

**Western Cape Government
Provincial Treasury**

**Annual Report
2012/13**

Provincial Treasury

Directorate Strategic Operational and Management Support
Private Bag X9165
4 Dorp Street
Cape Town

tel: +27 21 483 8218 fax: +27 21 483 5773

www.westerncape.gov.za

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E-mail: Theophilus.Mahlaba@westerncape.gov.za

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PROVINCIAL TREASURY

Annual Report 2012/13

Mr A Winde

Minister of Finance, Economic Development and Tourism

I have the honour of submitting the Annual Report of the Provincial Treasury for the period
1 April 2012 to 31 March 2013.

A handwritten signature in black ink, appearing to read 'J. Stegmann', followed by a horizontal line.

JC STEGMANN (DR)
ACCOUNTING OFFICER

DATE: 31 August 2013

CONTENTS

PART A: GENERAL INFORMATION	1
1. DEPARTMENT GENERAL INFORMATION	1
2. LIST OF ABBREVIATIONS/ACRONYMS	2
3. STRATEGIC OVERVIEW	7
3.1 Vision	7
3.2 Mission	7
3.3 Values	7
3.4 Strategic outcome orientated goals	7
4. LEGISLATIVE AND OTHER MANDATES	11
5. ORGANISATIONAL STRUCTURE	15
6. ENTITIES REPORTING TO THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND TOURISM	16
7. FOREWORD BY THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND TOURISM .	16
8. OVERVIEW OF THE ACCOUNTING OFFICER	17
PART B: PERFORMANCE INFORMATION	21
1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION	21
2. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES	22
3. OVERVIEW OF DEPARTMENTAL PERFORMANCE	22
3.1 Service Delivery Environment	22
3.2 Service Delivery Improvement Plan	23
3.3 Organisational environment	30
3.4 Key policy developments and legislative changes	30
4. STRATEGIC OUTCOME ORIENTED GOALS	31

5.	PERFORMANCE INFORMATION BY PROGRAMME	33
5.1	Programme 1: ADMINISTRATION	33
5.2	Programme 2: SUSTAINABLE RESOURCE MANAGEMENT	45
5.3	Programme 3: ASSETS AND LIABILITIES MANAGEMENT	65
5.4	Programme 4: FINANCIAL GOVERNANCE	77
6.	SUMMARY OF FINANCIAL INFORMATION	88
6.1	Departmental receipts	88
6.2	Programme Expenditure	89
6.3	Transfer payments, excluding public entities	90
6.4	Public Entities	90
6.5	Conditional grants and earmarked funds paid	90
6.6	Conditional grants and earmarked funds received	90
6.7	Donor Funds	90
6.8	Capital investment, maintenance and asset management plan	91
	PART C: GOVERNANCE	93
1.	INTRODUCTION	93
2.	RISK MANAGEMENT	93
3.	FRAUD AND CORRUPTION	93
4.	MINIMISING CONFLICT OF INTEREST	94
5.	CODE OF CONDUCT	94
6.	HEALTH SAFETY AND ENVIRONMENTAL ISSUES	94
7.	INTERNAL CONTROL UNIT	94
8.	AUDIT COMMITTEE REPORT	95
	PART D: HUMAN RESOURCE MANAGEMENT	99
1.	LEGISLATION THAT GOVERNS HR MANAGEMENT	99
2.	INTRODUCTION	100
2.1	The Value of Human Capital in the Department	100
2.2	Overview of Human Resource Matters	101

3.	HUMAN RESOURCE OVERSIGHT STATISTICS	104
3.1	Personnel related expenditure	104
3.2	Employment and vacancies	106
3.3	Job evaluation	108
3.4	Employment changes	109
3.5	Employment Equity	114
3.6	Signing of performance agreements by SMS members	118
3.7	Filling of SMS posts	119
3.8	Employee Performance	120
3.9	Foreign Workers	123
3.10	Leave utilisation for the period 1 January 2012 to 31 December 2012	124
3.11	HIV and AIDS & Health Promotion Programmes	126
3.12	Labour Relations	129
3.13	Skills Development	131
3.14	Injury on duty	132
3.15	Utilisation of Consultants	133
	PART E: ANNUAL FINANCIAL STATEMENTS	135
	REPORT OF THE ACCOUNTING OFFICER	137
	REPORT OF THE AUDITOR-GENERAL	149
	APPROPRIATION STATEMENT	154
	NOTES TO THE APPROPRIATION STATEMENT	160
	STATEMENT OF FINANCIAL PERFORMANCE	162
	STATEMENT OF FINANCIAL POSITION	163
	CASH FLOW STATEMENT	164
	ACCOUNTING POLICIES	165
	NOTES TO THE ANNUAL FINANCIAL STATEMENTS	174
	DISCLOSURES NOTES TO THE ANNUAL FINANCIAL STATEMENTS	183
	ANNEXURES	194

PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

PHYSICAL ADDRESS	Western Cape Provincial Treasury 7 Wale Street CAPE TOWN 8000
POSTAL ADDRESS	Private Bag X9165 CAPE TOWN 8001
TELEPHONE NUMBER/S	+27 21 483 8218
FAX NUMBER	+27 21 483 4558
EMAIL ADDRESS	Theophilus.Mahlaba@westerncape.gov.za
WEBSITE ADDRESS	www.westerncape.gov.za

2. LIST OF ABBREVIATIONS/ACRONYMS

AC	Audit Committee
ACFS	Annual Consolidated Financial Statements
AFR	Asset Financing Reserve
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
AO	Accounting Officer
AOS	Accounting Officer System
APP	Annual Performance Plan
AR	Annual Report
ASGISA	Accelerate and Shared Growth Initiative of SA
ASB	Accounting Standards Board
BAS	Basic Accounting System
BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
BER	Bureau for Economic Research
BI	Business Intelligence
BIF	Business Insight Folder
BPO	Business Process Outsourcing
BS	Budget Statement
BTO	Budget Treasury Office
CAE	Chief Audit Executive
C-AMP	Custodian-Asset Management Plans
CAP	Compliance Acceleration Plan
CASIDRA	Cape Agency for Sustainable Integrated Development in Rural Areas
Ce-I	Centre for e-Innovation
CFO	Chief Financial Officer
CG	Conditional grant
CGRO	Corporate Governance Review & Outlook
CIDB	Construction Industry Development Programme
CPD	Corporation for Public Deposits
CRO	Chief Risk Officer
CRU	Corporate Relations Unit
CMATS	eCase Management & Activity Tracking System
CSC	Corporate Services Centre
DBAC	Departmental Bid and Adjudication Committee
DBSA	Development Bank of Southern Africa
DCF	Districts Coordinating Forum

DDG	Deputy Director General
DECAS	Department of Cultural Affairs and Sport
DEDAT	Department of Economic Development and Tourism
DI	Departmental Instructions
DLG	Department of Local Government
DORA	Division of Revenue Act
DoTP	Department of the Premier
DPWT	Department of Public Works and Transport
ECM	Electronic Filing and Management System
EE	Employment Equity
EPS	Electronic Purchasing System
EPRE	Estimates of Provincial Revenue and Expenditure
EPWP	Expanded Public Works Programme
ERA	Enterprise Risk Assessor
ERM	Enterprise Risk Management
FA	Financial Accounting
FAQs	Frequently ask questions
FARMCO	Fraud and Risk Management Committee
FET	Further Education and Training
FETC	Further Education and Training Certificate
FGRO	Financial Governance Review and Outlook
FMC	Financial Management Capability
FMCM	Financial Management Capability Model
FMIP	Financial Management Improvement Plan
FMS	Financial Management System
GAMAP	Generally Accepted Municipal Accounting Practice
GDPR	Gross Domestic Product per Region
GEPF	Government Employees Pension Fund
GIAMA	Government-wide Immoveable Asset Management Act
GMT	Government Motor Transport
GRAP	Generally Recognised Accounting Practice
HDI	Historically Disadvantaged Individual
HOD	Head of Department
HOT	Head Official Treasury
HR	Human Resource
HRD	Human Resource Development
HRDS	Human Resource Development Strategy
HRM	Human Resource Management
HSRC	Human Sciences Research Council

IA	Internal Audit
IC	Internal Control
ICS	Improvement of Conditions of Service
ICT	Information Communication Technology
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure Development Management System
IDP	Infrastructure Delivery Plan
IDP	Integrated Development Plans
IDP	Individual Development Plans
IFMS	Integrated Financial Management System
IFS	Interim Financial Statements
IGR	Inter-Governmental Relations
IIA	Institute for Internal Auditors
IMFO	Institute of Municipal Finance Offices
IMLC	Institutional Management and Labour Committee
IPMU	Infrastructure Programme Management Unit
IPS	Integrated Procurement System
IT	Information Technology
IYM	In-Year Monitoring
KRA	Key Result Area
LED	Local Economic Development
LG	Local Government
LG FGRO	Local Government Financial Government Review and Outlook
LG MTEC	Local Government Medium Term Expenditure Committee
LOGIS	Logistical Information System
M&E	Monitoring and Evaluation
MAM	Moveable Asset Management
MEC	Member of Executive Council
MEDSAS	Medical Stores Administration System
MERO	Municipal Economic Review and Outlook
MFMA	Municipal Finance Management Act, 2003 (Act 56 of 2003)
MGRO	Municipal Governance Review and Outlook
MISS	Minimum Information Security Standards
MLO	Media Liaison Officer
MPAT	Management Performance Assessment Tool
MPSA	Minister of Public Service and Administration
MSP	Master Systems Plan
MTBPS	Medium Term Budget Policy Statement
MTEC	Medium Term Expenditure Committee

MTEF	Medium Term Expenditure Framework
MTFF	Medium Term Fiscal Framework
MTREF	Medium Term Revenue and Expenditure Framework
MVL	Motor Vehicle Licence
NMIR	National Minimum Information Requirements
NT	National Treasury
NT-MTEC	National Treasury Medium Term Expenditure Committee
NTI	National Treasury Instruction
NTR	National Treasury Regulation
OD	Organisational Development
OHAS	Occupational Health and Safety
PAIA	Promotion of Access to Information Act (No 2 of 2000)
PAJA	Promotion of Administrative Justice Act (No 3 of 2000)
PDC	Provincial Development Council
PERSAL	Personnel and Salary Administration System
PER&O	Provincial Economic Review and Outlook
PES	Provincial Equitable Share
PFMA	Public Finance Management Act, 1999 (Act 1 of 1999)
PG	Provincial Government
PGDS	Provincial Growth and Development Strategy
PI	Performance Indicator
PMDS	Performance Management Development System
PMF	Performance Management Frameworks
PMU	Programme Management Unit
PPP	Public Private Partnership
PPFA	Preferential Procurement Policy Framework Act
PPSC	Provincial Portfolio Steering Committee
PRF	Provincial Revenue Fund
PSCBC	Public Service Commission Bargaining Council
PSDF	Provincial Spatial Development Framework
PSO	Provincial Strategic Objective
PT	Provincial Treasury
PTI	Provincial Treasury Instruction
PTM	Provincial Treasury Management
PTRPA	Provincial Tax Regulation Process Act
QPR	Quarterly Performance Report
REAL	Revenue, Expenditure, Assets, and Liabilities
RFP	Request for Proposal
RFQ	Request for Price Quotations

SAIGA	Southern African Institute of Government Auditors
SAQA	South African Qualification Authority
SARS	South African Revenue Services
SCM	Supply Chain Management
SCoA	Standard Chart of Accounts
SCOF	Standing Committee on Finance
SCOPA	Standing Committee on Public Accounts
SDBIP	Service Delivery Budget Implementation Plan
SDI	Service Delivery Improvement
SDR	Service Delivery Review
SEP	Socio-economic Profile
SER	Socio-economic Review
SETA	Sector Education and Training Authority
SIP	Strategic Infrastructure Plan
SITA	State Information Technology Agency
SLA	Service Level Agreement
SME	Small and Medium Enterprises
SMME	Small Medium and Micro Enterprise
SMS	Senior Management Service
SP	Strategic Plan
SPMS	Staff Performance Management System
SOP	Standard Operating Procedure
TC	Treasury Circular
TCF	Technical Committee on Finance
TCO	Total Cost of Ownership
TMM	Treasury Management Meeting
TOR	Terms of Reference
TPW	Transport and Public Works
TQM	Total Quality Management
U-AMP	User-Asset Management Plans
URS	User Requirement Statement
USB-ED	University of Stellenbosch Executive Development
WCED	Western Cape Education Department
WCG	Western Cape Government
WCGRA	Western Cape Gambling and Racing Act
WCGRB	Western Cape Gambling and Racing Board
WC-MTBPS	Western Cape Medium Term Budget Policy Statement
WCSD	Western Cape Supplier Database
WSP	Workplace Skills Plan

3. STRATEGIC OVERVIEW

3.1 Vision

Change agent in resource allocation and utilisation practices in pursuing a systematic reduction in social and economic disparities.

3.2 Mission

To obtain financial supportive means and foster the optimal utilisation of resources by means of sound governance practices.

3.3 Values

The Provincial Treasury cherishes the following values:

- To give effect to the public service code of conduct.
- To be of service, to empower people.
- To be an employment equity employer.
- To be aware of, and to cultivate respect for our country's heterogeneity.
- To benefit all the people of the Western Cape.

3.4 Strategic outcome orientated goals

Strategic goals of the department

The strategic goals of the Department as listed below are slightly different and rearranged relative to the Strategic Plan, due to internal reconfiguration.

Programme 1 - Administration

Strategic Goal 1	Assist the member of the Executive Council and the HoD with the delivery of the assigned functions to them.
Goal statement	Render effective strategic secretarial support, administrative support and communication services.
Justification	Ensure that the vision, mission, strategic goals and objectives of the Department are achieved.
Links	Links to the Provincial Strategic Objective 12 of building the best-run regional government in the world and National Strategic Objective 12 (an efficient, effective and development-orientated public service and an empowered, fair and inclusive citizenship).

Strategic Goal 2	Effective financial management of the department up to a level 3+ financial capability rating.
Goal statement	Deliver financial management and associated advisory services; to make limited provision for accommodation requirements.
Justification	Reduce risk, ensure efficient and effective use of financial resources, and ensure clean audit reports and sustainability within the department.
Links	Links to the Provincial Strategic Objective 12 of building the best-run regional government in the world and National Strategic Objective 12 (an efficient, effective and development-orientated public service and an empowered, fair and inclusive citizenship).

Programme 2 – Sustainable Resource Management

Strategic Goal 3	Revenue adequacy, optimisation and efficiency of revenue collection for departments and municipalities to achieve a level 3+ financial capability rating.
Goal statement	Efficient revenue sources and fiscal policy, which addresses financing requirements with no adverse economic effects.
Justification	The limited and constrained fiscal envelope requires provincial and local government to ensure the optimum and efficient collection of all potential revenue sources.
Links	Links to the Provincial Strategic Objective 12 of building the best-run regional government in the world and National Strategic Objective 12 (an efficient, effective and development-orientated public service and an empowered, fair and inclusive citizenship).

Strategic Goal 4	Monitor and evaluate cash flow and investment management so that it is sustainable and credible and will enhance service delivery and improve liquidity in departments and municipalities.
Goal statement	Ensure sustainable, credible and effective cash flow and investment management in departments and municipalities.
Justification	By ensuring more effective and efficient cash flow and investment management it will improve service delivery and maintain liquidity in departments and municipalities.
Links	Links to the Provincial Strategic Objective 12 of building the best-run regional government in the world and National Strategic Objective 12 (an efficient, effective and development-orientated public service and an empowered, fair and inclusive citizenship).

Strategic Goal 5	Responsive budgets for all provincial departments, municipalities and entities to achieve a level 3+ financial capability rating.
Goal statement	Promote the development of responsive departmental, municipal and entity budgets that contribute to improvements of selected socio-economic outcomes through economic analysis, budget policy formulation, budget allocations and monitoring of performance.
Justification	<p>Provincial, municipal and entity budgets are meant to play key roles as policy instruments to address social and economic challenges. The achievements of socio-economic imperatives need to be supported with appropriate budget policy and budgetary allocations.</p> <p>Budgets that address selected socio-economic outcomes and government priorities/goals as well as effective M&E processes to monitor performance of budget policy and plans are important to realise effective resource allocation.</p>
Links	Links to the Provincial Strategic Objective 12 of building the best-run regional government in the world and National Strategic Objective 12 (an efficient, effective and development-orientated public service and an empowered, fair and inclusive citizenship).

Strategic Goal 6	Credible budgets within departments, municipalities and entities to achieve a level 3+ financial capability rating.
Goal statement	Budgets that are sustainable, operationally efficient, purpose driven and implemented as planned.
Justification	Improve the sustainability and credibility of provincial, municipal and entity budgets, the monitoring of implementation to enhance x-efficiency, financial prudence and fiscal discipline in order to maximise the capacity of provincial departments and municipalities to deliver services.
Links	Links to the Provincial Strategic Objective 12 of building the best-run regional government in the world and National Strategic Objective 12 (an efficient, effective and development-orientated public service and an empowered, fair and inclusive citizenship).

Strategic Goal 7	Increase the level of infrastructure delivery to achieve a level 3+ financial capability rating (departments of Education, Health, Transport and Public Works and municipalities) and the sound management of PPP projects.
Goal statement	Effective and efficient delivery of infrastructure and management of immovable assets, including PPP projects through institutionalising best practice, systems, tools and building capacity.
Justification	Departments and municipalities still lack the ability in terms of capacity, business processes, etc. to achieve optimal investment in infrastructure and sound management of immovable assets.
Links	Links to the Provincial Strategic Objective 12 of building the best-run regional government in the world and National Strategic Objective 12 (an efficient, effective and development-orientated public service and an empowered, fair and inclusive citizenship).

Programme 3 – Asset and Liabilities Management

Strategic Goal 8	Enhance departmental and municipal capacity and performance to achieve a level 3+ financial capability rating for SCM and moveable asset management.
Goal statement	Assist departments and municipalities in respect of SCM and moveable asset management to build capacity and enforce good governance practices; and for departments to enhance relationships with BEE and SMME vendors in support of preferential procurement imperatives.
Justification	Ensure that the vision, mission, strategic goals and objectives of the Department are achieved.
Links	Links to the Provincial Strategic Objective 12 of building the best-run regional government in the world and National Strategic Objective 12 (an efficient, effective and development-orientated public service and an empowered, fair and inclusive citizenship).

Strategic Goal 9	Management, utilisation and implementation of financial systems to achieve a level 3+ financial capability rating within provincial departments and selected entities.
Goal statement	Provide for the standard implementation, management and technical user support (helpdesk and training) of existing financial systems and the transition to the Integrated Financial Management Solutions (IFMS) to enhance compliance with the PFMA and other relevant legislation.
Justification	This goal will contribute to sound financial management, skilled and capacitated system users and compliance to user requirement statements.
Links	Links to the Provincial Strategic Objective 12 of building the best-run regional government in the world and National Strategic Objective 12 (an efficient, effective and development-orientated public service and an empowered, fair and inclusive citizenship).

Programme 4 – Financial Governance

Strategic Goal 10	Ensure the development of accounting practices within provincial and local government that will promote effective and efficient capturing of REAL movements/accountability and contribute towards attaining level 3 and higher auditable organisations.
Goal statement	Establish a sound and dynamic financial accounting framework to promote accountability, transparency and good governance.
Justification	Improve the quality and integrity of financial accounting and reporting to fully reflect all transactions and the values and extent of all assets owned government.
Links	Links to the Provincial Strategic Objective 12 of building the best-run regional government in the world and National Strategic Objective 12 (an efficient, effective and development-orientated public service and an empowered, fair and inclusive citizenship).

Strategic Goal 11	Enable departments and municipalities to achieve a level 3+ financial management capability over the next 5 years.
Goal statement	Develop, implement and monitor compliance with corporate governance norms and standards within local and provincial government.
Justification	In terms of S18 of the PFMA and S5 of the MFMA, PT must set the norms and standards for financial management, and may assist with the implementation thereof and thereby improve efficient and economic utilisation of resources.
Links	Links to the Provincial Strategic Objective 12 of building the best-run regional government in the world and National Strategic Objective 12 (an efficient, effective and development-orientated public service and an empowered, fair and inclusive citizenship).

4. LEGISLATIVE AND OTHER MANDATES

The legislative mandate within which the Provincial Treasury operates consists of the following mix of national and provincial legislation:

Annual Division of Revenue Act

To provide for the equitable division of revenue generated nationally, including conditional grants, amongst the three spheres of government and matters incidental thereto.

Basic Conditions of Employment Act, 1997 (Act 75 of 1997)

To provide regulatory prescripts in addition to the Public Service Act, 1994 and the Public Service Regulations, 2001 regarding the employment conditions for Treasury staff.

Borrowing Powers of Provincial Government Act, 1996 (Act 48 of 1996)

To provide norms and conditions which the Treasury must adhere to in negotiating loans for the Provincial Government.

Employment Equity Act, 1998 (Act 55 of 1998)

To regulate the processes and procedures of the Treasury in achieving a diverse and competent work force broadly representative of the demographics of the Western Cape and eliminating unfair discrimination in employment towards implementing employment equity.

Executives' Members Ethics Act (Act 82 of 1998)

To provide for a code of ethics governing the conduct of members of provincial Executive Councils, and to provide for matters connected therewith.

Government Employees Pension Law, 1996 (Act 21 of 1996)

To make provision for the payment of pensions and certain other benefits to employees of this department and to their dependants or nominees, and to provide for matters incidental thereto.

Government Immovable Asset Management Act, 2007 (Act 19 of 2007)

To provide for a uniform framework for the management of an immovable asset that is held or used by a provincial department and to ensure the coordination of the use of an immovable asset with the service delivery objectives of a provincial department.

Intergovernmental Fiscal Relations Act, 1997 (Act 97 of 1997)

To define the role of the Minister of Finance, Economic Development and Tourism and that of the Treasury as representatives of the Provincial Government in promoting cooperation between other spheres of government on fiscal, budgetary and financial matters; to provide insight into the prescribed processes for the determination of the equitable share and allocation of revenue generated nationally and for matters in connection therewith.

Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)

To establish a framework for the national government, provincial governments and local governments to promote and facilitate intergovernmental relations; to provide for mechanisms and procedures to facilitate the settlement of intergovernmental disputes; and to provide for matters connected therewith.

Labour Relations Act, 1995 (Act 66 of 1995)

To regulate and guide the Treasury in recognising and fulfilling its role in effecting labour harmony and the democratisation of the work place.

Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)

To regulate financial management in the local sphere of government; to require that all revenue, expenditure, assets and liabilities of municipalities and municipal entities are managed economically, efficiently and effectively; to determine the responsibilities of persons entrusted with municipal borrowing; to make provision for the handling of financial emergencies in municipalities; and to provide for matters connected therewith.

Money Bills Amendment Procedure and Related Matters Act, 2009 (Act 9 of 2009)

To provide for a procedure to amend monetary bills before Parliament; to provide for norms and standards to amend monetary bills before provincial legislatures and other related matters.

Occupational Health and Safety Act, 1993 (Act 85 of 1993)

To provide for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery; the protection of persons other than persons at work against health and safety hazards arising out of or in connection with the activities of persons at work; and to provide for matters connected therewith.

Public Audit Act, 2004 (Act 25 of 2004)

To provide assistance to the Auditor-General's Office in performing their audits; to deal with matters arising from audit reports and to provide for matters connected therewith.

Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)

To provide the Treasury with a regulatory framework enabling and assisting departments and potential historically disadvantaged individuals (HDIs) in the sustainable development and implementation of a preferential procurement system.

Promotion of Access to Information Act, 2000 (Act 2 of 2000)

To give effect to the constitutional right of access to any information held by the State and any other person that is required for exercising or protecting any rights; and to provide for matters connected therewith.

Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)

To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and the right to request written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996; and to provide for matters incidental thereto.

Provincial Tax Regulation Process Act, 2001 (Act 53 of 2001)

To regulate the intergovernmental process that must be followed by provinces in exercising their powers in terms of section 228 of the Constitution to impose taxes, levies and duties, and flat rate surcharges on the tax bases of any tax, levy or duty imposed by national legislation; and to provide for matters connected therewith.

Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA)

To regulate financial management in the Treasury to ensure that all revenue, expenditure, assets and liabilities of the Treasury are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in the Treasury and to provide for matters connected therewith. This Act describes the powers and functions of Treasuries and directs their responsibilities with respect to other departments and public entities.

Public Service Act, 1994 (Act 103 of 1994) as amended

To provide for the organisation and administration of the Treasury and for human resource management which includes the regulation of conditions of employment, terms of office, discipline, retirement, discharge of staff members of the Treasury and matters connected therewith.

Remuneration of Public Office Bearers Act (Act 20 of 1998)

To provide for a framework for determining the upper limit of salaries and allowances of Premiers, members of Executive Councils, members of Provincial Legislatures and members of Municipal Councils; to provide for a framework for determining pension and medical aid benefits of office bearers; and to provide for matters connected therewith.

Skills Development Act, 1998 (Act 97 of 1998)

To provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African work force; to integrate those strategies within the National Qualifications Framework contemplated in the South African Qualification Authority Act, 1995; to provide for learnerships that lead to recognised occupational qualifications; to provide for the financing of skills development by means of a levy-grant scheme and a National Skills Fund; to provide for and regulate employment services; and to provide for matters connected therewith.

Skills Development Levy Act, 1999 (Act 9 of 1999)

To provide for the imposition of a skills development levy; and for matters connected therewith.

Taxation Laws Amendment Act (Act 32 of 1999)

To amend the Marketable Securities Tax Act, 1948, in order to effect certain textual alterations; to provide that a certain part of the salary of public office bearers is deemed to be an allowance; to further regulate the taxation of the investment income of controlled foreign entities and the investment income arising from donations, settlements or other dispositions; to limit the application of certain exemptions; to provide for further exemptions; to further regulate the allowance for tax purposes in respect of intellectual property and matters relating thereto.

Western Cape Direct Charges Act, 2000 (Act 6 of 2000)

To provide for the withdrawal of State moneys from the Western Cape Provincial Revenue Fund as a direct charge in accordance with the Constitution of the Republic of South Africa, 1996, the Constitution of the Western Cape, 1997 (Act 1 of 1998) and the Public Finance Management Act, 1999 (Act 1 of 1999), and matters incidental thereto.

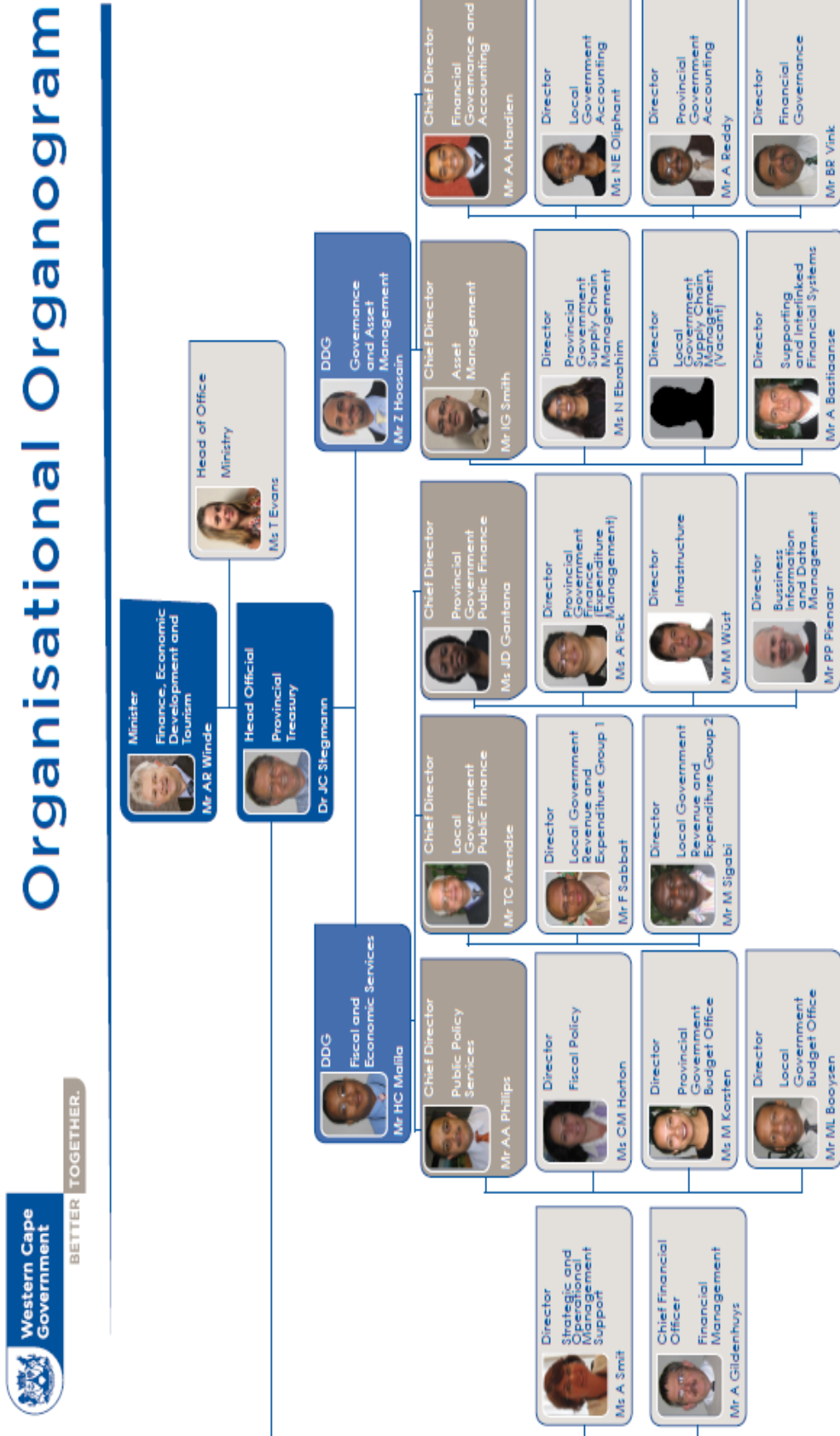
Western Cape Gambling and Racing Law, 1996 (Law 4 of 1996)

To provide for regulatory prescripts to support the responsible Minister in ensuring sound financial administration and management and matters incidental thereto by the Western Cape Gambling and Racing Board.

Western Cape Law on the Powers and Privileges of the Provincial Legislature Amendment Act, 1998 (Law 3 of 1998)

To provide the Treasury with regulatory prescripts to assist the Provincial Legislature to meet its financial obligations as determined by legislation.

5. ORGANISATIONAL STRUCTURE¹



Note: The following changes occurred during the 2012/13 financial year:

- Mr Z Hoosain was appointed as Head: Governance and Asset Management and commenced duty in November 2012
- Ms JD Gantana was appointed as Head: Provincial Government Public Finance and commenced duty in June 2012
- Mr I Smith was appointed as Head: Asset Management and commenced duty in April 2012
- Mr M Wüst was appointed as Senior Manager: Infrastructure and commenced duty in March 2013
- Mr P Pienaar was appointed as Senior Manager: Business Information and Data Management and commenced duty in June 2012
- Ms N Oliphant replaced Ms L Ngxonono as Senior Manager: Local Government in October 2012

¹ Key staff of the Department

6. ENTITIES REPORTING TO THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND TOURISM*

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Western Cape Gambling and Racing Board	Western Cape Gambling and Racing Act	The Entity has been financially self-sustainable in the past, but as of 2012/13 and beyond transfers from the Provincial Revenue Fund to the Entity will assist in performing its regulatory responsibilities	Regulation of all gambling, racing and activities incidental thereto in the Western Cape Province

* A number of Provincial Entities report to the Minister of Finance, Economic Development and Tourism, the Provincial Treasury or the Department of Economic Development and Tourism. Oversight of the Western Cape Gambling and Racing Board is the responsibility of the Provincial Treasury.

7. FOREWORD BY THE MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND TOURISM

I am honoured to present the Provincial Treasury's Annual Report for 2012/13.

During the year under review, this Department went to great lengths to provide financial management leadership and guidance to departments, entities and municipalities within our ambit, with the ultimate aim of improving service delivery to residents of our province. In so doing, these staff members are making an invaluable contribution to the achievement of the 12th Provincial Strategic Objective of this government: Becoming the best-run regional government in the world.

In 2012/13, the Provincial Treasury overhauled the manner in which it supports others to achieve clean governance. As a result, in late 2012, the Corporate Governance Review and Outlook (CGRO) and Municipal Governance Review and Outlook (MGRO) processes were launched. These processes aim to address the very specific needs of each client assisted by the Provincial Treasury through the development of bespoke corrective plans that zoom into areas of concern so that they may be corrected swiftly.



Alan Winde
Minister of Finance, Economic Development and Tourism

Last year, I had the opportunity to join the Treasury team on visits to all the municipal districts as part of the MGRO process. During these sessions, I witnessed first-hand the level of support that this team gave to the CFOs, municipal managers and finance teams with whom they were working. This process is about building partnerships that will lead to improved governance and service delivery, of which a by-product will be clean audits, financial sustainability and economic growth. I am proud to say that this collaborative effort is already delivering results.

Another focus area of this Department in 2012/13 was the improvement of the Western Cape Supplier Database. Through this project, suppliers to the government were reregistered and submitted all the necessary paperwork in order for us to become wholly compliant when authorising payments. This task demanded that the Treasury conduct a province-wide awareness campaign to alert businesses to the changed system and assist them to retain their right to supply us. Through this campaign, we have managed to significantly improve the number of BBBEE compliant suppliers to the government, giving entrepreneurs and SMMEs the opportunity to grow their businesses.

We also tabled a budget that sought to address poverty and disparities in our province and improve people's life chances by given them the best education and health care systems that this country has to offer.

The above programmes are but a few of the very many that have resulted in this Department making its mark as one of South Africa's most innovative and hardworking places of work. I would like to extend my sincere thanks to all the staff for the dedication and excellence that they bring to the Western Cape and indeed South Africa.

I would like to issue my special thanks to the Head of Department, Dr Johan Stegmann, for his leadership and strategic management of the Provincial Treasury team and for his invaluable guidance to me.

Through the concerted efforts of this team, we are making great strides in meeting Provincial Strategic Objective 12: Becoming the best-run regional government in the world.



ALAN WINDE

MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND TOURISM

DATE: 31 August 2013

8. OVERVIEW OF THE ACCOUNTING OFFICER

The 2012/13 financial year was in many aspects challenging, but also rewarding.

A number of top positions were filled appropriately during the course of the year, further giving effect to the changed focus established some two years ago. Similarly, the actual (based on the full approved establishment) vacancy rate decreased from 29 per cent to 16.4 per cent at the end of the financial year, excluding the three posts held additional to the establishment. Likewise, overall expenditure ended at 98.4 per cent of the overall adjusted budget.

It is gratifying to report that we continued with the tradition of obtaining financially unqualified audit reports from the Auditor-General. This is reflective of the continued hard work done by the entire Treasury team.

We have managed to improve internal operational efficiencies and effectiveness and will further continue to do so in the new financial year. It was the intention to revamp the entire office administration and management function across all programmes by compiling, implementing and monitoring standard operating procedures for financial management, human resource management, correspondence and document management and internal and external stakeholder relations. However, due to key posts being vacant coupled with new incumbents in other areas, it was deemed prudent to rather focus on the implementation of existing/proven prescripts and perfect them for starters and not to implement new standards until the various Support Services and particularly the Business Information and Data Management units were fully capacitated, as there is a close interdependence between all of these.

Externally, the overall emphasis fell on the systematic or progressive improvement of financial governance in both the provincial and municipal spheres. In this regard, the Provincial Treasury's efforts were directed firstly to enhance conformance to all relevant prescripts and best practise models of financial management, which is a prerequisite for improved fiscal performance management. The ultimate aim was, and still is, to assist departments, entities and municipalities in achieving their intended purposes.

To this end the Corporate Governance Review and Outlook (CGRO) and Municipal Governance Review and Outlook (MGRO) processes were introduced during the financial year. It was agreed that improving governance and resultantly achieving clean administration should be a collaborative effort between all parties: the Provincial Executive, Municipal Councils, respective departments and/or municipalities, the departments of the Premier and Local Government as applicable, and the Provincial Treasury.



JC Stegmann
Accounting Officer:
Provincial Treasury

This is an intensive step by step process that starts with conformance issues, backed by individual governance action plans crafted by the respective accounting officers and their CFOs. These action plans formed the basis for engagements with departments and municipalities. The key areas covered via the CGRO and MGRO endeavours were predetermined objectives, financial misstatements, IT controls, expenditure management, HR management, SCM, asset management and internal controls.

These processes aim to address the very specific needs of each client assisted by the Provincial Treasury through the development of bespoke corrective plans that addresses areas of concern so that they can be corrected expeditiously.

The further improvement of departmental and entity audit outcomes during the 2012/13 audit process demonstrated the value of the CGRO process, indicative of a Province that is seriously endeavouring to improve its financial governance.

Continuing on the initiatives referred to in the 2011/12 report, constructive engagements with National Treasury have been pursued to assist in improving the financial regulatory regime and the supporting transversal financial systems. 2012/13 also saw the first full year test implementation of the Provincial Treasury's revised supply chain requirements for both goods and services and infrastructure.

To aid the MGRO and associated budget management processes in municipalities, further transfers of R8.25 million to selected non-metro municipalities were made to assist in improving financial management and internal controls.

The current economic climate together with the less than optimal performance of the South African economy have resulted in reduced revenue available to fund government programmes. We are indebted to the National Treasury who have done their utmost to protect the baselines of Provincial Governments and therefore also the highly community directed services of Health, Education and Social Development. By the same token Provincial Governments were warned that if the worldwide economic slump continues, renewed efforts be undertaken by them to improve efficiencies in resource utilisation, as well as more effectively address the many socio-economic challenges facing provinces.

Both the published Medium Term Budget Policy and Main Budget estimates for the new financial term aimed to do so, mainly to deal with service delivery challenges in Education, Health and Social Development, but also to respond to greater fiscal risks and better resource management. The relatively high proportion of staff compensation in the expenditure mix within these departments required improvements in planning and controlling expenditures, which they successfully implemented. Similar improvements were also seen in other Votes, notably the collective and individual responses in dealing with financial governance challenges and giving effect to the Provincial Strategic Objectives by implementing budgets in a diligent manner.

In closing, I would like to express my sincere appreciation for all the hard working and diligent staff of the Provincial Treasury, my professional and skilled management team, all accounting officers, their CFOs and staff to Minister Alan Winde for his continued and wise support.

A handwritten signature in dark ink, appearing to read 'J. Stegmann', followed by a horizontal line.

JC STEGMANN (DR)
ACCOUNTING OFFICER
DATE: 31 August 2013

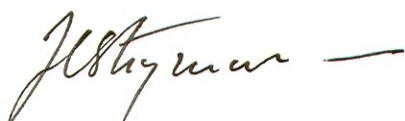
PART B: PERFORMANCE INFORMATION

1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

Statement of Responsibility for Performance Information for the year ended 31 March 2013

The Accounting Officer is responsible for the preparation of the department's performance information and for the judgments made in this information, as well as for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of performance information.

In my opinion, the performance information fairly reflects the performance information of the Department for the financial year ended 31 March 2013.



JC STEGMANN (DR)
ACCOUNTING OFFICER

DATE: 31 August 2013

2. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the *Predetermined Objectives* heading in the *Report on other legal and regulatory requirements* section of the auditor's report.

Refer to page 149 of the Report of the Auditor-General, published as Part E Financial Information.

3. OVERVIEW OF DEPARTMENTAL PERFORMANCE

3.1 Service Delivery Environment

The Provincial Treasury does not directly render services to the public, but services are rendered by its clients, i.e. departments, entities and municipalities. By executing the function and powers assigned in terms of section 18 of the Public Financial Management Act, 1999 (Act 1 of 1999) and section (5)(4) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) the Provincial Treasury assists its client to improve service delivery.

The key outputs for the 2012/13 financial year were:

- A responsive (one that contributes to improvements of selected socio-economic outcomes) and a credible Main Estimate of Revenue and Expenditure and Adjusted Estimate of Revenue and Expenditure were tabled in and approved by the Provincial Parliament;
- The Annual Performance Plans of all votes were evaluated and assessment reports were issued to departments to enhance performance/service delivery;
- Performance/service delivery of departments were monitored by quarterly evaluating non-financial reports of all votes and the issuing of assessment reports;
- In-year monitoring reports were compiled on the implementation of departmental budgets in order to enhance accountability, data integrity and efficiency in departments;
- The Western Cape Infrastructure Delivery Management System was institutionalised;
- Municipal budgets and performance reports were assessed for conformance and responsiveness and reports were issued to municipalities;
- In-year monitoring reports were evaluated on the implementation of municipal budgets to enhance conformance, accountability and data integrity;
- To enforce good governance practices the Provincial Treasury Instructions on Supply Chain Management and Moveable Asset Management were refined and rolled out;

- Training, assistance and guidance provided to departments, municipalities and suppliers with regard to Supply Chain Management and Moveable Asset Management via training initiatives and a helpdesk service;
- Training and user support provided to departmental users of the transversal financial management systems;
- The further roll-out of the Logistical Information System (LOGIS) to remaining non-LOGIS institutions;
- In the absence of the Integrated Financial Management Solution (IFMS) an agreement was reached with National Treasury to enhance the current legacy systems to aid current legislative and user requirements;
- A new e-procurement solution IPS, replacing the previous Electronic Purchasing System (EPS) was developed and readied for implementation; and
- The latest Generally Recognised Accounting Practice (GRAP) standards within municipalities and the latest accounting framework for provincial departments were rolled-out.

3.2 Service Delivery Improvement Plan

All departments are required to develop a Service Delivery Improvement (SDI) Plan. The following tables reflect the components of the SDI plan as well as progress made in the implementation of the plans.

Table 1 Main services and service standards provided in terms of the Service Delivery Plan, 1 April 2012 to 31 March 2013

Main services	Actual service customers	Potential customers	Standard of service	Actual achievement against standards
A professionally implemented and managed secure financial system, responsive to user functionality and information requirements, conforming to changing accounting and good governance requirements	(a) Provincial Departments and their institutions (b) Provincial Treasury internal units (c) National Treasury (d) Suppliers and SMMEs (e) MEC for Finance and other Executive Authorities (f) Official banker	None	The development of a risk management framework to assess security and veracity of data (a) 100% uptime on all systems (BAS, LOGIS, PERSAL) (b) Provision of certain departmental system controller functions by PT relating to user account Management	(a) 100% uptime maintained with the exception of where specific challenges were experienced with the Local Area Network (b) 112 departments/institutions are provided with effective user account management

Main services	Actual service customers	Potential customers	Standard of service	Actual achievement against standards
A professionally implemented and managed secure financial system, responsive to user functionality and information requirements, conforming to changing accounting and good governance requirements (Continued)			<p>(c) Verification of PERSAL data bi-annually</p> <p>Development and implementation of a financial operational model that enforces good governance practises</p> <p>(d) Updating and refinement of financial operational model</p> <p>Provision of timely and appropriate data and management information</p> <p>(e) Further development of the business intelligence tool to comply with user requirements</p> <p>A fully operational helpdesk</p> <p>(f) All queries received from system users are dealt with within 24 hours of receipt</p> <p>Competent System unit internally and trained users within provincial departments</p> <p>(g) Further refinement of the evaluation and capacitation plan and development of further courses as required</p>	<p>(c) HR components are provided with data on a monthly basis to be used in the verification process</p> <p>(d) Due to system changes/enhancements and the implementation of the Standard Chart of Accounts, the operational model is in the process of being updated</p> <p>(e) All departments have direct access to management and detailed information</p> <p>(f) All formal queries resolved on average within a 3 hour turnaround time, except calls registered with NT (Logik)</p> <p>(g) Implemented and refined as the need arises. In addition, a further three (3) courses were developed and implemented</p>

Main services	Actual service customers	Potential customers	Standard of service	Actual achievement against standards
A professionally implemented and managed secure financial system, responsive to user functionality and information requirements, conforming to changing accounting and good governance requirements (Continued)			Timely identification of new system requirements and arrangement for systems adaptation (h) Facilitate process of integrating interventions within the Provincial Treasury (i) Roll out within two weeks of release	(h) All PT training service providers integrated and included in the bi-annual training program (i) All new releases were rolled out within two weeks after release
Promote optimal financial resource allocation, in line with socio-economic realities facing municipalities	(a) Municipalities (b) Communities (c) Suppliers and SMMEs (d) Provincial departments and their institutions (e) Premier (f) MEC for Finance and other Executive Authorities (g) National Treasury (h) SCOPA and other standing committees (i) Statistics South Africa		(a) Level 4 auditable rating Roll-out the Implementation of the MFMA (b) 30 SDBIP Assessments (c) Contribution to Local Government IDP Indaba (ex-LG MTEC 1) (d) 30 LG MTEC 3 Assessments (e) 30 LG MTEC 3 Visits (f) Contributions to Provincial MTECs on municipal matters (g) Continuous research on matters affecting municipalities (h) Submissions to Cabinet, National Treasury and other relevant departments (i) Participate in IGR forums and intra-governmental forums	(a) Level 4 auditable rating (b) 29 SDBIP Assessments (c) Contribution to Local Government IDP Indaba (ex-LG MTEC 1) (d) 30 LG MTEC 3 Assessments (e) 30 LG MTEC 3 Visits (f) Contributions to Provincial MTECs on municipal matters (g) Continuous research on matters affecting municipalities (h) Submissions to Cabinet, National Treasury and other relevant departments (i) Participate in IGR forums and intra-governmental forums

Main services	Actual service customers	Potential customers	Standard of service	Actual achievement against standards
Promote optimal financial resource allocation, in line with socio-economic realities facing municipalities (Continued)			<ul style="list-style-type: none"> (j) 1 profile for each district and the Metro, containing socio-economic information for all the local municipalities (k) Provide training, advice and hands on support in data management to all municipalities (l) Assist municipalities in developing and publishing socio-economic profiles, as the need arises (m) Provide hands on assistance in updating the profiles of municipalities (n) Continue to find ways to fill the data gaps (o) Facilitate the improvement on the quality of data (p) Continually search and devise methods for storing critical data sources (q) Facilitate spatial planning and budgeting reforms in municipalities 	<ul style="list-style-type: none"> (j) 1 profile for each district and the Metro, containing socio-economic information for all the local municipalities (k) Present outcomes and application of data at relevant forums (l) Conduct follow up questionnaires on data requirements and areas for improvements (m) Release of SEP-LG for municipalities and make data available (n) Deepening and widening of Socio-economic Profiles for Local Government Research and Outlook (MERO) research (o) Facilitated on-going improvement on the data quality (p) Promote improvement of non-financial reporting to fill data gaps due to long intervals between censuses (q) Promote for the updating of Spatial Development Frameworks and credible Service Delivery Budget Implementation Plans with capital works broken down per wards

Table 2 Consultation arrangements with service customers, 1 April 2012 to 31 March 2013

Type of arrangement	Actual customers	Potential customers	Actual achievements
A professionally implemented and managed secure financial system, responsive to user functionality and information requirements, conforming to changing accounting and good governance requirements	(a) Provincial departments and their institutions (b) Provincial Treasury internal units (c) National Treasury (d) Suppliers and SMMEs (e) MEC for Finance and other Executive Authorities (f) Official banker	None	
(a) Assessments			(a) 1 848 assessments completed after the completion of the courses
(b) Visits			(b) 96 departments/ institutions were visited
(c) Workshops, Seminars and Forums			(c) Various workshops, seminars and forums are held on a regular basis which includes CFO Forum, FA Forum, User Forums, etc
(d) Issuing Circulars, Practice Notes and Policies			(d) Circulars are issued as the need arises and includes the circular i.r.o. the bi-annual training interventions
(e) Questionnaires			(e) Two training questionnaires pertaining to the impact of training interventions were distributed
(f) Reporting and Feedback Process			(f) Reports are made available to departments on a monthly basis while reporting on training gaps are provided to departments on a quarterly basis
(g) E-mails			(g) E-mails are the preferred communication method with the 7 000 system users
(h) Correspondence			(h) All external communication (other departments, NT, etc.) is done via formal communication

Type of arrangement	Actual customers	Potential customers	Actual achievements
Promote optimal financial resource allocation, in line with socio-economic realities facing municipalities LG MTECs and provincial MTECs Assessments of Budget and Planning processes Individual and BIF Visits Workshops, Seminars and IGR Forums Issuing Circulars Surveys Reporting and Feedback Process Correspondence Active participation in BIF Team activities Identification of issues through existing processes and follow-up procedures Establishing forums to resolve challenges experiences Report back mechanism for fluid engagement between municipalities, PT, sector departments and National Departments on socio-economic challenges Established and functioning Data Management Forum	(a) Municipalities (b) Communities (c) Suppliers and SMMEs (d) Provincial departments and their institutions (e) Premier (f) MEC for Finance and other Executive Authorities (g) National Treasury (h) SCOPA and other standing committees (i) Statistics South Africa	None	LG MTECs and provincial MTECs Assessments of Budget and Planning processes Individual and MGRO Engagements Workshops, Seminars and IGR Forums Issuing Circulars Surveys Reporting and Feedback Process Correspondence Active participation in BIF Team activities Identification of issues through existing processes and follow-up procedures Establishing forums to resolve challenges experiences Report back mechanism for fluid engagement between municipalities, PT, sector departments and National Departments on socio-economic challenges Engage through DCF Tech and IDP Managers Forum

Table 3 Service delivery access strategies, 1 April 2012 to 31 March 2013

Access strategy	Actual achievements
A professionally implemented and managed secure financial system, responsive to user functionality and information requirements, conforming to changing accounting and good governance requirements (a) The office of Provincial Treasury, Legislature Building, 7 Wale Street (b) Nine training venues situated in: <ul style="list-style-type: none"> • Golden Acre (3 venues) • Claremont (1 venue) • Kromme Rhee (2 venues) • George (1 venue) • Kuilsriver (1 venue) • Vredenburg (1 venue) 	(a) Still applicable (b) Due to the unavailability of the Claremont venue, additional venues situated at Worcester and Lentegeur are being utilised
Promote optimal financial resource allocation, in line with socio-economic realities facing municipalities (a) The office of Provincial Treasury, Legislature Building, 7 Wale Street (b) LG MTECs (c) Relevant municipality (d) Relevant provincial and national departments	(a) The office of Provincial Treasury, Legislature Building, 7 Wale Street (b) LG MTECs (c) Relevant municipality (d) Relevant provincial and national departments

Table 4 Service information tool, 1 April 2012 to 31 March 2013

Types of information tool	Actual achievements
A professionally implemented and managed secure financial system, responsive to user functionality and information requirements, conforming to changing accounting and good governance requirements (a) Issuing of circulars (b) Continuous communication with users regarding the status of the systems and new enhancements (c) Consultation	(a) Circulars are issued as the need arises and includes the circular i.r.o. the bi-annual training interventions (b) Daily communication with system users pertaining to the status of the system and new enhancements as they are being released (c) The various forums are being utilised to consult with user departments on challenges being experienced and new requirements
Promote optimal financial resource allocation, in line with socio-economic realities facing municipalities (a) Circulars (b) Electronic mail (c) Assessment Reports and feedback process (d) Minutes (e) Correspondence (f) Performance Reviews (g) LG MTECs (h) BIF Teams (i) Quarterly IYM Visits (j) Databases (k) Intranet and Cape Gateway (l) Internet (m) Publications (n) Utilising established forums	(a) Circulars (b) Electronic mail (c) Assessment Reports and feedback process (d) Minutes (e) Correspondence (f) Performance Reviews (g) LG MTECs (h) BIF Teams (i) MGRO Engagements, Individual Visits (j) Databases (k) Intranet and Cape Gateway (l) Internet (m) Publications (n) Utilising established forums

Table 5: Complaints mechanism, 1 April 2012 to 31 March 2013

Complaints mechanism	Actual achievements
A professionally implemented and managed secure financial system, responsive to user functionality and information requirements, conforming to changing accounting and good governance requirements (a) Training interventions (b) Address training gaps of system users (c) The refinement of the risk management framework	(a) 194 courses were presented (b) Training gaps are supplied to departments on a quarterly basis to enable them to nominate these officials as priority (c) Due to further changes/enhancements to systems and the implementation of a new SCOA, the framework is currently in the process of being updated
Promote optimal financial resource allocation, in line with socio-economic realities facing municipalities (a) Fostering of open communication between the departments and senior management (b) LG MTECs (c) Quarterly BIF Team Meetings (d) Critical Ad hoc meetings (e) Communication (telephone calls, e-mails) (f) Updates via LG MTECs and Quarterly BIF team visits (g) Meetings, workshops and conferences	(a) Fostering of open communication between the departments and senior management (b) LG MTECs (c) MGRO 1 and 2 Engagements, Individual visits (d) Critical Ad hoc meetings (e) Communication (telephone calls, e-mails) (f) Updates via LG MTECs and Quarterly BIF team visits (g) Meetings, workshops and conferences

3.3 Organisational environment

The Provincial Treasury's amended organisational structure was approved by the Minister of Finance, Economic Development and Tourism in November 2011. The reconfiguration process was mainly driven by the burgeoning responsibilities of the Municipal Finance Management Act, 2003 (Act 56 of 2003). The necessity to burrow deeper into the Public Finance Management Act, 1999 (Act 1 of 1999) requirements and extracting real and sustainable improvements in financial management in both the Provincial and Municipal sphere, added to this the amended establishment provides for a staffing complement of 323 posts (excluding the Minister). Due to budget constraints the recruitment and selection process to fill the newly created posts commenced at the beginning of the 2012/13 financial year.

Despite an intensive recruitment and selection drive the overall vacancy rate as at 31 March 2013 of 16 per cent is still above an accepted norm. However, to ensure the achievement of the predetermined targets officials were prepared to take on extra responsibilities.

The internship period of the interns were extended to expand their knowledge and experience to make them more employable, but also to contribute to the achievement of departmental targets.

3.4 Key policy developments and legislative changes

The Treasury Regulations [issued in terms of the Public Finance Management Act, 2009 (Act 1 of 2009)] meant to be issued by the National Treasury during the 2013/14 financial year will affect the future operations of the Provincial Treasury.

4. STRATEGIC OUTCOME ORIENTED GOALS

Programme 1 - Administration

Strategic Goal 1	Assist the member of the Executive Council and the HoD with the delivery of the assigned functions to them.
Progress	Strategic and operational management support services were improved and this assisted the Minister of Finance, Economic Development and Tourism and the Head Official Provincial Treasury to perform their functions as assigned to them.

Strategic Goal 2	Effective financial management of the department up to a level 3+ financial capability rating.
Progress	Improved the financial capability rating of the Provincial Treasury. The Provincial Treasury received a clean audit for the 2011/12 financial year and an unqualified audit report for the 2012/13 financial year.

Programme 2 – Sustainable Resource Management

Strategic Goal 3	Revenue adequacy, optimisation and efficiency of revenue collection for departments and municipalities to achieve a level 3+ financial capability rating.
Progress	Research initiatives into the efficient and effective development of revenues streams have been refined and updated. Inputs into the fiscal framework and fiscal policy have also been provided as well as guidance on efficient and effective revenue collection for departments and municipalities.

Strategic Goal 4	Monitor and evaluate cash flow and investment management so that it is sustainable and credible and will enhance service delivery and improve liquidity in departments and municipalities.
Progress	Daily and monthly monitoring liquidity in departments, provincial public entities and municipalities as part of the Province's daily cash operations and in-year reporting from municipalities and departments.

Strategic Goal 5	Responsive budgets for all provincial departments, municipalities and entities to achieve a level 3+ financial capability rating.
Progress	<p>The Provincial Economic Review and Outlook inform the Medium Budget Policy. The MTBPS provides the socio-economic environment to which the Provincial Government responds and forms the basis for the final budget allocations. Responsive budgets are further supported by Strategic and Annual Performance Plans that reflect national and provincial budget policy priorities, strategic goals and objectives.</p> <p>The Socio-economic Profiles of Local Government and the Municipal Economic Review and Outlook are required to inform the compilation of responsive municipal budgets. Municipal budgets are also assessed against responsiveness criteria to make recommendations to improve the impact on communities.</p>

Strategic Goal 6	Credible budgets within departments, municipalities and entities to achieve a level 3+ financial capability rating.
Progress	Assessing all budget submissions against a framework for conformance, credibility and sustainability and the monthly monitoring of budgets in terms of accountability, data integrity and efficiency, contributed to credible budgets within departments, municipalities and entities.

Strategic Goal 7	Increase the level of infrastructure delivery to achieve a level 3+ financial capability rating (departments of Education, Health, Transport and Public Works and municipalities) and the sound management of PPP projects.
Progress	<p>The Western Cape Infrastructure Development Management System is being rolled out in the departments of Transport and Public Works, Education, Health and the Provincial Treasury. This clarifies roles and responsibilities and articulates uniform processes to be adopted by departments in the planning and delivery of infrastructure in the Province.</p> <p>PPP projects are managed by the line departments and entities and assessments are conducted with recommendations made for remedial action where required.</p>

Programme 3 – Asset and liability management

Strategic Goal 8	Enhance departmental and municipal capacity and performance to achieve a level 3+ financial capability rating for SCM and moveable asset management.
Progress	<p>Over the last three years SCM and MAM capacity and performance in departments improved. This came about through the review and implementation of the required policy regime, conducting of SCM and MAM assessments and feedback to departments, providing training and assistance, issuing Provincial Treasury Instructions and instituting the CGRO process. A SCM Focus group was established to identify best practices in supply chain and asset management and to ensure that all departments follow a uniform approach.</p> <p>Similarly municipal SCM and MAM capacity and performance were enhanced by conducting SCM and MAM assessments and providing feedback to municipalities and implementing the MGRO process. A helpdesk was established to provide assistance to municipalities. Further assistance was provided through training interventions at municipalities. A Municipal SCM Forum was also established to ensure that SCM and asset management are implemented in a uniform manner.</p>

Strategic Goal 9	Management, utilisation and implementation of financial systems to achieve a level 3+ financial capability rating within provincial departments and selected entities.
Progress	Over the last three years a concerted effort was made to improve financial systems. A range of national enhancements on systems were successfully implemented. In addition, a substantive category of users received targeted training to complement their user profiles. Training on and user account management services for transversal financial management systems were provided to all departments. Helpdesk services were rendered to all system users. The Western Cape Supplier Database was upgraded and the Integrated Procurement System was developed for implementation in 2013/14.

Programme 4 – Financial governance

Strategic Goal 10	Ensure the development of accounting practices within provincial and local government that will promote effective and efficient capturing of REAL movements/accountability and contribute towards attaining level 3 and higher auditable organisations.
Progress	All municipalities implemented the appropriate accounting reporting framework and the Annual Financial Statements for all Votes were in full conformance to the 2012/13 accounting reporting framework, contributing to the effective and efficient capturing of REAL movements/accountability.

Strategic Goal 11	Enable departments and municipalities to achieve a level 3+ financial management capability over the next 5 years.
Progress	Overall, the capacity in CFO offices in municipalities and provincial departments and public entities has improved.

5. PERFORMANCE INFORMATION BY PROGRAMME

5.1 Programme 1: Administration

Programme description

Purpose: To give strategic direction and to provide quality financial and other support services to the Minister and Head of the Department.

The programme is further divided into the following sub-programmes:

Sub-programme 1.1: Office of the Minister

Sub-programme 1.2: Management Services

Sub-programme 1.4: Financial Management

The programme has these strategic objectives:

- Provide support services;
- Render communication services to the Ministry;
- Assist Minister with Executive Authority role and responsibilities;
- Build competencies and enhance and maintain strategic support services;
- Provide effective and efficient support in the management of the working relationship between the department and the CSC;
- Responsive and credible budget composition and delivery for the department;
- Full and accurate reflection of all financial transactions of the department;
- Level 3 auditable supply chain and asset management services; and
- Effective internal control measures and risk mitigation.

Strategic objectives, performance indicators planned targets and actual achievements

Strategic and operational management support services were rendered in compliance with legislative requirements and prescripts. This assisted the Minister of Finance, Economic Development and Tourism and the Head Official Provincial Treasury to perform the functions and responsibilities assigned to them.

The Office of the Chief Financial Officer was able to compile a responsive and credible budget; submit annual financial statements that fully and accurately reflected all financial transactions; render a fully effective supply chain management function and implement effective internal control measures and effectively manage risks. This contributed to improved financial management capability.

Strategic Objectives:

PROGRAM 1: ADMINISTRATION						
Sub-programme 1.1: Office of the Minister						
Strategic objectives		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
1.	Provide support services	Improved support services	Support services in line with prescripts and standards	Rendered support services in line with prescripts and standards where standards were available	Not all support services rendered to standards	Standards for all support services not finalised due to resource constraints
2.	Render communication services to the Ministry		Foster relationships with media	Fostered relationships with media	None	None
3.	Assist Minister with Executive Authority role and responsibilities		Maintain strategic management and support services to enable the Executive Authority to execute powers and functions assigned by the Premier	Materially maintained strategic management and support services to enable the Executive Authority to execute powers and functions assigned by the Premier	The system was not reviewed	System was not reviewed due to time constraints

Performance indicators and targets:

Sub-programme 1.1: Office of the Minister						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
1.1	Support services in line with prescripts and standards	Standard for program management was reviewed and implemented	Full compliance to financial management prescripts and standards	Compliance to financial management instructions	Complied with financial management prescripts, but not in all areas with documented standards	Financial management prescripts and standards not implemented due to time constraints
		Standards were developed for the Management of Moveable Assets; Subsistence and Transport, Parliamentary questions and answering of telephones	Full compliance to Corporate Relations Unit (CRU) prescripts and standards	Compliance to Corporate Relations Unit prescripts and circulars	Complied with Corporate Relations Unit prescripts and circulars, but not with documented standards	Standards not finalised due to transversal CRU SOPs not being available
			Correspondence and document management to set standards	Correspondence and documents managed on correspondence management system	Correspondence and documents not managed to documented set of standards	Standards not finalised and implemented due to capacity constraints
			Effective management of internal and external stakeholder engagement	Effective management of internal and external engagements	None	None
		Operational Plan was developed and maintained	An operational plan that builds on the APP, QPR and dashboard requirements	An operational plan that builds on the APP, QPR and dashboard requirements	None	None
2.1	Effective communication services	12 monthly communication plans were compiled and executed	Communication plan, including ways of fostering relationships with media	12 monthly communication plans were developed, implemented and monitored	An Annual Communication Plan could not be developed	Media opportunities cannot be predicted a year in advance

Sub-programme 1.1: Office of the Minister						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
3.1	Effective strategic management and support	Plan for MEC was successfully developed and implemented	Review and maintain systems to support and assist Minister to perform his role and responsibilities as MEC for Finance, Economic Development and Tourism	Maintained system to support and assist Minister to perform his role and responsibilities as MEC for Finance, Economic Development and Tourism	System was not reviewed	System was not reviewed due to time constraints

Strategy to overcome areas of under performance

In the absence of internal finalised prescripts and standards, all financial instructions and CRU instructions will be adhered to.

In the absence of the development of uniform standards for correspondence, the Ministry will manage correspondence via the CMATS system, drawing monthly reports on performance against turnaround time.

The outstanding outputs will form part of the operational plan of the Ministry for 2013/14, as well as a review of this system to support and assist Minister to better perform roles and responsibilities, to the extent as might be applicable.

Strategic Objectives:

PROGRAMME 1: ADMINISTRATION						
Sub-programme 1.2: Management Services						
Strategic objectives		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
4.	Build competencies and enhance and maintain strategic support services	Improved support services	Support services in line with prescripts and standards	Rendered support services in line with prescripts and standards where standards were available	Not all support services rendered to standards	Standards for all support services not finalised due to resource constraints
		Not applicable	Develop a functional Performance Management System	Developed a draft Performance Management Framework	Framework not finalised	Performance management, including performance planning and reporting complied with legislative requirements

PROGRAMME 1: ADMINISTRATION						
Sub-programme 1.2: Management Services						
Strategic objectives		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
5.	Provide effective and efficient support in the management of the working relationship between the department and the CSC	Provided effective and efficient support, notwithstanding capacity and operational challenges within the CSC	In terms of the service level agreement as assigned	Provided support in the management of the working relationship between the department and the CSC in terms of the service level agreement as assigned	None	None

Performance indicators:

Sub-programme 1.2: Management Services						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
4.1	Support services in line with prescripts and standards	Reviewed and maintained systems for programme management Standards were developed for the Management of Moveable Assets; Subsistence and Transport, Parliamentary questions and answering of telephones	Full compliance to financial management prescripts and standards	Compliance to financial management instructions	Complied with financial management prescripts, but not in all areas with documented standards	Standards not implemented due to capacity constraints
			Full compliance to Corporate Relations Unit (CRU) prescripts and standards	Compliance to Corporate Relations Unit prescripts and circulars	Complied with Corporate Relations Unit prescripts and circulars, but not with documented standards	Standards not finalised due to transversal CRU SOPs not being available
			Correspondence and document management to set standards	Correspondence and documents managed on electronic correspondence management system	Correspondence and documents not managed to documented set of standards	Standards not finalised and implemented due to capacity constraints
			Administer the Internal Resource Centre to set standards	Internal Resource Centre administered	Internal Resource Centre not administered to documented set of standards	Amended policy and standards not finalised due to capacity constraints

Sub-programme 1.2: Management Services						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
	Support services in line with prescripts and standards (Continued)		Effective management of internal and external stakeholder engagement	Management of internal and external stakeholder engagements	Internal and external stakeholder engagement was not managed according to documented set of standards	Standards not implemented due to capacity constraints
			Targeted communication and event services	Targeted communication and event services rendered	None	None
		Operational Plan for 2011/12 was developed and maintained	An operational plan that builds on the APP, QPR and dashboard requirements	An operational plan that builds on the APP, QPR and dashboard requirements	None	None
4.2	Development of a performance Management System for the Department	New PI	Policy and procedures for performance planning in line with prescriptive requirements developed	Planning, Monitoring and Evaluation Framework developed Planning procedures developed and implemented	Planning, Monitoring and Evaluation Framework developed Policy not finalised	Policy not finalised due to capacity constraints
		New PI	Policy and procedures for performance reporting and evaluation in line with prescriptive requirements developed	Planning, Monitoring and Evaluation Framework developed Reporting procedures developed and communicated via Circulars	Planning, Monitoring and Evaluation Framework developed Policy not finalised	Policy not finalised due to capacity constraints
		New PI	Meeting Provincial Transversal Management System requirements	Met Provincial Transversal Management System requirements	None	None
		New PI	Consolidated departmental Service Delivery Improvement Plan (SDIP) as per requirements and report on implementation thereof	Consolidated departmental Service Delivery Improvement Plan (SDIP) as per requirements and reported on implementation thereof	None	None

Sub-programme 1.2: Management Services						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
	Development of a performance Management System for the Department (Continued)	New PI	Consolidated Executive Dashboard reports	Consolidated Executive reports	Manual Executive reports compiled	Due to change in approach processes (CGRO and MGRO) projects not loaded on Dashboard
5.1	Monitor, assess and report on the compliance to the service delivery standards of the CSC as assigned	Monitored, assessed and reported on the compliance to the service delivery standards of the CSC as assigned	Monitor, assess and report on compliance on a weekly basis	Monitored, assessed and reported monthly on compliance	Monitored, assessed and reported monthly and not weekly	More appropriate to report monthly
5.2	Periodic review of the SLA with CSC	Continuous assessment of SLA	Formal review 2 months prior to the end of the financial year	No formal review done	No formal review necessary	Due to the late finalisation of the 2012 SLA no gaps/ shortfalls identified; revision was not necessary
5.3	Drafting and consolidation of prescribed departmental plans and reports for submission to CSC	Submitted input to prescribed departmental plans and reports to CSC	100% compliance	Prescribed departmental plans and reports drafted, consolidated and submitted to CSC on or before statutory due dates	Instrument to measure % (percentage) not available yet	None
5.4	Coordinate the appointment of members of prescribed departmental committees/ transversal forums and other statutory requirements	Coordinated the appointment of members of prescribed departmental committees/ transversal forums and other statutory requirements	100% compliance	100% compliance	None	None

Sub-programme 1.2: Management Services						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
5.5	Serve as a nodal point between the department and the CSC pertaining to correspondence, access, services and other HR related issues	Full compliance to standards and processes by Corporate Relations Unit. Partial compliance to standards and processes by service provider	100% compliance	Served as a nodal point between the department and the CSC pertaining to correspondence, access, services and other HR related issues	Instrument to measure % (percentage) not available yet	None
5.6	Multi-skilled Corporate Services Relations Management Unit	New PI	33% of multi-skilled training needs/gaps met	31% of multi-skilled training needs/gaps met	2% less training needs/gaps met	Delayed implementation of Development Hour awaited the appointment of staff
5.7	Development and implementation of internal SOPs that enforce good governance practices	Revised PI	Development and implementation by 31 March 2013	Developed internal SOPs that enforce good governance practices	SOPs developed and communicated, but will only be implemented on 1 April 2013	Resource constraints
5.8	Capacitate line managers/supervisors in all aspects of HR	New PI	50% capacitation level by 31 March 2013	Not achieved	Not applicable	Time constraints
5.9	Fully functional Occupational Health and Safety (OHAS)	New PI	100% compliance	Functional OHAS	Not 100% compliant	Measuring tool not developed; dependent on other stakeholders

Strategy to overcome areas of under performance

All units within the Directorate: Strategic and Operational Management will be fully capacitated.

The finalisation of all outstanding Standard Operating Procedures will be taken up in the operational plan for 2013/14.

Likewise, an instrument to measure percentage compliance with CSC service schedules.

Strategic Objectives:

PROGRAMME 1: ADMINISTRATION						
Sub-programme 1.4: Financial Management						
Strategic objectives		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
6.	Responsive and credible budget composition and delivery for the department	Responsive, credible and sustainable budget at level 3 (PT criteria)	Responsive, credible and sustainable budget at level 3 (PT criteria)	Responsive, credible and sustainable budget at level 3 (PT criteria)	None	None
7.	Full and accurate reflection of all financial transactions of the department	Comprehensive and full reflection of financial transactions at level 3+	Comprehensive and full reflection of financial transactions at level 3+	Comprehensive and full reflection of financial transactions at level 3+	None	None
8.	Level 3 auditable supply chain and asset management services	Attained level 3 auditable supply chain management services	Attain level 3 auditable supply chain management services	Fully effective supply chain management	None	None
9.	Effective internal control measures and risk mitigation	Attained level 3 effective internal control measures	Attain level 3 effective internal control measures	Fully effective internal control measures	None	None
		Attained level 3 risk management	Attain level 3 risk management	Fully effective risk management	None	None

Performance indicators:

Sub-programme 1.4: Financial Management						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
6.1	Annual Performance Plan (APP) and Quarterly Performance Reporting (QPR) at level 3+ standards	APP with main budget was tabled	APP tabled in line with the Main Budget at level 3	APP tabled in line with the Main Budget at level 3	None	None
		4 QPRs were submitted and discussed with AO	QPR for each quarter supported by narratives at level 3	QPR for each quarter supported by narratives were submitted to PT	None	None

Sub-programme 1.4: Financial Management						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
6.2	Fully costed budget with minimum shifts between the main and adjustments budget and aligned to the APP	Many expenditure items were costed according to needs on ad hoc basis	90% costed budget	80% costed budget tabled	10% lower outcome than target	Concerted efforts are in place to improve during the 2013/14 financial year
		12 IYM reports with narrative were achieved	12 IYM reports supported by narrative at level 3	12 IYM reports supported by narratives were achieved	None	None
		Variance of 1% between main and adjusted estimates was achieved	Variance between main and adjustment estimates less than 2%	Variance between main and adjustment estimates was more than 2% and just under 7% of the Main Estimate total was provided in the Adjustment Estimates	A 7% variance was achieved	External factors (casino exclusivity, transfer from TPW and financial systems and related services) contributed to this variance
6.3	Compilation and coordination of the Annual Report	Annual Report for 2010/11 was completed and tabled	Draft Annual Report by 31 May and final by 31 August at level 3 and SAIGA standards	Annual Report was finalised and submitted on 31 August in terms of SAIGA standards	None	None
7.1	Fully functional payment system to predetermined standards	Reviewed, refined and implemented updated payment system	Payment system refined and maintained against a predetermined checklist	Payment system refined and maintained against a predetermined checklist	None	None
7.2	Clearance of ledger accounts to predetermined standards	Reviewed, refined and implemented	Compliance to clearance accounts requirements	Complied to predetermined standards	None	None
7.3	Compile Annual Financial Statements (AFS) to predetermined standards	Unqualified audit report on AFS with no material misstatements and other matters as well as corrected the midyear report	Unqualified audit report on AFS with no material misstatements and/or other matters including correct midyear IFS	Unqualified audit report on AFS with no material misstatements and/or other matters including correct midyear IFS	None	None

Sub-programme 1.4: Financial Management						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
8.1	Demand and acquisition management to predetermined standards	Further refinements to AO system were done	Rewrite the relevant sections of the current AO system to meet prescripts	All targets met with the exception of the AOS	AO System in draft format was submitted to PT	All targets met with the exception of the AOS due to externalities awaiting revised National Treasury regulations
		New PI	Implement and refine demand management system to meet prescripts	Implemented and refined demand management system to meet prescripts	Certain goods were outstanding	The goods are the main furniture for a conference room that could not be manufactured in 2012/13
		New PI	Implement compliance measures according to specified check list	Material compliance as per checklist	None	None
		New PI	Mitigate department's SCM risks per action plan	Risks were amended and taken up in ERM register as operational and strategic risks	None	None
8.2	Logistics management to predetermined standards	Finance instruction on checklist was distributed to comply with PT requirements	Maintain and reconcile the Asset Register 100%	Maintained and reconciled the Asset Register	None	None
		New PI	Compile and implement a logistics criteria checklist	Checklist is operative and monitored by staff in FA and IC in terms of FI 10/2012	None	None
		New PI	Develop and implement new Asset Management Policy	Asset and Inventory policies distributed in 4 th Quarter	None	None
		85% achieved	90% compliance to SOP standards	90% compliance to SOP standards	None	None

Sub-programme 1.4: Financial Management						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
9.1	Institution of general internal control functions	Internal Control and Risk Management targets exceeded	Attain level 3 effective internal control measures	Quarterly updates of the IA, AGSA and CGRO	None	None
9.2	Assist AO to drive the risk management process	FARMCO meeting was held on 14 March 2012 Risk Registers was ratified by the FARMCO members Policies were reviewed for the following financial year	Attain level 3 effective risk management	4 FARMCO meetings held, FARMCO CHARTER updated and approved, ERM Strategy approved, Fraud and Corruption policy approved together with 3 articles, quarterly updates of Operational risk register and Strategic Register updated	None	None

Strategy to overcome areas of under performance

New operational plans for all four sections have been compiled and work shopped, in the beginning of the 2013/14 financial year, to address deviations and areas of improvement.

Changes to planned targets

There were no changes to performance indicators or planned targets.

Linking performance with budgets

Sub-programme expenditure

Sub-programme Name	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the Minister	5 492	5 284	208	4 926	4 926	-
Management Services	10 478	9 918	560	7 931	7 766	165
Financial Management	20 260	20 260	-	18 519	18 446	73
Total	36 230	35 462	768	31 376	31 138	238

5.2 Programme 2: Sustainable Resource Management

Programme description

Purpose: To inform financial resource allocation, to manage the provincial budget and to monitor the implementation of provincial, municipal and entity budgets to enhance the effective utilisation of available fiscal resources.

The programme is further divided into the following sub-programmes:

Sub-programme 2.1 Programme Support

Sub-programme 2.2 Fiscal Policy

Sub-programme 2.3 Budget Management

Sub-programme 2.4 Public Finance

The programme has these strategic objectives:

- Build competencies and enhance and maintain strategic support services;
- Fiscal transfer system responsive to provincial and municipal needs in enhancing economic growth, efficient and effective service delivery;
- Mechanisms for revenue collections in provincial and local governments that are optimum inclusive of cash management arrangements;
- To improve the conformance and responsiveness of budgets within provincial departments and entities;
- Apply economic and other analysis to inform provincial planning and budgeting processes;
- To improve the conformance and responsiveness of municipal budgets;
- Apply economic and other analysis to inform municipal planning and budgeting processes;
- To evaluate and improve the conformance, credibility and sustainability of the provincial budget;
- Monitor the implementation of the provincial budget in terms of accountability, data integrity and efficiency;
- Improve the conformance, credibility and sustainability of municipal budgets;
- Monitor the implementation of the municipal budgets in terms of conformance, accountability, data integrity, and efficiency;
- Coordinate MFMA implementation to improve conformance and performance in municipalities;
- Entrenching built-environment business principles and processes for effective infrastructure delivery that contributes to optimal utilisation of government immovable assets; and
- Render an effective records management service that accurately reflects financial information and ensure that economic data and information are available.

Strategic objectives, performance indicators planned targets and actual achievements

Fiscal Policy initiatives aimed at improving the sustainability of provincial and municipal revenue budgets and exploring the full use of available revenue resources. This included reporting on provincial own revenue performance, and identifying and researching possible new sources of provincial own revenue. Amongst the research into provincial own revenue is the review of the casino exclusivity tax regime and associated tax rates, review of the motor vehicle licence fee structure and fuel levy initiatives.

Efforts of the Provincial Government Budget Office were geared towards ensuring the alignment of budget allocations to priorities. The 2012 Provincial Economic Review and Outlook (PERO) was used to inform the 2013 Medium Term Budget Policy Statement and allocations and associated budgetary processes. The 2013 WC Medium Term Budget Policy Statement (WC MTBPS) provided the socio-economic environment to which the Provincial Government responded, while the Medium Term Budget Policy framework is consistent with spending priorities, national outcomes and provincial strategic objectives. The WC MTBPS was tabled in November 2012. The broad expenditure priorities contained in the MTBPS 2013 - 2016 formed the basis for the allocations per vote as tabled in Budget 2013.

The Municipal Economic Review and Outlook research and the working papers on the Socio-economic Profiles for 5 districts and the Metro informed the municipal planning and budgeting processes. Assessments of municipal budgets were undertaken on the draft municipal budget documentation in terms of a combined Provincial Treasury and Department of Local Government conformance and responsiveness framework and recommendations on improvement were presented to municipalities.

All votes, entities and municipalities budget submissions were assessed against a framework of conformance, credibility and sustainability and therefore contributed to credible and sustainable budgets.

The implementation of budgets i.e. votes, entities and municipalities was monitored monthly in terms of accountability, data integrity and efficiency. Findings and progress made were reported on a quarterly basis to Provincial Cabinet and Parliament.

The strengthening of the built-environment business principles and processes for effective infrastructure delivery continues through the institutionalisation and roll-out of the WC-IDMS principles in departments to deliver on planning and construction of projects contributing to the optimal utilisation of government immovable assets.

Records will be managed effectively through the implementation of the developed standards and prescripts for operational centralised document control and the implementation of an Electronic filing and document management system.

Strategic Objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT						
Sub-programme 2.1: Programme Support						
Strategic objectives		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
10.	Build competencies and enhance and maintain the delivery of the programme	Improved support services	Support services in line with prescripts and standards	Rendered support services in line with prescripts and standards where standards were available	Not all support services rendered to standards	Standards for all support services not finalised due to resource constraints

Performance indicators:

Sub-programme 2.1: Programme Support						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
10.1	Support services in line with prescripts and standards	Draft standards available Standards were developed for the Management of Moveable Assets; Sub-sistence and Transport, Parliamentary questions and answering of telephones	Full compliance to financial management prescripts and standards	Compliance to financial management instructions	Complied with financial management prescripts, but not in all areas with documented standards	Standards not implemented due to capacity constraints
			Full compliance to Corporate Relations Unit (CRU) prescripts and standards	Compliance to Corporate Relations Unit prescripts and circulars	Compliance to Corporate Relations Unit prescripts and circulars	In the absence of finalised standards, CRU instructions were adhered to
			Correspondence and document management to set standards	Correspondence and documents managed on electronic correspondence management system	Correspondence and documents not managed to documented set of standards	Standards not finalised and implemented due to capacity constraints
			Effective management of internal and external stakeholder engagement	Management of internal and external stakeholder engagements	Internal and external stakeholder engagement was not managed according to documented set of standards	Standards not implemented due to capacity constraints

Sub-programme 2.1: Programme Support						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
	Support services in line with prescripts and standards (Continued)		Targeted communication and events services	Targeted communication and event services rendered	None	None
		Operational Plan 2011/12 was developed and maintained and QPR reporting maintained	An Operational Plan that builds on the APP, QPR and dashboard requirements	An Operational Plan that builds on the APP, QPR and dashboard requirements	None	None

Strategy to overcome areas of under performance

Specific time will be set aside to evaluate, refine and implement all draft standard operating procedures.

Strategic Objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT						
Sub-programme 2.2: Fiscal Policy						
Strategic objectives		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
11.	Fiscal transfer system responsive to provincial and municipal needs in enhancing economic growth, efficient and effective service delivery	Research and review, of provincial funding model and input into the fiscal transfer system for provinces Commenced with initial work on Local Government Equitable Share	Research and engagement with Fiscal Transfer System to ensure equitable distribution of National Revenue	Research on Fiscal Transfer system, regarding role of Provinces	Engagement with National Treasury did not take place	HR capacity constraints as well as loss of champion at National Treasury resulted in delays in research project Further research and engagement with National Treasury regarding Fiscal Transfer System to be taken forward in 2013/14

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT**Sub-programme 2.2: Fiscal Policy**

	Strategic objectives	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
12.	Mechanisms for revenue collections in provincial and local governments that are optimum inclusive of cash management arrangements	Assessments of departmental provincial own revenue trends and submitted policies	Refinement of research into revenue collection mechanisms and provide recommendations including follow-up on recommendations	Refinement of research into revenue collection mechanisms and provide recommendations including follow-up on recommendations	None	None

Performance indicators:**Sub-programme 2.2: Fiscal Policy**

	Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
11.1	Research and input into the national fiscal transfer system to provinces and local government	Research, review of provincial funding model and input into the fiscal transfer system for provinces Commenced with initial work on Local Government Equitable Share	Research, review of provincial funding model and input into the fiscal transfer system for provinces and local government	Research, review of provincial funding model and input into the fiscal transfer system for provinces and local government	None	None
12.1	Research, monitor and advise on the sustainability and credibility of provincial and local government revenue trends and cash management	Refinement and conclusion of casino tax regime research completed, but not approved by Provincial Parliament	Further refinement and implementation of WCGRA amendments inclusive of casino tax regime	Further refinement of WCGRA amendments inclusive of casino tax regime	17 th and 18 th Western Cape Gambling and Racing Amendment Bills not finalised	WCGRA amendments not implemented Updating of research report taking account of stakeholder comments planned for 2013/14
		Fuel Levy research updated No update of bed and tourism departure tax	Refine, research initiatives and submit one new tax proposal to NT in terms of the PTRPA	Fuel Levy research update completed	Proposal for Implementation of Fuel Levy not submitted to National Treasury	Deteriorating global economic environment necessitated the postponement of possible implementation

Sub-programme 2.2: Fiscal Policy						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
	Research, monitor and advise on the sustainability and credibility of provincial and local government revenue trends and cash management (Continued)	New PI	Development of an assessment framework to determine sustainability and credibility of provincial and local government revenue trends	Assessment framework to determine sustainability and credibility of provincial and local government revenue trends developed	None	None
		New PI	Develop prescripts and policies governing cash flow management within departments and municipalities and scheduled production of AFS for PRF	Prescripts and policies governing cash flow management within departments developed	Scheduled monthly production of AFS for PRF not completed	Customised template for the AFS for the PRF completed
12.2	Efficient and effective WCGRB to regulate the industry	Performance assessment reports for the WCGRB completed and Governance Review of the WCGRB not achieved	Quarterly Performance assessment reports of the WCGRB and Governance Review of the WCGRB	Quarterly Performance reports of the WCGRB assessed	Governance Review of the WCGRB not achieved	HR capacity constraints Depending on capacity, research regarding governance of WCGRB will be prioritised for 2013/14
12.3	Sustainable, transparent and credible municipal service charges	Research into revenue/tariff structures and provide recommendations to encourage optimal revenue generating mechanisms for selected municipalities	Development of a framework measuring sustainability, transparency and credibility of service charges	Framework measuring sustainability, transparency and credibility of service charges developed	None	None
12.4	Support, assessment and advice on external borrowings by municipalities	All municipalities in accordance with PT's borrowings assessment framework	Development and application of a municipal borrowing assessment framework	Draft municipal borrowing assessment framework developed	Still to be submitted to Loans Coordinating Committee for final approval	Capacity constraints have necessitated the prioritisation of this target for 2013

Strategy to overcome areas of under performance

HR capacity constraints within the component have necessitated the prioritisation of certain projects above others. The unit is dependent on economists, which are difficult to attract and retain within the public sector. HR capacity constraints to be address through recruitment and selection process in the 2013/14 financial year.

Strategic Objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT						
Sub-programme 2.3: Budget Management						
Element: Provincial Government						
Strategic objectives		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
13.	To improve the conformance and responsiveness of budgets within provincial departments and entities	All departmental budgets and APPs assessed to improve responsiveness and departments assisted and capacitated through establishing standards and providing guidance and training	All departmental annual performance plans and budget submissions assessed against a framework for conformance and responsiveness	All departmental annual performance plans and budget submissions assessed against a framework for conformance and responsiveness	None	None
14.	Apply economic and other analysis to inform provincial planning and budgeting processes	Publication of the 2011 Provincial Economic Review and Outlook and findings fed into the Medium Term Budget Policy Statement Economic update included in the Budget Overview (Overview of Provincial Revenue and Expenditure)	Publication of the 2012 Provincial Economic Review and Outlook	2012 Provincial Economic Review and Outlook published	None	None

Performance indicators:

Sub-programme 2.3: Budget Management						
Element: Provincial Government						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
13.1	Provincial Annual Performance Plan and budget assessments to enhance conformance and responsiveness of the budget	Annual Performance Plans of all votes assessed and remedial actions identified	14 Annual Performance Plans and budget submissions assessed and with recommendations to the provincial Medium Term Expenditure Committee (MTEC)	14 Annual Performance Plans and budgets of all votes assessed and with recommendations to the provincial Medium Term Expenditure Committee	None	None
			Publication of the 2013/14 Medium Term Budget Policy Statement by November 2012	Publication of the 2013/14 Medium Term Budget Policy Statement by November 2012	None	None
			Publication of the Provincial Overview of Revenue and Expenditure within two weeks of the tabling of the national budget	Publication of the Provincial Overview of Revenue and Expenditure within two weeks of the tabling of the national budget	None	None
13.2	Development of a framework for planning documents and reporting of performance information to improve conformance	New PI	Planning and reporting of performance information framework developed	Planning and reporting of performance information framework developed	None	None
13.3	Performance reports evaluated on the implementation of budget	Quarterly Performance Reports on all departments and submissions to Cabinet and Provincial Parliament on quarterly non-financial performance	56 Quarterly Performance Assessment reports and 4 submissions to Cabinet and Provincial Parliament aligned to a framework for non-financial reporting	56 Quarterly Performance Assessment reports and 1 draft and 3 submissions to Cabinet and Provincial Parliament aligned to a framework for non-financial reporting	1 submission in the second quarter was not submitted to Cabinet	Due to preliminary reports by AGSA on PDOs the submission in the second quarter on the quarterly performance report was not tabled at Cabinet and the report was included as part of Adjusted Estimate process

Sub-programme 2.3: Budget Management Element: Provincial Government						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
	Performance reports evaluated on the implementation of budget (Continued)	New PI	13 Budget Performance evaluation reports on selected departmental performance information	14 Budget Performance evaluation reports on selected departmental performance information	1 extra Budget Performance evaluation reports completed	Extra review conducted on Vote 2: Provincial Parliament
14.1	Publication of the Provincial Economic Review and Outlook (PERO)	PERO 2011 published in September 2011	PERO 2012 to be published by September 2012	Publication of the Provincial Economic Review and Outlook (PERO) in September 2012	None	None

Strategy to overcome areas of under performance

The under-performance was out of the components control as it originated as a result of external stakeholders i.e. AGSA's preliminary reports on PDOs during the second quarter.

Strategic Objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT Sub-programme 2.3: Budget Management Element: Local Government						
Strategic objectives		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
15.	To improve the conformance and responsiveness of municipal budgets	29 Municipal budgets assessed for responsiveness	All municipal budget documentation assessed in line with conformance and responsiveness framework	74 Quarterly SDBIP Performance Reports submitted & 28 Annual Reports assessed	46 SDBIP not submitted and 2 Annual Reports not assessed	SDIPS were late or not submitted by municipalities 2 Annual Reports not submitted due to audits of 2011/12 Annual Financial Statements not finalised by AGSA

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT						
Sub-programme 2.3: Budget Management						
Element: Local Government						
Strategic objectives		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
16.	Apply economic and other analysis to inform municipal planning and budgeting processes	Economic and other analysis to inform municipal planning and budgeting	Publication of 2012 Municipal Economic Review and Outlook	Publication of 2012 Municipal Economic Review and Outlook	None	None
			Release of working papers on Socio-economic Profiles for 5 districts and Metro	Release of working papers on Socio-economic Profiles for 5 districts and Metro	None	None

Performance indicators and targets:

Sub-programme 2.3: Budget Management						
Element: Local Government						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
15.1	Municipal budget assessments to improve the conformance and responsiveness	29 municipal budgets assessed for responsiveness and remedial action identified	30 municipal budgets assessed in line with conformance and responsiveness framework and recommendations made	30 municipal budgets assessed in line with conformance and responsiveness framework and recommendations made	None	None
15.2	Performance reports evaluated for conformance and responsiveness	29 SDBIP quarterly and 30 Mid-year Reports assessments and submissions to Cabinet and Provincial Parliament on quarterly non-financial performance	120 Quarterly SDBIP Performance Reports and submissions to Cabinet and Parliament on quarterly non-financial performance	74 Quarterly SDBIP Performance Reports and submissions to Cabinet and Parliament on quarterly non-financial performance	46 reports not completed	Late/non-submission of quarterly reports by municipalities Access to municipal performance management systems is a limiting factor
		Annual Reports assessed of all municipalities (28 out of 30) and recommendations provided	30 Annual Reports assessed of all municipalities, remedial action identified and communicated	28 Annual Reports assessed, remedial action identified and communicated	2 Annual Reports not assessed	Swellendam & Kannaland did not table Annual Reports due to audits of 2011/12 AFS not yet completed by AGSA

Sub-programme 2.3: Budget Management						
Element: Local Government						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
16	Apply economic and other analysis to inform municipal planning and budgeting processes	Final SEP-LG papers of 5 districts and Metro were released in December 2011	Publication of 2012 Municipal Economic Review and Outlook	Publication of 2012 Municipal Economic Review and Outlook	None	None
			Release of working papers on Socio-economic Profiles for 5 districts and Metro	Release of working papers on Socio-economic Profiles for 5 districts and Metro	None	None

Strategy to overcome areas of under performance

The under-performance originates from external stakeholders.

Strategic Objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT						
Sub-programme 2.4: Public Finance						
Element: Provincial Government Finance						
Strategic objectives		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
17.	To evaluate and improve the conformance, credibility and sustainability of the budget	All votes' budgets assessed against credibility criteria and departments assisted and capacitated through establishing standards providing guidance and training	All votes and entities budget submissions assessed against a framework for conformance, credibility and sustainability	All votes and entities budget submissions assessed against a framework for conformance, credibility and sustainability	None	None
18.	Monitor the implementation of the budget in terms of accountability, data integrity and efficiency	Monthly IYM assessments and quarterly reports, inclusive of remedial action identified and submitted to Cabinet and Provincial Parliament	In-year reports on the accountability, data integrity and efficiency of the implementation of the budget	In-year reports on the accountability, data integrity and efficiency of the implementation of the budget	None	None

Performance indicators:

Sub-programme 2.4: Public Finance						
Element: Provincial Government Finance						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
17.1	Provincial budget assessments to enhance conformance, credibility and sustainability of the budget	14 Provincial budgets assessed and remedial actions identified Developed and implemented budget management framework	Develop a framework on conformance, credibility and sustainability of the budget and 14 Provincial budgets assessed and remedial actions steps actioned	Developed a framework on conformance, credibility and sustainability of the budget and 14 Provincial budgets assessed and remedial steps actioned	None	None
17.2	Development of a framework for expenditure management to improve conformance	New PI	A framework developed and controlled on expenditure management, inclusive of prescripts	A framework developed and consulted on expenditure management, inclusive of prescripts	None	None
18.1	In-year monitoring reports on the implementation of the budget in order to enhance accountability, data integrity and efficiency in departments	14 monthly IYM reports and 4 quarterly submissions to Cabinet and the Provincial Parliament	14 monthly and 4 quarterly reports aligned to framework on financial reporting	14 monthly and 4 quarterly reports aligned to framework on financial reporting	None	None
		New PI	Analysis of selected expenditure items and functions and recommendations made	Analysis of selected expenditure items completed and functions and recommendations made	None	None
18.2	Draft Standards on selected SCoA items to improve data integrity	New PI	Draft and consult standards on selected SCoA items	Drafted and consulted Standards on selected SCoA items	None	None

Strategy to overcome areas of under performance

No under-performance.

Strategic Objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT						
Sub-programme 2.4: Public Finance						
Element: Local Government Finance (Groups 1 and 2)						
Strategic objectives		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
19.	Improve the conformance, credibility and sustainability of budgets	Assessed all municipal budgets against pre-established criteria. Municipalities assisted and capacitated through establishing standards, providing guidance and training	30 municipal draft budgets assessed against the framework of conformance, credibility and sustainability and recommendations made to municipalities	30 municipal draft budgets assessed against the framework of conformance, credibility and sustainability and recommendations made to municipalities	None	None
20.	Monitor the implementation of the budget in terms of conformance, accountability, data integrity, and efficiency	30 monthly IYM reports and 4 Cabinet Submissions inclusive of remedial action identified	30 In-year Assessment Reports against a predetermined framework on the accountability, data integrity and efficiency of the implementation of the budget and recommendations made to municipalities	30 In-year Assessment Reports against a predetermined framework on the accountability, data integrity and efficiency of the implementation of the budget and recommendations made to municipalities	None	None
			Revenue and Expenditure Review	1 Draft Revenue and Expenditure Review (Working paper) within and across municipalities on selected expenditure and revenue items	Revenue and Expenditure Review not finalised; only in draft form	Will be finalised during 2013/14
21.	Coordinate MFMA Implementation to improve conformance and performance in municipalities	Implementation of selected MFMA priorities	Assessment on MFMA Implementation against framework and recommendations made to municipalities	Assessment on MFMA Implementation done, but the structured training program not rolled-out	Structured training program not rolled-out	Structured training program will be rolled out during 2013/14

Performance indicators and targets:

Sub-programme 2.4: Public Finance						
Element: Local Government Finance						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
19.1	Municipal budgets assessed for conformance, credibility and sustainability	29 LG MTEC 3 draft budget assessment reports assessed against the refined credibility criteria Refined the criteria for the 2012/13 financial year	30 Municipal draft budgets assessed against the refined conformance, credibility and sustainability criteria and recommendations made	30 Municipal draft budgets assessed against the refined conformance, credibility and recommendations made	None	None
20.1	In-year monitoring reports evaluated on the implementation of the budget in order to enhance conformance, accountability, data integrity and efficiency in municipalities	Assess 30 monthly IYM reports Publish 4 quarterly consolidated Municipal Budget Statements Submit 4 quarterly reports to Cabinet and Provincial Parliament	30 monthly and 4 quarterly reports aligned to framework on financial reporting	30 monthly and 4 quarterly reports aligned to framework on financial reporting	None	None
			1 Revenue and Expenditure Review (Working Paper) within and across municipalities on selected expenditure and revenue items	1 Draft Revenue and Expenditure Review (Working paper) within and across municipalities on selected expenditure and revenue items	Revenue and Expenditure Review (Working paper) not finalised; only in draft form	Capacity constraints caused by vacancies during the earlier stages of the project had a knock-on effect Will be completed during 2013/14
21.1	Coordinate MFMA Implementation to improve conformance and performance in municipalities	Implementation of Selected MFMA priorities and effective participation in intergovernmental relations structures	Assessment on MFMA Implementation against framework and recommendations made to municipalities	Assessment on MFMA Implementation against framework and recommendation made to municipalities	None	None
		New PI	Structured training programme developed, refined and rolled-out	Structured programme refined, roll out of structured programme not achieved	Structured Training Programme should still be rolled-out	Structured training to be rolled-out in 2013/14

Strategy to overcome areas of under performance

Almost all the Performance Indicators have been achieved, except a part of the new Performance indicator 21.1 "Structured training program developed, refined and rolled-out".

It should be noted that the training is conducted over a 3 year period and is of a continuous nature. Whilst some of the projects were successfully completed, some of the training could not be rolled out in totality due to changes that were made to the training material during the year to improve the quality of the outcomes and impact of the projects. The remaining part of the training will be finalised and rolled-out during the 2013/14 financial year.

Strategic Objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT						
Sub-programme 2.4: Public Finance						
Element: Immoveable Asset Management						
Strategic objectives		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
22.	Entrenching built-environment business principles and processes for effective infrastructure delivery that contributes to optimal utilisation of government immoveable assets	Revised Strategic objective	Roll out of approved WC IDMS (HR, Business processes and procurement framework)	Rolling out the approved WC IDMS (HR, Business processes and procurement framework)	Substantial roll-out took place, however some detailed actions still outstanding as per Compliance Acceleration Plan (CAP)	Balance of roll-out as per CAPs will be rolled out in the 2013/14 financial year
		Roll-out assessment on two PPP projects	Roll-out assessment on three PPP projects	Rolled-out assessment on 3 PPP Projects	None	None

Performance indicators:

Sub-programme 2.4: Public Finance						
Element: Immoveable Asset Management						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
22.1	Facilitating the implementation of the WC IDMS (Education and Health sectors) and the development of an IDMS(s) for housing delivery and roads delivery that is aligned with principles of the Infrastructure Development Improvement Programme (IDIP)	Education: Revised organisational structure (infrastructure component) was approved and job descriptions compiled Health: Revised organisational structure (infrastructure component) was approved and most of the job descriptions compiled	Implement WC IDMS (HR, Business processes and procurement framework in Public Works (Education and Health), Roads and Treasury	Implementing WC IDMS (HR, Business processes and framework in Public Works (Education and Health), Roads and Treasury	Substantially implemented with some detailed actions outstanding as per CAPs	Outstanding actions as per CAPs will be rolled-out in 2013/14 financial year

Sub-programme 2.4: Public Finance					
Element: Immoveable Asset Management					
Performance Indicator	Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Facilitating the implementation of the WC IDMS (Education and Health sectors) and the development of an IDMS(s) for housing delivery and roads delivery that is aligned with principles of the Infrastructure Development Improvement Programme (IDIP) (Continued)	Public Works: Revised organisational structure (infrastructure component) was submitted and some of the job descriptions compiled Provincial Treasury: Revised organisational structure (infrastructure component) was submitted				
	The Standard for a Construction Procurement System, the Standard for an Infrastructure Delivery Management System as well as Provincial Treasury Instructions (Chapter 16B) were finalised and issued	Finalise, implement and refine the prescripts on the Construction Procurement Policy at Public Works (Education and Health) and Roads	Partially finalised, Implemented and refining the prescripts on the Construction Procurement Policy at Public Works (Education and Health) and Roads	Substantially finalised, with some detailed actions outstanding as per CAPs	Rolling out will commence in the 2013/14 financial year
		Standard Operating Procedure for WCIDMS fully developed and implemented in respect of HR, Business Processes and Procurement	Standard Operating Procedure for WCIDMS fully developed and implemented in respect of Business Processes and Procurement	None	None
	New PI	Life-cycle costing methodologies developed for capital infrastructure investment decisions	Life-cycle costing methodologies developed for capital infrastructure investment decisions	None	None
	New PI	Develop Infrastructure training programme, inclusive of a knowledge management system	Developed infrastructure training programme, inclusive of a knowledge management system	None	None

Sub-programme 2.4: Public Finance						
Element: Immoveable Asset Management						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
22.2	Assessing potential impact (economic, job creation, etc.) of investment decisions in selected projects to improve budget allocations for infrastructure projects	New PI	5 project assessments in respect of impact (economic, social, job creation, etc.)	3 project assessments in respect of impact (economic, social, job creation, etc.)	2 projects not assessed	Capacitation challenge Four key vacancies within the infrastructure unit, hence only three assessments completed. Appointment of staff to be prioritised in 2013/14
		16 Infra-structure Expenditure Reports (Roads & Transport, Public Works, Education and Health) were submitted in compliance with Division of Revenue Act (DoRA)	16 Infra-structure Expenditure Reports of Education, Public Works, Roads and Health aligned to infrastructure reporting framework	16 Infra-structure Expenditure Reports of Education, Public Works, Roads and Health aligned to infrastructure reporting framework	None	None
22.3	Quality Infrastructure Plans (U-AMPs and C-AMPs) aligned with National, Provincial, Local Government and Private Sector investments initiatives, and Departmental Strategic Plans and APPs	Assessments were conducted and feedback provided on 13 draft User Asset Management Plans (U-Amp) and 2 draft Custodian Asset management Plans (C-Amps)	Assessment on User Asset Management Plans (U-Amp) conducted against pre-determined framework in respect of 13 departments and Provincial Parliament	Quality Infrastructure Plans (U-AMPs and C-AMPs) aligned with National, Provincial, Local Government and Private Sector investments initiatives, and Department Strategic Plans and APPs	Exemption provided for Human Settlements to submit C-AMP in 2013	Assistance to be provided by PT to Human Settlements to compile
22.4	Implementation of an assessment and remedial action model for PPP deals and bolstering capacity	Model was fully implemented and applied to all closed PPP deals 4 projects	Model applied to all closed PPP deals 4 projects	Model applied to all closed PPP deals 4 projects	None	None
		New PI	Fully capacitated support	Not achieved	Due to internal prioritisation the focus was shifted to build internal capacity	Build internal capacity

Strategy to overcome areas of under performance

In the process to capacitate the component through Recruitment and Selection processes in 2013/14.

Strategic Objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT Sub-programme 2.4: Public Finance Element: Business Information and Data Management						
Strategic objectives		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
23.	Render an effective records management service that accurately reflects financial information and ensure that economic data and information are available	New Strategic Objective	Develop, refine and pilot operational centralised document control and electronic filing system	Developed, refined and piloted an operational centralised document control and electronic filing system	None	None
		New Strategic Objective	Develop and maintain information management system that will ensure the availability of comprehensive and up to date information	Commenced with the development of an information management system and ensured the availability of comprehensive and up to date information	Final development and maintenance of the system did not take place	Under-capacitation of the newly created component

Performance indicators:

Sub-programme 2.4: Public Finance Element: Business Information and Data Management						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
23.1	Develop, refine and pilot operational centralised document control	New PI	Developing of standards and prescripts	Developed standards and prescripts for an operational centralised document control	None	None
23.2	Develop, refine and pilot an electronic filing system	New PI	Implementation of Electronic Filing and Document Management (ECM) System	Implemented an Electronic Filing and Document Management (ECM) System	None	None

Sub-programme 2.4: Public Finance						
Element: Business Information and Data Management						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
23.3	Administer the MISS, PAIA and PAJA requirements	New PI	Fully MISS, PAIA and PAJA compliant	Partially MISS, PAIA and PAJA compliant	All the requirements of MISS have not been introduced	The requirements of MISS are extensive and necessitate more research - with specific reference to the different facets of MISS
23.4	Relevant and up to date data sets supportive of PT strategic goals	New PI	Design new and refine current datasets (provincial and municipalities)	Designed, refined and updated current datasets (provincial): Final EPRE, QPR consolidation, NT-MTEC database, IYM, Final Allocations	New databases have not been introduced	Newly created sub-component. 50% capacitated Operationally from November 2012 Conceptual design of situation analysis was finalised
		New PI	Integration of datasets (Data migration between systems and datasets)	Integration of datasets (Data migration between systems and datasets) was done for: 1 st , 2 nd and final EPRE, QPR consolidation, NT-MTEC database, IYM, Final Allocations	Partial integration between systems took place	Newly created sub-component. 50% capacitated Operationally from November 2012 Conceptual design of situation analysis was finalised
		New PI	Train users to properly populate and utilise datasets	Informal person-to-person training took place	Only informal person-to-person training took place	Newly created sub-component. 50% capacitated Operationally from November 2012 Conceptual design of situation analysis was finalised

Sub-programme 2.4: Public Finance						
Element: Business Information and Data Management						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
23.5	Render an Efficient client interface and data collating service	New PI	Coordinate departmental and municipal MTEC processes and document flow (hard and electronic)	Coordinated departmental and municipal MTEC processes and documents flow (hard and electronic)	None	None
		New PI	Collation and technical refinement of Treasury publications and working papers	Collated and technical refined Treasury publication and working papers	None	None

Strategy to overcome areas of under performance

The reasons for the underperformance were due to the under-capacitation of the newly created component. The component will be capacitated in the 2013/14 financial year.

Changes to planned targets

There were no changes to planned targets.

Linking performance with budgets

Sub-programme expenditure

Sub-programme Name	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Program Support	5 897	5 897	-	3 848	3 848	-
Fiscal Policy	11 117	11 117	-	6 693	6 693	-
Budget Management	14 304	14 304	-	16 784	16 784	-
Public Finance	39 580	39 580	-	34 457	34 006	451
Total	70 898	70 898	-	61 782	61 331	451

5.3 Programme 3: Assets and Liabilities Management

Programme description

Purpose: To provide policy direction and to facilitate and enforce the effective and the efficient management of financial systems, physical and financial assets, and supply chain management within the provincial and municipal spheres.

The programme is further divided into the following sub-programmes:

Sub-programme 3.1 Programme Support

Sub-programme 3.2 Asset management

Sub-programme 3.3 Supporting and Interlinked Financial Systems

The programme has these strategic objectives:

- Build competencies and enhance and maintain strategic support services;
- Drive, assess and assist departments in the effective and efficient management of supply chain and moveable assets;
- Drive, assess and assist municipalities in the efficient and effective management of supply chain and moveable assets; and
- Financial system management improvement to achieve a level 3+ financial capability rating.

Strategic objectives, performance indicators planned targets and actual achievements

The Directorate Provincial Government Moveable Asset Management made significant strides in addressing control gaps in the Province for supply chain management and moveable asset management through the issuing of instructions, checklists and procurement templates. Support, assistance and guidance were provided through its SCM Helpdesk for departments and suppliers, training interventions, supplier open days and road shows. Continuous compliance assessments were conducted as part of the overall CGRO process to improve corporate governance in SCM and moveable asset management.

The Directorate Local Government Moveable Asset Management managed to assist municipalities and service providers through its SCM Helpdesk by addressing 121 queries from municipalities and 15 from service providers. Various SCM and MAM assessments were conducted through its virtuous cycle assessment process. SCM Policy assessments at various municipalities were conducted. 4 SCM Forums were successfully conducted with all municipalities in the Western Cape. Various stakeholders such as the National Treasury, SARS, CIDB, IMESA, AG etc. were involved in sharing best practices with municipalities. Bespoke SCM training interventions at specific municipalities were conducted.

All Votes were assisted to effectively utilise the suite of financial systems. In addition, dormant users were removed from all three financial systems. Financial systems training interventions were provided to 1 553 core users. The helpdesk addressed and finalised all enquiries within a 3 hour turnaround time. Logis was rolled out to 3 further sites. The Western Cape Supplier

Database was upgraded and the unit has configured and tested the integrated procurement system to be implemented in the new financial year. A total of 220 users have access to financial management information through "Kitso".

Through the efforts of the three directorates there has been an improvement in supply chain and asset management in departments and municipalities which are steadily moving to the targeted financial capability rating. Similarly the use of financial systems has improved in departments.

Strategic Objectives:

PROGRAMME 3: ASSETS AND LIABILITIES MANAGEMENT						
Sub-programme 3.1: Programme Support						
Strategic objectives		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
24.	Build competencies and enhance and maintain the delivery of the programme	Improved support services	Support services in line with prescripts and standards	Rendered support services in line with prescripts and standards where standards were available	Not all support services rendered to standards	Standards for all support services not finalised due to resource constraints

Performance indicators:

Sub-programme 3.1: Programme Support						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
24.1	Support services in line with prescripts and standards	Draft standards available Standards were developed for the Management of Moveable Assets; Subsistence and Transport, Parliamentary questions and answering of telephones	Full compliance to financial management prescripts and standards	Compliance to financial management instructions	Complied with financial management prescripts, but not in all areas with documented standards	Standards not implemented due to capacity constraints
			Full compliance to Corporate Relations Unit (CRU) prescripts and standards	Compliance to Corporate Relations Unit prescripts and circulars	Compliance to Corporate Relations Unit prescripts and circulars	In the absence of finalised standards, CRU instructions were adhered to
			Correspondence and document management to set standards	Correspondence and documents managed on electronic correspondence management system	Correspondence and documents not managed to documented set of standards	Standards not finalised and implemented due to capacity constraints

Sub-programme 3.1: Programme Support						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
	Support services in line with prescripts and standards (Continued)		Effective management of internal and external stakeholder engagement	Management of internal and external stakeholder engagements	Internal and external stakeholder engagement was not managed according to documented set of standards	Standards not implemented due to capacity constraints
			Targeted communication and events services	Targeted communication and event services rendered	None	None
		Operational Plan 2011/12 was developed and maintained and QPR reporting maintained	An Operational Plan that builds on the APP, QPR and dashboard requirements	An operational plan that builds on the APP, QPR and dashboard requirements	None	None

Strategy to overcome areas of under performance

Specific time will be set aside to evaluate, refine and implement all draft standard operating procedures.

Strategic Objectives:

PROGRAMME 3: ASSETS AND LIABILITIES MANAGEMENT						
Sub-programme 3.2: Asset Management						
Element: Moveable Asset Management: Provincial Government						
Strategic objectives		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
25.	Drive, assess and assist departments in the effective and efficient management of supply chain and moveable assets	6 departments attaining a level 3+ financial capability	10 departments attaining a level 3+ financial capability	10 departments achieved the majority of Level 3	Policy and Prescripts pending NTR issuing	NTR reviewing not finalised

Performance indicators:

Sub-programme 3.2: Asset Management Element: Moveable Asset Management: Provincial Government						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
25.1	Enforce good governance practices and compliance to SCM and moveable asset management (MAM) policies and prescripts	Interim PTIs issued. TC 63-2011. Cabinet feedback on SCM improvements tabled on 7 Dec 2011. New PTIs issued (16A and 16B) via TC 14 of 2012. Attended limited quality checks and contract expansion requests from departments as and when required	Refinement and testing of SCM and MAM Provincial Treasury Instructions incorporating changes in National Policy and continuous monitoring	Refinement and rollout of SCM and MAM Provincial Treasury Instructions concluded	Refinement and testing of SCM and MAM PTIs could not be tested as a review of the NTR instructions not finalised	Full Policy testing cannot occur at this time. Testing can only occur after alignment and reissuing of PTIs that are aligned to SCM NTRs to be issued in April 2013 Incorporating changes in National Policy and continuous monitoring deferred to be aligned to NTRs (envisaged implementation end April 2013)
		Provincial Focus Group established and TOR concluded. Gap analysis and stock take of SCM prescribed requirements. NT workshop on Instruction Note and on requirements for revised NTRs	Generic AO System implemented, inclusive of bespoke departmental requirements	Developed AO system and guidelines issued	General AO system could not be implemented as a Review of the NTR instructions not finalised	Finalisation of the Blueprint AOS deferred to 2013/14, awaiting issuance of reviewed NTRs and subsequent reviewed PTIs
		Concluded assessments at Tygerberg, Paarl, Karl Bremer, GF Jooste and Worcester hospitals and Verification assessments at departments: WCED, Agriculture, DEDAT, DECAS, and Community Safety FGRO assessments for SCM and MAM concluded at 12 departments and inputs to Cabinet submission	SCM Virtuous Cycle and MAM assessments of all departments concluded and FMIP action plans monitored	SCM Virtuous Cycle and MAM assessments of all departments concluded and FMIP action plans monitored	None	

Sub-programme 3.2: Asset Management Element: Moveable Asset Management: Provincial Government						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
25.2	Ensure SCM and MAM Systems integrity of data and transparency	<p>Circular on PCI new reporting issued to departments</p> <p>Statistics on bids above R100 000 published on the website monthly</p> <p>Procurement stats report submitted to MEC Finance, HOT and DDG quarterly</p> <p>NT Training concluded 30/03/12 for new CRA reporting system</p>	Testing and refinement of reporting system	Testing and refinement of reporting system	None	None
25.3	Provide training assistance, guidance and supplier development initiatives to assist departments and suppliers	<p>Implemented corrective measures addressed in 2010/11 final report</p> <p>Framework Maintained: Identified items of transversal nature via helpdesk that were discussed at SCM Forum</p> <p>Attended to and completed responses to 146 queries</p> <p>Reports on performance of helpdesk concluded per quarter</p> <p>Perception concluded with user departments and entities</p>	Departmental helpdesk to set standards	Departmental helpdesk to set standards	None	None

Sub-programme 3.2: Asset Management						
Element: Moveable Asset Management: Provincial Government						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
	Provide training assistance, guidance and supplier development initiatives to assist departments and suppliers (Continued)	New PI	Develop and implement a SCM helpdesk to deal with SCM opinions, assistance and guidance to suppliers	Developed and implemented a SCM helpdesk to deal with SCM opinions, assistance and guidance to suppliers	None	None
		5 x integrated sessions (2 x Asset Management, 1 x Acquisition & Procurement, 1 x Logistics & Contract administration and 1 x SCM). 4 x bespoke intervention training on PPPFA Regulations and compulsory registration on Western Cape Supplier Database	SCM and MAM Virtuous Cycle Integrated training to all departments as scheduled	SCM and MAM Virtuous Cycle Integrated training rolled out to all departments as scheduled	None	None
		8 x PPPFA Regulations Road shows and 7 x road shows on WCSD compulsory requirements with assistance of departmental steering group and Representatives				
		2 x supplier open days concluded at the Overberg and Central Karoo districts in which 188 and 250 suppliers attended, respectively	2 supplier open days	1 supplier open day and 5 supplier database registration initiative concluded	The 2 nd supplier open day format changed to 5 supplier database registration initiatives	Format of event was changed, given the 1 April 2013 enforcement of the compulsory use of the Western Cape Supplier Database for procurement

Strategy to overcome areas of under performance

The Element concluded its refinement and rollout of SCM and MAM Provincial Treasury Instructions (PTIs) and issued them to all provincial departments and entities. The envisaged issuance of National Treasury Regulations (NTRs), will require the need for further alignment. As a result the blueprint AOS, intended for the purposes of attaining uniformity and standardisation in SCM and asset management, has been deferred to the 2013/14 financial year pending the envisaged promulgation of the NTRs in April 2013. Therefore departmental policy testing could also not occur.

Strategic Objectives:

PROGRAMME 3: ASSETS AND LIABILITIES MANAGEMENT						
Sub-programme 3.2: Asset Management						
Element: Moveable Asset Management: Local Government						
Strategic objectives		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
26.	Drive, assess and assist municipalities in the efficient and effective management of supply chain and moveable assets	5 municipalities attaining a level 3 financial capability	15 municipalities attaining a level 3 financial capability	15 municipalities attaining a level 2+ (2.3) financial capability	15 municipalities not at a Level 3 financial capability	Improvement in the maturity financial capability model will be put in place in 2013/14

Performance indicators and targets:

Sub-programme 3.2: Asset Management						
Element: Moveable Asset Management: Local Government						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
26.1	Enforce good governance practices and compliance to SCM policies and prescripts	SCM Virtuous Cycle Assessments were conducted at the 10 municipalities: Langeberg, Swellendam, Swartland, Saldanha Bay, Kannaland; Oudtshoorn, Overberg District, Central Karoo District, Hessequa and Laingsburg Municipalities	SCM Virtuous Cycle assessments at designated municipalities and FMIP action plans monitored	SCM Virtuous Cycle assessments at designated municipalities and action plans monitored	None	None

Sub-programme 3.2: Asset Management						
Element: Moveable Asset Management: Local Government						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
	Enforce good governance practices and compliance to SCM policies and prescripts (Continued)	Concluded FGRO assessments for SCM and MAM at 30 municipalities				
		New PI	MAM Virtuous Cycle assessments at designated municipalities and FMIP action plans monitored	MAM Virtuous Cycle assessments at designated municipalities and action plans monitored	None	None
		12 policy assessments were completed	10 SCM and 4 MAM policies assessed against NT model policy framework	10 SCM assessed against NT model policy framework	4 MAM policies not assessed	MAM policy assessment deferred pending NT asset management model policy
26.2	Provide training, assistance and guidance and supplier development initiatives to assist municipalities to elevate themselves to a level 3+ financial capability	Implemented corrective measures addressed in 2010/11 final report Framework Maintained: Identified items of transversal nature via helpdesk that were discussed at SCM Forum Attended to and completed responses to 117 queries Reports on performance of helpdesk concluded per quarter	Municipal helpdesk to set standards	Maintained helpdesk to set standards	None	None
		New PI	Develop and implement a SCM helpdesk to deal with SCM opinions, assistance and guidance to suppliers	Developed and implemented a SCM helpdesk to deal with SCM opinions, assistance and guidance to suppliers	None	None

Sub-programme 3.2: Asset Management						
Element: Moveable Asset Management: Local Government						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
	Provide training, assistance and guidance and supplier development initiatives to assist municipalities to elevate themselves to a level 3+ financial capability (Continued)	Concluded TOR with USB-ED Approved Project plan. Work shopped draft training material with 7 pilot municipalities Roll-out training at 3 pilot municipalities	SCM and MAM Virtuous Cycle training interventions devised against developed standards and competencies	SCM and MAM Virtuous Cycle training interventions devised against developed standards and competencies	None	None

Strategy to overcome areas of under performance

With regard to the compilation of the SCM training material, the testing identified a need to change the methodology. This required a shift from the presentation format to a modular approach, targeting the job categories within the SCM discipline. Finalisation has been deferred to the new financial year and thereafter training will be scheduled.

The National Treasury is not in a position to issue the asset management model policy hence the unit could not complete the assessment of asset management policies, it however gave guidance via its asset management assessment process and will continue to do so.

Strategic Objectives:

PROGRAMME 3: ASSETS AND LIABILITIES MANAGEMENT						
Sub-programme 3.3: Supporting and Interlinked Financial Systems						
Strategic objectives		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
27.	Financial system management improvement to achieve a level 3+ financial capability rating	4 votes notwithstanding stricter assessment criteria and corporatisation of HR functions	7 votes achieving a level 3+ financial capability rating	The majority of votes achieved a level 3+ financial capability rating	Core system users are not all trained in accordance with their profiles	Training gaps were provided to departments on a quarterly basis Bi-annual integrated Training circular issued Frequent visits to departments/Institutions to discuss training gaps and to obtain nominations/commitments

Performance indicators:

Sub-programme 3.3: Supporting and Interlinked Financial Systems						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
27.1	Provision of appropriate generic training and user support to system users as well as the integration of PT training interventions	1 786 officials trained to the required standards	66% of core users trained to the required standards	37% (1 553 of 4 205 core users)	29%	37% of core users trained in 2012/13, but accumulatively over the period 2011/12 and 2012/13 70% of core users trained. 297 non-core users trained
		Target achieved All queries resolved on average within a 3 hour turnaround time except calls registered with NT (LOGIK)	Formal queries resolved on average within 3 hour turnaround time except calls registered with NT (LOGIK)	Formal queries resolved on average within a 3 hour turnaround time except calls registered with NT (LOGIK).	None	None
		Target achieved. Scheduled 5 service providers addressing identified training needs and gaps	5 service providers addressing identified training needs and gaps	3 service providers aligned as per schedule	2 service providers not aligned	Only 3 service providers included 2 service providers not able to participate due to capacity constraints
27.2	Provision of an effective user account management service to all departments/ institutions to predetermined criteria	Target achieved, with the exception of the Department of Health (PERSAL) which will be taken over by 1 June 2012	All departments/ institutions	All departments/ institutions	None	None
		New PI	Investigate, implement and procure a biometric access system on a test basis	Investigation completed, in final stages of planning for the roll out of the system to a pilot site	Biometric access system not procured and implemented	The method of procurement still to be investigated

Sub-programme 3.3: Supporting and Interlinked Financial Systems						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
27.3	Development/ enhancement/ acquisition and implementation of a supply chain and asset management system that are compliant to user requirement statement	With the approval of NT, the Provincial Treasury entered into a new agreement with our current service provider Quadrem for the development of a new on-line web-based solution that addresses our requirements, which will enable suppliers to respond online to their quotations, bids and maintain their profiles	Procurement/ acquisition and implementation of a supply chain and asset management system at all departments that addresses: <ul style="list-style-type: none"> • Supplier Management • Quotations • Bids • Contract Management 	Stabilisation of supplier management achieved and in final stages of testing the quotation module for implementation In addition, foundation laid for the bids/ tender module	Quotations partially achieved and the base laid for bids	In final stages of testing the application before implementation
		Not all the enhancements developed yet by NT	Further enhancement of LOGIS to comply with minimum user requirements	Further enhancement of LOGIS to comply with minimum user requirements	None	None
		New PI	Further enhancement and implementation of the electronic purchasing system at all departments/ institutions to comply with statutory and user requirements	Further enhancement and implementation of the electronic purchasing system at all departments/ institutions to comply with statutory and user requirements	None	None

Sub-programme 3.3: Supporting and Interlinked Financial Systems						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
27.4	Development and implementation of standard operating procedures and provision of management/detailed information that enforces good governance practices and optimal utilisation of the systems	New PI	Further development and implementation of prescripts and standard operating procedures in respect of all transversal systems by 31 March 2013	SOPs completed; in the process of updating with the latest releases	SOPs not implemented	Due to new releases and enhancements to systems, the draft SOPs are in the process of being updated before submitting to departments for comments and inputs
		Target achieved. All 13 provincial departments including PT components and Provincial Parliament have direct access to management and detailed information	All 13 provincial departments including PT components and Provincial Parliament have direct access to management and detailed information	All 13 departments including PT components and Provincial Parliament have direct access to management and detailed information	None	None

Strategy to overcome areas of under performance

The processes changed within the Department had an effect on some performance targets set. This will be addressed through the CGRO process.

Changes to planned targets

There were no changes to planned targets.

Linking performance with budgets

Sub-programme expenditure

Sub-programme Name	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Support	2 248	1 861	387	1 054	1 054	-
Moveable Asset Management	10 442	10 033	409	9 614	9 614	-
Supporting and Interlinked Financial Systems	22 705	22 040	665	20 038	20 038	-
Total	35 395	33 934	1 461	30 706	30 706	-

5.4 Programme 4: Financial Governance

Programme description

Purpose: Development of accounting and financial management practices within provincial and local governments that will contribute toward attaining level 3 and higher auditable organisations.

The programme is further divided into the following sub-programmes:

Sub-programme 4.1 Programme Support

Sub-programme 4.2 Accounting Services

Sub-programme 4.3 Corporate Governance

The programme has these strategic objectives:

- Build competencies and enhance and maintain the delivery of the programme;
- Improving the standard of accounting and financial reporting within municipalities and municipal entities to a level 3+ Financial Management Capability (FMC);
- Improving the standard of accounting and financial reporting with all votes to a level 3+ Financial Management Capability (FMC); and
- Drive departmental and municipal CFO offices to function at a level 3.

Strategic objectives, performance indicators planned targets and actual achievements

By engaging many stakeholders, including National Treasury, the Accounting Standards Board and the Auditor-General, we continued to be at the forefront of changes in the accounting standards and frameworks. This has allowed us to inform our clients and ensure that they are kept abreast of changes that need to be implemented to achieve clean audit outcomes.

MGRO and CGRO were introduced during the financial year to improve governance and in particular audit outcomes. These initiatives have taken root in departments and municipalities. With continued bilateral engagements we identified the early warning signals that could impact audit outcomes and moved ahead with providing direct support to individual departments and municipalities. As a result of this approach relationships have strengthened which have paved the way to find speedy solutions to problems.

Our access to the detailed transactions has ensured that we were able to provide departments with information to be used for disclosure purposes, effectively, overcoming the shortfalls of the legacy systems.

The accounting helpline function has continued and provided a platform for quick turnaround on complex accounting queries, and is enjoying greater popularity among the financial accountants in the provincial departments and municipalities.

From a corporate governance perspective, the unit continued to drive and impact on the Chief Risk Officer's forum and the Chief Audit Executive forum. The established technical teams within these fora are continually striving to enhance the MGRO experience by ensuring that the criteria for compliance are all encompassing. We have continued to monitor compliance with National Treasury regulations as it regards to municipal competency requirements, and have continued to support the internship programme, which effectively builds capacity in municipalities.

Overall, the capacity in CFO offices in departments, public entities and municipalities have improved due to a significant improvement in relationships as a result of the partnership approach that the Treasury adopted with departments, public entities and municipalities.

Strategic Objectives:

PROGRAMME 4: FINANCIAL GOVERNANCE						
Sub-programme 4.1: Programme Support						
Strategic objectives		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
28.	Build competencies and enhance and maintain the delivery of the programme	Improved support services	Support services in line with prescripts and standards	Rendered support services in line with prescripts and standards where standards were available	Not all support services rendered to standards	Standards for all support services not finalised due to resource constraints

Performance indicators:

Sub-programme 4.1: Programme Support						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
28.1	Support services in line with prescripts and standards	Draft standards available	Full compliance to financial management prescripts and standards	Compliance to financial management instructions	Complied with financial management prescripts, but not in all areas with documented standards	Standards not implemented due to capacity constraints
		Standards were developed for the Management of Moveable Assets; Subsistence and Transport, Parliamentary questions and answering of telephones	Full compliance to Corporate Relations Unit (CRU) prescripts and standards	Compliance to Corporate Relations Unit prescripts and circulars	Compliance to Corporate Relations Unit prescripts and circulars	In the absence of finalised standards, CRU instructions were adhered to

Sub-programme 4.1: Programme Support						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
	Support services in line with prescripts and standards (Continued)		Correspondence and document management to set standards	Correspondence and documents managed on electronic correspondence management system	Correspondence and documents not managed to documented set of standards	Standards not finalised and implemented due to capacity constraints
			Effective management of internal and external stakeholder engagement	Management of internal and external stakeholder engagements	Internal and external stakeholder engagement were not managed according to documented set of standards	Standards not implemented due to capacity constraints
			Targeted communication and events services	Targeted communication and event services rendered	None	None
		Operational Plan 2011/12 was developed and maintained and QPR reporting maintained	An Operational Plan that builds on the APP, QPR and dashboard requirements	An operational plan that builds on the APP, QPR and dashboard requirements	None	None

Strategy to overcome areas of under performance

Specific time will be set aside to evaluate, refine and implement all draft standard operating procedures.

Strategic Objectives:

PROGRAMME 4: FINANCIAL GOVERNANCE Sub-programme 4.2: Accounting Services Element: Local Government Accounting						
Strategic objectives		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
29.	Improving the standards of accounting and financial reporting within municipalities and municipal entities to a level 3+ Financial Management Capability (FMC)	FMC level 2 at all municipalities	FMC level 3 at all municipalities	FMC level 3 at 27 municipalities	3 municipalities still awaiting outcome	Awaiting audit outcomes from 3 municipalities

Performance indicators:

Sub-programme 4.2: Accounting Services						
Element: Local Government Accounting						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
29.1	Assess and roll out the latest accounting policy framework for accurate and complete implementation by municipalities and their entities to improve financial reporting	24 of the 30 municipalities fully implemented 2010/11 accounting reporting framework and obtained unqualified audit opinions	All municipalities fully implemented the 2011/12 accounting reporting frameworks	All municipalities fully implemented the 2011/12 accounting reporting frameworks	None	None
		All municipal entities fully implemented the 2010/11 accounting reporting frameworks	All municipal entities fully implemented the 2011/12 accounting reporting frameworks	All municipal entities fully implemented the 2011/12 accounting reporting frameworks	None	None
		IFS target was not met and the target has been reviewed and rephrased as the timing of the implementation of this project was a concern given maturity of municipalities of financial reporting	All municipalities perform a hard close on their financial records with the unit providing an assessment on the AFS	All municipalities did not perform a hard close on their financial records and the unit was not able to provide an assessment on the AFS	Quarterly reviews on the integrity of the financial data were conducted in response to the target	Municipalities not able to perform hard close on their financial records
		Compilation of Accounting Review was replaced by the compilation of 30 LG FGRO assessments	Co-compile LG FGRO assessment per municipality Monitor and assist in the improvement of the accounting FMC of all municipalities to a level 3 in terms of pre-determined criteria	MGRO assessment per municipality, monitored and assisted in the improvement of the accounting FMC of all municipalities to a level 3 in terms of pre-determined criteria	LG FGRO assessments were replaced with MGRO assessments	None
		New PI	Review the helpdesk progress and implement required improvement on the helpdesk	Reviewed the helpdesk progress and implemented improvements and maintained helpdesk	None	None

Sub-programme 4.2: Accounting Services Element: Local Government Accounting						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
29.2	Monitor progress on the implementation strategies to improve the integrity of financial data	The target was not met fully as the project plan was amended and timelines were reviewed	Monitor the implementation of improvements on the utilisation of accounting systems and the implementation of remedial steps	Monitored the implementation of improvements on the utilisation of accounting systems and the implementation of remedial steps	None	None
29.3	Build and maintain competent municipal accounting units by providing training on GRAP reporting	Training was provided as scheduled	Structured training programme developed, refined and rolled out	Structured training programme developed and refined. GRAP Training rolled-out	SOP Training not rolled-out	SOP Training material not finalised

Strategy to overcome areas of under performance

Conducted quarterly reviews on the key control accounts to improve the integrity of data for preparation of the annual financial statements and the SOP training will be rolled out by internal accounting staff.

Strategic Objectives:

PROGRAMME 4: FINANCIAL GOVERNANCE Sub-programme 4.2: Accounting Services Element: Provincial Government Accounting						
Strategic objectives		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
30.	Improving the standards of accounting and financial reporting within all votes to a level 3+ Financial Management Capability (FMC)	FMC level 2+ at all votes	FMC level 3 at all votes	FMC level 2+ at all votes	Departments in process of addressing audit issues	The departments are not in full conformance of the department Accounting Reporting Framework

Performance indicators:

Sub-programme 4.2: Accounting Services						
Element: Provincial Government Accounting						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
30.1	Assess and roll out the latest accounting policy framework for full conformance with the NT framework by all votes	2011/12 accounting reporting frameworks fully implemented	All votes in full conformance to the 2012/13 accounting reporting frameworks	All votes in full conformance to the 2012/13 accounting reporting frameworks	None	None
		Helpdesk framework reviewed, implemented and service maintained	Investigate and implement an electronic helpdesk system	Investigated and implemented an electronic helpdesk system	None	None
		All votes submitted IFS quarterly	IFS compiled in full conformance with the NT framework and submitted by all votes and entities	IFS compiled in full conformance with the NT framework and submitted by all votes and entities	None	None
		Provided accounting framework for the abolishment of Ordinance 3/62 and the Roads Capital Account Performed monthly assessments on financial management indicators	Interrogation of the processes that drive the final numbers and the introduction of corrective steps and prescripts	Interrogated the processes that drive the final numbers and corrective steps and prescripts introduced	None	None
30.2	Review accounting systems and processes, and implement strategies to improve the integrity of financial data	Financial Governance Review and Outlook 2011 compiled and tabled in Cabinet which reflects the improvement of the FMC of all votes towards level 3	Monitor and drive the accounting FMC of all votes to a level 3 in terms of the assessment framework	Monitored and drove the accounting FMC of all votes to a level 3 in terms of CGRO	None	None
		New PI	All PRF accounting transactions accounted for on BAS in terms of the National Treasury Reporting Framework	All PRF accounting transactions accounted for on BAS in terms of the National Treasury Reporting Framework	None	None

Sub-programme 4.2: Accounting Services						
Element: Provincial Government Accounting						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
30.3	Ensure compliance with key accounting principles and guidelines in respect of reporting structures and responsibilities for provincial departments and entities	Assessed the accounting reporting structures of two selected departments and found them to be in order	Maintenance and continuous review of guidelines	Maintained and continuously reviewed guidelines	None	None
30.4	Build and maintain competent accounting units within departments and entities by providing training on reporting frameworks	Procured service provider and provided GRAP training to departments and entities	Structured training to financial accountants on GRAP Standards and Accounting Frameworks	Structured training presented to financial accountants on GRAP Standards and Accounting Frameworks	None	None
30.5	Publication of the Annual Consolidated Financial Statements	First Province to compile a proper ACFS of departments	Compile Provincial ACFS, inclusive of a management report and table by 31 October 2012	Compiled Provincial ACFS, inclusive of a management report	Tabling delayed due to the audits of the PRF and the WCHDF not being finalised within the prescribed timelines	The ACFS expected to be tabled by June 2013

Strategy to overcome areas of under performance

Manage the processes that lead to the timeous submission of the annual financial statements of departments and public entities to the AGSA for auditing. Additionally, negotiate timelines with the assurance providers to ensure that we are able to table the ACFS within an agreed timeframe.

Strategic Objectives:

PROGRAMME 4: CORPORATE GOVERNANCE						
Sub-programme 4.3: Corporate Governance						
Strategic objectives		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
31.	Drive departmental and municipal CFO offices to function at a level 3 financial management capability (FMC) rating	Achieved FMC in: <ul style="list-style-type: none"> • Departments at level 2+ • Public Entities at level 2 • Municipalities at level 2 	Achieve FMC in: <ul style="list-style-type: none"> • Departments at level 3 • Public Entities at level 2+ • Municipalities at level 2+ 	Achieved FMC in: <ul style="list-style-type: none"> • Departments at level 2+ • Public Entities at level 2+ • Municipalities at level 2+ 	Departments, entities and municipalities in process of addressing audit issues	The departments are not in full conformance of the departmental Accounting Reporting Framework and the municipalities are in the process of implementing credible action plans
32.	Develop and facilitate the implementation of an effective assurance framework towards attaining level 3 financial management capability (FMC) rating	Achieved FMC in: <ul style="list-style-type: none"> • Departments at level 3 • Public Entities at level 2+ • Municipalities at level 2 	Achieve FMC in: <ul style="list-style-type: none"> • Departments at level 3 • Public Entities at level 2+ • Municipalities at level 2+ 	Achieved FMC in: <ul style="list-style-type: none"> • Departments and level 2+ • Public Entities at level 2+ • Municipalities at level 2+ 	Most departments are close to the level 3 maturity; however, the conformance requirements are increasing annually, and as a result this becomes a moving target. Until such time that all the conformance criteria have been bedded down, the departments have continually committed to clean governance	As a result of increasing conformance requirements which becomes a moving target, further progress towards level 3 will be seen in 2013/14

Performance indicators:

Sub-programme 4.3: Corporate Governance						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
31.1	Develop and implement a framework to assess the CFO offices in departments and municipalities	Consolidated assessment tool developed to assess CFO offices	Refine and implement an assessment framework to assess departmental CFO structures	Refined and implemented an assessment framework to assess departmental CFO structures	None	None
		Preferred BTO structure research commenced and draft documents workshopped with stakeholders	Review and approve assessment framework to assess BTO structures	Reviewed and draft assessment framework to assess BTO structures completed	Framework in draft, not approved	Capacity constraints will be pursued during 2013/14
31.2	Effective Internal Control units for departments	New PI	Develop and implement a Provincial framework/ policy for the Purpose, Legislative Mandate, Role, Structure and Functions of an Internal Control unit	Draft risk and control framework and key responsibilities presented to stakeholders and in – principle agreement reached	Provided internal control framework to CSC, which is a subset of the Provincial framework	A decision was taken to have one completed framework which would be driven by CSC. Provincial Treasury provided the Draft Risk and Control framework to the process as a subset of the Integrated Governance Framework
31.3	Implementation of NT Competency Frameworks for CFO offices in departments and municipalities	A gap analysis was performed to determine whether the Key Responsibility Areas (KRA) contained within job descriptions were aligned to NT's proposed functional structure for financial management and covers the minimum functions that should be carried out in the office of the CFO to function optimally and in order for the department to comply with requirements of the PFMA	Monitor and follow up interventions in respect of gaps identified	Monitored and followed-up on interventions in respect of gaps identified	None	None

Sub-programme 4.3: Corporate Governance						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
32.1	Drive, monitor and evaluate the effectiveness of financial governance structures in departments and municipalities	30 municipalities assessed as part of LG FGRO 13 departments assessed as part of PG FGRO	Perform assessments on assurance structures in municipalities	Performed assessments on assurance structures in municipalities	None	None
		Draft integrated financial governance guideline developed and issued to pilot department for comment	Full roll out of the integrated financial governance guidelines for departments	Remuneration framework finalised	Framework not rolled-out	PT did not have the capacity internally to finalise this project and needed to procure a service provider to perform this function. Due to lack of funding the service provider could not be procured, hence the change in focus
32.2	A comprehensive set of prescripts	Revised PTI in terms of Chapter 3 issued Inventory of national and provincial circulars, guidelines and practice note were compiled	Develop and implement a framework and parameters that determines best practise approach for prescripts and regulatory processes with the aim to strengthen the regularity arena in the internal control environment, that draws on the system capability for optimal utilisation of available systems	Developed and implemented a framework and parameters that determines best practise approach for prescripts and regulatory processes with the aim to strengthen the regularity arena in the internal control environment, that draws on the system capability for optimal utilisation of available systems	None	None

Sub-programme 4.3: Corporate Governance						
Performance Indicator		Actual Achievement 2011/2012	Planned Target 2012/2013	Actual Achievement 2012/2013	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
32.3	Local Government Financial Governance Review and Outlook (LG FGRO) and Financial Management Improvement Plan programme developed and implemented	Local Government Financial Governance Review and Outlook (LG FGRO) was developed and implemented	LG FGRO 2012 issued as Working Paper	MGRO 2012 issued and MGAP updated	None	None
		Analysed the audit reports and management letters of 13 departments Prepared 2012/13 PGFMIP spreadsheet to inform the support plans from PT	Drive Financial Management Improvement Plans for departments and make recommendations	Financial Management Improvement Plans for departments and recommendations driven through the CGRO process	FMIP has been incorporated in the CGRO process	Due to change in strategy, FMIP has been incorporated in the CGRO process
		Analysed the audit reports and management letters of 27 municipalities Prepared 2011/12 LGFMIP spreadsheet to inform the support plans from PT	Drive Financial Management Improvement Plans for municipalities and make recommendations	Financial Management Improvement Plans for departments and recommendations driven through the MGRO process	FMIP has been incorporated in the MGRO process	Due to change in strategy, FMIP has been incorporated in the MGRO process
32.4	Monitor the implementation of Enterprise Risk Management (ERM) and Internal Audit in municipalities	Training provided to 4 municipalities on risk management, control identification and residual risk assessments. 4 CRO and 2 CAE fora were also held where a key focus is on capacitation. 30 Assurance assessments performed for municipalities as part of LG FGRO	Institutionalise ERM and internal audit at all municipalities	Institutionalised ERM and internal audit at all municipalities	None	None

Strategy to overcome areas of under performance

The under-performance in the main originates from external stakeholders and a change in strategy and focus to improve overall financial governance in the Province and Municipalities.

Changes to planned targets

There were no major changes to planned targets.

Linking performance with budgets

Sub-programme expenditure

Sub-programme Name	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Support	2 068	1 821	247	1 437	1 437	-
Accounting Service	10 637	10 558	79	9 775	9 775	-
Corporate Governance	9 734	9 610	124	8 344	8 232	112
Total	22 439	21 989	450	19 556	19 444	112

6. SUMMARY OF FINANCIAL INFORMATION

6.1 Departmental receipts

Departmental receipts	2012/2013			2011/2012		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts						
Casino taxes	279 411	350 384	(70 973)	277 000	321 750	(44 750)
Horse racing taxes	20 000	32 278	(12 278)	20 000	28 853	(8 853)
Sale of goods and services other than capital assets	1 214	2 528	(1 314)	1 214	2 163	(949)
Transfers received	-	-	-	1	-	1
Fines, penalties and forfeits	1	935	(934)	-	313	(313)
Interest, dividends and rent on land	-	2	(2)	-	-	-
Sale of capital assets	-	-	-	-	-	-
Financial transactions in assets and liabilities	47	2 846	(2 799)	47	4 107	(4 060)
Total	300 673	388 973	(88 300)	(298 262)	357 186	(58 924)

Only Programmes 1 and 2 collected own revenue and that is discussed in more detail below:

Programme 1: Administration – Departmental own receipts registered against this programme were insignificant, consisting mainly of commissions earned on third party payments under other miscellaneous receipts, such as recoverable private telephone and data card costs.

Programme 2: Sustainable Resource Management – Own revenue from casino and horseracing taxes was adjusted upwards during 2012/13 reporting period by on average 27.8 per cent higher than originally budgeted for. All surplus funds were surrendered to the Provincial Revenue fund.

6.2 Programme Expenditure

Programme Name	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	36 230	35 462	768	31 376	31 138	238
Sustainable Resource Management	70 898	70 898	-	61 782	61 331	451
Asset and Liabilities Management	35 395	33 934	1 461	30 706	30 706	-
Financial Governance	22 439	21 989	450	19 556	19 444	112
Total	164 962	162 283	2 679	143 420	142 619	801

Programme 1: Administration (97.9% actual expenditure)

The under spending at the end of the reporting period was mainly a result of vacant posts that were not filled.

Programme 2: Sustainable Resource Management (100% actual expenditure)

There are no variances to report on.

Programme 3: Asset and Liabilities Management (95.9% actual expenditure)

The underspending on Goods and Services were as a result of projects that were not completed as expected during the reporting period and vacant posts that were not filled.

Programme 4: Financial Governance (98% actual expenditure)

The underspending on Goods and Services were as a result of projects that were reconfigured and the late finalisation of the Annual Financial Statements.

6.3 Transfer payments, excluding public entities

The table below reflects the transfer payments made for the period 1 April 2012 to 31 March 2013.

Name of transferee	Purpose for which the funds were used	Compliance with section 38(1)(j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Provinces and municipalities	Financial management support grant	Yes	8 250	8 250	None
Households	Bursaries and leave gratuity	Yes	945	945	None
Gifts, donations and sponsorships made	Best performing schools and essay competition	Yes	189	189	None
Total			9 384	9 384	

6.4 Public Entities

The Department has one public entity, namely the Western Cape Gambling and Racing Board (WCGRB). The WCGRB received R2 411 000 from the Provincial Treasury as a transfer payment for the same amount be surrendered as revenue. This amount was surrendered by the WCGRB as surplus funds during 2012/13 and has been revoted during the 2012/13 Adjustments Estimate to fund operational expenditure at the WCGRB.

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
Western Cape Gambling and Racing Board	To control and regulate gambling and racing within the Province of the Western Cape	2 411	2 411	Regulate and oversight of the gambling industry in the Western Cape

6.5 Conditional grants and earmarked funds paid

None

6.6 Conditional grants and earmarked funds received

None

6.7 Donor Funds

None

6.8 Capital investment, maintenance and asset management plan

The Department has no capital assets of its own as these are managed by the Department of Transport and Public Works (TPW). Therefore no fixed asset plan exists. However, the Infrastructure Directorate within the Provincial Treasury assisted the other key provincial departments to improve the degree and quality of infrastructure delivery. This included enhanced planning and more efficient procurement methodologies. The Infrastructure Delivery Management System or the WC-IDMS as approved by the Provincial Cabinet, is being systematically rolled-out and should set the tone for further infrastructure delivery improvements within the Province.

All maintenance for the department is generally undertaken by TPW and in cases where that department does not provide the requested services, approval is obtained from them to undertake smaller projects such as the renovation of kitchens, refurbishing of selected offices and the upgrading of a camera security system for the department. The rationalisation and refurbishment of the department office space is currently underway by TPW.

PART C: GOVERNANCE

1. INTRODUCTION

The Department is committed to maintain the highest standards of governance as measured by the MPAT tool of the Department of Performance Management and Evaluation and/or Provincial Treasury's own financial maturity management criteria using the CGRO mechanism to do so.

2. RISK MANAGEMENT

The Accounting Officer (AO) is accountable for realising Enterprise Risk Management (ERM) in accordance with the National Treasury Public Sector Risk Management Framework with the support of the Directorate Enterprise Risk Management (D:ERM) in the Department of the Premier. The D:ERM systematically drives a sustainable ERM journey.

Furthermore, in compliance with the National Treasury Public Sector Risk Management Framework and in order to further embed risk management, the Western Cape Government adopted an ERM Policy which sets out the Province's overall intention with regard to ERM.

An ERM Implementation Strategy has been developed in order to deduce the Enterprise Risk Management Plan for the Provincial Treasury. This will ultimately enable the Department to better deliver on its goals and objectives and enhance risk informed decision-making and minimise compliance gaps. It further outlines the roles and responsibilities of managers and staff in embedding risk management and defines the enabling legislation, standards, mechanisms, tools and resources to be used to realise the ERM plan.

The Provincial Treasury, led by its assigned risk champion, has an established Fraud and Risk Management Committee (FARMCO) and during the year under review FARMCO met on a quarterly basis to monitor the risk profile and risk mitigation treatments.

An annual strategic risk assessment was conducted and more operationally on a program level on a quarterly basis in order to review and update existing risks and to identify any emerging risks. Significant risks relevant to objectives were assessed in terms of its likelihood and impact; risk treatment plans with target dates were developed and managed by their allocated risk owners.

3. FRAUD AND CORRUPTION

The Western Cape Government adopted an Anti-Corruption Strategy which confirms the Province's zero tolerance stance toward fraud and corruption. The Department furthermore has its own approved Fraud Prevention Plan.

Forensic Investigations continued to be offered by the shared Forensic Investigating Unit that was corporatised in the Corporate Service Centre in the Department of the Premier. Various channels for reporting allegations of fraud and corruption exist, and these are described in detail in the Anti-Corruption Strategy and the Departmental Fraud Prevention Plan.

As a policy departure, we protect employees who blow the whistle on suspicions of fraud, corruption and theft, if the disclosure is a protected disclosure (i.e. not malicious). The opportunity to remain anonymous is afforded to any person who would like to report acts of fraud, theft and corruption and should they do so in person, their identities are kept confidential by the person to whom they are reporting.

However, fraud cases have been detected or newly report on in the 2012/13 financial year.

4. MINIMISING CONFLICT OF INTEREST

There are no areas or cases where conflict of interest was detected in the Department. During the evaluation of bids for the purchase of goods and services, the DBAC members all sign a specific declaration indicating that they have no interest with the parties who submitted bids.

5. CODE OF CONDUCT

The Department has compiled a value statement that was developed over several years. This Statement which in essence prescribes the code of conduct for all officials in the Department is available in all three official languages of the Western Cape. These statements were framed and are available for all to read on each floor of the Department in isiXhosa, Afrikaans and English.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department occupies buildings of which it is not the custodian, but provides and maintains, as far as possible, a working environment that is safe and without risk to the health of the employees.

The Department has a functional departmental Occupational Health and Safety Committee, the necessary equipment and capacitated occupational health and safety representatives. It conducts regular inspections and reports any deficiencies to the custodian of the applicable building. Similarly, the names and details of floor and safety staff are conspicuously displayed and conduct periodic evacuation drills.

The two main buildings occupied by the Department are under refurbishment, but the necessary health and safety prerequisites were instituted, e.g. where emergency exits are closed alternative emergency exits were identified and properly signposted as such.

7. INTERNAL CONTROL UNIT

The Department has a fully functional Internal Control Section that is part of the Financial Management Directorate. Their work mainly consists of compliance checking and filing of all payments in the Department, investigation of losses and finalising and updating the CGRO register. The section is also responsible to perform the duties of secretariat to the FARMCO and to monitor administrative processes and systems to prevent or deal with any untoward expenditure.

8. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2013.

Audit Committee Members and Attendance

In terms of Cabinet Resolution 55/2007, the Department of Provincial Treasury is served by the Governance and Administration Cluster Audit Committee. The Audit Committee consists of the members listed below and should meet at least 4 times per annum as per its approved terms of reference. During the financial year under review, 7 meetings were held.

<u>Name of Member</u>	<u>Number of Meetings Attended</u>
Mr M Burton (Chairperson from 1 January 2013)	7
Mr Z Hoosain (Chairperson until 30 November 2012 and resigned on this date)	6
Mr L van der Merwe	7
Mr K Larkin	7
Ms J Gunther	7
Mr Z Manjra (Appointed 1 January 2013)	1

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 3.1. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

We have reviewed the reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the Management Report of the Auditor-General of South Africa (AGSA); nothing has come to our attention that would indicate a material breakdown in internal controls in this department.

The Department has taken full responsibility and ownership for the implementation of the Enterprise-wide Risk Management (ERM) methodology and function. The challenge remains to institutionalise ERM throughout the Organisation. The Audit Committee noted a number of Emerging Risks and will monitoring these on a regular basis.

We have fulfilled our mandate with regards to the annual financial statements as mentioned below.

We have reviewed and concur with management's acceptance of the AGSA's management report. We can confirm that there are no unresolved issues.

The Audit Committee is satisfied with the content and quality of quarterly reports in respect of in year management and quarterly performance reports submitted in terms of the PFMA and the Division of Revenue Act prepared and issued by the Accounting Officer of the Department during the year under review.

Evaluation of Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the Auditor-General and the Accounting Officer;
- Reviewed the Auditor-General's Management Report and Management's response thereto;
- Reviewed changes to accounting policies and practices as reported in the Annual Financial Statements;
- Reviewed the Department's processes for compliance with legal and regulatory provisions;
- Reviewed the information on predetermined objectives as reported in the annual report;
- Reviewed material adjustments resulting from the audit of the Department; and
- Reviewed and where appropriate recommended changes to the interim financial statements as presented by the Department for the six months ending 30 September 2012.

The Audit Committee concurs and accepts the Auditor-General's opinion regarding the Annual Financial Statements, and proposes that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor-General.

Internal Audit

In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved by a risk based Internal Audit plan, internal audit assessing the adequacy of controls mitigating the risks and the audit committee monitoring implementation of corrective actions.

The following internal audits were approved of which two were completed during the year under review:

- Fiscal Policy (Completed)
- Transfer Payments (Completed)
- Internal Control (Completed after year end)

The Audit Committee remains concerned that further audit coverage is required to cover a significant percentage of High Risk Areas. The Audit Committee will encourage increased assurance over significant risks by overseeing the implementation of combined assurance principles.

Auditor-General's Report

We have reviewed the department's implementation plan for audit issues raised in the prior year on a quarterly basis. The Audit Committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues that emanated from the regulatory audit. Corrective actions on the detailed findings emanating from the current regulatory audit will be monitored by the Audit Committee on a quarterly basis.

Appreciation

The Audit Committee wishes to express its appreciation to the Management of the Department, the Auditor-General of South Africa, Provincial Enterprise Risk Management Unit, Forensic Investigative Unit and the Internal Audit Unit for the co-operation and information they have provided to enable us to compile this report.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Mr M Burton

Chairperson of the Governance and Administration Cluster Audit Committee

15 August 2013

PART D: HUMAN RESOURCE MANAGEMENT

1. LEGISLATION THAT GOVERNS HR MANAGEMENT

The information provided in this part is prescribed by the Public Service Regulations (Chapter 1, Part III J.3 and J.4).

In addition to the Public Service Regulations, 2001 (as amended on 30 July 2012), the following prescripts direct Human Resource Management within the Public Service:

- **Occupational Health and Safety Act 85 of 1993**

To provide for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery; the protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of persons at work; to establish an advisory council for occupational health and safety; and to provide for matters connected therewith.

- **Public Service Act 1994, as amended by Act 30 of 2007**

To provide for the organisation and administration of the public service of the Republic, the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service, and matters connected therewith.

- **Labour Relations Act 66 of 1995**

To regulate and guide the employer in recognising and fulfilling its role in effecting labour peace and the democratisation of the workplace.

- **Basic Conditions of Employment Act 75 of 1997**

To give effect to the right to fair labour practices referred to in section 23(1) of the Constitution by establishing and making provision for the regulation of basic conditions of employment; and thereby to comply with the obligations of the Republic as a member state of the International Labour Organisation; and to provide for matters connected therewith.

- **Skills Development Act 97 of 1998**

To provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce; to integrate those strategies within the National Qualifications Framework contemplated in the South African Qualifications Authority Act, 1995; to provide for learnerships that lead to recognised occupational qualifications; to provide for the financing of skills development by means of a levy-grant scheme and a National Skills Fund; to provide for and regulate employment services; and to provide for matters connected therewith.

- **Employment Equity Act 55 of 1998**

To promote equality, eliminate unfair discrimination in employment and to ensure the implementation of employment equity measures to redress the effects of discrimination; to achieve a diverse and efficient workforce broadly representative of the demographics of the province.

- **Public Finance Management Act 1 of 1999**

To regulate financial management in the national government and provincial governments; to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in those governments; and to provide for matters connected therewith.

- **Skills Development Levy Act 9 of 1999**

To provide any public service employer in the national or provincial sphere of Government with exemption from paying a skills development levy; and for exemption from matters connected therewith.

- **Promotion of Access to Information Act 2 of 2000**

To give effect to the constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights; and to provide for matters connected therewith.

- **Promotion of Administrative Justice Act (PAJA) of 2000**

To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996; and to provide for matters incidental thereto.

2. INTRODUCTION

2.1 The Value of Human Capital in the Department

Our people are the foremost contributors to the achievements of the Department and of the successes of the Western Cape Government. Service excellence depends on the wellbeing of our organisation and its people. Hence, we:

- Value people who act with integrity, and are engaged, caring, competent, accountable and responsive;
- See people management to be the responsibility of everyone;
- Ground the management of our people in the principles of dignity, respect, transparency and equity;
- Grow, develop, empower and enable our people to reach and use their full potential; and
- Embrace diversity and have a deep respect for one another's culture, individuality, language, values and beliefs.

2.2 Overview of Human Resource Matters

People are a key element in achieving the strategic objectives of the Department. Therefore human resource planning aims to ensure that the Department has the right people, with the right skills, at the right place at the right time, all the time.

It is within this context that the Department's strategic HR Plan was developed and implemented for the period 1 April 2012 to 31 March 2017. The HR Plan was reviewed to determine whether the human resource strategic objectives were still valid and whether it addressed the HR priorities in the department. Bi-annual progress reports monitored the implementation of the key activities contained within the HR Plan and were submitted to DPSA as directed.

By means of workforce planning, the Department identified the current and future human resource needs and flagged the potential challenges that could impact on the achievement of the Department's strategic objectives.

Set Human Resource Priorities for the Year under Review and the Impact of these Priorities

After analysing the current workforce profile and the future demand, the following HR priorities were identified:

NO.	HR PRIORITY	IMPACT
1.	Recruitment/Staffing	Efficient recruitment and selection processes. An increase in the number of Interns permanently employed. Members of selection panels adequately capacitated. Decreased reliance on the recruitment of temporary staff and utilisation of consultants.
2.	Talent Management (Attraction and Retention)	Improved retention of Youth category (under 35 years of age). Reduction in loss of institutional memory. More stable workforce. Credible exit interviews.
3.	Training and Development	To create a learning organisation with a focus on scarce and critical skills. Availability of a pool of competent employees ready to fill vacant positions. Active Skills Development Forum.
4.	Employment Equity	A diverse workforce with equal opportunities for all.
5.	Employee Health and Wellness (including Change Navigation)	A healthier, more productive workforce.

Workforce Planning Framework and Key Strategies to Attract and Recruit a Skilled and Capable Workforce

Without people, the Department cannot deliver an optimum service and without an adequate budget, it cannot recruit, develop nor retain people needed to deliver optimum services.

The challenges facing the Department have been identified. These challenges have been addressed by identifying key activities which have been incorporated into the action plan.

The following are the key activities as set out in the Action Plan:

KEY ACTIVITIES	
1.	<p>Annually determine the percentage of vacant posts on the establishment that can be funded in terms of scarce and critical skills.</p> <p>Implementation of a project-based approach for recruitment (Recruitment Plan) where line managers agree to scheduled dates for the filling of posts prior to advertising.</p> <p>Implementation of e-recruitment system.</p> <p>Reduce the number of contract workers where posts are of a permanent nature.</p> <p>Request for relaxation of experience requirements when posts are advertised (referring to interns).</p> <p>Earmark various posts for permanent filling by interns.</p>
2.	<p>Retirement and exit planning to ensure skills and knowledge transfer in high risk groups (e.g. youth – younger than 35, scarce and critical occupations and retiring employees, including HOD/SMS).</p> <p>Implementation of a transversal People Management Strategy which would facilitate the attraction and retention of high performing people.</p>
3.	<p>Continuous development of employees, especially within scarce and critical skills occupation groups, i.e. Economists, Financial Analysts, Expenditure Analysts, System Controller, etc. to be fully functional in their current positions and to prepare them for career progression by means of:</p> <ul style="list-style-type: none"> • Formal training; • Mentoring; • Job shadowing; • Fast-tracking; and • In service training, etc. <p>Revive Skills Development Forum.</p> <p>Selection panels to be capacitated.</p>
4.	<p>Targeted recruitment interventions to reach numerical goals, in particular to address under-representation on all salary levels and in all directorates.</p> <p>Create a pool of MMS from designated groups to be eligible for promotion to SMS posts when a vacancy arises.</p>
5.	<p>Implement a change programme for the Department to:</p> <ul style="list-style-type: none"> • Address the impact of continuous change • Equip employees and managers to manage and cope with future change. <p>Managers to market and promote overall wellness during wellness programmes, which may include flu injections, etc.</p>

The challenges facing the Department have been identified. These challenges have been addressed by identified HR priorities and have been incorporated into the action plan including the filling of critical and scarce skills posts. It is expected that the managers and Corporate Service Centre jointly takes responsibility for the execution of the action plans, takes ownership for delivering the necessary outcomes.

Employee Performance Management Framework

One of the cornerstones of the Staff Performance Management System is the basic requirement that all employees are obliged to do what is expected of them. These expectations and the required performance standards are concretised by means of job descriptions, performance agreements, business plans and/or service level agreements. Rewards and incentives are therefore only granted for work that qualitatively and quantitatively surpasses work that earns the pay.

Employees who are nominated for performance bonuses are assessed by moderation panels, who then examine the evidence of superior performance. Under-performing staff members, on the other hand, are required to complete the actions stipulated in a Performance Improvement Plan. These are closely monitored to ensure absolute compliance with acceptable performance standards.

This system represents a more equitable, fair and open process. Moreover, it sets the framework in which both the employer and employee can equally realise their goals and objectives.

Employee Wellness

Developing a wellness culture in the Department is of strategic importance to ensure that employees achieve optimum levels of performance while feeling cared for and supported in the work context. The WCG's transversal Employee Health and Wellness Programme (EHW) follows a holistic approach to employee wellbeing and is largely preventative in nature, offering both primary and secondary services. The EHW Programme is monitored in the Department through monthly utilisation reports for primary services (24/7/365 telephonic counselling service, online e-Care service and reporting) and secondary services (face-to-face counselling, trauma and critical incidents, training and targeted intervention, executive coaching, advocacy). A quarterly report is prepared by the Directorate Organisational Behaviour within the Corporate Service Centre that provides a trend analysis of utilisation, risk identification and its impact on productivity. Furthermore, on-going reporting to the Department of Public Service and Administration (DPSA) is a requirement and such reporting focuses on four areas namely, HIV/AIDS, Health and Productivity, Wellness Management and SHEQ (Safety, Health, Environmental and Quality) Management.

Policy development

The following Provincial policies were adopted during the year under review:

- (a) **Special Leave Policy**, which sets transversal standards and conditions for leave categories that are not regulated in the National Determination on Leave of Absence (August 2012). These categories include study leave, substance abuse treatment, participation in sporting events etc.

- (b) **Policy on Remunerative Work Outside Public Service**, which manages and regulates the conditions under which the employer would provide authorisation for employees to conduct remunerated work outside the Public Service.
- (c) **Policy on Secondment of Employees**, which provides directives and general measures, and to prescribe uniform conditions for secondment.

3. HUMAN RESOURCE OVERSIGHT STATISTICS

3.1 Personnel related expenditure

The following tables summarise final audited expenditure by programme (Table 3.1.1) and by salary bands (Table 3.1.2). In particular, it provides an indication of the amount spent on personnel in terms of each of the programmes or salary bands within the Department.

The figures in Table 3.1.1 are drawn from the Basic Accounting System and the figures in Table 3.1.2 are drawn from the PERSAL [Personnel Salary] system. The two systems are not synchronised for salary refunds in respect of staff appointments and resignations and/or transfers to and from other departments. This means there may be a difference in total expenditure reflected on these systems.

Programme	Programme Designation
Programme 1	Administration
Programme 2	Sustainable Resource Management
Programme 3	Asset and Liabilities Management
Programme 4	Financial Governance

Table 3.1.1 Personnel expenditure by programme, 2012/13

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Goods & Services (R'000)	Personnel expenditure as a % of total expenditure	Average personnel expenditure per employee (R'000)	Number of Employees
Programme 1	35 462	19 576	13	11 334	55.2	261	75
Programme 2	70 898	45 953	284	14 275	64.8	335	137
Programme 3	33 934	22 456	17	11 474	66.2	312	72
Programme 4	21 989	19 197	178	2 787	87.3	320	60
Total	162 283	107 182	492	39 870	66.0	312	344

Note: The number of employees refers to all individuals remunerated during the reporting period, excluding the Minister.

Table 3.1.2 Personnel expenditure by salary bands, 2012/13

Salary bands	Personnel Expenditure (R'000)	% of total personnel expenditure	Average personnel expenditure per employee (R'000)	Number of Employees
Lower skilled (Levels 1 - 2)	643	0.6	40	16
Skilled (Levels 3 - 5)	3 778	3.5	111	34
Highly skilled production (Levels 6 - 8)	12 786	11.7	188	68
Highly skilled supervision (Levels 9 - 12)	72 045	65.9	358	201
Senior management (Levels 13 - 16)	20 006	18.3	800	25
Total	109 258	100	318	344

Note: The number of employees refers to all individuals remunerated during the reporting period, excluding the Minister.

The following tables provide a summary per programme (Table 3.1.3) and salary bands (Table 3.1.4), of expenditure incurred as a result of salaries, overtime, housing allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

Table 3.1.3 Salaries, Overtime, Housing Allowance and Medical Assistance by programme, 2012/13

Programme	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Programme 1	12 371	11.3	103	0.1	322	0.3	714	0.7
Programme 2	32 599	29.8	408	0.4	608	0.6	1 417	1.3
Programme 3	16 277	14.9	50	-	430	0.4	895	0.8
Programme 4	13 942	12.8	7	-	371	0.3	621	0.6
Total	75 189	68.8	568	0.5	1 731	1.6	3 647	3.3

Note: Salaries, overtime, housing allowance and medical assistance are calculated as a % of the total personnel expenditure which appears in Table 3.1.2 above.

Table 3.1.4 Salaries, Overtime, Housing Allowance and Medical Assistance by salary bands, 2012/13

Salary Bands	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Lower skilled (Levels 1 - 2)	422	0.4	5	0.004	16	-	13	0.01
Skilled (Levels 3 - 5)	1 797	1.6	29	-	143	0.1	245	0.2
Highly skilled production (Levels 6 - 8)	7 453	6.8	101	0.1	337	0.3	702	0.6
Highly skilled supervision (Levels 9 - 12)	52 651	48.2	433	0.4	1 159	1.1	2 418	2.2
Senior management (Levels 13 - 16)	12 866	11.8	-	-	76	0.1	269	0.2
Total	75 189	68.8	568	0.5	1 731	1.6	3 647	3.3

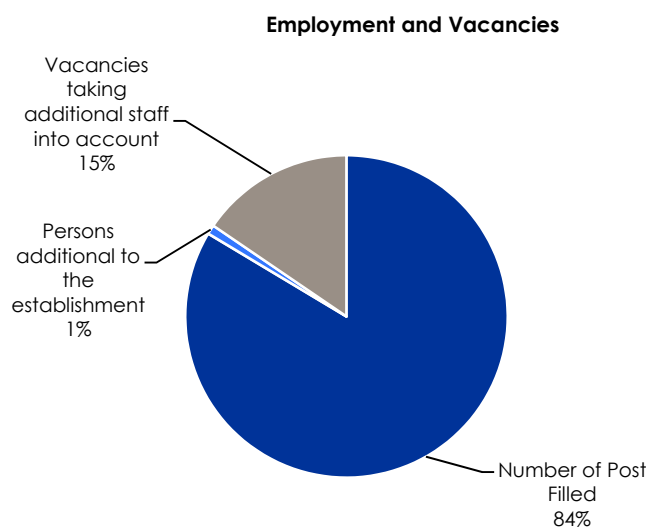
Note: The totals in Table 3.1.3 & 3.1.4 are the same, however, due to the fact that the data is grouped by either programme or salary band and that it is rounded off to thousands they reflect differently.

3.2 Employment and vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the percentage of vacant posts, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: programme (Table 3.2.1), salary band (Table 3.2.2) and critical occupations (Table 3.2.3). Departments have identified critical occupations that need to be monitored. Table 3.2.3 provides establishment and vacancy information for the key critical occupations of the department.

Table 3.2.1 Employment and vacancies by programme, as at 31 March 2013

Programme	Number of funded posts	Number of posts filled	Vacancy rate %	Number of persons additional to the establishment	Vacancy Rate taking additional staff into account
Programme 1	65	55	15.4	2	12.3
Programme 2	132	108	18.2	-	18.2
Programme 3	75	59	21.3	-	21.3
Programme 4	51	48	5.9	1	3.9
Total	323	270	16.4	3	15.5

Figure 1 Employment and Vacancies**Table 3.2.2 Employment and vacancies by salary bands, as at 31 March 2013**

Salary Band	Number of funded posts	Number of posts filled	Vacancy rate %	Number of persons additional to the establishment	Vacancy Rate taking additional staff into account
Lower skilled (Levels 1 - 2)	2	2	-	-	-
Skilled (Levels 3 - 5)	21	19	9.5	-	9.5
Highly skilled production (Levels 6 - 8)	54	44	18.5	2	14.8
Highly skilled supervision (Levels 9 - 12)	221	181	18.1	1	17.6
Senior management (Levels 13 - 16)	25	24	4.0	-	4.0
Total	323	270	16.4	3	15.5

Note: The information in each case reflects the situation as at 31 March 2013. For an indication of changes in staffing patterns over the year under review, please refer to section 3.5 of this report.

Table 3.2.3 Employment and vacancies by critical occupation, as at 31 March 2013

Critical Occupations	Number of funded posts	Number of posts filled	Vacancy rate %	Number of persons additional to the establishment	Vacancy Rate taking additional staff into account
Economist	23	17	26.1	-	26.1
Expenditure Analyst	8	7	12.5	-	12.5
Financial Analyst	17	17	-	-	-
Procurement Specialist	14	9	35.7	-	35.7
State Accountant	3	3	-	1	-
Total	65	53	18.5	1	16.9

3.3 Job evaluation

The Public Service Regulations, 2001 as amended, introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any post in his or her organisation.

Table 3.3.1 summarises the number of posts that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.3.1 Job evaluation, 1 April 2012 to 31 March 2013

Salary Band	Total number of posts	Number of posts evaluated	% of posts evaluated	Posts Upgraded		Posts Downgraded	
				Number	% of number of posts	Number	% of number of posts
Lower skilled (Levels 1 - 2)	2	-	-	-	-	-	-
Skilled (Levels 3 - 5)	21	-	-	-	-	-	-
Highly skilled production (Levels 6 - 8)	54	-	-	-	-	-	-
Highly skilled supervision (Levels 9 - 12)	221	-	-	-	-	-	-
Senior Management Service Band A (Level 13)	17	-	-	-	-	-	-
Senior Management Service Band B (Level 14)	5	-	-	-	-	-	-
Senior Management Service Band C (Level 15)	2	-	-	-	-	-	-
Senior Management Service Band D (Level 16)	1	-	-	-	-	-	-
Total	323	-	-	-	-	-	-

Note: Existing Public Service policy requires departments to subject specifically identified posts (excluding Educator and OSD [occupation-specific dispensation] posts) to a formal job evaluation process. These include newly created posts, as well as posts where the job content has changed significantly. This job evaluation process determines the grading and salary level of a post.

The majority of posts on the approved establishment were evaluated during previous reporting years, and the job evaluation results are thus still applicable.

Table 3.3.2 provides a summary of the number of employees by race, gender and disability whose salary positions were upgraded due to their posts being upgraded.

Table 3.3.2 Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2012 to 31 March 2013

Total number of employees whose salary positions were upgraded due to their posts being upgraded	None
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Table 3.3.2 shows that during the year under review no employees' salary positions were upgraded due to their posts being upgraded.

Table 3.3.3 summarises the number of cases where salary levels exceeded the grade determined by job evaluation (including higher notches awarded). Reasons for the deviation are provided in each case.

Table 3.3.3 Employees who have been granted higher salaries than those determined by job evaluation per race group, 1 April 2012 to 31 March 2013

Major Occupation	Number of employees	Job evaluation level	Remuneration on a higher salary level	Remuneration on a higher notch of the same salary level	Reason for deviation
Procurement Analyst	1	9	-	2 notch increment	Retention (VC3)
Director	1	13	-	2 notch increment	Retention (VC3)
Director	1	13	-	2 notch increment	VC3 - Negotiation for higher notch upon transfer
Total number of employees whose salaries exceed the level determined by job evaluation (including awarding of higher notches) in 2012/2013			3		
Percentage of total employment			1.1		

Table 3.3.4 Employees who have been granted higher salaries than those determined by job evaluation per race group, 1 April 2012 to 31 March 2013

Beneficiaries	African	Indian	Coloured	White	Total
Female	1	-	1	-	2
Male	-	-	-	1	1
Total	1	-	1	1	3
Employees with a disability			-		

3.4. Employment changes

Turnover rates provide an indication of trends in the employment profile of the department during the year under review. The following tables provide a summary of turnover rates by salary band (Table 3.4.1) and by critical occupations (Table 3.4.2).

Table 3.4.1 Annual turnover rates by salary band, 1 April 2012 to 31 March 2013

Salary Band	Number of employees as at 31 March 2012	Turnover rate 2011/12	Appointments into the department	Transfers into the department	Terminations out of the department	Transfers out of the department	Turnover rate 2012/13
Lower skilled (Levels 1 - 2)	2	-	1	-	1	-	50
Skilled (Levels 3 - 5)	16	13.3	3	6	1	-	6.3
Highly skilled production (Levels 6 - 8)	44	14.9	4	7	6	3	20.5
Highly skilled supervision (Levels 9 - 12)	158	9.5	28	11	10	11	13.3
Senior Management Service Band A (Level 13)	15	-	-	2	1	1	13.3
Senior Management Service Band B (Level 14)	3	-	-	1	-	-	-
Senior Management Service Band C (Level 15)	1	-	1	-	-	-	-
Senior Management Service Band D (Level 16)	1	-	-	-	-	-	-
Total	240	10.1	37	27	19	15	14.2
			64		34		

Note: A transfer is when a Public Service official moves from one department to another, on the same salary level.

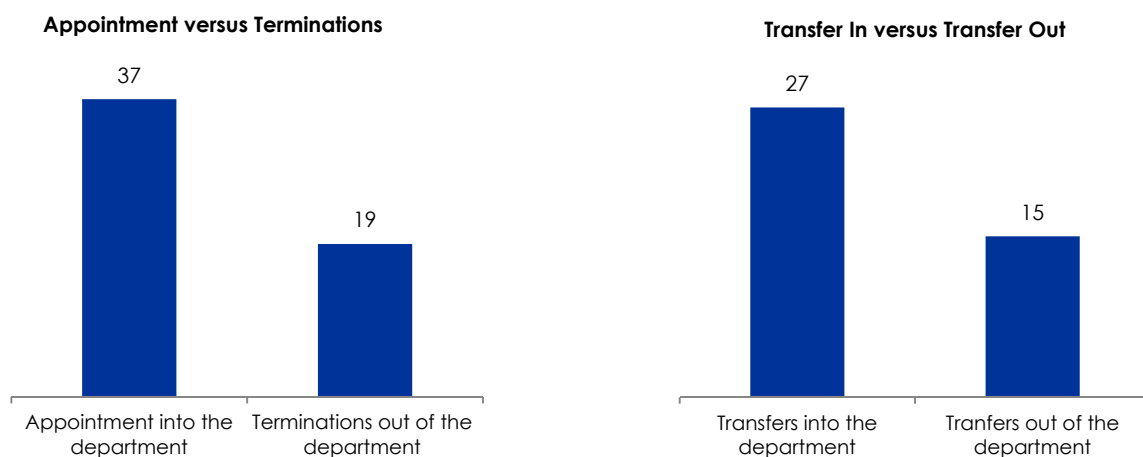
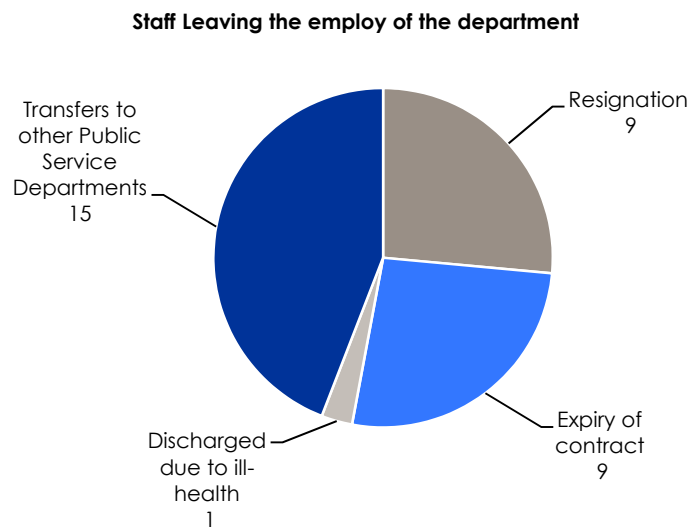
Figure 2 Appointment versus Terminations

Table 3.4.2 Annual turnover rates by critical occupation, 1 April 2012 to 31 March 2013

Critical Occupation	Number of employees as at 31 March 2012	Turnover rate 2011/12	Appointments into the department	Transfers into the department	Terminations out of the department	Transfers out of the department	Turnover rate 2012/13
Economist	18	11.8	3	1	4	1	27.8
Expenditure Analyst	6	-	3	1	2	-	33.3
Financial Analyst	21	9.7	-	1	-	-	-
Procurement Specialist	10	-	-	-	-	1	10
State Accountant	3	-	-	-	-	1	33.3
Total	58	4.4	6	3	6	3	15.5
		9			9		

Table 3.4.3 Staff leaving the employ of the department, 1 April 2012 to 31 March 2013

Exit Category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2012
Death	-	-	-
Resignation	9	26.5	3.8
Expiry of contract	9	26.5	3.8
Dismissal – operational changes	-	-	-
Dismissal – misconduct	-	-	-
Dismissal – inefficiency	-	-	-
Discharged due to ill-health	1	2.9	0.4
Retirement	-	-	-
Employee initiated severance package	-	-	-
Transfers to other Public Service departments	15	-	6.3
Total	34	44.1	14.2

Figure 3 Staff leaving the employment of the department

Note: Table 3.4.3 identifies the various exit categories for those staff members who have left the employ of the Department.

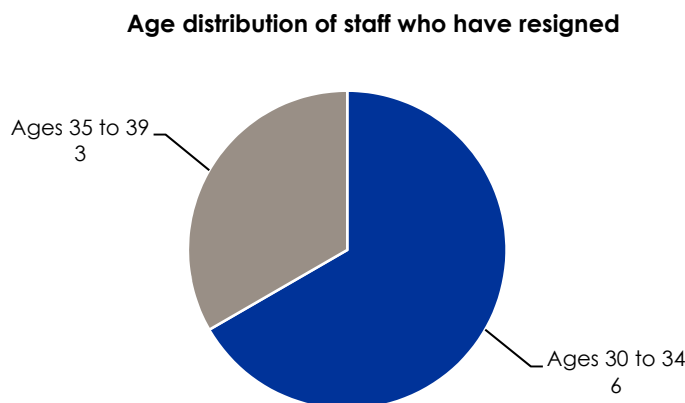
* Resignations are further discussed in tables 3.4.4 and 3.4.5.

Table 3.4.4 Reasons why staff resigned, 1 April 2012 to 31 March 2013

Resignation Reasons	Number	% of total resignations
Better remuneration	1	11.1
No reason provided	8	88.9
Total	9	100

Table 3.4.5 Different age groups of staff who resigned, 1 April 2012 to 31 March 2013

Age group	Number	% of total resignations
Ages <19	-	-
Ages 20 to 24	-	-
Ages 25 to 29	-	-
Ages 30 to 34	6	66.7
Ages 35 to 39	3	33.3
Ages 40 to 44	-	-
Ages 45 to 49	-	-
Ages 50 to 54	-	-
Ages 55 to 59	-	-
Ages 60 to 64	-	-
Ages 65 >	-	-
Total	9	100

Figure 4 Age distribution of staff who have resigned**Table 3.4.6 During the year under review no employee initiated severance packages were granted.**

Total number of employee initiated severance packages in 2012/ 2013	None
---	------

Table 3.4.7 Promotions by salary band, 1 April 2012 to 31 March 2013

Salary Band	Employees as at 31 March 2012	Promotions to another salary level	Promotions as a % of employees	Progressions to another notch within a salary level	Notch progressions as a % of employees
Lower skilled (Levels 1 - 2)	2	-	-	1	50
Skilled (Levels 3 - 5)	16	-	-	11	68.8
Highly skilled production (Levels 6 - 8)	44	4	9.1	33	75
Highly skilled supervision (Levels 9 - 12)	158	7	4.4	137	86.7
Senior management (Levels 13 - 16)	20	1	5	10	50
Total	240	12	5	192	80

Table 3.4.8 Promotions by critical occupation, 1 April 2012 to 31 March 2013

Critical Occupation	Employees as at 31 March 2012	Promotions to another salary level	Promotions as a % of employees	Progressions to another notch within a salary level	Notch progressions as a % of employees
Economist	18	1	5.6	11	61.1
Expenditure Analyst	6	-	-	4	66.7
Financial Analyst	21	-	-	16	76.2
Procurement Specialist	10	-	-	9	90
State Accountant	3	-	-	2	66.7
Total	58	1	1.7	42	72.4

3.5. Employment Equity

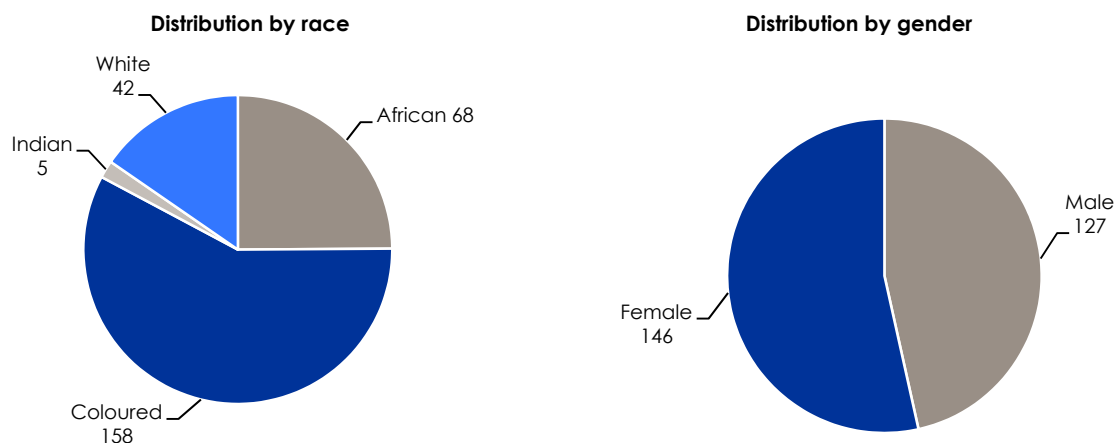
The information provided in this section depicts the department's demographic composition by race, gender and disability, as required by the Employment Equity Act and the Department of Public Service and Administration. Positions in our post establishment require various academic qualifications such as a Senior Certificate, technical qualification or graduate and post-graduate degrees, as well as certain competency levels. The Employment Equity Act states that in determining whether designated groups are equitably represented within an occupational category and level in an employer's workforce a number of factors must be taken into account including, the pool of suitably qualified people from designated groups from which the employer may reasonably be expected to promote or appoint employees. The figures presented in this section do not take these factors into account and do not reflect the fact that the population statistics provided by the 2011 Census reveal that a very small percentage of the Western Cape population have Matric and tertiary qualifications, which constitute the pool of "suitably qualified people" from which the Western Cape Government can employ staff (as specified by the Employment Equity Act and Public Service Regulations). The Department is continuing to invest in measures to broaden the pool of suitably qualified people who can compete for its employment opportunities to broaden its equitable representation in all occupational categories and levels in the workforce.

Table 3.5.1 Total number of employees (including employees with disabilities) in each of the following occupational levels, as at 31 March 2013

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	-	1	1	1	-	-	-	-	-	-	3
Senior management (Levels 13 - 14)	1	7	1	4	1	3	1	3	-	-	21
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	22	49	1	17	25	60	1	8	-	-	183
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	6	3	-	-	7	21	-	8	-	-	45
Semi-skilled and discretionary decision-making (Levels 3 - 5)	3	9	-	-	3	3	-	1	-	-	19
Unskilled and defined decision-making (Levels 1 - 2)	-	1	-	-	-	1	-	-	-	-	2
Total	32	70	3	22	36	88	2	20	-	-	273
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand total	32	70	3	22	36	88	2	20	-	-	273

A = African; C = Coloured; I = Indian; W = White

Note: The figures reflected per occupational levels include all permanent, part-time and contract employees. Furthermore the information is presented by salary level and not post level. For the number of employees with disabilities, refer to Table 3.5.2.

Figure 5 Distribution by race and gender**Table 3.5.2 Total number of employees (with disabilities only) in each of the following occupational levels, as at 31 March 2013**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	-	-	-	-	-	-	-	-	-	-	-
Senior management (Levels 13 - 14)	-	-	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	-	-	-	1	-	1	-	1	-	-	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	-	-	-	-	1	-	-	-	-	-	1
Semi-skilled and discretionary decision-making (Levels 3 - 5)	-	-	-	-	-	-	-	-	-	-	-
Unskilled and defined decision-making (Levels 1 - 2)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	1	1	1	-	1	-	-	4
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand total	-	-	-	1	1	1	-	1	-	-	4

A = African; C = Coloured; I = Indian; W = White

Note: The figures reflected per occupational level include all permanent, part-time and contract employees. Furthermore the information is presented by salary level and not post level.

Table 3.5.3 Recruitment, 1 April 2012 to 31 March 2013

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	-	-	1	-	-	-	-	-	-	-	1
Senior management (Levels 13 - 14)	-	-	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	5	13	1	2	6	16	-	-	-	-	43
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	2	1	-	1	2	4	-	-	-	-	10
Semi-skilled and discretionary decision-making (Levels 3 - 5)	2	3	-	-	2	2	-	-	-	-	9
Unskilled and defined decision-making (Levels 1 - 2)	-	1	-	-	-	-	-	-	-	-	1
Total	9	18	2	3	10	22	-	-	-	-	64
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand total	9	18	2	3	10	22	-	-	-	-	64

A = African; C = Coloured; I = Indian; W = White

Note: Recruitment refers to new employees, including transfers into the Department, as per Table 3.4.1.

Table 3.5.4 Promotions, 1 April 2012 to 31 March 2013

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	-	-	-	-	-	-	-	-	-	-	-
Senior management (Levels 13 - 14)	-	-	-	1	-	-	-	-	-	-	1
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	1	2	-	-	1	2	-	1	-	-	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	1	1	-	-	-	1	-	1	-	-	4
Semi-skilled and discretionary decision-making (Levels 3 - 5)	-	-	-	-	-	-	-	-	-	-	-
Unskilled and defined decision-making (Levels 1 - 2)	-	-	-	-	-	-	-	-	-	-	-
Total	2	3	-	1	1	3	-	2	-	-	12
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand total	2	3	-	1	1	3	-	2	-	-	12

A = African; C = Coloured; I = Indian; W = White

Note: Promotions refer to the total number of employees promoted within the Department, as per Table 3.4.7.

Table 3.5.5 Terminations, 1 April 2012 to 31 March 2013

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	-	-	-	-	-	-	-	-	-	-	-
Senior management (Levels 13 - 14)	-	-	-	1	1	-	-	-	-	-	2
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	6	5	-	-	8	1	-	-	1	-	21
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	-	2	-	-	1	6	-	-	-	-	9
Semi-skilled and discretionary decision-making (Levels 3 - 5)	-	-	-	-	-	1	-	-	-	-	1
Unskilled and defined decision-making (Levels 1 - 2)	-	-	-	-	-	1	-	-	-	-	1
Total	6	7	-	1	10	9	-	-	1	-	34
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand total	6	7	-	1	10	9	-	-	1	-	34

A = African; C = Coloured; I = Indian; W = White

Note: Terminations refer to those employees who have left the employ of the Department, including transfers to other departments, as per Table 3.4.1.

Table 3.5.6 Disciplinary actions, 1 April 2012 to 31 March 2013

Disciplinary actions	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Final written warning	1	1	-	-	1	-	-	-	-	-	3
Suspension without pay	-	1	-	-	1	-	-	-	-	-	2
Total	1	2	-	-	2	-	-	-	-	-	5

A = African; C = Coloured; I = Indian; W = White

Note: The disciplinary actions total refers to formal outcome. For further information on the outcomes of the disciplinary hearings and types of misconduct addressed at disciplinary hearings, please refer to Tables 3.12.2 and Table 3.12.3.

Table 3.5.7 Skills development, 1 April 2012 to 31 March 2013

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15 - 16)	-	1	-	-	-	-	-	-	1
Senior management (Levels 13 - 14)	-	-	-	1	-	1	-	1	3
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	5	8	-	-	3	9	-	2	27
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	6	16	-	2	9	14	-	-	47
Semi-skilled and discretionary decision-making (Levels 3 - 5)	2	4	-	-	5	12	-	1	24
Unskilled and defined decision-making (Levels 1 - 2)	-	-	-	-	-	1	-	-	1
Total	13	29	-	3	17	37	-	4	103
Temporary employees	-	-	-	-	-	-	-	-	-
Grand total	13	29	-	3	17	37	-	4	103

A = African; C = Coloured; I = Indian; W = White

Note: The above table refers to the total number of personnel who received training, and not the number of training courses attended by individuals. For further information on the actual training provided, please refer to Table 3.13.2.

3.6 Signing of performance agreements by SMS members

Table 3.6.1 Signing of Performance Agreements by SMS Members, as at 31 May 2012

SMS Level	Number of funded SMS posts per level	Number of SMS members per level	Number of signed Performance Agreements per level	Signed Performance Agreements as % of SMS members per level
Director-General/Head of Department	1	1	1	100
Salary level 16, but not HOD	-	-	-	-
Salary Level 15	2	1	1	100
Salary Level 14	5	4	4	100
Salary Level 13	16	14	14	100
Total	24	20	20	100

Note: The allocation of performance-related rewards (cash bonus) for Senior Management Service members is dealt with later in the report. Please refer to Table 3.8.5.

Table 3.6.2 Reasons for not having concluded Performance Agreements with all SMS on 31 May 2012

Reasons for not concluding Performance Agreements with all SMS
None required

Table 3.6.3 Disciplinary steps taken against SMS Members for not having concluded Performance Agreements on 31 May 2012

Disciplinary steps taken against SMS Members for not having concluded Performance Agreements
None required

3.7 Filling of SMS posts

Table 3.7.1 SMS posts information, as at 30 September 2012

SMS Level	Number of funded SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Director-General/ Head of Department	1	1	100	-	-
Salary level 16, but not HOD	-	-	-	-	-
Salary Level 15	2	1	50	1	50
Salary Level 14	5	5	100	-	-
Salary Level 13	17	14	82.4	3	17.6
Total	25	21	84	4	16

Table 3.7.2 SMS posts information, as at 31 March 2013

SMS Level	Number of funded SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Director-General/ Head of Department	1	1	100	-	-
Salary level 16, but not HOD	-	-	-	-	-
Salary Level 15	2	2	100	-	-
Salary Level 14	5	5	100	-	-
Salary Level 13	17	16	94.1	1	5.9
Total	25	24	96	1	4.0

Table 3.7.3 Advertising and Filling of SMS posts, as at 31 March 2013

SMS Level	Advertising	Filling of Posts	
	Number of Vacancies per Level Advertised in 6 Months of becoming Vacant	Number of Vacancies per Level Filled in 6 Months after becoming Vacant	Number of Vacancies per Level not Filled in 6 Months but Filled in 12 Months
Director-General/Head of Department	-	-	-
Salary level 16, but not HOD	-	-	-
Salary Level 15	1	-	1
Salary Level 14	-	-	-
Salary Level 13	2	2	-
Total	3	2	1

Table 3.7.4 Reasons for not having complied with the filling of funded vacant SMS posts – Advertised within 6 months and filled within 12 months after becoming vacant

SMS Level	Reasons for non-compliance
Director-General/Head of Department	
Salary level 16, but not HOD	
Salary Level 15	
Salary Level 14	<p>Chief Director: Provincial Government Public Finance</p> <p>The post became vacant during the previous reporting period and was advertised. After assessing the applicants it was decided to embark on a re-advertising process as the number of suitable candidates were limited. The vacancy was re-advertised and a suitable appointment was subsequently made within the current reporting period.</p> <p>Chief Director: Asset Management</p> <p>The post became vacant during the previous reporting period and was advertised. After assessing the applicants it was decided to embark on a re-advertising process as the number of suitable candidates were limited. The vacancy was re-advertised and a suitable appointment was subsequently made within the current reporting period.</p>
Salary Level 13	

Table 3.7.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months

Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months
None

3.8 Employee Performance

To encourage good performance, the Department has granted the following performance rewards allocated to personnel for the performance period 2011/12, but paid in the financial year 2012/13. The information is presented in terms of race, gender, and disability (Table 3.8.3), salary bands (Table 3.8.4 and Table 3.8.5) and critical occupations (Table 3.8.6).

Table 3.8.1 Notch progressions by salary band, 1 April 2011 to 31 March 2012

Salary Band	Employees as at 31 March 2012	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1 - 2)	2	1	50
Skilled (Levels 3 - 5)	16	11	68.8
Highly skilled production (Levels 6 - 8)	44	33	75
Highly skilled supervision (Levels 9 - 12)	158	137	86.7
Senior management (Levels 13 - 16)	20	10	50
Total	240	192	80

Table 3.8.2 Notch progressions by critical occupation, 1 April 2011 to 31 March 2012

Critical Occupations	Employees as at 31 March 2012	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Economist	18	11	61.1
Expenditure Analyst	6	4	66.7
Financial Analyst	21	16	76.2
Procurement Specialist	10	9	90
State Accountant	3	2	66.7
Total	58	42	72.4

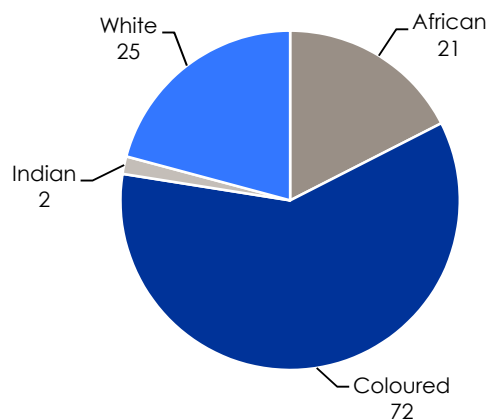
Table 3.8.3 Performance rewards by race, gender, and disability, 1 April 2012 to 31 March 2013

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2012	% of total within group	Cost (R'000)	Average cost per beneficiary (R)
African	21	63	33.3	242	11 523
Male	10	30	33.3	153	15 314
Female	11	33	33.3	89	8 076
Coloured	72	133	54.1	953	13 240
Male	27	57	47.4	406	15 047
Female	45	76	59.2	547	12 155
Indian	2	3	66.7	55	27 398
Male	-	1	-	-	-
Female	2	2	100	55	27 398
White	25	37	67.6	535	21 394
Male	14	20	70	429	30 664
Female	11	17	64.7	106	9 596
Employees with a disability	1	4	25.0	6	5 693
Total	121	240	50.4	1 791	14 798

Note: The above table relates to performance rewards for the performance year 2011/12 and payment effected in the 2012/13 reporting period.

Figure 6 Distribution of beneficiaries who received performance awards

Distribution of Beneficiaries who received performance awards

**Table 3.8.4 Performance rewards by salary bands for personnel below Senior Management Service level, 1 April 2012 to 31 March 2013**

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2012	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of the total personnel expenditure
Lower skilled (Levels 1 - 2)	-	2	-	-	-	-
Skilled (Levels 3 - 5)	6	16	37.5	22	3 729	-
Highly skilled production (Levels 6 - 8)	27	44	61.4	190	7 026	0.2
Highly skilled supervision (Levels 9 - 12)	76	158	48.1	1 067	14 040	1.2
Total	109	220	49.5	1 279	11 735	1.4

Note: The cost is calculated as a percentage of the total personnel expenditure for salary levels 1 - 12, reflected in Table 3.1.2.

Table 3.8.5 Performance rewards (cash bonus), by salary band, for Senior Management Service level, 01 April 2012 to 31 March 2013

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2012	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of the total personnel expenditure
Senior Management Service Band A (Level 13)	9	15	60	273	30 375	1.4
Senior Management Service Band B (Level 14)	-	3	-	-	-	-
Senior Management Service Band C (Level 15)	1	1	100	55	55 182	0.3
Senior Management Service Band D (Level 16)	1	1	100	183	182 910	0.9
Total	11	20	55	511	46 497	2.6

Note: The cost is calculated as a percentage of the total personnel expenditure for salary levels 13 - 16, reflected in Table 3.1.2.

Table 3.8.6 Performance rewards by critical occupations, 1 April 2012 to 31 March 2013

Critical Occupation	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2012	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of total personnel expenditure
Economist	6	18	33.3	128	21 395	0.1
Expenditure Analyst	2	6	33.3	23	11 280	-
Financial Analyst	7	21	33.3	75	10 778	0.1
Procurement Specialist	4	10	40	63	15 865	0.1
State Accountant	1	3	33.3	6	5 579	-
Total	20	58	34.5	295	14 771	0.3

3.9 Foreign Workers

The tables below summarise the employment of foreign nationals in the Department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

Table 3.9.1 Foreign Workers by salary band, 1 April 2012 to 31 March 2013

Salary Band	1 April 2012		31 March 2013		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1 - 2)	-	-	-	-	-	-
Skilled (Levels 3 - 5)	-	-	-	-	-	-
Highly skilled production (Levels 6 - 8)	-	-	-	-	-	-
Highly skilled supervision (Levels 9 - 12)	1	100	-	-	-1	-
Senior management (Levels 13 - 16)	-	-	-	-	-	-
Total	1	100	-	-	-1	-

Note: The table above excludes non-citizens with permanent residence in the Republic of South Africa.

Table 3.9.2 Foreign Workers by major occupation, 1 April 2012 to 31 March 2013

Major Occupation	1 April 2012		31 March 2013		Change	
	Number	% of total	Number	% of total	Number	% change
Economist	1	100	-	-	-1	-
Total	1	100	-	-	-1	-

Note: The table above excludes non-citizens with permanent residence in the Republic of South Africa.

3.10 Leave utilisation for the period 1 January 2012 to 31 December 2012

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 3.10.1) and incapacity leave (Table 3.10.2). In both cases, the estimated cost of the leave is also provided.

Table 3.10.1 Sick leave, 1 January 2012 to 31 December 2012

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	Total number of employees	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1 - 2)	6	50	2	3	66.7	3	1
Skilled (Levels 3 - 5)	111	77.5	15	20	75.0	7	47
Highly skilled production (Levels 6 - 8)	233	73.4	39	49	79.6	6	155
Highly skilled supervision (Levels 9 - 12)	968	75.6	160	201	79.6	6	1 106
Senior management (Levels 13 - 16)	98	73.5	16	25	64.0	6	197
Total	1 416	75.1	232	298	77.9	6	1 506

Note: The three-year sick leave cycle started in January 2010. The information in each case reflects the totals excluding incapacity leave taken by employees. For an indication of incapacity leave taken, please refer to Table 3.10.2.

Table 3.10.2 Incapacity leave, 1 January 2012 to 31 December 2012

Salary Band	Total days	% days with medical certification	Number of Employees using incapacity leave	Total number of employees	% of total employees using incapacity leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1 - 2)	8	100	1	3	33.3	8	2
Skilled (Levels 3 - 5)	-	-	-	20	-	-	-
Highly skilled production (Levels 6 - 8)	69	100	3	49	6.1	23	44
Highly skilled supervision (Levels 9 - 12)	205	100	10	201	5	21	217
Senior management (Levels 13 - 16)	-	-	-	25	-	-	-
Total	282	100	14	298	4.7	20	263

Note: The leave dispensation as determined in the "Leave Determination", read with the applicable collective agreements, provides for normal sick leave of 36 working days in a sick leave cycle of three years. If an employee has exhausted his or her normal sick leave, the employer must conduct an investigation into the nature and extent of the employee's incapacity. Such investigations must be carried out in accordance with item 10(1) of Schedule 8 of the Labour Relations Act (LRA).

Incapacity leave is not an unlimited amount of additional sick leave days at an employee's disposal. Incapacity leave is additional sick leave granted conditionally at the employer's discretion, as provided for in the Leave Determination and Policy on Incapacity Leave and Ill-Health Retirement (PILIR).

Table 3.10.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Commission Bargaining Chamber (PSCBC) in 2000 requires management of annual leave to prevent high levels of accrued leave having to be paid at the time of termination of service.

Table 3.10.3 Annual Leave, 1 January 2012 to 31 December 2012

Salary Band	Total days taken	Total number employees using annual leave	Average days per employee
Lower skilled (Levels 1 - 2)	38	3	13
Skilled (Levels 3 - 5)	361	17	21
Highly skilled production (Levels 6 - 8)	953	48	20
Highly skilled supervision (Levels 9 - 12)	3 684	195	19
Senior management (Levels 13 - 16)	428	23	19
Total	5 464	286	19

Table 3.10.4 Capped leave, 1 January 2012 to 31 December 2012

Salary Band	Total capped leave available as at 31 Dec 2011	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Number of employees with capped leave as at 31 Dec 2012	Total capped leave available as at 31 Dec 2012
Lower skilled (Levels 1 - 2)	-	-	-	-	-	-
Skilled (Levels 3 - 5)	203	-	-	-	3	185
Highly skilled production (Levels 6 - 8)	349	5	2	3	13	304
Highly skilled supervision (Levels 9 - 12)	3 015	24	3	8	47	2 965
Senior management (Levels 13 - 16)	817	-	-	-	7	692
Total	4 384	29	5	6	70	4 146

Note: It is possible for the total number of capped leave days to increase as employees who were promoted or transferred into the Department, retain their capped leave credits, which form part of that specific salary band and ultimately the departmental total.

Table 3.10.5 summarises payments made to employees as a result of leave that was not taken.

Table 3.10.5 Leave pay-outs, 1 April 2012 to 31 March 2013

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave pay-outs for 2012/13 due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave pay-outs on termination of service for 2012/13	13	1	13 020
Current leave pay-outs on termination of service 2012/13	14	1	14 485
Total	27	2	13 752

3.11 HIV and AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure, 1 April 2012 to 31 March 2013

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
The nature of the Department's work does not expose employees to increased risk of contracting HIV/AIDS. Despite the very low occupational risk, all employees have been targeted at all levels within the Department.	<p>HIV/AIDS Counselling and Testing [HCT] and Wellness screenings were delivered in general. The outsourced Health and Wellness contract (Employee Health and Wellness Programme [EHWP]) provides employees with their immediate family members [it means the spouse or partner of an employee or children living with an employee] with a range of services. These services include the following:</p> <ul style="list-style-type: none"> • 24/7/365 Telephone counselling • Face to face counselling (6 + 2 session model) • Trauma and critical incident counselling <p>Training, coaching and targeted Interventions where these were required.</p>

Table 3.11.2 Details of Health Promotion and HIV and AIDS Programmes, 1 April 2012 to 31 March 2013

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	✓		Due to the corporatisation of the Employee Health and Wellness function, the Acting Director: Organisational Behaviour, Denver Heynes (Department of the Premier), fulfilled this role.
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	✓		<p>The Corporate Services Centre (CSC) within the Department of the Premier provides a transversal service to eleven (11) participating departments, including Provincial Treasury.</p> <p>A designated Employee Health and Wellness unit within the Directorate Organisational Behaviour and the Chief Directorate Organisation Development serves to promote the health and wellbeing of employees in the eleven (11) departments.</p> <p>The unit consists of a Deputy Director, three (3) Assistant Directors, four (4) team members and one (1) intern who has since left the Directorate Organisational Behaviour in the fourth quarter for furthering her studies.</p> <p>Budget : R2.5 million</p>

Question	Yes	No	Details, if yes
3. Has the department introduced an Employee Assistance or Health Promotion Programme for employees? If so, indicate the key elements/services of this Programme.	✓		<p>The Department has entered into a service level agreement with ICAS [Service Provider] to render an Employee Health and Wellness Service to the eleven departments serviced by the Corporate Services Centre [CSC].</p> <p>The department conducted interventions namely, Managerial Induction, Employee Induction, Stress Management, Abuse and Sexual Health Awareness, Work Life Balance, Employee Advocacy Awareness, Personal Finance, Managerial Referral, Substance Abuse Financial Wellbeing Managerial Referral and Coaching for employees. These interventions were planned based on the trends reported quarterly through the Employee Health and Wellness Programme [EHWP] reports provided by the service provider, ICAS, for the period 2012/13. The reports were based on the utilisation of the EHW services and management information in order to target appropriate interventions to address these trends.</p> <p>The targeted interventions were aimed at improving employee engagement through awareness and educational interventions that promote healthy lifestyles and coping skills. This involves presentations to create awareness and encourage employees to have a pro-active approach to limit the impact of these problems in the workplace. The above-mentioned interventions were conducted for the targeted departments, including managers and supervisors.</p> <p>The department also provided information sessions, as requested by various departments in the Western Cape Government [WCG] to inform employees of the EHW service, how to access the Employee Health and Wellness Programme [EHWP]. Promotional material such as pamphlets, posters and brochures were distributed.</p>
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	✓		<p>A new Health and Wellness Steering Committee has been established with members nominated by each department.</p> <p>Departmental members are:</p> <p>D Sass & S Sixubane</p>
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	✓		<p>The Transversal Management Framework for Employee Health and Wellness Programmes in the Western Government is in effect and was adopted by the Co-ordinating Chamber of the PSCBC for the Western Cape Province on 10 August 2005.</p> <p>DPSA has developed several national policy documents in 2007/8 that govern Employee Health and Wellness [EHW] in the Public Service and that coordinate the programmes and services in a uniform manner.</p>

Question	Yes	No	Details, if yes
			<p>In this regard, all employment policies make provision for fair practices, regardless of the HIV status of staff or applicants.</p> <p>During the period under review, the Department of the Premier has developed a Transversal Employee Health and Wellness policy. The draft document is being consulted for ratification.</p> <p>Further to this, the Department of Health has currently approved the Transversal HIV and AIDS/STI Workplace Policy and Programme that will be applicable to all departments of the Western Government. The document is in line with the four pillars of the EHW Strategic Framework 2008.</p>
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	✓		<p>The Department implemented existing legislative and policy frameworks as well as Monitoring and Evaluation guidelines, which have been developed by DPSA. The overarching aim of these frameworks is to protect HIV-positive employees by advocating the implementation of the Three Zeros in line with the Joint United Nations Programme on HIV & AIDS (UNAIDS).</p> <p>These are Educational programmes and information sessions developed to eradicate stigma and discrimination and to raise awareness through:</p> <ul style="list-style-type: none"> • Zero new HIV, STI and TB infections • Zero deaths associated with HIV and TB • Zero discrimination <p>The department is conducting the HCT and Wellness screenings to ensure that every employee in the Departments of the Western Cape Government is tested for HIV and screened for TB, at least annually,</p> <p>The aim was to:</p> <ul style="list-style-type: none"> • Reduce HIV and TB discrimination in the workplace. This included campaigns against unfair discrimination and empowerment of employees. • Reduce unfair discrimination in access to services. This included ensuring that Employee Relations Directorate addresses complaints or grievances and provides training to employees. • Other key elements that addressed anti HIV/AIDS discrimination issues were: Wellness Screenings and TB Testing Sessions with specific requests from departments were conducted, posters and pamphlets were distributed, HIV/AIDS counselling [HCT] and TB Testing were conducted, condom programme and spot talks, including [HIV/AIDS speak out programme] were conducted as well.

Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo voluntary counselling and testing (VCT)? If so, list the results that you have achieved.	✓		<p>HCT SESSIONS</p> <p>The following screening sessions were conducted:</p> <p>Blood pressure, Glucose, Cholesterol, TB, BMI [body mass index] and spot talks.</p> <ul style="list-style-type: none"> The Department of Provincial Treasury participated in 3 HCT and Wellness screenings. 50 Employees were tested and counselled for HIV, Tuberculosis and Sexually Transmitted Infections (STI's). There were 0 clinical referrals for TB, HIV or any other STIs.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓		<p>The impact of health promotion programmes is indicated through information provided through the Employee Health and Wellness Contract (external EAP service provider).</p> <p>The Employee Health and Wellness Programme (EHWP) is monitored through Quarterly and Annual reporting. This reporting is provided by the External Service Provider. The most recent annual health review period was 1 April 2012 – 2013.</p> <p>The quarterly and annual review provides a breakdown of the EHWP Human Capital Demographic i.e. age, gender, length of service, dependent utilisation, language utilisation, employee vs. manager utilisation, no. of cases.</p> <p>The review further provides amongst others service utilisation, problem profiling and trending, assessment of employee and organisational risk and the impact thereof on the individual functioning in the work place.</p>

3.12 Labour Relations

The following collective agreements were entered into with trade unions within the department.

Table 3.12.1 Collective Agreements, 1 April 2012 to 31 March 2013

Total collective agreements	None
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The Department did not enter into collective agreements with any trade unions in the period under review.

Table 3.12.2 summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised, 1 April 2012 to 31 March 2013

Outcomes of disciplinary hearings	Number	% of total
Final written warning	3	60
Suspension without pay	2	40
Total	5	100
Percentage of total employment		1.5

Note: Outcomes of disciplinary hearings refer to formal cases only.

Table 3.12.3 Types of misconduct addressed at disciplinary hearings, 1 April 2012 to 31 March 2013

Type of misconduct	Number	% of total
Misrepresentation of Criminal Record	3	100
Total	3	100

Table 3.12.4 Grievances lodged, 1 April 2012 to 31 March 2013

Grievances lodged	Number	% of total
Number of grievances resolved	1	33.3
Number of grievances not resolved	2	66.7
Total number of grievances lodged	3	100

Note: Grievances lodged refers to cases that were finalised within the reporting period. Grievances not resolved refers to cases finalised, but where the outcome was not in favour of the aggrieved and found to be unsubstantiated.

Table 3.12.5 Disputes lodged with Councils, 1 April 2012 to 31 March 2013

Disputes lodged with Councils	Number	% of total
Number of disputes upheld	-	-
Number of disputes dismissed	-	-
Total number of disputes lodged	-	-

Note: Councils refer to the Public Service Coordinating Bargaining Council (PSCBC) and General Public Service Sector Bargaining Council (GPSSBC).

Table 3.12.6 Strike actions, 1 April 2012 to 31 March 2013

Strike actions	Number
Total number of person working days lost	-
Total cost (R'000) of working days lost	-
Amount (R'000) recovered as a result of no work no pay	-

Table 3.12.7: Precautionary suspensions, 1 April 2012 to 31 March 2013

Precautionary suspensions	Number
Number of people suspended	-
Number of people whose suspension exceeded 30 days	-
Average number of days suspended	-
Cost (R'000) of suspensions	-

Note: Precautionary suspensions refer to staff being suspended with pay whilst the case is being investigated.

3.13 Skills Development

This section highlights the efforts of the Department with regard to skills development. Table 3.13.1 reflects the training needs as at the beginning of the period under review, and Table 3.13.2 the actual training provided.

Table 3.13.1 Training needs identified, 1 April 2012 to 31 March 2013

Occupational Categories	Gender	Number of employees as at 1 April 2012	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	7	-	31	-	31
	Male	13	-	30	-	30
Professionals	Female	84	-	224	-	224
	Male	80	-	160	-	160
Technicians and associate professionals	Female	6	-	34	-	34
	Male	5	-	10	-	10
Clerks	Female	29	-	72	-	72
	Male	7	-	16	-	16
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	2	-	6	-	6
Elementary occupations	Female	2	-	1	-	1
	Male	1	-	-	-	-
Sub-total	Female	131	-	362	-	362
	Male	109	-	222	-	222
Total		240	-	584	-	584
Employees with disabilities	Female	3	-	-	-	-
	Male	1	-	-	-	-

Note: The above table identifies the training needs at the start of the reporting period as per the Department's Work Place Skills Plan.

Table 3.13.2 Training provided, 1 April 2012 to 31 March 2013

Occupational Categories	Gender	Number of employees as at 31 March 2013	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	8	-	3	-	3
	Male	16	-	2	-	2
Professionals	Female	93	-	48	-	48
	Male	89	-	56	-	56
Technicians and associate professionals	Female	10	-	8	-	8
	Male	7	-	7	-	7
Clerks	Female	31	-	80	-	80
	Male	10	-	57	-	57
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	2	-	7	-	7
Elementary occupations	Female	1	-	1	-	1
	Male	2	-	-	-	-
Sub-total	Female	143	-	140	-	140
	Male	126	-	129	-	129
Total		273	-	269	-	269
Employees with disabilities	Female	3	-	-	-	-
	Male	1	-	-	-	-

Note: The above table identifies the number of training courses attended by individuals during the period under review.

3.14 Injury on duty

Table 3.14.1 provides basic information on injury on duty.

Table 3.14.1 Injury on duty, 1 April 2012 to 31 March 2013

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	50
Temporary disablement	1	50
Permanent disablement	-	-
Fatal	-	-
Total	2	100
Percentage of total employment		0.6

3.15 Utilisation of Consultants

Table 3.15.1 Utilisation of consultants

REPORT OF CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS 2012/13										
PROGRAMME	CONSULTING FIRM	PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS	CONTRACT VALUE IN RAND (R'000)	TOTAL NUMBER OF PROJECTS	% OWNERSHIPS BY HDI GROUP	% MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUP THAT WORK ON THE PROJECT	HDI VALUE IN RAND (R'000)
Programme 1	Proftrans Language Services	Translation	1	10	71	3	-	-	-	-
	DW le Roux Vertaling Translation	Translation	1	1	2	2	-	-	-	-
	Zama Bekeweni	Translation	1	15	92	3	100%	100%	1	92
	Sydney Z Zotwana (Swon Translator)	Translation	1	1	1	1	100%	100%	1	1
	Thomas Mollet	Translation	1	2	4	1	-	-	-	-
	IsiXhosa Sethu	Translation	1	1	3	3	100%	100%	1	3
	Mrs U Houlby	Translation	1	1	1	1	-	-	-	-
	Ayanda Mbanga Communications	Verification of qualifications	1	1	1	1	65%	75%	-	1
	Makana	Consulting Services	1	365	579	1	100%	100%	Various	579
	AJ Du Plessis	Drafting of PTIs	1	365	872	1	-	-	-	-
Programme 2	University of Cape Town	GMT	1	365	1 360	1	N.A	N.A	N.A	-
	Bureau for Economic Research (BER)	PERO/Exclusivity Fees/Casino/ Fuel Levy	1	365	1 624	3	N.A	N.A	N.A	-
	Corporation for Economic Research	MERO	1	270	872	1	-	-	-	-
	USB-ED	USB Training	1	365	3 070	1	N.A	N.A	N.A	-
	DBSA (Development Bank of Southern Africa)	Compiling a 2012 social accounting matrix for the Western Cape Province	1	365	342	1	N.A	N.A	N.A	-
	Sonderlund & Schutte Consulting Engineers	Development of IDMS and CPS Standards	1	30	69	1	-	-	-	-
Programme 3	Business Connexions	KITSO/ Maintenance	1	365	3 982	1	35.01%	42%	1	1 394
	Makana	Consulting Services	1	365	1 412	1	100%	100%	Various	1 412
Programme 4	Durcharme Consulting	GMT	1	15	164	1	-	-	-	-
Grand total					14 521					

PART E: FINANCIAL INFORMATION

	Page No
Report of the Accounting Officer	137
Report of the Auditor-General	149
Appropriation Statement	154
Notes to the Appropriation Statement	160
Statement of Financial Performance	162
Statement of Financial Position	163
Cash Flow Statement	164
Accounting Policies	165
Notes to the Annual Financial Statements	174
Disclosures Notes to the Annual Financial Statements	183
Annexures	194

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

Report by the Accounting Officer to the Executive Authority and Parliament/Provincial Legislature of the Republic of South Africa.

1. General review of the state of financial affairs

In accordance with Chapter 3 of the 2012 Accounting Officers Guide (preparation Guide) the purpose of this report is to highlight specific financial matters arising out of the 2012/13 reporting period, not raised elsewhere in the Annual Report. Therefore the overview in the sub-sections below will only deal with the relevant issues.

Important policy decisions and strategic issues facing the department

The discussion on the most important events and policy decisions are covered in part A of this document and more specifically under the Foreword of the Minister (Section 7) and the Overview of the Accounting Officer in Section 8.

Comment on major projects undertaken or completed during the year

Sections 7 and 8 in Part A of this Report on pages 16 to 20 in essence provide the major projects that were undertaken during the reporting period and which will also carry through to future financial years. These inter alia include the CGRO and MGRO support actions that were launched by the Provincial Treasury and that should be further developed and sophisticated in future. The further expansion of the provincial supplier database for electronic purchasing, financial management system enhancement, supplier development, and budget formulation are all main areas that will receive on-going attention.

Spending trends

The Department ended the financial year of 2012/13 with an adjusted appropriation of R164.962 million of which R162.283 million was actually spent.

The under spending was due to a combination of projects conceived or commitments that could not be finalised before the end of the financial year and non-filling of vacancies.

The under spending had no direct impact on service delivery or programmes. Most of the performance indicators were achieved and where targets have not been achieved, the Department could substantiate the targets that were not met. An example of this was that under spending within the Departmental activities in the latter part of the year had the effect that funds could be redirected to transfers to Municipalities for high priority services for urgent projects that these municipalities could spend before the end of their financial year end of 30 June 2013.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

Virement

Provisional virement to date was approved by the Member of the Executive Authority on 7 May 2013 and the Department ended with a net under spending of R2.679 million or 1.6 per cent for the reporting period. The details of the shifts between the main divisions can be found on pages 154 to 161 in the Appropriation Statements.

2. Service rendered by the Department

The powers and functions of the Provincial Treasury are mainly determined by the Public Finance Management Act, 1999 (PFMA) and the Municipal Finance Management Act, 2003 (MFMA). All the original powers of the Western Cape Provincial Treasury are vested in the Minister of Finance, Economic Development and Tourism in terms of Chapter 3 of the PFMA, 1999. In terms of Section 20 of this Act, powers are delegated to the Head of the Provincial Treasury and variously to other senior managers and staff. Similar provisions apply in terms of the MFMA, 2003.

Tariff policy

The department has no tariff policy and the only tariffs that are considered for increase is private photo copies that make up a minimal portion of own revenue, i.e. less than R1 000 per annum.

Betting and Gambling

Betting and gambling revenue consists mainly of taxes and licence fees from casinos, limited gambling machines, bookmakers and the totalisator. These fees and taxes are all raised and adjusted periodically as determined by the Western Cape Gambling and Racing Act, 1996 (Act 4 of 1996), as amended.

Functional Financial Training

All training costs provided by the Provincial Treasury to departments and other levels of government are free of charge and these costs are carried within the normal budget of the Vote. The Directorate Interlinked and Financial Systems is mainly responsible for the internal training services of the Provincial Treasury.

Free Services

All services rendered by the Provincial Treasury, to other departments or to municipalities are done so in terms of either the PFMA or MFMA. The Provincial Treasury rendered no free services for the reporting period that could otherwise have yielded significant revenue.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

Inventories

Two types of assets are maintained on the LOGIS System, namely, an inventory of store items and one of moveable assets. Inventory items are included as assets that are reflected in the Disclosure Notes and Annexure 6 of these Statements. Stationery to the value of R195 000 was available in the stationery store as at 31 March 2013. The stationery was recorded on a first in, first out (FIFO) basis.

3. Capacity constraints

Recruitment of competent individuals by the Provincial Treasury remains a challenge and the reconfiguration process approved in November 2011 created many vacancies that had to be filled during the 2012/13 financial year. Nonetheless, the vacancy rate was reduced by 30 per cent over the reporting period.

In addition, the recruitment of both graduate and grade 12 interns during 2011/12 proved to be successful and seventeen graduate interns and ten paid interns were appointed in the department. During the reporting period the graduate interns' contracts were extended with a further period up to the end of May 2013.

4. Trading entities and public entities

The Provincial Treasury has only one Public Entity, namely, the Western Cape Gambling and Racing Board with its main function to regulate all gambling, racing and other related activities. It reports to the Minister of Finance, Economic Development and Tourism. The Branch: Fiscal and Economic Services is responsible for the administrative oversight of its activities.

5. Organisations to whom transfer payments have been made

Transfers were made to municipalities during 2012/13 to strengthen and assist in areas of financial management improvement and internal controls as identified by the Provincial Treasury during the reporting period. The beneficiary, municipalities and quantum of individual transfers are reflected in Annexure 1A of the Financial Statements.

R2.411 million has been transferred to the WCGRB as financial support to the institution in order to fulfil its legislative functions.

6. Corporate governance arrangements

The Department has an active fraud prevention policy in place since the beginning of 2008 and the policy was rewritten during the reporting period and approved by the Accounting Officer in September 2012.

Four meetings (FARMCO) meetings were held to drive the Enterprise Risk management and high level Internal Audit processes in liaison with the Branch Corporate Assurance within DotP.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

All strategic and operational risk registers were updated and the Department received a full score for risk orientation by the Directorate: Enterprise Risk Management.

It was revealed that two officials are members of companies that dealt with departments outside of the Western Cape. In one case, one of the officials already deregistered as a member whilst the other is in the process of deregistration.

The Department received an unqualified Financial Audit Report for 2012/13 from AGSA and adhered to the Accounting Officers responsibilities as contained in sections 38 and 40 of the PFMA (Act 1 of 1999).

7. Discontinued activities

No specific activities were discontinued during the 2012/13 financial year.

8. Asset management

The SCM Unit of the Department completed its annual stocktaking during March and April 2013 and the major and minor assets were reconciled with the Logis System. Furthermore, a total asset count that was undertaken as from October 2012 assisted the Department to fully reconcile its total assets.

Both major and minor assets are reflected in Notes 27 and 28 from page 189 to 193 of these Statements.

9. Interim Financial Statements

All interim Financial Statements were submitted to the Provincial Treasury on the prescribed reporting periods and only minor amendments were suggested by the Accounting Directorate within Provincial Treasury. Four quarterly meetings were held between the Financial Management and the Directorate Accounting with positive results in preparing for future statements. Furthermore the draft AFS was also presented at the Cluster Audit Committee before submission to AGSA on 31 May 2013.

10. Information on predetermined objectives

The Provincial Treasury instituted the following during the 2012/13 financial year to manage predetermined objectives:

- The Directorate: Strategic and Operational Management Services with Sub-directorate: Strategic Management Support Services was created on the establishment to, amongst others, co-ordinate the planning, monitoring and reporting of non-financial information;
- Progress and/or the lack of progress towards achieving of predetermined objectives per programme was discussed quarterly by the Programme Managers and their managers under the chairmanship of the Accounting Officer;

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

- The Directorate SOMS introduced the submission of a portfolio of evidence to substantiate the achievement of quarterly targets; and
- Clear guidelines were provided to all Programme, Sub-programme and Element Managers on the performance planning and reporting.

11. SCOPA resolutions

Root Cause of Problem	SCOPA Resolution	Action taken on SCOPA Resolutions including associated costs	Impact on future financial years
	Enterprise Risk Management Provincial Treasury issues a directive to all Departments in this regard, highlighting the problem, explaining the need and the risks of this not being addressed, and directing the introduction of mechanisms that address this concern.	The responsibility to drive ERM vests within the Branch Corporate Assurance within DotP. The matter will be taken up via the FARMCO process with the relevant representative of that Branch during September 2013.	None
	System Users The Department briefs the Committee on the progress it has made regarding the lack of timeous communication between the departments and Provincial Treasury which resulted in the user accounts not being deactivated immediately after their employment was terminated.	The Corporate Services Relations Management informed the Chief Financial Officer that as from 1 May 2013 all resignations and transfers out of Provincial Treasury will be reported to Financial Management.	If Departments adhere to the PT requests communication should improve.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

Root Cause of Problem	SCOPA Resolution	Action taken on SCOPA Resolutions including associated costs	Impact on future financial years
	System Users (Continued)	<p>From an oversight and functional perspective the responsibility of any Department in terms of System Circular 1 of 2010, dated 7th May 2010 requires a Department to inform PT immediately to de-activate the user accounts of employees that leave.</p> <p>As an additional control measure, PT has implemented a process whereby all active users on the transversal systems are verified against the PERSAL database on a monthly basis, to determine if they are still in the service of a Department and if they are not, immediately de-activated and the relevant Department informed of the correction.</p>	
	<p>New SCoPA template</p> <p>A new SCoPA template be designed relating to the Department's actions on SCOPA resolutions and requests that the Department replaces the old report template with this for the 2012/13 Annual report onwards, once received.</p>	<p>The Directorate Government Accounting within PT requested NT to provide feedback in terms of the above resolution during April 2013. PT did then provide a new generic template in Treasury Circular 20/2013 to all the provincial departments on 16 May 2013. This Department has now compiled the SCOPA resolutions in the new prescribed format.</p>	<p>None, as these inputs are now submitted in the new template.</p>

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

Root Cause of Problem	SCOPA Resolution	Action taken on SCOPA Resolutions including associated costs	Impact on future financial years
	<p>Contingent Liability Litigation</p> <p>The Department prepares a presentation to the Committee on this lawsuit matter.</p> <p>The Department makes provision for the liability that may result from the lawsuit.</p>	<p>Several meetings were held between Legal Services within DotP, the State Attorney and the Directorate FM of the Department regarding the lawsuit matter. It was agreed that the matter be resolved by means of Arbitration. However the law advisors of the plaintiff did not pursue the matter further and the State Attorney proposed to the Department that the case be closed due to a lack of prosecution on part of the plaintiff. The Department requested that the case be closed and confirmation to this effect was received from Legal Services on the 19th August 2013. The matter is now closed.</p>	<p>None</p>
	<p>Internal Audit Coverage</p> <p>The Department drafts a plan to increase internal audit coverage to all provincial government departments and related entities, in order to reduce the negative impact on future audit outcomes, service delivery and on the achievement of predetermined objectives particularly in high risk areas, and presents it to the Committee, once scheduled.</p>	<p>A position paper provided the PTM with various options to increase Internal Audit coverage was not accepted as a result of budget pressures.</p> <p>During a PTM meeting held in February 2013, a principle was approved whereby certain services delivered by the CSC could be enhanced or increased by means of the respective departments contributing to the funding of such service.</p>	<p>Provincial Treasury has issued a communication directive in line with a PTM decision, that where departments wanted to achieve an increased coverage they would need to fund it from their allocated budgets and the extent of this had to be agreed upon at a predetermined stage with each individual department.</p>

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

Root Cause of Problem	SCOPA Resolution	Action taken on SCOPA Resolutions including associated costs	Impact on future financial years
	Internal Audit Coverage (Continued)	This presents an opportunity to approach the Internal Audit coverage differently.	
	30 day payments clause The Department drafts a clause to be inserted into the Accounting Policies of the Department confirming its commitment to complying with generally accepted creditor-payment periods and legislated requirements for payment of creditors within 30 days of receipt of invoice.	After consulting the Chairperson of SCOPA the PT informed the Departments by means of a Circular to insert a paragraph on the compliance with 30 day payments. The Department has included a paragraph to this effect in this report under other matters in paragraph 12 below.	Adherence to stated compliance of 30 day payments in future.
	Staff terminations and transfers The Department closely manages the process when staff leaves its employ to ensure that staff with debt do not leave without at least re-acknowledging their debt and committing to a payment plan (only if settling the debt is impossible).	Terminations: The clearance certificate (Z102) is received from the Corporate Services Relations Management of PT informing the FA that the official is leaving the Department. On the Z102 form, all debts pertaining to the official is indicated before the form is signed off and sent to the Government Employees Pension Administration Fund (GEPF) for processing. GEPF will then deduct all debts indicated on the Z102 form before it pays out the balance to the ex-employee. The amount deducted is paid to the Department by GEPF and upon receipt of the monies; the debts are cleared within the books of the Department.	If the controls are in place for both terminations and transfers and properly adhered to in future, corrective measures should not be needed. It is important to note that the Department cannot control or enforce the collection of debts on other departments and officials who left the employ of government. In the latter case the Department must usually resort to legal processes to resolve outstanding debt.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

Root Cause of Problem	SCOPA Resolution	Action taken on SCOPA Resolutions including associated costs	Impact on future financial years
	Staff terminations and transfers (Continued)	<p>Transfers:</p> <p>Notices of transfers are received by the Financial Accounting Section of the Department from CRU. If the official has a debt, an agreement is obtained from the transferring official that is followed up when the official starts at the new Department.</p> <p>In cases where it is not known whether the transferring official has a debt, Financial Accounting will, when it is known an official is leaving the Department, let them sign an agreement that should any debt be discovered after they have left, they will honour it.</p>	
	<p>Heritage Assets</p> <p>The Department drafts and adopts a heritage assets policy and compiles such a register, in collaboration with the Western Cape Provincial Parliament, and Heritage Western Cape where necessary. The Committee resolved further that the Department tracks and monitors all movement relating to heritage assets including details, with costs, of acquisition, damage, disposal and loss of heritage assets, and that all such details be included in its future annual reports.</p>	<p>Expenditure for Capital assets: the National Treasury's Accounting Guide (GRAP) of March 2011 defines Heritages Assets as assets of cultural, historical, natural scientific, technology or artistic significance that are held indefinitely for the benefit of present and future generations.</p> <p>The paintings, which are classified on the LOGIS Asset Register as heritage assets, do partially meet the definition and characteristics as outlined above.</p>	None

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

Root Cause of Problem	SCOPA Resolution	Action taken on SCOPA Resolutions including associated costs	Impact on future financial years
	Heritage Assets (Continued)	Currently, the relevant paintings (heritage assets) are managed similar to that of all the other assets in the Department and an Asset Management policy was issued during March 2013 to institute control over all such assets.	
	Irregular Expenditure The Department designs and implements adequate prevention and detection controls to ensure that irregular expenditure does not occur.	The department has compiled an improved Finance Instruction (FI3/2013) for irregular or fruitless and wasteful expenditure that was distributed mid-March 2013.	None
	Gifts, donations and sponsorships The Department drafts and adopts a policy that guides the HOD regarding the receipt, assessment and awarding or refusal of applications for gifts, donations and sponsorships to be made, and that it presents this to the Committee for deliberation; further that the Department includes more details relating to this in future annual reports.	The Policy (FI 4/2012 of 15 June 2012) addresses the Gifts received as reflected in Annexure 1E in these Statements.	None

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2013**

12. Other

During the year under review an overpayment to the ministerial driver was detected. This matter dates back a number of years, but is immaterial to the Annual Financial Statements and is still under investigation. Once the exact quantum has been determined, its impact will be reflected in the 2013/14 AFS.

13. Approval

The Annual Financial Statements as set out on pages 154 to 204 have been approved by the Accounting Officer.



JC STEGMANN (DR)
ACCOUNTING OFFICER
DATE: 31 July 2013

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING OFFICER'S STATEMENT OF RESPONSIBILITY
FOR ANNUAL FINANCIAL STATEMENTS**

Statement of Responsibility for the Annual Financial Statements for the year ended 31 March 2013

The Accounting Officer is responsible for the preparation of the department's annual financial statements and for the judgements made in this information.

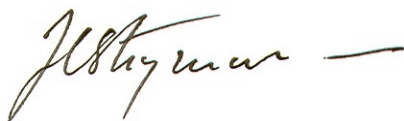
The Accounting Officer is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurance as to the integrity and reliability of the annual financial statements.

In my opinion, the financial statements fairly reflect the operations of the department for the financial year ended 31 March 2013.

The external auditors are engaged to express an independent opinion on the AFS of the department.

The Provincial Treasury's AFS for the year ended 31 March 2013 have been examined by the external auditors and their report is presented on page 149.

The Annual Financial Statements of the Department set out on page 154 to page 204 have been approved.



JC STEGMANN (DR)
ACCOUNTING OFFICER
PROVINCIAL TREASURY
DATE: 31 August 2013

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2013**

**REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT
ON VOTE NO. 3: WESTERN CAPE PROVINCIAL TREASURY**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Western Cape Provincial Treasury set out on pages 154 to 193, which comprise the appropriation statement, the statement of financial position as at 31 March 2013, the statement of financial performance, and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the *Departmental Financial Reporting Framework* prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999) (PFMA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2013**

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Provincial Treasury as at 31 March 2013, and its financial performance and cash flows for the year then ended in accordance with the *Departmental financial reporting framework* prescribed by the National Treasury and the requirements of the PFMA.

Emphasis of matter

7. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Significant uncertainty

8. With reference to note 17 to the financial statements, the department is the defendant in a lawsuit. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Additional matters

9. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited supplementary schedules

10. The supplementary information set out on pages 194 to 204 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Financial reporting framework

11. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework and not that they "present fairly". Section 20(2) (a) of the PAA, however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2013**

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

13. I performed procedures to obtain evidence about the usefulness and reliability of the information in the performance report as set out on pages 33 to 88 of the annual report.
14. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability for the programmes selected for auditing. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury *Framework for Managing Programme Performance Information* (FMPPI).

The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

15. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Additional matters

16. Although no material findings concerning the usefulness and reliability of the performance information were identified in the annual performance report, I draw attention to the following matters below.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2013**

Achievement of planned targets

17. Of the total number of 164 targets planned for the year, 49 were not fully achieved during the year under review. This represents 30% of total planned targets that were not fully achieved during the year under review.

This was due to underspending of the budget relevant to the following programmes:

- Programme 1: The underspending at the end of the reporting period was mainly a result of vacant posts that were not filled.
- Programme 2: The underspending on goods and services was a result of projects that were not completed as expected during the reporting period and vacant posts that were not filled.
- Programme 4: The underspending on goods and services was as a result of commitments that were not processed in time.

Material adjustments to the annual performance report

18. Material misstatements in the annual performance report were identified during the audit, all of which were corrected by management.

Compliance with laws and regulations

19. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the general notice issued in terms of the PAA are as follows:

Human resource management and compensation

20. Employees were appointed without following a proper process to verify the claims made in their applications in contravention of Public Service Regulation 1/V11/D.8.

Internal control

21. I considered internal control relevant to my audit of the financial statements, performance report and compliance with laws and regulations. The matter reported below under the fundamentals of internal control is limited to the significant deficiencies that resulted in the finding on compliance with laws and regulations included in this report.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2013**

Financial and performance management

22. Management did not ensure that sufficient and appropriate monitoring controls were in place to ensure that the verification process for new appointments took place prior to the appointment of the employee and/or did not cover criminal record checks, citizenship verification, financial record checks and reference checks.

OTHER REPORTS

Performance audits

23. A performance audit was conducted on the readiness of government to report on its performance. The focus of the audit is on how government institutions are guided and assisted to report on their performance, as well as the systems and processes that they have put in place. The management report was issued during this year.

Auditor-General

Cape Town
31 July 2013



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2013**

Appropriation per programme									
Programmes	2012/13							2011/12	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1. Administration									
Current payment	33 070	(1 392)	-	31 678	30 910	768	97.6	27 444	27 279
Transfers and subsidies	829	287	-	1 116	1 116	-	100.0	1 183	1 183
Payment for capital assets	2 317	1 087	-	3 404	3 404	-	100.0	2 706	2 633
Payment for financial assets	14	18	-	32	32	-	100.0	43	43
	36 230	-	-	36 230	35 462	768	-	31 376	31 138
2. Sustainable Resource Management									
Current payment	64 657	(4 429)	-	60 228	60 228	-	100.0	58 325	57 874
Transfers and subsidies	5 861	4 429	380	10 670	10 670	-	100.0	3 457	3 457
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
	70 518	-	380	70 898	70 898	-	-	61 782	61 331
3. Asset and Liabilities Management									
Current payment	35 771	-	(380)	35 391	33 930	1 461	95.9	30 706	30 706
Transfers and subsidies	4	-	-	4	4	-	100.0	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
	35 775	-	(380)	35 395	33 934	1 461	-	30 706	30 706
4. Financial Governance									
Current payment	22 434	-	-	22 434	21 984	450	98.0	19 556	19 444
Transfers and subsidies	5	-	-	5	5	-	100.0	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	-	-	-	-	-	-	-	-	-
	22 439	-	-	22 439	21 989	450	-	19 556	19 444
Total	164 962	-	-	164 962	162 283	2 679	98.4	143 420	142 619
Reconciliation with Statement of Financial Performance									
Add: Departmental receipts				88 300				58 924	
Actual amounts per Statement of Financial Performance (Total Revenue)				253 262				202 344	
Actual amounts per Statement of Financial Performance Expenditure					162 283				142 619

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2013**

Appropriation per Economic classification									
Economic classification	2012/13							2011/12	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	110 212	(2 047)	-	108 165	107 182	983	99.1	95 536	94 973
Goods and services	45 720	(3 774)	(380)	41 566	39 870	1 696	95.9	40 466	40 301
Interest and rent on land	-	-	-	-	-	-	-	29	29
Transfers & subsidies									
Provinces & municipalities	3 450	4 420	380	8 250	8 250	-	100.0	3 450	3 450
Departmental agencies & accounts	2 411	-	-	2 411	2 411	-	100.0	83	83
Households	838	296	-	1 134	1 134	-	100.0	1 078	1 078
Gifts and donations	-	-	-	-	-	-	-	29	29
Payment for capital assets									
Machinery & equipment	2 317	1 087	-	3 404	3 404	-	100.0	2 706	2 633
Payment for financial assets									
	14	18	-	32	32	-	100.0	43	43
Total	164 962	-	-	164 962	162 283	2 679	98.4	143 420	142 619

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2013**

**Detail per programme 1 – Administration
for the year ended 31 March 2013**

Details per Sub-Programme	2012/13							2011/12	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1.1 Office of the Minister									
Current payment	5 464	-	-	5 464	5 256	208	96.2	4 925	4 925
Transfers and subsidies	28	-	-	28	28	-	100.0	1	1
1.2 Management Services									
Current payment	9 992	(337)	-	9 655	9 095	560	94.2	6 755	6 590
Transfers and subsidies	801	22	-	823	823	-	100.0	1 176	1 176
1.3 Financial Management									
Current payment	17 614	(1 055)	-	16 559	16 559	-	100.0	15 764	15 764
Transfers and subsidies	-	265	-	265	265	-	100.0	6	6
Payment for capital assets	2 317	1 087	-	3 404	3 404	-	100.0	2 706	2 633
Payment for financial assets	14	18	-	32	32	-	100.0	43	43
Total	36 230	-	-	36 230	35 462	768	97.9	31 376	31 138

Programme 1 Per Economic classification	2012/13							2011/12	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	20 378	(305)	-	20 073	19 576	497	97.5	18 356	18 356
Goods and services	12 692	(1 087)	-	11 605	11 334	271	97.7	9 059	8 894
Interest and rent on land	-	-	-	-	-	-	-	29	29
Transfers & subsidies									
Departmental agencies & accounts	-	-	-	-	-	-	-	83	83
Households	829	287	-	1 116	1 116	-	100.0	1 071	1 071
Gifts and donations	-	-	-	-	-	-	-	29	29
Payment for capital assets									
Machinery & equipment	2 317	1 087	-	3 404	3 404	-	100.0	2 706	2 633
Payment for financial assets									
	14	18	-	32	32	-	100.0	43	43
Total	36 230	-	-	36 230	35 462	768	97.9	31 376	31 138

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2013**

**Detail per programme 2 – Sustainable Resource Management
for the year ended 31 March 2013**

Details per sub-programme	2012/13							2011/12	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
2.1 Programme Support									
Current payment	5 925	(28)	-	5 897	5 897	-	100.0	3 848	3 848
2.2 Fiscal Policy									
Current payment	9 871	(1 165)	-	8 706	8 706	-	100.0	6 693	6 693
Transfers and subsidies	2 411	-	-	2 411	2 411	-	100.0	-	-
2.3 Budget Management									
Current payment	15 534	(1 239)	-	14 295	14 295	-	100.0	16 784	16 784
Transfers and subsidies	-	9	-	9	9	-	100.0	-	-
2.4 Public Finance									
Current payment	33 327	(1 997)	-	31 330	31 330	-	100.0	31 000	30 549
Transfers and subsidies	3 450	4 420	380	8 250	8 250	-	100.0	3 457	3 457
Total	70 518	-	380	70 898	70 898	-	100.0	61 782	61 331

Programme 2 Per Economic classification	2012/13							2011/12	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	47 695	(1 742)	-	45 953	45 953	-	100.0	40 166	39 715
Goods and services	16 962	(2 687)	-	14 275	14 275	-	100.0	18 159	18 159
Transfers & subsidies									
Provinces & municipalities	3 450	4 420	380	8 250	8 250	-	100.0	3 450	3 450
Departmental agencies & accounts	2 411	-	-	2 411	2 411	-	100.0	-	-
Households	-	9	-	9	9	-	100.0	7	7
Total	70 518	-	380	70 898	70 898	-	100.0	61 782	61 331

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2013**

**Detail per programme 3 – Asset and Liabilities Management
for the year ended 31 March 2013**

Details per sub-programme	2012/13							2011/12	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
3.1 Programme Support									
Current payment	2 248	-	-	2 248	1 861	387	82.8	1 054	1 054
3.2 Asset Management									
Current payment	10 438	-	-	10 438	10 029	409	96.1	9 614	9 614
Transfers and subsidies	4	-	-	4	4	-	100.0	-	-
3.3 Supporting and Interlinked Financial Systems									
Current payment	23 085	-	(380)	22 705	22 040	665	97.1	20 038	20 038
Total	35 775	-	(380)	35 395	33 934	1 461	95.9	30 706	30 706

Programme 3 Per Economic classification	2012/13							2011/12	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	22 851	-	-	22 851	22 456	395	98.3	19 815	19 815
Goods and services	12 920	-	(380)	12 540	11 474	1 066	91.5	10 891	10 891
Transfers & subsidies									
Households	4	-	-	4	4	-	100.0	-	-
Total	35 775	-	(380)	35 395	33 934	1 461	95.9	30 706	30 706

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2013**

**Detail per programme 4 – Financial Governance
for the year ended 31 March 2013**

Details per sub-programme	2012/13							2011/12	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
4.1 Programme Support									
Current payment	2 068	-	-	2 068	1 821	247	88.1	1 437	1 437
4.2 Accounting Services									
Current payment	10 632	-	-	10 632	10 553	79	99.3	9 775	9 775
Transfers and subsidies	5	-	-	5	5	-	100.0	-	-
4.3 Norms and Standards									
Current payment	9 734	-	-	9 734	9 610	124	98.7	8 344	8 232
4.4 Provincial Internal Audit									
Total	22 439	-	-	22 439	21 989	450	98.0	19 556	19 444

Programme 4 Per Economic classification	2012/13							2011/12	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	19 288	-	-	19 288	19 197	91	99.5	17 199	17 087
Goods and services	3 146	-	-	3 146	2 787	359	88.6	2 357	2 357
Transfers & subsidies									
Households	5	-	-	5	5	-	100.0	-	-
Total	22 439	-	-	22 439	21 989	450	98.0	19 556	19 444

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2013**

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-D) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (**Annual Appropriation**) to the Annual Financial Statements.

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after virement):

4.1 Per programme

Per Programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Approp. R'000
Administration	36 230	35 462	768	2.12
The underspending at the end of the reporting period was mainly a result of vacant posts that were not filled.				
Sustainable Resource Management	70 898	70 898	0.00	0.00
Asset and Liabilities Management	35 395	33 934	1 461	4.13
The underspending on Goods and Services were as a result of projects that were not completed as expected during the reporting period and vacant posts that were not filled.				
Financial Governance	22 439	21 989	450	2.01
The underspending on Goods and Services were as a result of commitments that could not be processed in time.				

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2013**

4.2 Per economic classification

Per economic classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Approp. %
Current expenditure				
Compensation of employees	108 452	107 182	1 270	1.17
Goods and services	41 566	39 870	1 696	4.08
Transfers and subsidies				
Provinces and municipalities	8 250	8 250	-	-
Departmental agencies and accounts	2 411	2 411	-	-
Households	1 134	1 134	-	-
Payments for capital assets				
Machinery and equipment	3 404	3 404	-	-
Payments for financial assets	32	32	-	-

The underspending on Compensation of employees was mainly due to the non-filling of assistant director and deputy director posts in the Vote. The underspending on Goods and Services were as a result of commitments that could not be processed in time.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2013**

	Note	2012/13 R'000	2011/12 R'000
REVENUE			
Annual appropriation	1	164 962	143 420
Departmental revenue	2	88 300	58 924
TOTAL REVENUE		253 262	202 344
EXPENDITURE			
Current expenditure			
Compensation of employees	3	107 182	94 973
Goods and services	4	39 870	40 301
Interest and rent on land	5	-	29
Total current expenditure		147 052	135 303
Transfers and subsidies			
Transfers and subsidies	7	11 795	4 640
Total transfers and subsidies		11 795	4 640
Expenditure for capital assets			
Tangible capital assets	8	3 404	2 633
Total expenditure for capital assets		3 404	2 633
Payments for financial assets	6	32	43
TOTAL EXPENDITURE		162 283	142 619
SURPLUS FOR THE YEAR		90 979	59 725
Reconciliation of Net Surplus for the year			
Voted Funds	11	2 679	801
Departmental revenue	12	88 300	58 924
SURPLUS FOR THE YEAR		90 979	59 725

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2013**

	Note	2012/13 R'000	2011/12 R'000
ASSETS			
Current Assets		3 390	1 333
Cash and cash equivalents	9	3 104	1 019
Receivables	10	286	314
TOTAL ASSETS		3 390	1 333
LIABILITIES			
Current Liabilities		3 390	1 333
Voted funds to be surrendered to the Revenue Fund	11	2 679	801
Departmental revenue to be surrendered to the Revenue Fund	12	490	424
Bank overdraft	13	-	108
Payables	14	221	-
TOTAL LIABILITIES		3 390	1 333
NET ASSETS		-	-

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**CASH FLOW STATEMENT
for the year ended 31 March 2013**

	Note	2012/13 R'000	2011/12 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		553 935	500 606
Annual appropriated funds received	1.1	164 962	143 420
Departmental revenue received	2	388 973	357 186
Net decrease in working capital		249	(136)
Surrendered to Revenue Fund		(389 708)	(361 948)
Current payments		(147 052)	(135 303)
Payments for financial assets		(32)	(43)
Transfers and subsidies paid		(11 795)	(4 640)
Net cash flow available from operating activities	15	5 597	(1 464)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(3 404)	(2 633)
Net cash flows from investing activities		(3 404)	(2 633)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net decrease in cash and cash equivalents		2 193	(4 097)
Cash and cash equivalents at beginning of period		911	5 008
Cash and cash equivalents at end of period	16	3 104	911

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2013**

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2010.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting.

Under this basis, the effects of transactions and other events are recognised in the financial records when the resulting cash is received or paid. The “modification” results from the recognition of certain near-cash balances in the financial statements as well as the revaluation of foreign investments and loans and the recognition of resulting revaluation gains and losses.

In addition supplementary information is provided in the disclosure notes to the financial statements where it is deemed to be useful to the users of the financial statements.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2013**

1.5 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

2. Revenue

2.1 Appropriated funds

Appropriated funds comprises of departmental allocations as well as direct charges against revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Any amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised as payable in the statement of financial position.

Any amount due from the Provincial Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the Provincial Revenue Fund at the end of the financial year is recognised as a payable in the statement of financial position.

No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure notes to the annual financial statements.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2013**

3. Expenditure

3.1 Compensation of employees

3.1.1 Salaries and wages

Salaries and wages are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50 per cent of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

Employer contributions made by the department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the statement of financial performance.

3.2 Goods and services

Payments made during the year for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5 000). All other expenditures are classified as current.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2013**

Rental paid for the use of buildings or other fixed structures is classified as *goods and services* and not as *rent on land*.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.4 Payments for financial assets

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.6 Unauthorised expenditure

When confirmed unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date stipulated in the Act.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2013**

3.7 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.8 Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

4. Assets

4.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost.

Bank overdrafts are shown separately on the face of the statement of financial position.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

4.2 Other financial assets

Other financial assets are carried in the statement of financial position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2013**

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.5 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

4.6 Capital assets

4.6.1 Movable assets

Initial recognition

A capital asset is recorded in the asset register on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register at R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets" and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

4.6.2 Immovable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2013**

Subsequent recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as "expenditure for capital assets". On completion, the total cost of the project is included in the asset register of the department that is accountable for the asset.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

4.6.3 Intangible assets

Initial recognition

An intangible asset is recorded in the asset register on receipt of the item at cost. Cost of an intangible asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the intangible asset is stated at fair value. Where fair value cannot be determined, the intangible asset is included in the asset register at R1.

All intangible assets acquired prior to 1 April 2002 can be included in the asset register at R1.

Subsequent expenditure

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset" and is capitalised in the asset register of the department.

Maintenance is expensed as current "goods and services" in the statement of financial performance.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are carried at cost in the statement of financial position.

5.2 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2013**

5.3 Contingent assets

Contingent assets are included in the disclosure notes to the financial statements when it is probable that an inflow of economic benefits will flow to the entity.

5.4 Commitments

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.5 Accruals

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.6 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance or the statement of financial position.

5.7 Lease commitments

Finance lease

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as a capital expense in the statement of financial performance and are not apportioned between the capital and the interest portions. The total finance lease payment is disclosed in the disclosure notes to the financial statements.

Operating lease

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statement.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2013**

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements. These receivables are written off when identified as irrecoverable and are disclosed separately.

7. Related party transactions

Specific information with regards to related party transactions is included in the disclosure notes.

8. Key management personnel

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

1. Annual Appropriation

1.1 Annual Appropriation

	Final Appropriation 2012/13 R'000	Actual Funds Received 2012/13 R'000	Funds not requested/ not received 2012/13 R'000	Appropriation Received 2011/12 R'000
Programmes				
ADMINISTRATION	36 230	36 230	-	31 376
SUSTAINABLE RESOURCE MANAGEMENT	70 898	70 898	-	61 782
ASSET AND LIABILITIES MANAGEMENT	35 395	35 395	-	30 706
FINANCIAL GOVERNANCE	22 439	22 439	-	19 556
Total	164 962	164 962	-	143 420

	Note	2012/13 R'000	2011/12 R'000
2. Departmental Revenue			
Tax revenue		382 663	350 603
Sales of goods and services other than capital assets	2.1	2 527	2 163
Fines, penalties and forfeits	2.2	935	313
Interest, dividends and rent on land	2.3	2	-
Transactions in financial assets and liabilities	2.4	2 846	4 107
Total revenue collected		388 973	357 186
Less: Own revenue included in appropriation	12	300 673	298 262
Departmental revenue collected		88 300	58 924
2.1 Sales of goods and services other than capital assets	2		
Sales of goods and services produced by the department		2 527	2 163
Administrative fees		2 485	2 131
Other sales		42	32
Total		2 527	2 163
2.2 Fines, penalties and forfeits	2		
Fines		-	3
Penalties		935	310
Total		935	313

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

	Note	2012/13 R'000	2011/12 R'000
2.3 Interest, dividends and rent on land	2		
Interest		2	-
Total		2	-
2.4 Transactions in financial assets and liabilities	2		
Other Receipts including Recoverable Revenue		2 846	4 107
Total		2 846	4 107
3. Compensation of employees			
3.1 Salaries and wages			
Basic salary		75 998	66 067
Performance award		1 673	1 598
Service Based		215	91
Compensative/circumstantial		1 387	1 113
Periodic payments		-	21
Other non-pensionable allowances		14 613	13 995
Total		93 886	82 885
3.2 Social Contributions			
Employer contributions			
Pension		9 621	8 443
Medical		3 661	3 632
Bargaining council		14	13
Total		13 296	12 088
Total compensation of employees		107 182	94 973
Average number of employees		248	236

Note: The average number of employees are calculated based on permanent staff employed by Provincial Treasury.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

	Note	2012/13 R'000	2011/12 R'000
4. Goods and services			
Administrative fees		100	90
Advertising		246	2 162
Assets less than R5,000	4.1	146	367
Bursaries (employees)		348	338
Catering		440	322
Communication		1 010	861
Computer services	4.2	4 410	4 290
Consultants, contractors and agency/outsourced services	4.3	15 251	13 095
Entertainment		137	107
Audit cost – external	4.4	4 385	8 171
Inventory	4.5	2 564	2 544
Property payments	4.6	501	259
Transport provided as part of the departmental activities		3	44
Travel and subsistence	4.7	4 828	4 344
Venues and facilities		935	736
Training and staff development		492	661
Other operating expenditure	4.8	4 074	1 910
Total		39 870	40 301
4.1 Assets less than R5,000	4		
Tangible assets		146	367
Machinery and equipment		146	367
Total		146	367
4.2 Computer services	4		
SITA computer services		897	509
External computer service providers		3 513	3 781
Total		4 410	4 290
4.3 Consultants, contractors and agency/outsourced	4		
Business and advisory services		14 521	12 583
Legal costs		27	5
Contractors		539	455
Agency and support/outsourced services		164	52
Total		15 251	13 095

Note: Increase in Business and advisory services is due to the roll out of the implementation of Financial systems and additional projects and intervention undertaken by Sustainable Resource Management.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

	Note	2012/13 R'000	2011/12 R'000
4.4 Audit cost – external	4		
Regularity audits		3 394	3 208
Performance audits		547	4 886
Computer audits		444	77
Total		4 385	8 171
4.5 Inventory	4		
Learning and teaching support material		2	-
Food and food supplies		66	89
Other consumables		37	43
Materials and supplies		6	-
Stationery and printing		2 453	2 412
Total		2 564	2 544
4.6 Property payments	4		
Property maintenance and repairs		501	259
Total		501	259
4.7 Travel and subsistence	4		
Local		4 281	3 629
Foreign		547	715
Total		4 828	4 344
4.8 Other operating expenditure	4		
Learnerships		3 638	1 568
Professional bodies, membership and subscription fees		30	226
Resettlement costs		227	-
Gifts		15	25
Other		164	91
Total		4 074	1 910

Note: Increase in learnerships expenditure was a result of post graduate interns and pay interns that were appointed in the department.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

	Note	2012/13 R'000	2011/12 R'000
5. Interest and Rent on Land			
Interest paid		-	29
Total		-	29
6. Payments for financial assets			
Material losses through criminal conduct		15	13
Theft	6.3	15	13
Other material losses written off	6.1	13	12
Debts written off	6.2	4	18
Total		32	43
6.1 Other material losses written off			
Nature of losses			
Missing keys and blue tag to gg vehicle		3	-
GG Vehicle Damages		10	11
Accommodation cancelled		-	1
Total		13	12
6.2 Debts written off	6		
Nature of debts written off			
Interest to bursary debt written off		2	-
Debts written off - Salary overpayments		2	16
Tax debts		-	2
Total		4	18
6.3 Details of theft	6		
Nature of theft			
Stolen Laptop		6	13
Digital recorder & external hard drive		9	-
Total		15	13

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

	Note	2012/13 R'000	2011/12 R'000
7. Transfers and Subsidies			
Provinces and municipalities	Annexure 1A	8 250	3 450
Departmental agencies and accounts	Annexure 1B	2 411	83
Households	Annexure 1C	945	859
Gifts, donations and sponsorships made	Annexure 1D	189	248
Total		11 795	4 640

Note: The increase in Transfers and Subsidies is due to additional funds transferred to municipalities for the improvement of financial management. Funds were also transferred to the Western Cape Gambling and Racing Board who suffered a loss of revenue due to the expiry of casino exclusivity fees.

8. Expenditure for capital assets

Tangible assets		3 404	2 633
Machinery and equipment	27	3 404	2 633
Total		3 404	2 633

8.1 Analysis of funds utilised to acquire capital assets - 2012/13

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	3 404	-	3 404
Machinery and equipment	3 404	-	3 404
Total	3 404	-	3 404

8.2 Analysis of funds utilised to acquire capital assets - 2011/12

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	2 633	-	2 633
Machinery and equipment	2 633	-	2 633
Total	2 633	-	2 633

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

	Note	2012/13 R'000	2011/12 R'000
9. Cash and Cash Equivalents			
Consolidated Paymaster General Account		2 921	-
Cash receipts		-	(2)
Disbursements		-	3
Cash on hand		3	3
Investments (Domestic)		180	1 015
Total		3 104	1 019

		2012/13				
	Note	Less than one year R'000	One to three years R'000	Older than three years R'000	Total R'000	2011/12 R'000
10. Receivables						
Claims recoverable	10.1	99	-	-	99	131
	Annexure 3					
Recoverable expenditure	10.2	145	-	33	178	151
Staff debt	10.3	5	-	-	5	21
Other debtors	10.4	(4)	-	8	4	11
Total		245	-	41	286	314

	Note	2012/13 R'000	2011/12 R'000
10.1 Claims recoverable	10		
National departments		-	-
Provincial departments		99	131
Total		99	131
10.2 Recoverable expenditure (disallowance accounts)	10		
Disallowance miscellaneous		96	130
Disall: Damages & Losses: CA		45	6
Tax debts		1	4
Income tax		33	4
Private Telephone		3	5
Sal:Reversal Control		-	2
Total		178	151

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

	Note	2012/13 R'000	2011/12 R'000
10.3 Staff debt			
Accommodation	10	1	-
Bursary debt		-	17
Theft of laptop		4	4
Total		5	21
10.4 Other debtors			
Debt receivable income		(60)	(73)
Debt receivable interest		(22)	(16)
Ex - Employees			
- Tax		-	4
- Salary		56	65
- Data card debt		-	3
- Bursary debt		30	28
Total		4	11
11. Voted Funds to be Surrendered to the Revenue Fund			
Opening balance		801	4 004
Transfer from statement of financial performance		2 679	801
Paid during the year		(801)	(4 004)
Closing balance		2 679	801
12. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund			
Opening balance		424	1 182
Transfer from Statement of Financial Performance		88 300	58 924
Own revenue included in appropriation		300 673	298 262
Paid during the year		(388 907)	(357 944)
Closing balance		490	424
13. Bank Overdraft			
Consolidated Paymaster General Account		-	108
Total		-	108

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

	Note	2012/13 R'000	2011/12 R'000
14. Payables - current			
Advances received		221	-
Total		221	-
14.1 Advances received			
Balance of bursary monies received from Nedbank in respect of under graduates who commenced studies in 2011		221	-
Total		221	-
15. Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		90 979	59 725
Add back non cash/cash movements not deemed operating activities		(85 382)	(61 189)
Decrease in receivables – current		28	(164)
Decrease in prepayments and advances		-	31
Increase in payables – current		221	(3)
Expenditure on capital assets		3 404	2 633
Surrenders to Revenue Fund		(389 708)	(361 948)
Other non-cash items		300 673	298 262
Net cash flow generated by operating activities		5 597	(1 464)
16. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		2 921	(108)
Cash receipts		-	(2)
Disbursements		-	3
Cash on hand		3	3
Cash with commercial banks (Local)		180	1 015
Total		3 104	911

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

		Note	2012/13 R'000	2011/12 R'000
17. Contingent liabilities and contingent assets				
17.1 Contingent liabilities				
Liable to				
Housing loan guarantees	Employees	Annexure 2A	66	-
Claims against the department		Annexure 2B	800	1 236
Total			866	1 236
17.2 Contingent assets				
Nature of contingent asset				
Overpayment of non-pensionable allowance to ministerial driver			138	-
Total			138	-
18. Commitments				
Current expenditure				
Approved and contracted			536	840
Capital Expenditure (including transfers)				
Approved and contracted			-	36
Total Commitments			536	876
19. Accruals				
Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	1 007	149	1 156	1 556
Capital assets	110	9	119	112
Total	1 117	158	1 275	1 668
Listed by programme level				
Administration			391	1 110
Sustainable Resource Management			519	233
Assets and Liabilities Management			258	168
Financial governance			107	157
Total			1 275	1 668
Confirmed balances with departments		Annexure 4	209	211
Confirmed balances with other government entities		Annexure 4	166	155
Total			375	366

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

	Note	2012/13 R'000	2011/12 R'000
20. Employee benefits			
Leave entitlement		2 134	2 102
Leave entitlement credits		259	173
Service bonus (Thirteenth cheque)		2 743	2 356
Performance awards		1 886	1 667
Capped leave commitments		5 713	5 428
Other		305	194
Total		13 040	11 920

Other benefits includes salary related expenditure in respect of March 2013, but paid in April 2013. For comparative purposes, the employee benefits for 2011/12 has been restated.

The leave entitlement credits of R259 000 represents future leave taken by officials but not captured yet.

21. Lease Commitments

21.1 Finance leases expenditure: Data cards, cellphones and photocopy machines

	Specialised military assets R'000	Land R'000	Buildings & other fixed structures R'000	Machinery and equipment R'000	Total R'000
2012/13					
Not later than 1 year	-	-	-	368	368
Later than 1 year and not later than 5 years	-	-	-	191	191
Total lease commitments	-	-	-	559	559
2011/12					
Not later than 1 year	-	-	-	304	304
Later than 1 year and not later than 5 years	-	-	-	347	347
Total lease commitments	-	-	-	651	651
LESS: finance costs	-	-	-	39	39
Total present value of lease liabilities	-	-	-	612	612

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

21.2 Future finance lease commitments: GG Vehicles

	Within 1 year R'000	2 - 5 years R'000	More than 5 years R'000
2012/13			
Total lease payments	1 066	2 698	328
	Within 1 year R'000	2 - 5 years R'000	More than 5 years R'000
2011/12			
Total lease payments	819	2 139	442

Note: The Provincial Treasury leases 22 vehicles from GMT. Daily tariffs are payable on a monthly basis, covering operational costs, capital costs towards the replacement of vehicles.

	Note	2012/13 R'000	2011/12 R'000
22. Receivables for departmental revenue			
Tax revenue		34 363	31 774
Sales of goods and services other than capital assets		200	96
Fines, penalties and forfeits		46	95
Transactions in financial assets and liabilities		12 282	2 411
Total		46 891	34 376

22.1 Analysis of receivables for departmental revenue

Opening balance	34 376	30 640
Less: Amounts received	33 491	29 755
Add: Amounts recognised	46 006	33 491
Closing balance	46 891	34 376

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

	Note	2012/13 R'000	2011/12 R'000
23. Irregular expenditure			
23.1 Reconciliation of irregular expenditure			
Opening balance		1 801	1 745
Add: Irregular expenditure - relating to current year		849	65
Less: Amounts condoned		(60)	(9)
Irregular expenditure awaiting condonation		2 590	1 801
Analysis of awaiting condonation per age classification			
Current year		849	60
Prior years		1 741	1 741
Total		2 590	1 801
			2012/13 R'000
23.2 Details of irregular expenditure - current year			
Incident	Disciplinary steps taken/criminal proceedings		
Post facto printing approved.	None		849
			849
23.3 Details of irregular expenditure condoned			
Incident	Condoned by		
Refund for personal funds used to procure flowers	Accounting Officer		1
Awards without obtaining three written quotations	Accounting Officer		59
			60

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

	2012/13 R'000
23.4 Details of irregular expenditure under investigation	
Incident	
Payments processed without service providers completing the WCBD4 forms and sub-mitting tax clearance certificates - 2009/10	457
Payments processed without service providers completing the WCBD4 forms and sub-mitting tax clearance certificates - 2010/11	1 284
	1 741

The irregular expenditure of prior years amounting to R1.741 million was submitted to National Treasury during March 2013 by Provincial Treasury and condonation of this amount is still awaited.

	Note	2012/13 R'000	2011/12 R'000
24. Fruitless and wasteful expenditure			
24.1 Reconciliation of fruitless and wasteful expenditure			
Opening balance		11	8
Fruitless and wasteful expenditure – relating to current year		25	4
Less: Amounts resolved		(13)	(1)
Less: Amounts transferred to receivables for recovery		(2)	-
Fruitless and wasteful expenditure awaiting resolution		21	11
24.2 Analysis of awaiting resolution per economic classification			
Current		21	11
Total		21	11
24.3 Analysis of Current Year's Fruitless and wasteful expenditure			2012/13 R'000
Incident	Disciplinary steps taken/criminal proceedings		
Accommodation no show - Lemoenfontein Game Lodge	An admonishment letter was sent to responsible official via her senior manager and 50% of the fruitless and wasteful expenditure was deducted from her.		4
Air ticket - no show	Under investigation.		5
Non attendance - training course	Under investigation.		16
			25

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

25. Related party transaction

The Provincial Treasury occupies a building free of charge managed by the Department of Transport and Public Works. Parking space is also provided for government officials at an approved fee that is not market related.

The Provincial Treasury received corporate services from the Corporate Services Centre of the Department of the Premier in the Western Cape Province with effect from 1 November 2010 in respect of the following service areas:

- Information and Communication Technology
- Organisation Development
- Provincial Training (transversal)
- Human Resource Management
- Enterprise Risk Management
- Internal Audit
- Forensic investigations
- Legal Services
- Corporate Communication

The Western Cape Gambling and Racing Board is the collecting agent for taxes due to the Provincial Revenue Fund via the vote of this Department.

A related party relationship exists between the Department and Government Motor Transport (GMT) with regard to the management of government motor vehicles of the Departments. This relationship is based on an arm's length transaction in terms of tariffs approved by the Provincial Treasury.

Provincial Treasury received Security Advisory Services and Security Operations from the Department of Community Safety in the Western Cape.

	No. of Individuals	2012/13 R'000	2011/12 R'000
26. Key management personnel			
Political office bearers (provide detail below)	1	1 652	1 566
Officials:			
Level 15 to 16	3	3 449	3 651
Level 14 (incl CFO if at a lower level)	6	5 405	3 789
Total		10 506	9 006

Note: The Chief Financial Officer is appointed on salary level 13 but has been included with the information for salary level 14 statistics.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

27. Moveable Tangible Capital Assets

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2013**

	Opening balance R'000	Current Year Adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
HERITAGE ASSETS	280	-	-	-	280
Heritage assets	280	-	-	-	280
MACHINERY AND EQUIPMENT	13 973	14	2 525	2 847	13 665
Transport assets	3 109	-	577	316	3 370
Computer equipment	7 996	14	1 740	2 048	7 702
Furniture and office equipment	1 501	-	143	205	1 439
Other machinery and equipment	1 367	-	65	278	1 154
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	14 253	14	2 525	2 847	13 945

27.1 Additions

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2013**

	Cash R'000	Non-cash R'000	(Capital work- in-progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
MACHINERY AND EQUIPMENT	3 404	658	(1 431)	(106)	2 525
Transport assets	1 050	563	(1 036)	-	577
Computer equipment	1 846	-	-	(106)	1 740
Furniture and office equipment	78	65	-	-	143
Other machinery and equipment	430	30	(395)	-	65
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	3 404	658	(1 431)	(106)	2 525

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

27.2 Disposals

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2013**

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash received Actual R'000
MACHINERY AND EQUIPMENT	52	2 795	2 847	-
Transport assets	-	316	316	-
Computer equipment	-	2 048	2 048	-
Furniture and office equipment	52	153	205	-
Other machinery and equipment	-	278	278	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	52	2 795	2 847	-

27.3 Movement for 2011/12

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2012**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
HERITAGE ASSETS	280	-	-	280
Heritage assets	280	-	-	280
MACHINERY AND EQUIPMENT	11 402	2 933	362	13 973
Transport assets	1 968	1 285	144	3 109
Computer equipment	7 126	1 068	198	7 996
Furniture and office equipment	1 115	386	-	1 501
Other machinery and equipment	1 193	194	20	1 367
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	11 682	2 933	362	14 253

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

27.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Specialised military assets	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	140	5 385	-	5 525
Curr Year Adjustments to Prior Yr Balances	-	453	-	(1)	-	452
Additions	-	-	4	1 473	-	1 477
Disposals	-	-	10	1 477	-	1 487
TOTAL MINOR ASSETS	-	453	134	5 380	-	5 967

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Number of minor assets at cost	-	111	91	4 820	-	5 022
TOTAL NUMBER OF MINOR ASSETS	-	111	91	4 820	-	5 022

Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Specialised military assets	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	140	5 097	-	5 237
Additions	-	-	-	335	-	335
Disposals	-	-	-	47	-	47
TOTAL MINOR ASSETS	-	-	140	5 385	-	5 525

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

27.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2013

	Specialised military assets	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	15	-	15
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	15	-	15

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2012

	Specialised military assets	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	13	-	13
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	13	-	13

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

28. Intangible Capital Assets

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2013**

	Opening balance R'000	Curr year adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
COMPUTER SOFTWARE	418	(369)	-	49	-
TOTAL INTANGIBLE CAPITAL ASSETS	418	(369)	-	49	-

Disposals

**28.1 DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2013**

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash received Actual R'000
COMPUTER SOFTWARE	-	49	49	-
TOTAL INTANGIBLE CAPITAL ASSETS	-	49	49	-

28.2 Movement for 2011/12

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2012**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
COMPUTER SOFTWARE	418	-	-	418
TOTAL INTANGIBLE CAPITAL ASSETS	418	-	-	418

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

ANNEXURE 1A**STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2011/12
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Witzenberg Municipality	-	-	-	-	-	-	-	-	-	-	300
Theewaterskloof Municipality	-	-	-	-	-	-	-	-	-	-	400
Laingsburg Municipality	-	-	150	150	400	-	-	400	-	-	300
Bitou Municipality	-	-	200	200	200	-	-	200	-	-	200
George Municipality	-	-	200	200	200	-	-	200	-	-	200
Overberg Municipality	-	-	-	-	550	-	-	550	-	-	150
Oudtshoorn municipality	-	-	250	250	250	-	-	250	-	-	100
Kannaland municipality	-	-	300	300	300	-	-	300	-	-	100
Beaufort West municipality	-	-	150	150	400	-	-	400	-	-	300
Matzikama Municipality	-	-	200	200	200	-	-	200	-	-	300
Prince Albert Municipality	-	-	150	150	400	-	-	400	-	-	200
Saldanha municipality	-	-	-	-	-	-	-	-	-	-	200
Cape Agulhas Municipality	-	-	-	-	-	-	-	-	-	-	200
Mossel Bay Municipality	-	-	150	150	150	-	-	150	-	-	200
Swartland Municipality	-	-	450	450	750	-	-	750	-	-	300
Stellenbosch Municipality	-	-	300	300	300	-	-	300	-	-	-
Cederberg Municipality	-	-	400	400	400	-	-	400	-	-	-
Bergriver Municipality	-	-	200	200	200	-	-	200	-	-	-
Swellendam Municipality	-	-	-	-	1 350	-	-	1 350	-	-	-
Central Karoo Municipality	-	-	-	-	700	-	-	700	-	-	-
Knysna municipality	-	-	350	350	350	-	-	350	-	-	-
Eden District Municipality	-	-	-	-	550	-	-	550	-	-	-
West Coast Municipality	-	-	-	-	300	-	-	300	-	-	-
Cape Winelands Municipality	-	-	-	-	300	-	-	300	-	-	-
Total	-	-	3 450	3 450	8 250	-	-	8 250	-	-	3 450

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

ANNEXURE 1B**STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/AGENCY /ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2011/12
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds	Appro- priation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Western Cape Gambling and Racing Board	-	-	2 411	2 411	2 411	100.0	83
	-	-	2 411	2 411	2 411		83

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

**ANNEXURE 1C
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				TRANSFER		2011/12
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appro- priation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Leave Gratuity	-	-	-	-	127	-	11
Bursaries to non-employees	-	-	838	838	818	1	846
Injury on Duty	-	-	-	-	-	-	2
Total	-	-	838	838	945		859

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

**ANNEXURE 1D
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND
PAYMENTS MADE AS AN ACT OF GRACE**

NATURE OF GIFT, DONATION OR SPONSORSHIP	2012/13	2011/12
	R'000	R'000
Paid in cash		
- Gift voucher to speaker at Library events	1	2
- Books given as gifts on overseas visits	-	5
- Gifts given during MEC's visit to Angola	-	2
- Gifts to suppliers at open day	4	-
- Gift vouchers (music providers at Employees Appreciation Day)	3	-
Best performing Previously Disadvantage Schools	-	-
- Hector Petersen High School	-	50
- Livingstone High School	-	50
- Malibu High School	50	-
- Mondale High School	50	-
Essay competition		
- Laptops to teachers of best performing learners	20	59
- Cash prizes to teachers	30	50
- Cash prizes to learners	27	26
- Gift vouchers to curriculum advisors	4	4
Total	189	248

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

**ANNEXURE 1E
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2012/13	2011/12
		R'000	R'000
Received in cash			
Nedbank	Contribution towards Bursary awards ceremony and essay writing competition	-	67
		-	67

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

ANNEXURE 2A**STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2013 - LOCAL**

GUARANTOR INSTITUTION	Gurarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2012	Guarantees draw downs during the year	Guaranteed repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2013	Guaranteed interest for year ended 31 March 2013	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Housing									
Standard Bank	Ngcwazi VG	66	-	66	-	-	66	-	-
	Total	66	-	66	-	-	66	-	-

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

**ANNEXURE 2B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2013**

Nature of liability	Opening balance 1 April 2012 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/ reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing balance 31 March 2013 R'000
Claims against the department					
Khulani Personnel Group	1 236	-	436	-	800
Total	1 236	-	436	-	800

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

**ANNEXURE 3
CLAIMS RECOVERABLE**

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Department of Health	-	-	54	-	54	-
Dept of Economic Development and Tourism	-	56	-	-	-	56
Department of Local Government	-	24	-	-	-	24
Department of Education	-	51	-	-	-	51
Department of Social Development	-	-	18	-	18	-
Department of Finance - North West	27	-	-	-	27	-
Total	27	131	72	-	99	131

As at 31 March 2013, the departments of Health and Social Development did not agree with the balances owed to Provincial Treasury as they processed the outstanding balances on 28 March 2013. Provincial Treasury received the outstanding monies into its bank account on 4 April 2013.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

**ANNEXURE 4
INTER-GOVERNMENT PAYABLES**

Government entity	Confirmed balance		Unconfirmed balance		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department of Premier	209	39	-	-	209	39
Department of Social Development	-	39	-	-	-	39
Department of Education	-	19	-	-	-	19
Eastern Cape Provincial Treasury	-	114	-	-	-	114
Total Departments	209	211	-	-	209	211
Other Government Entity						
Current						
Government Motor Transport	166	155	-	-	166	155
Total Other Government Entities	166	155	-	-	166	155
TOTAL INTERGOVERNMENTAL	375	366	-	-	375	366

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

**ANNEXURE 5
INVENTORY**

	2012/13		2011/12	
	Quantity	R'000	Quantity	R'000
Inventory				
Opening balance	4 703	180	6 680	155
Add: Additions/Purchases - Cash	31 469	1 217	24 613	1 294
(Less): Issues	(31 583)	(1 202)	(26 590)	(1 269)
Closing balance	4 589	195	4 703	180

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2013**

ANNEXURE 6**INTER-ENTITY ADVANCES RECEIVED (note 14)**

Confirmed balance		Unconfirmed balance		Total	
31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
R'000	R'000	R'000	R'000	R'000	R'000

OTHER INSTITUTIONS**Current**

Nedbank - Bursary monies for students	-	-	221	-	221	-
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Total	-	-	221	-	221	-
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