municipal bank accounts	1 report	1 report	1 report	1 report

3.2 Sub-programme: Public Private Partnerships (PPPs)

The strategic objective is:

- To provide substantial technical, financial and legal advice in support of all provincial PPP projects in line with the PPP project cycle as regulated by National Treasury guidelines.

Specified policies and priorities

The overall purpose of the sub programme is to oversee and provide support at a provincial and municipal level in line with the PPP Project Cycle. This is achieved by ensuring that the PPP Unit provides transaction support to government departments; public entities and municipalities and their municipal entities to ensure compliance with the PPP legislative processes where necessary, hold information workshops for capacity building in order to ensure that value for money is achieved.

Strategic objective annual targets: 2016/17

Sub-programme: 3.2	Public Private Partnerships							
Strategic objective	Audited/Actual performance			Estimated performance 2015/16	Medium-term targets			5 –Year Target
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
To provide substantial technical, financial and legal advice in support of all provincial PPPs in line with PPP Project Cycle as regulated by National Treasury guidelines	5	7	13	2	2	2	2	10
	12	17	12	12	12	12	12	60
	12	12	12	12	12	12	12	60

Programme performance indicators and annual targets: 2016/17

Sub-programme: 3.2	Public Private Partnerships						
Programme Performance Indicator	Audited/Actual performance			Estimated performance 2015/16	Medium-term targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Number of seminars/workshops conducted for Provincial departments, Public entities, Municipalities, Municipal entities and the Private sector.	5	7	13	2	2	2	2
No. of reports for Prov. Treasury management and NT PPP unit	12	17	12	12	12	12	12
Contract management reports on closed deals	12	12	12	12	12	12	12

Quarterly targets: 2015/16

Sub-programme: 3.2	Public Private Partnerships					
Performance Indicators	Reporting period	Annual target 2016/17	Quarterly targets			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
Number of seminars/workshops conducted for Provincial departments, Public entities, Municipalities, Municipal entities and the Private sector.	Bi-Annually	2	N/A	1	N/A	1
No. of reports for Prov. Treasury management and NT PPP unit	Quarterly	12	3	3	3	3
Contract management reports on closed deals	Quarterly	12	3	3	3	3

3.3 Sub-programme: Provincial Supply Chain Management

The strategic objectives:

- To support and monitor adherence of departments, public entities and municipalities to SCM prescripts.

Specified policies and priorities

The specified priorities for the Provincial Supply Chain Management Office is to monitor and evaluate compliance by provincial departments, municipalities and public entities to SCM prescripts and, where necessary, to offer support as required by the clients and which may include the development of required policies and practice notes, that allow for best practice implementation.

Strategic objective annual targets: 2016/17

Sub-programme: 3.3	Provincial Supply Chain Management							
Strategic objectives	Audited/Actual performance			Estimated performance 2015/16	Medium-term targets			5 –Year Target
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
To support and monitor adherence of departments, public entities and municipalities on SCM	26	14	20	Conduct 4 SCM training, information sessions and workshops for state institutions	Conduct 8 SCM training, information sessions, workshops and forums for state institutions	Conduct 8 SCM training, information sessions, workshops and forums for state institutions	Conduct 8 SCM training, information sessions, workshops and forums for state institutions	36 SCM training, information sessions, workshops and forums for state institutions
	103	80	70	Conduct 60 SCM assessments in depts, munic. and public entities & investigate complaints	Conduct 60 SCM assessments in depts, munic. and public entities & investigate complaints	Conduct 60 SCM assessments in depts, munic. and public entities & investigate complaints	Conduct 60 SCM assessments in depts, munic. and public entities & investigate complaints	300 SCM assessments in depts, munic. and public entities & investigate complaints
	New	New	1	Reviews and update supplier registration form(1)	N/A Supplier Registration effective 01/04/16 on NCSD	N/A Supplier Registration effective 01/04/16 on NCSD	N/A Supplier Registration effective 01/04/16 on NCSD	Reviewed and update supplier registration form by 01/04/16 on NCSD
	9	5	4	Review and update policies practise notes(4)	Review and update policies (4)	Review and update policies (4)	Review and update policies (4)	20
	New	New	New	New	Conduct 8 contract management reviews for state institutions	Conduct 8 contract management reviews for state institutions	Conduct 8 contract management reviews for state institutions	Conduct 40 contract management reviews for state institutions

Programme performance indicators and annual targets: 2016/17

Sub-programme: 3.3	Provincial Supply Chain Management						
Performance indicators	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
No. of SCM training sessions and information sessions conducted	26	14	20	Conduct 4 SCM training, information sessions and workshops for state institution	Conduct 8 SCM training, information sessions, workshops and forums for state institutions	Conduct 8 SCM training, information sessions, workshops and forums for state institutions	Conduct 8 SCM training, information sessions, workshops and forums for state institutions
No. of assessments	103	80	70	Conduct 60 SCM assessments in depts, munic. and public entities & investigate complaints	Conduct 60 SCM assessments in depts, munic. and public entities & investigate complaints	Conduct 60 SCM assessments in depts, munic. and public entities & investigate complaints	Conduct 60 SCM assessments in depts, munic. and public entities & investigate complaints
No. of reviews of the supplier registration form	New	New	1	Reviews and update supplier registration form(1)	N/A Supplier Registration effective 01/04/16 on NCSD	N/A Supplier Registration effective 01/04/16 on NCSD	N/A Supplier Registration effective 01/04/16 on NCSD

No. of policies reviewed and issued	9	5	4	Review and update policies practise notes(4)	Review and update policies (4)	Review and update policies (4)	Review and update policies (4)
No. of contract management analysis conducted	New	New	New	New	Conduct 8 contract management reviews for state institutions	Conduct 8 contract management reviews for state institutions	Conduct 8 contract management reviews for state institutions

Quarterly targets: 2016/17

Sub-programme: 3.3		Provincial Supply Chain Management				
Programme performance Indicators	Reporting period	Annual target 2016/17	Quarterly targets			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
No. of SCM training sessions and information sessions conducted	Quarterly	Conduct 8 SCM training, information sessions, workshops and forums for state institutions	2	2	2	2
No. of assessments	Quarterly	Conduct 60 SCM assessments in depts, munic. and public entities & investigate complaints	15	15	15	15
No. of policies reviewed and issued	Quarterly	Review and update policies (4)	1	1	1	1
No. of contract management analysis conducted	Quarterly	Conduct 8 contract management reviews for state institutions	2	2	2	2

3.4 Sub-programme: Financial Reporting

The strategic objectives are:

- To assist departments, public entities and municipalities in the attainment of positive audit outcomes for the Province, with respect to financial management.

Specified policies and priorities

The overall purpose of the sub-programme is to analyse audit reports with respect to financial management in order to establish and formulate support strategies to address weaknesses within the financial management accounting and reporting processes.

Strategic objective annual targets: 2016/17

Strategic objective	Financial reporting							5 –Year Target
	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets			
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
To assist departments, municipalities and public entities in the attainment of a clean audit outcome for the Province.	Compiled AFS for FY 11/12	Compiled and tabled Consolidated AFS for FY 12/13 Departments and Provincial Revenue Fund	Compiled and tabled consolidated AFS for FY13/14 in Legislature	Consolidated AFS for FY 14/15 tabled in legislature by 30 November 2015	Audited Consolidated AFS for FY 2015/16 by 30 November 2016	Audited Consolidated AFS for FY 2015/16 by 30 November 2017	Audited Consolidated AFS for FY 2015/16 by 30 November 2018	5 Audited Consolidated AFS
	Compiled AFS for FY 11/12	Compiled and tabled Consolidated AFS for FY 12/13 Public Entities	Compiled and tabled consolidated AFS for FY13/14 in legislature	Consolidated AFS for FY 14/15 tabled in legislature by 30 November 2015	Audited Consolidated AFS for FY 2015/16 by 30 November 2016	Audited Consolidated AFS for FY 2015/16 by 30 November 2017	Audited Consolidated AFS for FY 2015/16 by 30 November 2018	5 Audited Consolidated AFS
	Revenue Fund AFS tabled in Legislature for FY 11/12	Compiled and tabled Consolidated AFS for FY 12/13 Revenue Fund	Compiled Revenue Fund Annual Financial Statements	Revenue Fund AFS tabled in Legislature for FY 14/15 by 30 November 2015	Audited Revenue Fund for FY 2015/16 by 30 November 2016	Audited Revenue Fund for FY 2015/16 by 30 November 2017	Audited Revenue Fund for FY 2015/16 by 30 November 2018	5 Audited Revenue Fund

	Summary of Audit Outcome Analysis on AG's audit Report	Summary of Audit Outcome Analysis on AG's audit Report for Provincial departments and public entities by 31 August 2013 Summary of Audit Outcome Analysis on AG's audit Report for municipalities by 31 January 2014	Summary of Audit Outcome Analysis for Provincial Departments and Public Entities Summary of Audit Outcome Analysis for Municipalities	Summary of Audit Outcome Analysis on AG's audit Report for Provincial departments and public entities by 31 August 2015 Summary of Audit Outcome Analysis on AG's audit Report for municipalities by 31 January 2016	Summary of Audit Outcome Analysis on AG's audit Report for Provincial departments and public entities by 30 Sept 2016 Summary of Audit Outcome Analysis on AG's audit Report for municipalities by 28 Feb 2017	Summary of Audit Outcome Analysis on AG's audit Report for Provincial departments and public entities by 31 Sept 2017 Summary of Audit Outcome Analysis on AG's audit Report for municipalities by 28 Feb 2018	Summary of Audit Outcome Analysis on AG's audit Report for Provincial departments and public entities by 31 Sept 2018 Summary of Audit Outcome Analysis on AG's audit Report for municipalities by 28 Feb 2019	5 Summary of Audit Outcome Analysis on AG's audit Report for Provincial departments and public entities 5 Summary of Audit Outcome Analysis on AG's audit Report for municipalities
0	1AFS training workshop	Not achieved	1 AFS training workshop by 31 March 2015	1 AFS training workshop by 30 April 2016	1 AFS training workshop by 30 April 2017	1 AFS training workshop by 30 April 2018	5 AFS training workshops	
Pre-audit review in 16 Departments	Pre-audit review in 16 Departments	Pre-audit review in 15 Departments	Pre-audit review in 16 Departments by 31 May 2015	Pre-audit review in 15 Departments by 31 May 2016	Pre-audit review in 15 Departments by 31 May 2017	Pre-audit review in 15 Departments by 31 May 2018	Pre-audit review in 15 Departments	
new	new	new	new	Progress reports on intensive on-site financial management support to 4 Departments within 10 days of every quarter end	Progress reports on intensive on-site financial management support to 4 Departments within 10 days of every quarter end	Progress reports on intensive on-site financial management support to 4 Departments within 10 days of every quarter end	Progress reports on intensive on-site financial management support to Departments	
Pre-audit readiness assessment in 12 public entities	0	Pre-audit review in 1 public entity	Pre-audit review in 12 public entities by 31 May 2015	Pre-audit review in 2 public entities by 31 May 2016	Pre-audit review in 4 public entities by 31 May 2017	Pre-audit review in 5 public entities by 31 May 2018	Pre-audit review in public entities	
new	New	Not achieved	1 AFS training workshop for 12 public entities by 31 March 2015	1 AFS training workshop for public entities by 30 April 2016	1 AFS training workshop for public entities by 30 April 2017	1 AFS training workshop for public entities by 30 April 2018	5 AFS training workshop for public entities	
new	New	Not achieved	1 AFS training workshop for 58 municipalities by 30 June 2015	1 AFS training workshop for municipalities by 30 June 2016	1 AFS training workshop for municipalities by 30 June 2017	1 AFS training workshop for municipalities by 30 June 2018	AFS training workshop for municipalities	
new	New	Pre-audit assessment report in 10 municipalities	Pre-audit assessment report in 15 municipalities by 30 August 2015	Pre-audit assessment report in 10 municipalities by 30 August 2016	Pre-audit assessment report in 12 municipalities by 30 August 2017	Pre-audit assessment report in 15 municipalities by 30 August 2018	Pre-audit assessment report in municipalities	
new	Progress reports on on-site financial management support to 15 identified municipalities	Progress reports on intensive on-site financial management support to 7 municipalities	Progress reports on intensive on-site financial management support to 15 municipalities within 10 days of every quarter end	Progress reports on intensive on-site financial management support to 10 municipalities within 10 days of every quarter end	Progress reports on intensive on-site financial management support to 10 municipalities within 10 days of every quarter end	Progress reports on intensive on-site financial management support to 10 municipalities within 10 days of every quarter end	Progress reports on intensive on-site financial management support to municipalities	

Programme performance indicators and annual targets: 2016/17

Sub-programme: 3.4	Financial Reporting						
	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Programme Performance Indicators							
Consolidated AFS for Provincial Departments and the Provincial Revenue Fund	Compiled AFS for FY 11/12	Compiled and tabled Consolidated AFS for FY 12/13 Departments and Provincial Revenue Fund	Compiled and tabled consolidated AFS for FY 13/14 in Legislature	Consolidated AFS for FY 14/15 tabled in legislature by 30 November 2015	Audited Consolidated AFS for FY 2015/16 by 30 November 2016	Audited Consolidated AFS for FY 2015/16 by 30 November 2017	Audited Consolidated AFS for FY 2015/16 by 30 November 2018
Consolidated AFS for Public Entities tabled in Legislature	Compiled AFS for FY 11/12	Compiled and tabled Consolidated AFS for FY 12/13 Public Entities	Compiled and tabled consolidated AFS for FY 13/14 in legislature	Consolidated AFS for FY 14/15 tabled in legislature by 30 November 2015	Audited Consolidated AFS for FY 2015/16 by 30 November 2016	Audited Consolidated AFS for FY 2015/16 by 30 November 2017	Audited Consolidated AFS for FY 2015/16 by 30 November 2018
Annual Financial Statements for the Revenue Fund tabled in Legislature	Revenue Fund AFS tabled in Legislature for FY 11/12	Compiled and tabled Consolidated AFS for FY 12/13 Revenue Fund	Compiled Revenue Fund Annual Financial Statements	Revenue Fund AFS tabled in Legislature for FY 14/15 by 30 November 2015	Audited Revenue Fund for FY 2015/16 by 30 November 2016	Audited Revenue Fund for FY 2015/16 by 30 November 2017	Audited Revenue Fund for FY 2015/16 by 30 November 2018
Provincial Audit Outcome Analysis for Municipalities, Departments and Public Entities	Summary of Audit Outcome Analysis on AG's audit Report	Summary of Audit Outcome Analysis on AG's audit Report for Provincial departments and public entities by 31 August 2013 Summary of Audit Outcome Analysis on AG's audit Report for municipalities by 31 January 2014	Summary of Audit Outcome Analysis for Provincial Departments and Public Entities Summary of Audit Outcome Analysis for Municipalities	Summary of Audit Outcome Analysis on AG's audit Report for Provincial departments and public entities by 31 August 2015 Summary of Audit Outcome Analysis on AG's audit Report for municipalities by 31 January 2016	Summary of Audit Outcome Analysis on AG's audit Report for Provincial departments and public entities by 30 Sept 2016 Summary of Audit Outcome Analysis on AG's audit Report for municipalities by 28 Feb 2017	Summary of Audit Outcome Analysis on AG's audit Report for Provincial departments and public entities by 31 Sept 2017 Summary of Audit Outcome Analysis on AG's audit Report for municipalities by 28 Feb 2018	Summary of Audit Outcome Analysis on AG's audit Report for Provincial departments and public entities by 31 Sept 2018 Summary of Audit Outcome Analysis on AG's audit Report for municipalities by 28 Feb 2019
AFS Support and Training to Provincial Departments	0	1AFS training workshop	Not achieved	1 AFS training workshop by 31 March 2015	1 AFS training workshop by 30 April 2016	1 AFS training workshop by 30 April 2017	1 AFS training workshop by 30 April 2018
	Pre-audit review in 16 Departments	Pre-audit review in 16 Departments	Pre-audit review in 15 Departments	Pre-audit review in 16 Departments by 31 May 2015	Pre-audit review in 15 Departments by 31 May 2016	Pre-audit review in 15 Departments by 31 May 2017	Pre-audit review in 15 Departments by 31 May 2018
	new	new	new	New	Progress reports on intensive on-site financial management support to 4 Departments within 10 days of every quarter end	Progress reports on intensive on-site financial management support to 4 Departments within 10 days of every quarter end	Progress reports on intensive on-site financial management support to 4 Departments within 10 days of every quarter end
Financial Management Monitoring Support to Public Entities	Pre-audit readiness assessment in 12 public entities	0	Pre-audit review in 1 public entity	Pre-audit review in 12 public entities by 31 May 2015	Pre-audit review in 2 public entities by 31 May 2016	Pre-audit review in 4 public entities by 31 May 2017	Pre-audit review in 5 public entities by 31 May 2018
	new	New	Not achieved	1 AFS training workshop for 12 public entities by 31 March 2015	1 AFS training workshop for public entities by 30 April 2016	1 AFS training workshop for public entities by 30 April 2017	1 AFS training workshop for public entities by 30 April 2018
Financial Management Monitoring Support to Municipalities	new	New	Not achieved	1 AFS training workshop for 58 municipalities by 30 June 2015	1 AFS training workshop for municipalities by 30 June 2016	1 AFS training workshop for municipalities by 30 June 2017	1 AFS training workshop for municipalities by 30 June 2018
	new	New	Pre-audit assessment report in 10 municipalities	Pre-audit assessment report in 15 municipalities by 30 August 2015	Pre-audit assessment report in 10 municipalities by 30 August 2016	Pre-audit assessment report in 12 municipalities by 30 August 2017	Pre-audit assessment report in 15 municipalities by 30 August 2018
	new	Progress reports on on-site financial management support to 15 identified municipalities	Progress reports on intensive on-site financial management support to 7 municipalities	Progress reports on intensive on-site financial management support to 15 municipalities within 10 days of every quarter end	Progress reports on intensive on-site financial management support to 10 municipalities within 10 days of every quarter end	Progress reports on intensive on-site financial management support to 10 municipalities within 10 days of every quarter end	Progress reports on intensive on-site financial management support to 10 municipalities within 10 days of every quarter end

Quarterly targets: 2016/17

Sub-programme: 3.4		Financial Reporting				
Programme Performance Indicators	Reporting period	Annual target 2016/17	Quarterly targets			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
Consolidated AFS for Provincial Departments and the Provincial Revenue Fund	Annually	Audited Consolidated AFS for FY 2015/16 by 30 November 2016	N/A	N/A	Audited Consolidated AFS for FY 2015/16 by 30 November 2016	N/A
Consolidated AFS for Public Entities tabled in Legislature	Annually	Audited Consolidated AFS for FY 2015/16 by 30 November 2016	N/A	N/A	Audited Consolidated AFS for FY 2015/16 by 30 November 2016	N/A
Annual Financial Statements for the Revenue Fund tabled in Legislature	Annually	Audited Revenue Fund for FY 2015/16 by 30 November 2016	N/A	N/A	Audited Revenue Fund for FY 2015/16 by 30 November 2016	N/A
Provincial Audit Outcome Analysis for Municipalities, Departments and Public Entities	Annually	Summary of Audit Outcome Analysis on AG's audit Report for Provincial departments and public entities by 30 Sept 2016 Summary of Audit Outcome Analysis on AG's audit Report for municipalities by 28 Feb 2017	N/A	Summary of Audit Outcome Analysis on AG's audit Report for Provincial departments and public entities by 30 Sept 2016	N/A	Summary of Audit Outcome Analysis on AG's audit Report for municipalities by 28 Feb 2017
AFS Support and Training to Provincial Departments	Annually	1 AFS training workshop by 30 April 2016	1 AFS training workshop by 30 April 2016	N/A	N/A	N/A
	Annually	Pre-audit review in 15 Departments by 31 May 2016	Pre-audit review in 15 Departments by 31 May 2016	N/A	N/A	N/A
	Quarterly	Progress reports on intensive on-site financial management support to 4 Departments within 10 days of every quarter end	Progress reports on intensive on-site financial management support to 4 Departments within 10 days of every quarter end	Progress reports on intensive on-site financial management support to 4 Departments within 10 days of every quarter end	Progress reports on intensive on-site financial management support to 2 Departments within 10 days of every quarter end	Progress reports on intensive on-site financial management support to 4 Departments within 10 days of every quarter end
Financial Management Monitoring Support to Public Entities	Annually	Pre-audit review in 2 public entities by 31 May 2016	Pre-audit review in 2 public entities by 31 May 2016	N/A	N/A	N/A
	Annually	1 AFS training workshop for public entities by 30 April 2016	1 AFS training workshop for public entities by 30 April 2016	N/A	N/A	N/A
Financial Management Monitoring Support to Municipalities	Annually	1 AFS training workshop for municipalities by 30 June 2016	1 AFS training workshop for municipalities by 30 June 2016	N/A	N/A	N/A
	Annually	Pre-audit assessment report in 10 municipalities by 30 August 2016	N/A	Pre-audit assessment report in 10 municipalities by 30 August 2016	N/A	N/A
	Quarterly	Progress reports on intensive on-site financial management support to 10 municipalities within 10 days of every quarter end	Progress reports on intensive on-site financial management support to 10 municipalities within 10 days of every quarter end	Progress reports on intensive on-site financial management support to 10 municipalities within 10 days of every quarter end	Progress reports on intensive on-site financial management support to 10 municipalities within 10 days of every quarter end	Progress reports on intensive on-site financial management support to 4 municipalities within 10 days of every quarter end

3.5 Sub-programme: Norms and Standards

The strategic objective is:

- To develop, facilitate implementation, and monitor compliance with financial norms and standards in provincial departments, municipalities and entities to enhance financial management.

Specified policies and priorities

To facilitate performance-orientated financial management in departments, municipalities and entities as envisaged in the PFMA and the MFMA.

Strategic objective annual targets: 2016/17

Sub-programme: 3.5		Norms and Standards						5 –Year Target
Strategic objective	Audited/Actual performance			Estimated performance 2015/16	Medium-term targets			
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
To develop, facilitate implementation and monitor compliance with financial norms and standards in provincial departments, municipalities and public entities	14 practice notes reviewed for provincial departments, 22 finance-related policies for municipalities and 4 policies and 6 procedures for 2 entities.	27 Instruction notes reviewed and 1 policy developed for departments/19 policies developed and 31 reviewed for municipalities	114 instruction notes reviewed and policies developed/ reviewed for departments and municipalities	48 instruction notes and policies developed and/or reviewed based on needs analysis	48 instruction notes and policies developed and/or reviewed based on needs analysis	48 instruction notes and policies developed and/or reviewed based on needs analysis	48 instruction notes and policies developed and/or reviewed based on needs analysis	200 instruction notes and policies developed and/or reviewed based on needs analysis
	New	All departments assessed and monitored as per Units Annual Plan, except for quarter1	All departments assessed and monitored	All departments assessed and monitored	All departments assessed and monitored	All departments assessed and monitored	All departments assessed and monitored	All departments assessed and monitored

Programme performance indicators and annual targets: 2016/17

Sub-programme: 3.5		Norms and Standards					
Performance indicator	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
No. of instruction notes/policies developed and reviewed for departments, municipalities and their respective entities.	14 practice notes reviewed for provincial departments, 22 finance-related policies for municipalities and 4 policies and 6 procedures for 2 entities.	27 Instruction notes reviewed and 1 policy developed for departments/19 policies developed and 31 reviewed for municipalities	114 instruction notes reviewed and policies developed/ reviewed for departments and municipalities	48 instruction notes and policies developed and/or reviewed based on needs analysis	48 instruction notes and policies developed and/or reviewed based on needs analysis	48 instruction notes and policies developed and/or reviewed based on needs analysis	48 instruction notes and policies developed and/or reviewed based on needs analysis
No. of departments assessed and monitored	New	All departments assessed and monitored as per Units Annual Plan, except for quarter1	All departments assessed and monitored	All departments assessed and monitored	All departments assessed and monitored	All departments assessed and monitored	All departments assessed and monitored

Quarterly targets: 2016/17

Sub-programme: 3.5		Norms and Standards				
Programme performance indicators	Reporting period	Annual target 2016/17	Quarterly targets			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
No. of instruction notes/policies developed and reviewed for departments, municipalities and their respective entities.	Quarterly	48 instruction notes and policies developed and reviewed	6 instruction notes and 6 policies reviewed	6 instruction notes and 6 policies reviewed	6 instruction notes and 6 policies reviewed	6 instruction notes and 6 policies reviewed
No. of departments assessed and monitored	Quarterly	All departments assessed and monitored	All departments assessed and monitored	All departments assessed and monitored	All departments assessed and monitored	All departments assessed and monitored

3.6 Sub-programme: Supporting and Inter-Linked Financial Systems

The strategic objective is:

- To provide technical and functional support to supporting and interlinked financial systems.

Specified policies and priorities

The purpose of the sub-programme is to source, implement and provide support for Financial Systems to provincial departments.

Strategic objective annual targets: 2016/17

Sub-programme: 3.6		Supporting and Interlinked Financial Systems						
Strategic objective	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets			5 -Year Target
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
To provide technical and functional support to supporting and interlinked financial systems.	1hr53min	2hrs23min	2hrs 1 min	8-24 hr MTTR	8-16 hr MTTR	8-16 hr MTTR	8-16 hr MTTR	8-16 hr MTTR

Programme performance indicators and annual targets: 2016/17

Sub-programme: 3.6		Supporting and Interlinked Financial Systems					
Programme Performance Indicator	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Mean time to resolve (transversal systems)	1hr53min	2hrs23min	2hrs 1 min	8-24 hr MTTR	8-16 hr MTTR	8-16 hr MTTR	8-16 hr MTTR

Quarterly targets: 2016/17

Sub-programme: 3.6		Supporting and Interlinked Financial Systems				
Performance Indicators	Reporting period	Annual target 2016/17	Quarterly targets			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
Mean time to resolve (transversal systems)	Quarterly	8-16 hr MTTR	8-16 hr MTTR	8-16 hr MTTR	8-16 hr MTTR	8-16 hr MTTR

3.7 Sub-programme: Gaming and Betting

The strategic objective is:

- Enhance the Gaming and Betting Regulatory environment in KwaZulu-Natal.

Specified policies and priorities

The purpose of this Unit is to provide professional line function and policy support to the MEC responsible for gaming and betting with respect to all matters related to gaming and betting, through monitoring of the gaming and betting industry and through monitoring of the public entity created to regulate the gaming and betting industry.

Strategic objective annual targets: 2016/17

Sub-programme: 3.7		Gaming and Betting						
Strategic objective	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets			5 -Year Target
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
Enhance the Gaming and Betting Regulatory environment in KwaZulu-Natal	KwaZulu-Natal Gaming & Betting Regulations, 2012 promulgated 14/6/2012.	The KwaZulu-Natal Gaming & Betting Amendment Bill, 2013 presented to Cabinet 7/08/2013.	Reviewed The KwaZulu-Natal Gaming & Betting Act, 2010 and the KwaZulu-Natal Gaming & Betting Regulations 2012	The KwaZulu Natal Gaming and Betting Amendment Bill, 2016 to be presented to Cabinet and Legislature	Implementation of the 2016 Act and review of Regulations	Review of legislation	Review of legislation	Review of legislation
	N/A	New	4	4 quarterly reports	4 quarterly reports	4 quarterly reports	4 quarterly reports	20 quarterly reports
	New	New	New	New	4 Reconciled Tax Returns	4 Reconciled Tax Returns	4 Reconciled Tax Returns	16 Reconciled Tax Returns
	New	New	New	New	4 Minutes of Board meetings	4 Minutes of Board meetings	4 Minutes of Board meetings	16 Minutes of Board meetings

Programme performance indicators and annual targets: 2016/17

Sub-programme: 3.7		Gaming and Betting					
Programme Performance indicators	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Amended KZN Gaming and Betting legislation	KwaZulu-Natal Gaming & Betting Regulations, 2012 promulgated 14/6/2012.	The KwaZulu-Natal Gaming & Betting Amendment Bill, 2013 presented to Cabinet 7/08/2013.	Reviewed The KwaZulu-Natal Gaming & Betting Act, 2010 and the KwaZulu-Natal Gaming & Betting Regulations 2012	The KwaZulu Natal Gaming and Betting Amendment Bill, 2016 to be presented to Cabinet and Legislature	Implementation Of the 2016 Act and Amendment of Regulations	Review of legislation	Review of legislation
Number of Quarterly Regulatory reports on Board Activities	N/A	New	4	4 quarterly reports	4 quarterly reports	4 quarterly reports	4 quarterly reports
4 Reconciled Tax Returns	New	New	New	New	4 Reconciled Tax Returns	4 Reconciled Tax Returns	4 Reconciled Tax Returns
Functionality of the KZN Gaming and Betting Board	New	New	New	New	4 Minutes of Board meetings	4 Minutes of Board meetings	4 Minutes of Board meetings

Quarterly targets: 2016/17

Sub-programme: 3.7		Gaming and Betting				
Performance Indicators	Reporting period	Annual target 2016/17	Quarterly targets			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
Implementation of KZN Gaming and Betting legislation	Quarterly	Implementation of the 2016 Act and Number of draft Regulations	1	1	1	1
Number of Quarterly Regulatory reports on Board Activities	Quarterly	4 quarterly reports	1	1	1	1
4 Reconciled Tax Returns	Quarterly	4 Reconciled Tax Returns	1	1	1	1
Functionality of the KZN Gaming and Betting Board	Quarterly	4 Minutes of Board meetings	1	1	1	1

3.8 Reconciliation of budget with plan

Table 5.1 : Summary of payments and estimates by sub-programme: Financial Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Financial Assets And Liability Mana	14 587	15 318	12 125	30 435	17 635	14 826	22 548	22 548	26 369
2. Public, Private Partnerships	3 251	5 238	5 673	7 871	7 871	5 896	8 288	8 288	8 288
3. Supply Chain Management	41 667	43 333	70 492	64 341	61 141	61 177	47 272	47 272	51 731
4. Financial Reporting	31 731	54 840	55 847	42 270	44 070	43 197	38 083	38 083	41 468
5. Norms And Standards	3 543	3 776	4 016	5 668	5 668	4 711	5 968	5 968	5 968
6. Support And Interlinked Financial S	117 315	118 482	119 882	131 642	118 142	95 257	129 914	129 914	136 410
7. Gaming And Betting	39 393	45 907	43 013	37 551	37 551	36 779	43 490	43 490	43 490
Total payments and estimates	251 487	286 894	311 048	319 778	292 078	261 843	295 563	295 563	313 724

Table 5.2 : Summary of payments and estimates by economic classification: Financial Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	211 393	241 243	259 125	283 500	255 800	224 012	259 821	258 068	274 094
Compensation of employees	45 638	52 500	55 466	66 980	66 010	61 399	69 393	69 393	74 909
Goods and services	165 755	188 743	203 659	206 288	188 858	162 381	187 154	185 441	196 340
Interest and rent on land	-	-	-	10 232	932	232	3 274	3 234	2 845
Transfers and subsidies to:	36 337	42 374	41 343	33 865	33 865	33 907	35 055	36 808	38 943
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and account	35 775	41 881	39 276	32 532	32 532	32 532	34 255	35 968	38 054
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and internatio	-	-	-	-	-	-	-	-	-
Public corporations and private ente	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	1 227	-	-	-	-	-	-
Households	562	493	840	1 333	1 333	1 375	800	840	889
Payments for capital assets	3 757	3 085	10 580	2 413	2 413	3 924	687	687	687
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 363	3 085	10 580	2 413	2 413	3 924	687	687	687
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible asset	394	-	-	-	-	-	-	-	-
Payments for financial assets	-	192	-	-	-	-	-	-	-
Total economic classification	251 487	286 894	311 048	319 778	292 078	261 843	295 563	295 563	313 724

4. PROGRAMME 4: INTERNAL AUDIT

The strategic objectives of Programme 4 are to provide departments and public entities with the following:

- An efficient, effective and economical assurance service.
- Build and maintain solid client relationships through providing value added services.
- To promote good governance through assisting provincial departments, public entities and municipalities with risk management and internal audit capacity building.
- Promote a culture of zero tolerance for fraud and corruption in the province.

The programme consists of the following measurable sub-programmes:

- 4.1 Sub-programme: Assurance Services
- 4.2 Sub-programme: Risk Management
- 4.3 Sub-programme: Forensic Services

4.1 Sub-programme: Assurance Services

The strategic objectives are:

- An efficient, effective and economical assurance service.
- Build and maintain solid client relationships through providing value added services.
- Enhance capacity within and outside the unit.

Specified policies and priorities

The Provincial Internal Audit Services (PIAS) provides a legislated shared internal audit function which covers an independent objective assurance and consulting services on issues of internal controls, risk management and governance as provided in the PFMA and aligns its services to the Standards for the Professional Practice of Internal Auditing (ISPPA) and the principles in the King Report on Governance. Its scope is comprehensively defined in Chapter 3 of Treasury Regulations. These services are further regulated through the Provincial Internal Audit Charter and the Provincial Audit & Risk Committee Charter.

Strategic objective annual targets: 2016/17

Sub-programme: 4.1	Assurance Services							5 –Year Target
	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets			
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
To provide an efficient, effective and economical assurance service	16	23	23	23	22	22	22	110
	1	1	1	1	1	1	1	5
	135	225	189	160	176	170	170	676
	20	21	21	23	22	22	22	111
To build & maintain solid client relationships through provision of value adding services	60	78	48	64	60	60	60	304
To enhance capacity within and outside the unit	13	15	16	16	12	12	12	64
	4	1	1	2	1	1	1	6

Programme performance indicators and annual targets: 2016/17

Sub-programme: 4.1		Assurance Services					
Programme Performance indicators	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
No. of IA Annual operational plans and a rolling three year strategic plan developed and approved	16	23	23	23	22	22	22
Annual Audit & Risk Committee report on clients' areas of risk management, governance and internal control submitted to MEC: Finance	1	1	1	1	1	1	1
No. of risk based audit reports including follow up audit reports and reports on financial, IT, performance and governance audits.	135	225	189	160	176	170	170
No. of audit reports on predetermined objectives.	20	21	21	23	22	22	22
No. of meetings held between clients and the Cluster Audit & Risk Committee	60	78	48	64	60	60	60
No. of training and development programmes attended	13	15	16	16	12	12	12
No. of internal and/ independent external quality assurance reviews conducted	4	1	1	2	1	1	1

Quarterly targets: 2016/17

Sub-programme: 4.1		Assurance Services				
Performance Indicators	Reporting period	Annual target 2016/17	Quarterly targets			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
No. of IA Annual operational plans and a rolling three year strategic plan developed and approved	Annually	22	22	N/A	N/A	N/A
Annual Audit & Risk Committee report on clients' areas of risk management, governance and internal control submitted to MEC: Finance	Annually	1	N/A	1	N/A	N/A
No. of risk based audit reports including follow up audit reports and reports on financial, IT, performance and governance audits.	Quarterly	176	30	50	40	56
No. of audit reports on predetermined objectives.	Half-yearly	22	N/A	N/A	11	11
No. of meetings held between clients, the Cluster Audit & Risk Committee (CARC) and Provincial Audit and Risk Committee (PARC)	Quarterly	60	15	15	15	15
No. of training and development programmes attended	Quarterly	12	3	3	3	3
No. of internal and/ independent external quality assurance reviews conducted	Annually	1	N/A	N/A	N/A	1

4.2. Sub-programme: Risk Management

The strategic objective is:

- To promote good governance through assisting provincial departments, public entities and municipalities with risk assessments, risk management and internal audit capacity building exercises.

Specified policies and priorities

The PFMA and the MFMA requires provincial government departments, public entities and municipalities to establish a system of risk management and internal control, and to ensure that risk assessments are conducted regularly to identify emerging risks of these institutions. It should be noted that these institutions have not taken full responsibility and ownership for ensuring establishment and maintenance of an effective system of internal control and risk management. In this regard, these institutions are still being supported by the Provincial Internal Audit Service (Risk and Advisory) in this regard.

In addition to the above, the unit will be increasing its focus on providing advisory services, and in some instances working with these institutions/clients to develop relevant risk structures and policies.

Strategic objective annual targets: 2016/17

Sub-programme: 4.2		Risk Management						5 -Year Target
Strategic objective	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets			
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
Promote good governance through effective risk management	53	76	27	60	100	100	100	460
	New	New	New	30	50	50	50	230
	New	New	New	30	40	40	40	190
	New	New	New	20	10	10	10	60
	New	New	New	40	40	40	40	200
	New	New	New	15	15	15	15	75
	New	New	New	10	40	30	20	120
	4	4	New	5	5	5	5	25
	New	New	New	3	1	1	1	8
	New	New	New	10	5	5	5	30
	New	20	New	40	70	70	70	320
	21	29	13	30	40	30	30	160

Programme performance indicators and annual targets: 2016/17

Sub-programme: 4.2		Risk Management					
Programme Performance Indicators	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Risk Registers updated, biannually, for provincial departments, municipalities and public entities	53	76	27	60	100	100	100
Review risk management maturity of departments, public entities and municipalities, and assist with development of risk policies and procedures	New	New	New	30	50	50	50
Review and/or assist with development of Occupational Health and Safety programmes for departments, public entities and municipalities	New	New	New	30	40	40	40
Review and/or assist with development of Governance Frameworks for departments and public entities	New	New	New	20	10	10	10
Review and/or assist with development of DPSA compliant IT Governance Framework, including BCP for departments, public entities and municipalities	New	New	New	40	40	40	40
Assist with provision of complex internal audit services/reviews provided to municipalities and municipal entities	New	New	New	15	15	15	15
Review of internal audit and audit committee practices of municipalities, and assist with closing of gaps	New	New	New	10	40	30	20
Risk and governance-related conferences/forums held for provincial departments, municipalities, and public entities	4	4	New	5	5	5	5
Best risk management/governance guidelines/transversal risk policies produced by the unit	New	New	New	3	1	1	1
Risk Management Information System developed and rolled-out to provincial departments, municipalities, and public entities	New	New	New	10	5	5	5

Programme performance indicators and annual targets: 2016/17

Sub-programme: 4.2		Risk Management					
Programme Performance Indicators	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
Review and/or assist with development of fraud prevention plans for provincial departments, municipalities, and public entities	New	20	New	40	70	70	70
Risk/governance –related training/awareness provided to risk officials of departments, municipalities, and public entities	21	29	13	30	40	30	30

Quarterly targets: 2016/17

Sub-programme: 4.2		Risk Management				
Performance Indicators	Reporting period	Annual target 2016/17	Quarterly targets			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
Risk Registers updated, biannually, for provincial departments, municipalities and public entities	Quarterly	100	10	20	40	30
Review risk management maturity of departments, public entities and municipalities, and assist with development of risk policies and procedures	Quarterly	50	N/A	20	20	10
Review and/or assist with development of Occupational Health and Safety programmes for provincial departments, municipalities, and public entities	Quarterly	40	N/A	20	10	10
Review and/or assistance with development of Governance Frameworks for departments and public entities	Quarterly	10	2	5	3	N/A
Review and assist with development of DPSA compliant IT Governance Framework, including BCP for departments, municipalities, and public entities	Quarterly	40	10	30	N/A	N/A
Assist with the provision of complex internal audit services/reviews provided to municipalities and municipal entities	Quarterly	15	5	5	5	N/A
Review of internal audit and audit committee practices Of municipalities and municipal entities. Auditors	Quarterly	40	30	10	N/A	N/A
Risk and governance-related conferences/forums held for provincial departments, municipalities, and public entities.	Quarterly	5	1	2	1	1
Best risk management/governance guidelines/transversal risk policies produced by the unit – i.e. review and update of provincial and municipal risk frameworks	Annually	1	N/A	1	N/A	N/A
Risk Management Information System developed and rolled-out to provincial departments, municipalities, and public entities	Quarterly	5	N/A	5	N/A	N/A
Review and/or assist with development of fraud prevention plans for provincial departments, municipalities, and public entities	Quarterly	70	N/A	N/A	35	35
Risk/Governance-related training/awareness provided to risk officials of departments, public entities and municipalities	Quarterly	40	10	10	10	10

4.3 Sub-programme: Forensic Services

The strategic objective is:

- Promote a culture of zero tolerance for fraud and corruption in the province.

Specified policies and priorities

The PFMA and the MFMA require accounting officers to ensure that investigations are conducted against officials that are alleged to have committed financial misconducts.

KZN Treasury, through its Internal Audit Unit, has a dedicated component that assists departments to comply with the above-mentioned requirement. In addition, the Internal Audit also uses other sources of information to initiate investigations, these sources include:

- Internal and external (AG) audit findings/reports;
- Request by MECs/Cabinet;
- Anonymous tip-offs;
- Request by the Audit Committee.

Strategic objective annual targets: 2016/17

Sub-programme: 4.3	Forensic Services							
Strategic objective	Audited / Actual Performance			Estimated performance 2015/16	Medium-term targets			5 –Year Target
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
Promote a culture of zero tolerance for fraud and corruption	20	25	25	35	40	40	40	195
	New	4	4	4	4	4	4	20
	22	34	54	100	120	120	120	580
	New	New	New	1	1	N/A	N/A	N/A
	New	New	New	15	15	26	26	108

Programme performance indicators and annual targets: 2016/17

Sub-programme: 4.3	Forensic Services						
Performance indicator	Audited / Actual performance			Estimated performance 2015/16	Medium-term targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
No. of Forensic Audits performed and investigations as per clients requests and referrals from the Assurance team	20	25	25	35	40	40	40
Updated register of forensic investigations – MEC Report	New	4	4	4	4	4	4
Number of follow ups on completed investigations per institution	22	34	54	100	120	120	120
Development and roll-out of Fraud Case Management System	New	New	New	1	1	N/A	N/A
Update the Fraud Case Management System with forensic investigations per provincial department.	New	New	New	15	15	26	26

Quarterly targets: 2016/17

Sub-programme: 4.3	Forensic Services					
Programme performance indicator	Reporting period	Annual target 2016/17	Quarterly targets			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
No. of Forensic Audits performed and investigations as per clients requests and referrals from the Assurance team	Quarterly	40	10	10	10	10
Updated register of forensic investigations – MEC Report	Quarterly	4	1	1	1	1
Number of follow ups on completed investigations per institution	Quarterly	120	30	30	30	30
Development and roll-out of Fraud Case Management System	Annually	1	1	N/A	N/A	N/A
Update the Fraud Case Management System with forensic investigations per provincial department	Quarterly	15	N/A	5	5	5

4.3 Reconciliation of budget with plan

Table 6.1 : Summary of payments and estimates by sub-programme: Internal Audit

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Assurance Services	54 050	59 033	73 585	69 989	79 989	77 739	65 275	65 275	68 539
2. Risk Management	39 104	48 330	56 835	61 569	71 769	71 614	30 497	26 647	27 125
3. Forensics Services	-	-	-	-	-	-	25 911	31 966	34 418
Total payments and estimates	93 154	107 363	130 420	131 558	151 758	149 353	121 683	123 888	130 082

Table 6.2 : Summary of payments and estimates by economic classification: Internal Audit

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	92 760	106 710	129 803	130 628	150 828	147 873	120 683	122 869	129 041
Compensation of employees	46 283	49 329	54 987	65 279	61 279	59 900	71 173	72 518	74 156
Goods and services	46 477	57 381	74 816	65 349	89 549	87 973	49 510	50 351	54 885
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	29	121	170	50	50	647	50	53	56
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and account	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and internatio	-	-	-	-	-	-	-	-	-
Public corporations and private ente	-	-	-	-	-	4	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	29	121	170	50	50	643	50	53	56
Payments for capital assets	352	531	443	880	880	833	950	966	985
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	352	531	443	880	880	833	950	966	985
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible asset	-	-	-	-	-	-	-	-	-
Payments for financial assets	13	1	4	-	-	-	-	-	-
Total economic classification	93 154	107 363	130 420	131 558	151 758	149 353	121 683	123 888	130 082

5. Programme 5: Growth and Development

5.1 Other Developmental Initiatives

The strategic objective is:

- To mainly provide for special infrastructure projects, community outreach programmes (mainly for the MEC) and strategic cabinet initiatives as approved by a special sub-committee and/department. These funds are for special projects for specific departments which are transferred during the year to the responsible department through the Adjustment Estimates or as and when required.
- The only measurable objective is Community Outreach Programme (known as budget communication).

Strategic objective annual targets: 2016/17

Sub-programme: 5.1	Other Developmental Initiatives							5 –Year Target
Strategic objective	Audited / Actual Performance			Estimated performance 2015/16	Medium-term targets			
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19	
To provide for specific departmental approved community participation not catered for in any other programme that will provide development for the province.	9	21	11	5	5	5	5	25

Programme performance indicators and annual targets: 2016/17

Sub-programme: 5.1	Other Developmental Initiatives						
Programme Performance indicators	Audited / Actual Performance			Estimated performance 2015/16	Medium-term targets		
	2012/13	2013/14	2014/15		2016/17	2017/18	2018/19
No. of community visits coordinated successfully	9	21	11	5	5	5	5

Quarterly targets: 2016/17

Sub-programme: 5.1	Other Developmental Initiatives					
Performance indicators	Reporting period	Annual target 2016/17	Quarterly targets			
			Quarter 1	Quarter 2	Quarter 3	Quarter 4
No. of community visits co-ordinated successfully	Quarterly	5	2	1	1	1

5.2 Reconciliation of budget with plan

Summary of payments and estimates by sub-programme: Growth And Development

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Budget Communication	6 032	7 456	5 180	8 097	4 097	1 772	3 526	3 526	3 526
2. Special Infrastructure Projects	30 285	21 970	31 665	10 062	10 280	10 280	-	-	-
3. Strategic Cabinet Initiatives	-	-	-	-	-	-	-	-	-
4. Air Shows/ Special Projects	2 000	12 514	6 967	16 000	28 000	26 418	16 900	3 500	-
Total payments and estimates	38 317	41 940	43 812	34 159	42 377	38 470	20 426	7 026	3 526

Summary of payments and estimates by economic classification: Growth And Development

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Current payments	10 305	19 970	12 147	24 097	31 097	27 190	20 426	7 026	3 526
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	10 305	19 970	12 147	24 097	31 097	27 190	20 426	7 026	3 526
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies to:	28 012	21 970	31 665	10 062	11 280	11 280	-	-	-
Provinces and municipalities	28 012	21 970	31 665	10 062	10 280	10 280	-	-	-
Departmental agencies and account	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international	-	-	-	-	-	-	-	-	-
Public corporations and private ente	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	1 000	1 000	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible asset	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total economic classification	38 317	41 940	43 812	34 159	42 377	38 470	20 426	7 026	3 526

PART C: LINKS TO OTHER PLANS

KwaZulu-Natal Provincial Treasury as a department does not have long term infrastructure or capital plans but it assist other departments by providing support in planning for infrastructure, monitoring and evaluation of the programmes.