

2021 Strategic Planning Session

MTEF PLANS

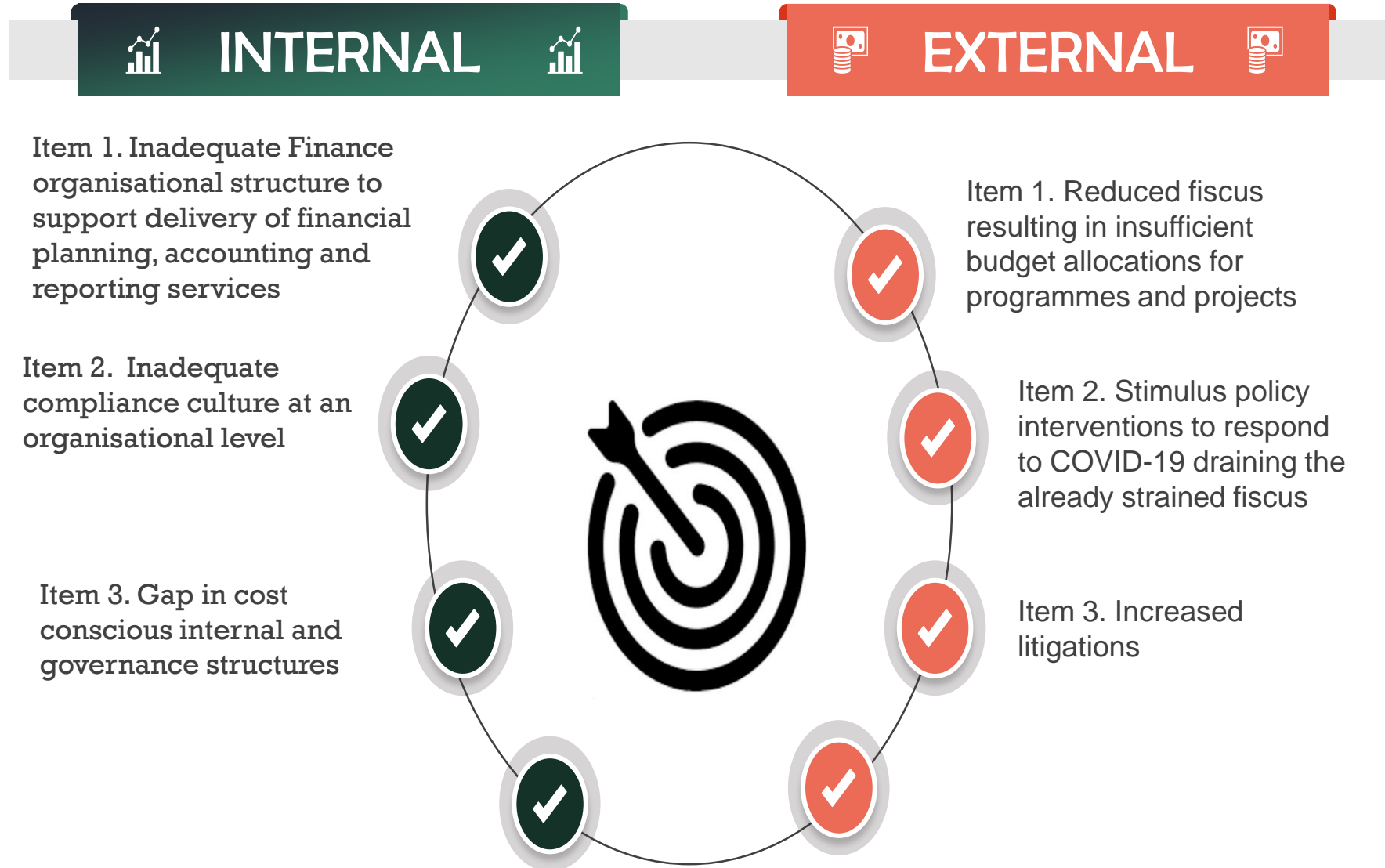
OUTCOME: 6
HIGH PERFORMING
ETHICAL ORGANISATION



Presentation outline



CONTEXTUAL ISSUES



ROOT CAUSE ANALYSIS (Review)

Demotivated workforce

Lack of talent management strategy

Inadequate organizational structure to support delivery of service (Finance Control)

Weak economic growth

Inadequate capital investment in production workshops and agriculture

Cause 1: Lack of integrate business information for informed decision making

Poor service delivery

Lack of contract management at Regional/ Management Area level

Inadequate spending capacity in some expenditure line items

Cause 2: Inadequate spending capacity

CORE PROBLEM: Lack of an enabling environment that supports service delivery excellence

Negative audit outcome

Unethical conduct

Inadequate compliance monitoring coverage

Inadequate / Assurance gap on compliance

Lack of segregation of duties and non-compliance to procurement prescripts

Poor planning (demand management) and delays in investigation, inadequate consequence management

Cause 3: Non compliance to key legislation prescripts and policies

IMPLEMENTATION OF INTERVENTIONS

| High performing ethical organisation | Stakeholders | Progress since 2020 | Date of completion |
|---|---|--|---|
| Stringent budget reprioritisation and budget controls | End Users Budget Committee NT Parliament | Overall NT cuts were enforced without consultation and had to be complied with Self sufficiency not cut Social Reintegration was not cut Repairs and maintenance cuts were kept to a minimum and limited to projects that are already not contracted Nutrition was cut due to downwards expenditure trend Reduction on consultant expenditure for 2021/22 Reprioritisation for response to Covid 19 S & T reduced due to new normal for meetings and gatherings | Ongoing as domestic economy is projected to grow in next three years 2022/23 – 2024/25 by an average of 1.7 |

IMPLEMENTATION OF INTERVENTIONS

| High performing ethical organisation | Stakeholders | Progress since 2020 | Date of completion |
|---|--------------|--|--------------------|
| Contribute towards growing small businesses and cooperatives and designated groups through 30% set aside to support SMME & Cooperatives (PPPFA) | End Users | Department is currently revising the procurement policy specifically the chapter relating to BBBE to accommodate initiative of 30% set aside to support SMME | 2022/23 |
| Expansion of opportunities to increase self sufficiency | End Users | Align the budget to self sufficiency strategy to increase opportunities | 2021/22 |

IMPLEMENTATION OF INTERVENTIONS

| High performing ethical organisation | Stakeholders | Progress since 2020 | Date of completion |
|---|--------------|--|--------------------|
| Timely cost saving initiatives by way of bid negotiations and strategic procurement initiatives | End Users | Draft of a policy for bids negotiations before final awards to realize savings for the department | 2022/23 |
| Contribute towards growing small businesses and cooperatives and designated groups through 30% set aside to support SMME & Cooperatives (PPPFA) | End Users | Department is currently revising the procurement policy specifically the chapter relating to BBBE to accommodate initiative of 30% set aside to support SMME | 2022/23 |

TIMELINE

Toward Vision 2068

0-20 years

- Improved compliance levels with laws and regulations
- Sound financial management practices
- Improved financial reporting

20 – 50 years

- Full compliance levels with laws and regulations
- Sound financial management practices
- Reliable financial reporting

04

2051

- Adherence to budget projections
compliance with laws and reliable financial reporting

03

2041

- Align budget clearly with projections

02

2031

- Improved and implement compliance with laws and reliable financial reporting
Improve financial systems (logis & BAS)

01

Current 2021

- Training policy under development, and align current policies with DCS Mandate and compliance requirements
- Draft training policy that is align with personal development of staff

2068

- Clean financial reporting and compliance




correctional services

Department:
Correctional Services
REPUBLIC OF SOUTH AFRICA

VISION 2068

| 50 year plan | 2021 | 2031 | 2041 | 2051 | 2068 |
|--------------|--|--|--|--|--|
| | <ul style="list-style-type: none">• Improved compliance levels with laws and regulations | <ul style="list-style-type: none">• Improved compliance levels with laws and regulations | <ul style="list-style-type: none">• Full compliance levels with laws and regulations | <ul style="list-style-type: none">• Full compliance levels with laws and regulations | <ul style="list-style-type: none">• Full compliance levels with laws and regulations |
| | <ul style="list-style-type: none">• Sound financial management practices | <ul style="list-style-type: none">• Sound financial management practices | <ul style="list-style-type: none">• Sound financial management practices | <ul style="list-style-type: none">• Sound financial management practices | <ul style="list-style-type: none">• Sound financial management practices |
| | <ul style="list-style-type: none">• Improved financial reporting | <ul style="list-style-type: none">• Improved financial reporting | <ul style="list-style-type: none">• Reliable financial reporting | <ul style="list-style-type: none">• Reliable financial reporting | <ul style="list-style-type: none">• Reliable financial reporting |
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VISION 2068

|  50 year plan | 2021 | 2031 | 2041 | 2051 | 2068 |
|---|--|--|--|--|--|
| | <ul style="list-style-type: none">• Revised, develop procurement policy and align with the current applicable legislation.• training policy that is align with personal development of staff within Branch Finance. | <ul style="list-style-type: none">• Appoint budget management and train them in line with implement compliance with laws and reliable financial reporting• Engagement with NT to review current procurement and payment systems to be in line AFS reporting | <ul style="list-style-type: none">• The projection must be clearly linked with the budget item• Qualitative spending with insignificant underspending | <ul style="list-style-type: none">• Fully compliance with laws and reliable financial reporting• Qualitative spending with insignificant underspending• Reliable financial reporting | <ul style="list-style-type: none">• Fully compliant with financial reporting |
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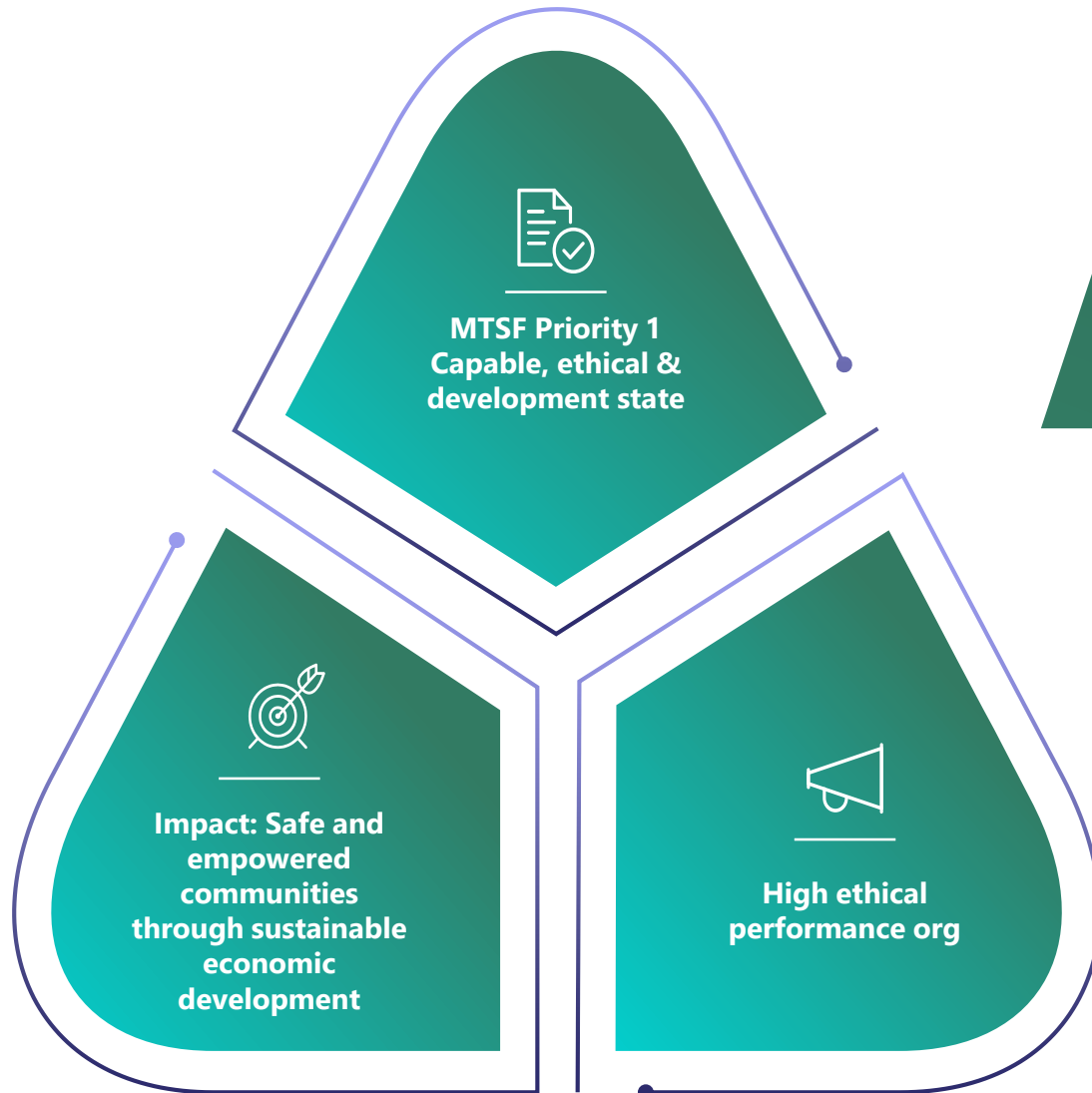
CONTRIBUTION TO DELIVERY PRIORITIES

Employment support and relieve

Engage NT to speed up the procurement bill

Align procurement policy with NDP (that state procurement must be used to create employment opportunities for previously disadvantaged individuals)

MTEF Plans



Annual Performance Plan Indicators

1. Audit outcome
2. Business case for revenue generation and retention mechanism
3. % of tenders above R30 million awarded to designated groups



Annual Operational Plan Indicators

1. See slides on AOP



correctional services

Department:
Correctional Services
REPUBLIC OF SOUTH AFRICA

MTEF Plans (APP)

| Level of Result | Indicator | Baseline 2021/22 | Target 2022/23 | Assumption/Enablers |
|---|--|---|---|--|
| Output (APP current) Clean Audit Outcome | Audit Outcome | Unqualified audit opinion with findings | Clean audit (target to be revised) | Resources required with appropriate skills |
| | Draft Business case for revenue generation and retention mechanism | No data | Pilot of business case mechanism for revenue generation and retention | |
| | Percentage above 30 million awarded to designated group | 0 % | 30% | |
| | | | | |
| | | | | |

MTEF Plans (AOP)

| Level of Result | Indicator | Baseline 2021/22 | Target 2022/22 | Assumption/Enablers |
|--|---|---|---|---|
| Strategic Operational Outputs (how do we deliver the outcomes) | In Year Monitoring Appropriation Statement Monthly intervention plans | 13 monthly reports Monthly report Monthly reports | 13 monthly reports Monthly report Monthly reports | <ul style="list-style-type: none"> Cooperation from programme, sub-programme managers, CDCs, Regional Commissioners and Regional Heads of Finance Timeous response by National Treasury on submitted requests |
| | MTEF/Estimates of National Expenditure | Submission in line with NT timelines | Submission in line with NT timelines | <ul style="list-style-type: none"> Cooperation from relevant branches and regions Timeous and quality reports submitted by relevant branches and regions |
| | Adjustments of Estimates of National Expenditure | Submission in line with NT timelines | Submission in line with NT timelines | <ul style="list-style-type: none"> Cooperation from programme, sub-programme managers, CDCs, Regional Commissioners and Regional Heads of Finance |
| | Interim and Annual Financial Statements | Submission in line with NT and PFMA timelines | Submission in line with NT and PFMA timelines | <ul style="list-style-type: none"> Cooperation from relevant branches and regions Timeous and quality reports submitted by relevant branches and regions |
| | 30 Days Payments Compliance | Submission in line with NT timelines | Submission in line with NT timelines | <ul style="list-style-type: none"> BAS functionality Safetyweb functionality Stable network Branches and regions to submit reasons for exceptions timeously |
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MTEF Plans (AOP)

| Level of Result | Indicator | Baseline 2021/22 | Target 2022/22 | Assumption/Enablers |
|--|--|---|--|---|
| Strategic Operational Outputs (how do we deliver the outcomes) | Collection of monies owed to the Department | Percentage reduction of debts owed to the department | Percentage reduction of debts owed to the department | <ul style="list-style-type: none"> • HR to implement recoveries of debts on PERSAL • Branch HR to implement controls in addressing causes of staff debt which are related to the administration of personnel • Financial Accounting and Regional Heads Finance to implement debts on BAS |
| | Properly managed bank account | Reduction of bank overdraft by end of each month to maximum of R110 million | Maintain a favourable bank balance | <ul style="list-style-type: none"> • BAS functionality • Spending in line with spending plan • Timeous transfer of funds by Treasury |
| | Percentage of audit findings implemented | 148 findings | 100% of findings implemented | Management and Internal Audit Support Budget |
| | Number of risk monitoring reports produced | 4 quarterly reports | 4 quarterly reports | Management Support |
| | Percentage of backlog cases investigated relating to irregular, fruitless and wasteful expenditure | 103 cases | 100% of cases investigated | Capacitation Management Support Budget |
| | Percentage of current cases investigated relating to irregular, fruitless and wasteful expenditure | 372 Cases | 100% cases investigated | Capacitation Management Support Budget |
| | Number of inspections conducted and reported | 161 Inspections | 25% of inspections conducted | Capacitation Management Support Budget |
| | | | | |

MTEF Plans (AOP)

| Level of Result | Indicator | Baseline 2021/22 | Target 2022/23 | Assumption/Enablers |
|---|--|---------------------|------------------------------|--|
| Strategic Operational Outputs (how do we deliver the outcomes) | Percentage of audit findings implemented | 148 findings | 100% of findings implemented | Management and Internal Audit Support Budget |
| | Number of risk monitoring reports produced | 4 quarterly reports | 4 quarterly reports | Management Support |
| | Percentage of backlog cases investigated relating to irregular, fruitless and wasteful expenditure | 103 cases | 100% of cases investigated | Capacitation Management Support Budget |
| | Percentage of current cases investigated relating to irregular, fruitless and wasteful expenditure | 372 Cases | 100% cases investigated | Capacitation Management Support Budget |
| | Number of inspections conducted and reported | 161 Inspections | 25% of inspections conducted | Capacitation Management Support Budget |
| | | | | |



MTEF Plans (AOP)

| Level of Result | Indicator | Baseline 2021/22 | Target 2022/22 | Assumption/Enablers |
|---|---|-------------------------|--------------------------------|-----------------------|
| Strategic Operational Outputs (how do we deliver the outcomes) | Random monitoring of quality of coal | 5 reports per quarter | 10 reports per quarter | Budget |
| | Random monitoring of bread (weighing) | 5 reports per quarter | 8 reports per quarter | Budget |
| | Cost savings through bid price negotiations | 5% of bids awarded | 5 % of bids awarded | staff |
| | Embark in the investigation of assets that could not be found during verification process | 10% of assets not found | 10% of assets not found | Staff and computers |
| | Alignment of all inventory items information to be in line with Mdifid Cash Standards | 80% completed | 100% completed | Consultants and staff |
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STRATEGIC RISKS

01

MTEF budget cuts on vote allocations to DCS – Start using current resources with available budget

High

02

Inability to detect and prevent irregular, fruitless and wasteful expenditures

High

03

High vacancy rate with Branch- filing of critical posts

High

02

Non Compliance to SCM Prescripts – Adherence to SCM policies and consequence management

High

Critical success factors

- Funding requests to be aligned to budgetary processes
- Spending in line with the allocated budget and the approved spending plans
- Timeous and quality financial reporting inputs
- Cut fruitless and wasteful expenditure
- Reduce irregular expenditure
- Management commitment to improvement of internal controls



THANK
YOU