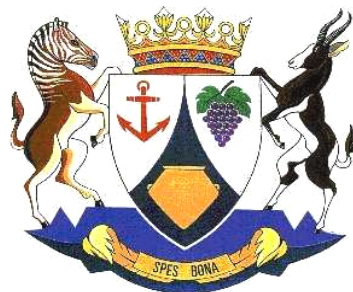


**Provincial Government Western Cape  
Provincial Treasury**

**ANNUAL REPORT**  
2008/2009



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**Provincial Treasury**

# **ANNUAL REPORT**

**Mr Garth Strachan**  
**Minister of Finance, Economic Development and Tourism**

## **REPORT OF THE ACCOUNTING OFFICER OF THE PROVINCIAL TREASURY FOR THE PERIOD 1 APRIL 2008 TO 31 MARCH 2009**

It's my honour, in accordance with section 40(1)(d) of the Public Finance Management Act, 1999, the Public Service Act, 1994 and Treasury Regulation 18, to submit the Annual Report of the Provincial Treasury, Western Cape for the period 1 April 2008 to 31 March 2009.

**Dr JC Stegmann**  
**ACCOUNTING OFFICER**

**DATE: 31 AUGUST 2009**



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# Abbreviations

ABET	Adult Basic Education and Training
ACFI	Annual Consolidated Financial Information
ACFS	Annual Consolidated Financial Statements
AFR	Asset Finance Reserve
AFS	Annual Financial Statements
AG	Auditor-General
AGSA	Auditor-General South Africa
AMR	Asset Management Reforms
AO	Accounting Officer
APP	Annual Performance Plan
ASB	Accounting Standards Board
BAS	Basic Accounting System
BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
BIF	Business Insight Folder
BTO	Budget and Treasury Office
CFO	Chief Financial Officer
CPD	Corporation for Public Deposits
DBC	Departmental Bid Committee
DBSA	Development Bank of Southern Africa
DEDAT	Department of Economic Development and Tourism
DG	Director-General
DITCOM	Departmental IT Committee
DLGH	Department of Local Government and Housing
DORA	Division of Revenue Act
DoTP	Department of the Premier
DPSA	Department of Public Service and Administration
EAP	Employee Assistant Programme
EPS	Electronic Purchasing System
ERA	Enterprise Risk Assessor
ERM	Enterprise Risk Management
FFC	Financial Fiscal Commission
FGR&O	Financial Governance Review and Outlook
FIFO	First in first out

FMIP	Financial Management Improvement Programme
FMS	Financial Management System
GIAMA	Government-wide Immovable Asset Management Act
GRAP	Generally Recognised Accounting Practice
HDI	Historically Disadvantaged Individual
HOD	Head of Department
HRM	Human Resource Management
IDIP	Infrastructure Delivery Improvement Programme
IDP	Individual Development Plan
IDP	Integrated Development Plan
IFMS	Integrated Financial Management System
IGCC	Inter-Governmental Cash Co-ordinating System
IMFO	Institute of Municipal Finance Officers
IMLC	Institutional Management and Labour Committee
IT	Information Technology
IYM	In-year monitoring
LG	Local Government
LG MTEC	Local Government – Medium Term Expenditure Committee
LOGIS	Logistical Information System
MEC	Member of Executive Council
MFMA	Municipal Finance Management Act
MTBPS	Medium Term Budget Policy Statement
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
NCOP	National Council of Provinces
NGO	Non-governmental Organisation
NT	National Treasury
OSD	Occupational Services Dispensational
PDF	Project Development Fund
PER&O	Provincial Economic Review and Outlook
PERSAL	Personnel and Salary Administration System
PFMA	Public Finance Management Act
PG MTEC	Provincial Government – Medium Term Expenditure Committee
PGWC	Provincial Government Western Cape
PMF	Performance Management Framework
PPP	Public Private Partnerships
PRF	Provincial Revenue Fund
PSCBC	Public Service Commission Bargaining Council
PT	Provincial Treasury



QMS	Quality Management System
QPR	Quarterly Performance Report
REAL	Revenue, Expenditure, Assets, Liabilities
SALGA	South African Local Government Association
SAM	Social Accounting Matrix
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
SEP-LG	Socio-economic Profiles of Local Government
SETA	Sector Education and Training Authority
SITA	State Information Technology Agency
SMME	Small Medium and Micro Enterprise
SMS	Senior Management Service
StatsSA	Statistics South Africa
T&PW	Transport and Public Works
TMM	Top Management Meeting
WCED	Western Cape Education Department
WCGRB	Western Cape Gambling and Racing Board
WC-MTBPS	Western Cape Medium Term Budget Policy Statement
Wesgro	Western Cape Investment and Trade Promotion Agency



# General Information

## Introduction by the Accounting Officer

Provincial Treasuries have an invidious position within government: not only are they called upon to finance government priorities and community needs, but the two main acts mandating their roles and functions, require a close involvement in the business of departments, entities and municipalities. This it has to accomplish without abrogating the responsibilities that accounting officers have in running and managing their own organisations, and at the same time endeavour to build professional relationships across the various tacit boundaries. However, when funding problems arise or when accounting officers do not apply the required degree of fiscal rectitude or do not spend wisely, treasuries are supposed and indeed called upon to intervene and sufficiently so to bring the ship back on course.

How it achieves its mandate in such circumstances require constant monitoring, a great deal of wisdom, resilience, innovation, good planning and internal capacity and professionalism to be able to deliver the requisite levels and extent of advice, guidance and bespoke interaction. What has further bedevilled Treasury's position was the sharply deteriorating economic situation over the last half of the reporting period, which not only significantly reduced the amount of resources available for the next financial year, but also required the imposition of more intensive cash flow management measures.

The goals and objectives as reported on, are broadly speaking, desired outcomes and over time establishing benchmarks and getting to a stage where we can collectively and systematically improve the overall standard of financial governance in departments, entities and municipalities. It should be noted that although the broad strategic areas are the same, the three groupings differ in many respects, requiring their own tailored approaches.

Together with the National Treasury, a financial capability model is being developed that rates the overall performance of departments in a more sophisticated way: this model is currently being rolled out, augmenting the Provincial Treasury's own efforts towards establishing proper benchmarks.

Although there have been measurable improvements towards the goals set, overall the pace and scope of improvement has been disappointingly slow, with even some lapses in standards, judiciousness and propriety. Much depends on capacities and work ethic internal to Treasury, but more substantially to that within entities, departments and municipalities, inclusive of the degree of stability and external shocks that have to be accommodated.

In the end it's about the level of capacity, dedication, professionalism and stability of the public service, particularly those in financial and performance governance, as well as in leadership positions. In our experience, we still have a significant journey ahead.

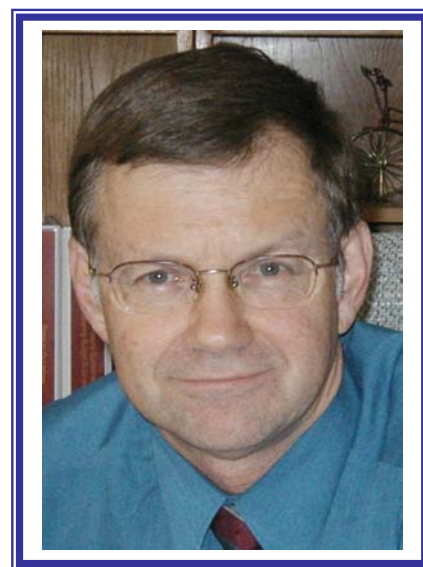
Therefore significant effort went into recruiting and retention processes and improving the internal functioning and inter-personal relationships both within the various Treasury units as well as between them, so as to heighten its abilities and the value of its interactions with others. It gives me pleasure to report that the vacancy and turnover rates have come down substantially, unit integration and team building are moving forward, the reconfiguration is rendering dividends and overall that we are becoming a much more well-oiled and efficient organisation, but with the realisation that it will require constant work to not only operate at increasing higher levels of delivery, but also to keep it there.

Challenges faced during 2008/09 were notably the following:

- Strengthening links within and between departments, municipalities and entities, improving financial governance and efforts to deliver on the socio-economic needs of society.
- Stabilising and building the Provincial Treasury team by paying intensive attention to the raising of both hard and soft skills.
- Generally improving the cohesion and synergy between the different spheres of government towards better efficiency in resource utilisation and service delivery.

Achievements included the following:

- Recruitment of appropriately qualified individuals, lowering of attrition rates, development of staff by means of training support and extension of bursary opportunities.
- The successful planning, co-ordination and implementation of the various LGMTEC and PGMTEC processes.
- Continued interactions with departments to improve targeting of resource allocations in response to socio-economic analyses and national priorities.



*Dr JC Stegmann  
Accounting Officer  
Provincial Treasury*

- Distributed several publications such as the Medium Term Budget Policy Statement (MTBPS) 2009 – 2012, the annual Provincial Economic Outlook and Review (PER&O) and the Financial Governance Review and Outlook 2008.

In closing it may be worthwhile to reflect on Professor Anders Ericsson's<sup>1</sup> 10,000 hour rule: according to his research it takes at least 10,000 hours to be really good or expert at what one has to accomplish, but only through a process known as deliberate practice. I.e. it is not about the mere repetition of a task, but rather through the establishment of specific goals, obtaining robust feedback and concentrating on both technique and on outcome. Applying this criterion to the public service and more specifically to the field of financial governance, throws up many challenges still to overcome.



**Dr JC Stegmann**  
**ACCOUNTING OFFICER: PROVINCIAL TREASURY**

**DATE: 31 AUGUST 2009**

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<sup>1</sup> Conradi Eminent Scholar and Professor of Psychology at Florida State University. He is widely recognised as one of the world's leading theoretical and experimental researchers on expertise.

## The Ministry

Ms Lynne Brown was the Minister of Finance and Tourism for the period since 27 July 2005 until 24 July 2008 when she became Premier of the Province.

On 31 July 2008 Mr Garth Strachan became the next Minister of Finance, Economic Development and Tourism.

As Heads of the Provincial Treasury both Ms Brown's and Mr Strachan's duties included leading the Provincial Treasury and being members of the Budget Council and National Budget Forum, both chaired by the previous national Minister of Finance (Minister Trevor Manuel). Both were also Executive members responsible for the Western Cape Gambling and Racing Board.

### Bills

The Bills that the Executive Authority submitted to the Western Cape Provincial Parliament during the reporting period of 2008/09 are the following:

- Western Cape Appropriation Bill, 2008
- Western Cape Adjustments Appropriation Bill, 2008
- Western Cape Special Adjustment Appropriation Bill, 2008

### Visits abroad

During the 2008/09 financial year, none of the two Provincial Ministers made any visits abroad.



*Ms L Brown  
Minister of Finance  
and Tourism*



*Mr G Strachan  
Minister of Finance,  
Economic Development and Tourism*

## VISION

Systematically endeavour to improve social and economic equity in the Province via our change agent role in financial resource allocation, guidance of expenditures and promotion of better corporate governance in both the provincial and municipal spheres.

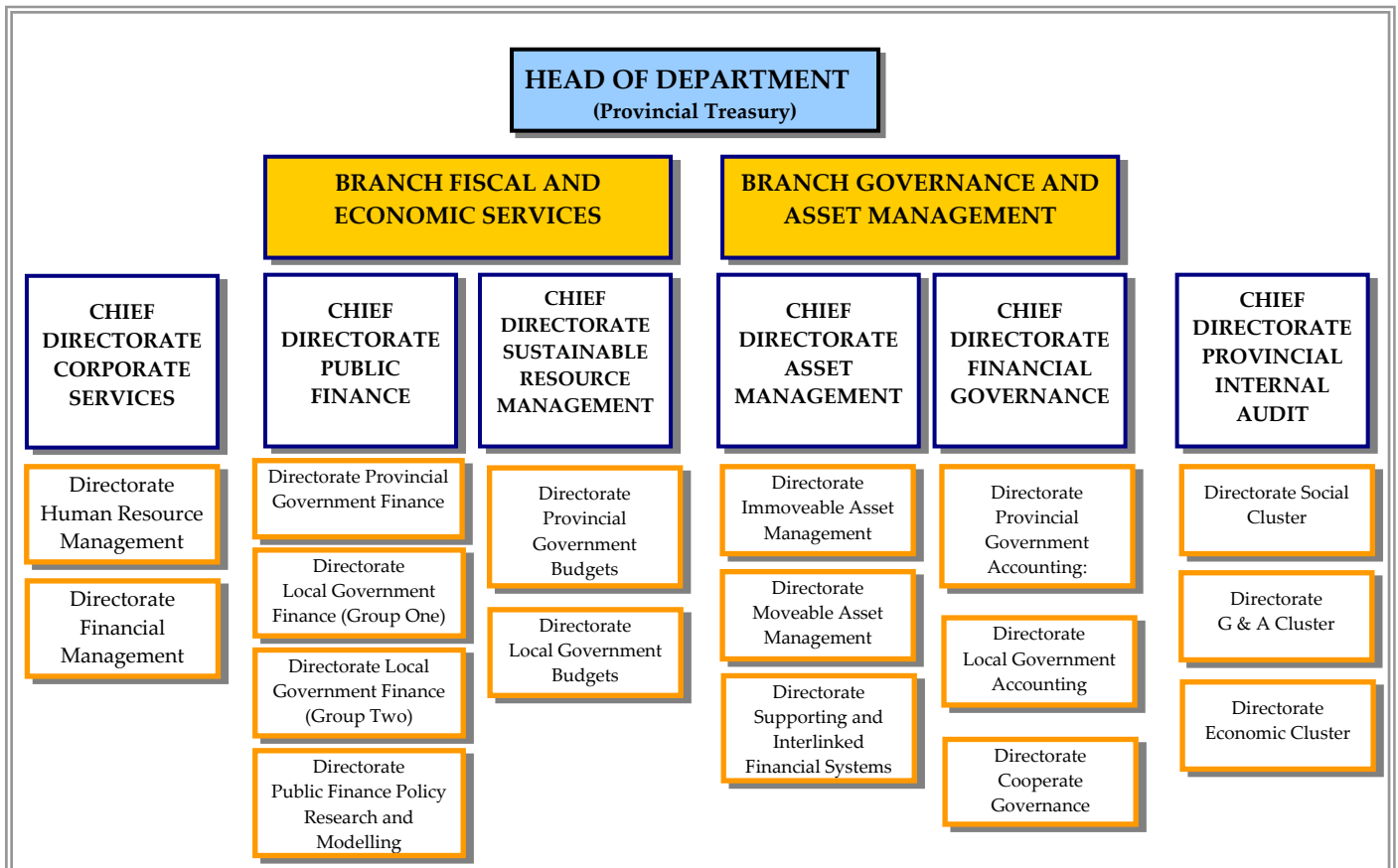
## MISSION

To obtain the required financial and other supportive means and to utilise these optimally in pursuit of Treasury's vision and supporting strategic goals.

## DEPARTMENTAL ETHOS

- To give effect to the Public Service Code of Conduct;
- To be of service;
- To empower people;
- To be an employment equity employer; and
- To be aware of, and to cultivate respect for our country's heterogeneity.

## ORGANISATIONAL STRUCTURE



## Legislative mandates

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

- **Annual Division of Revenue Act**  
To provide for the equitable division of revenue raised nationally, inclusive of 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 conditions of employment of staff in the Treasury.
- **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 workforce broadly representative of the demographics of the Western Cape and eliminating unfair discrimination in employment towards implementing employment equity.
- **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 and Economic Development and that of the Treasury as representatives of the Provincial Government, in promoting co-operation 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 raised 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; 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 workplace.
- **Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA)**  
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.



- **National Gambling Act, (Act 7 of 2004)**  
 To provide for the co-ordination of concurrent national and provincial legislative competence over matters relating to casinos, racing, gambling and wagering, and to provide for the continued regulation of those matters; for that purpose to establish certain uniform norms and standards applicable to national and provincial regulation and licensing certain gambling activities; to provide for the creation of additional uniform norms and standards applicable and provide for matters incidental thereto.
- **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 hazards to health and safety arising out of or in connection with the activities of person at work; to establish an advisory council for occupational health and safety; and to provide for matters connected therewith.
- **Public Audit Act, 2004 (Act 25 of 2004)**  
 To provide assistance to the Auditor-General Office in the recovering of outstanding audit fees, to intervene on 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 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, 2000 (Act 3 of 2000)**  
 To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to 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 the exercise of their power 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. In addition, to describe the powers and functions of Treasuries and to direct their responsibilities with respect to other departments and public entities.
- **Public Service Act, 1994 (Act 103 of 1994)**  
 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 and discharge of staff members of the Treasury and 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 workforce; to integrate those strategies within the National Qualification 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.
- **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 for matters incidental thereof.
- **Western Cape Gambling and Racing Law, 1996 (Law 4 of 1996)**  
To provide 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 in assisting the Legislature when necessary, in meeting their financial responsibilities as set out in legislation.
- **Western Cape Provincial Tender Board Law, 1994 (Law 8 of 1994)**  
Although this Law has been revoked, a number of period contracts concluded under this Law and its regulations, are still valid and have to be administered in terms of this legislation.

The Provincial Treasury is responsible for the following public entity:

□ **Western Cape Gambling and Racing Board**

The Board has been established in terms of the **Western Cape Gambling and Racing Law, 1996 (Law 4 of 1996)**, that purports to provide a regulatory framework for good financial, gaming and betting management by the Western Cape Gambling and Racing Board. The Board has to control all gambling, racing and activities incidental thereto in the Province, subject to any applicable policy determinations of the Provincial Cabinet and the provisions prescribed in the National Gambling Act, 2004 (Act 7 of 2004).

Accountability on executive authority level for the gambling portfolio was vested in Minister Brown until end July 2008 and Mr Strachan as from the end of July for the remainder of the reporting period. The Western Cape Gambling and Racing Board itself acts as the accounting authority, but has delegated powers to the Chief Executive Officer of the Board. In general, accountability arrangements for all the relevant functionaries are in accordance with the Public Finance Management Act, 1999 (Act 1 of 1999).

# Programme Performance

## 1. Programme performance in summary

### 1.1 Voted funds

The following table depicts the under-spending of the vote if the actual expenditure is compared with the adjusted appropriation amount:

**Table 1: Voted funds: Provincial Treasury**

Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/(Under) Expenditure
R'000	R'000	R'000	R'000
120,596	121,895	120,950	945
Responsible Minister	Minister of Finance, Economic Development and Tourism		
Administering Department	Provincial Treasury		
Accounting Officer	Head Official Provincial Treasury and Head of Department		

### 1.2 Aim of the vote

The main aim of the Provincial Treasury is to systematically try and improve social and economic equity in the Province via our change agent role in financial resource allocation, guidance of expenditures and promotion of better corporate governance in both the provincial and municipal spheres.

### 1.3 Summary of programmes

The Provincial Treasury consists of the following four programmes with an indication of each programme's aim:

- **Programme 1: Administration**  
To conduct the strategic management and overall administration of the Provincial Treasury.
- **Programme 2: Sustainable Resource Management**  
To provide professional advice on economic parameters and fiscal policy, to assess and monitor municipal budgets and to manage the provincial budget.
- **Programme 3: Asset and Liabilities Management**  
To provide policy direction, to facilitate the effective and efficient management of financial systems, physical and financial assets, public private partnerships and liabilities within the provincial and municipal spheres.
- **Programme 4: Financial Governance**  
To promote financial management improvement, accountability and efficiency within the provincial and municipal spheres.

### 1.4. Key strategic objectives and achievements

#### 1.4.1 Key strategic objectives

The Provincial Treasury set itself the following key strategic objectives, which was published in its Five Year Strategic and Performance Plan 2005/06 – 2009/10 and was tabled in the Provincial Parliament at the end of March 2005. These strategic objectives underwent minor changes in the fourth Annual Performance Plan 2008/09 – 2010/11 that was tabled in the Provincial Parliament at the end of March 2008. During the fifth Annual Performance Plan 2009/10 – 2011/12 minor amendments were again made to the strategic objectives but much greater focus was placed on improving the key measurable objectives within each programme. A new five year strategic plan will only be compiled during the 2009/10 financial year, which is the start of a new election cycle. The key strategic objectives for 2008/09 are listed per programme below:

#### **Programme 1: Administration**

- Ensure the rendering of secretarial, administrative and office support services.
- Assist with tourism functions vested under the Minister.
- A well functioning and coordinated institution that delivers on its responsibilities.
- The coordination of processes and measures to support service delivery by the organisation.
- To attract and acquire the desired employee profile in alignment with PT business objectives.
- To develop and maintain a learning organisation in order to produce a competent workforce.

- To develop appropriate interventions to transform the culture of Provincial Treasury to create an environment of optimum employee performance in relation to Treasury's strategic objectives.
- Refining work systems for the optimal delivery of all transactional human resource management contributing to Treasury attaining a level 4 auditable organisation.
- Good budget management to remain within prescribe budget.
- Timely and accurate reflection of the status of Provincial Treasury's ledger accounts.
- Good supply chain management services allowing Provincial Treasury to attain level 3 auditable status in this respect.
- Proper internal control measures and risk management in the Provincial Treasury.
- Determine and maintain good administrative standards and reporting.

#### **Programme 2: Sustainable Resource Management**

- Rendering administrative support services to ensure the effective operational management of the programme.
- Describe the Western Cape economy by determining and analysing key provincial and, where possible, district economic variables and their interrelation.
- Determine the sources, potential and constraints for enhanced growth and development in the Western Cape, as framed within *iKapa Elihlumayo*.
- Assess the impact of various budget (municipal and provincial) policy objectives on selected economic variables, providing a link between the macro, meso and municipal spheres.
- Contribute to improving system of provincial government finance to enhance revenue adequacy and service delivery towards attaining a level 4 auditable organisation.
- To coordinate and guide the process to determine provincial priorities and recommend financial resource allocation, which effectively contributes to, accelerated and shared economic growth in the province.
- Promote overall strategic goals of Provincial Treasury to understand local government and line departments' core business, functions, and progress.
- Improve alignment between provincial priorities and local government IDPs and improve quality and transparency of local government budgets.
- Enhance the implementation and impact of local government budgets and IDPs to improve service delivery and address the socio economic needs of the community.
- Provide policy advice, effective technical and strategic support and a change agent service to provincial departments.
- Improve input-output sequencing of information and the quality of the latter within the budget processes.
- Develop effectiveness of in-year expenditure and revenue monitoring systems towards attaining level 4 auditable organisations.
- Provide policy advice, effective technical and strategic support and a change agent service to provincial departments.

- Improve input-output sequencing of information and the quality thereof within the budget processes.
- Develop effectiveness of in-year financial monitoring system towards attaining level 3 auditable organisations.
- Develop intra Department, intra provincial; inter provincial and government co-ordinating structures and systems.

### **Programme 3: Asset and Liabilities Management**

- Rendering administrative support services to ensure the effective operational management of the programme.
- To ensure that departments and municipalities embrace SCM as a strategic directive that delivers continual cost and value improvements resulting in effective future planning, mitigation of risk in SCM leveraged buying power and a smoother acquisition process.
- Coordinate the implementation of the Infrastructure Delivery Improvement Programme (IDIP) for cost effective execution of infrastructure projects.
- To strengthen oversight and strategic roles by rendering advice and direction to departments, public entities, municipalities and municipal entities to enhance service delivery.
- Coordinate and promote the implementation of PPP projects through assessments compliance and enforcement of legislation.
- Facilitate and provide developmental technical assistance and support to departments and municipalities on all PPP projects in progress.
- Establish and ensure implementation of policies for effective management of assets and liabilities.
- To strengthen and provide technical and strategic support for the institutional capacity of provincial and local government.
- Ensure effective control and management of the Provincial Revenue Fund.
- Render effective technical, strategic support and training to Provincial Departments and Local Government where applicable.
- To provide for the management, improvement and implementation of existing financial systems and eventual transition to the IFMS, ensuring compliance with the PFMA and other relevant legislation.
- Render effective technical, strategic support and training to departments.

### **Programme 4: Financial Governance**

- Rendering management and administrative support services to ensure the effective operational management of the programme.
- Ensure the development of accounting practices that will promote effective and efficient capturing of REAL movements/accountability and contribute towards attaining level 3 auditable organisations.
- Ensure integrity of financial data.

- To identify and develop financial norms and standards and monitor compliance by municipalities, departments and public entities respectively in terms of the MFMA and PFMA to contribute to the attainment of level 3 auditable organisation.
- Develop and facilitate the implementation of effective risk management and governance capacity within the Provincial Government.
- Provide consolidated PGWC risk profile to develop response strategies to mitigate transversal risk.
- To render an effective risk-based internal audit service that will contribute towards a level 4 auditable organisation.

#### **1.4.2 Programmes**

On a programme level, the following areas of achievements can be highlighted:

##### **Programme 1: Administration**

The Provincial Treasury made some headway with its vacancy rate where it was reduced from 37.9% at the end of March 2008 to 23.8% at the end of March 2009. However, the target of a 12% vacancy rate was not achieved due to the majority of applicants not meeting the criteria as set out in the advertisements that often required alternative methods of recruitment by way of readvertising or headhunting. The internship programme continued during 2008/09 and for the first time 6 external bursaries were provided to full time students not working for the department. The programmes to develop the soft skills of senior and middle management managers were completed nearer to the end of 2008/09. The focus over the next reporting period will be to assess the impact of the training provided.

Following on the previous financial years, the Provincial Treasury maintained the goal of spending within two per cent of its adjusted budget on 31 March 2009 for the fourth year in a row. This was achieved by maintaining the strict fiscal discipline implemented by the Directorate Financial Management in the previous financial years, as well as improving on the controls that were already put in place. Furthermore a benchmark exercise could not be completed as expected, which implied funds that were shifted in the 2008 Adjustments Estimates for compensation of employees, were wisely used for other priority services. The QPR process was refined on a quarterly basis where the progress was written up and under the chairmanship of the Accounting Officer, the programme managers and their SMS had to discuss the content of their inputs. The necessary editing was done to improve the quality of the quarterly reports, which was in turn used to feed into the APP process for 2009/10. The APP for 2009/10 was overhauled where the key measurable objectives for each sub-programme were changed to focus more on the outputs of the Provincial Treasury.

Risk Management listed and identified the risks on all key outcomes within the Provincial Treasury by completing the risk assessment and compiling a risk register for each directorate. The electronic file tracking and control system was initiated for implementation. The file tracking system was implemented on 1 October 2008 and is nearly functional. The document tracking system is in the process of being implemented and should be fully functional by the second half of 2009/10. This system will contribute to better records management and document control tracking within the department.

## **Programme 2: Sustainable Resource Management**

The Public Finance component took steps to improve the quality of financial management in departments, which inter alia included deepening the credibility of the 2009 Budget, by linking Provincial and National priorities with the budget allocations that had to be reduced due to the downturn in the economic climate. As part of the IYM processes an analysis was done of the Goods and services items particularly those related to discretionary items, which was discussed at the MTEC 2. The further implementation of the MFMA was maintained and facilitating initiatives conducive to creating a smooth environment were implemented. Considerable progress was also made in respect of roles and responsibilities as required by the MFMA of the Provincial Treasury and the Department of Local Government and Housing. As a consequence of the work done in relation to the MFMA, there was greater compliance with prescribed legislation and regulations. Notwithstanding what is being done by the aforementioned role players, the Provincial Treasury commenced with the Local Government bid process to solicit a list of service providers for the provision of financial management support in six areas within municipalities.

The budget office unit went through a process of reconfiguration where Economic Analysis was consumed into it and spilt into Budget Management: Provincial Government and Budget Management: Local Government. On the provincial side the proposed draft budget (of November 2008) was presented and defended at the National Treasury Benchmark exercises. The communication strategies for the Medium Term Budget Policy Statement and Main Budget were again completed in-house, where it was coupled to a budget competition that was run in conjunction with the provincial banker. The assessment of quarterly non-financial performance of provincial departments was enhanced and communicated to the departments. On the municipal side three LG-MTEC processes were successfully completed where the LG-MTEC 1 revolved around functional alignment and service delivery improvement, the LG-MTEC 2 focussed on the financial transfers to municipalities and geographical spending of departments and the LG-MTEC 3 attended to municipal budget assessments. Guidance and oversight with regard to local government's budgets was provided throughout. Within previously named Economic Analysis unit, the PER&O 2008/09 was published and the SEP-LG process was confined to the Eden District.

## **Programme 3: Asset and Liabilities Management**

During 2008/09 the Moveable Asset Management Directorate assessed more provincial departments and engaged with municipalities on the implementation on SCM policies. This unit formed a task team with Department of Economic Development and Tourism to promote a BBBEE/SMME supplier development programme.

The Immoveable Asset Management unit drafted an efficiency template in respect of key performance indicators for infrastructure reporting. The municipalities' expenditure on their infrastructure investment was assessed and the Unit also drafted inputs for the LG-MTEC 3 process. On the PPP side there remained a dedicated process to develop links with a number of projects within departments and local governments. The unit was involved in the investigation into the appointments and expenditure on consultants within departments.



The Financial Asset Management unit improved on the intergovernmental relations, as well as training and regular communication with all relevant stakeholders, including the provincial banker. There was an improvement in in-year monitoring and evaluation (IYM), to ensure that departmental expenditure remained within the limits of available cash. Participation in BIF team structures and direct IYM engagements with municipalities has improved capacity building in the unit. The unit facilitated the National Treasury (BTO) gap analysis project where municipalities were assisted to identify gaps for the provision of training and development in local government.

The Systems team provided oversight on the existing financial systems and with National Treasury in transition to drive the Integrated Financial Management System (IFMS) forward. The team assisted all departments to submit IRP 5 information to SARS electronically. The unit has also seconded officials to other departments to assist them in the execution of their supply chain management functions on LOGIS.

#### **Programme 4: Financial Governance**

The main purpose of the Accounting Services unit was to ensure that financial reporting is a true reflection of the financial position of the province, provincial departments and municipalities. The unit actively participated in taking their financial management improvement plan forward and monitoring remedial steps instituted by departments and public entities to address management improvement. Emphasis was placed more on remedial steps that have to be instituted to address weaknesses and transversal matters identified in the AGSA reports. This is a gradual process that would need ongoing training and further capacity building. The Consolidated Annual Financial Statements for the Province were compiled and submitted to the Provincial Cabinet as well as the Financial Governance Review. Accounting reforms were successfully rolled out for implementation by departments, municipalities and entities.

The responsibility of Norms and Standards has been broadened to include the co-ordinated oversight support function of public entities within the Province. The purpose of the action plan was to identify transversal issues, which require remedial steps.

Risk Management was driven forward to promote risk management awareness for the audit committees that could lead to more rigorous management of responsibilities within departments. A practical event was the identification and assessment exercise that was conducted and finalised within the Department of Local Government and Housing as a transfer of skills exercise. The risk management database hosted by SITA proved to be problematic regarding access and migration of the data that could not commence.

There was significant number of recruitments done in the Internal Audit unit for 2008/09 with 58 posts filled (inclusive of 17 interns) on the establishment, while the contract for the external service provider came to an end in December 2008. Therefore the unit is no longer dependent on the external service providers for assistance in the execution of work. The Internal Audit methodology was finalised and aligned to the various phases in the Internal Audit process, with specific focus on the Strategic and Operational planning process. The Audit Committee meetings were held and the Cabinet approved the establishment of a charter for the Provincial Shared Audit Committee to attend to matters of a transversal nature.

## **1.5 Overview of the service delivery environment for 2008/09**

The Provincial Treasury does not have direct contact with the public. It has been assigned responsibilities to monitor and evaluate provincial departments and municipalities in terms of the PFMA and MFMA, respectively. The environment in which treasuries operate is constantly changing roles in resource allocation, efficacy of spending, fiscal discipline, value for money and corporate governance. Therefore treasuries collectively and individually deal with significant challenges to improve the general welfare within their respective provinces, which is also true for the Western Cape.

As previously reported the department has difficulty in recruiting skilled personnel, given the competition with the private sector and other spheres of government for the scarce skills. The internship programme was continued giving an opportunity for graduates to gain valuable work experience and 6 external bursaries were granted to full time students. Both of these initiatives have been put in place to increase the skills pool. Another initiative is the Mentoring and Coaching programme in terms of staff promotion and ultimate retention whereby staff is groomed and incentivised. Notwithstanding these efforts and combined with special recruitment drives the Provincial Treasury had a vacancy rate of below 24 per cent at the end of March 2009.

The only addition to the Main Estimate was a further R1,299 million in the Adjustments Estimate to cater for the larger than expected improvement in conditions of service for employees. The provisional virement to Programme 1 from the other programmes was to cater for the procurement of computer equipment to replace old and obsolete equipment, the purchase of three motor vehicles for inter alia the department's municipal visits and the number of vacancies that needed to be advertised for filling as well as the re-advertisement of vacancies with scarce skills. The funds became available as a result of the benchmarking exercise that did not materialise as expected during 2008/09 as was explained in paragraph 1.4.2 in the Programme 1 section above.

The major external challenge that the Provincial Treasury and its counterparts are facing is the worsening global economic situation. Already the department had to cut the final allocations to departments for the 2009/10 Budgets. The Provincial Treasury will therefore have to take this challenge into consideration when looking at 2009 and beyond.

## **1.6 Overview of the organisational environment for 2008/09**

The approved organisational structure is to enable the Provincial Treasury to better fulfil its Constitutional mandate, which is to address the socio-economic challenges of the Province in tandem with all other departments, municipalities and other stakeholders. The Provincial Treasury is currently going through a three prong reconfiguration exercise to improve both the functioning and organisational efficiency. They are:

**Phase 1** of the reconfiguration exercise was successfully completed in 2008/09, which entailed the straightforward re-arrangement plus amendment of working arrangements (and adjustments to JD's) that is meant to allow for better utilisation and development of staff, better exposure, rotation, greater synergy, efficiency, better spread of workload and focus within the functional programmes.

**Phase 2** commenced in 2008/09 and should be completed early in 2009/10. This phase entails the re-look of the staffing levels and other measures to improve progression, development, succession planning, career planning, recruitment and retention, amongst others through benchmarking across departments and provinces.

**Phase 3** is an analysis of where the strengthening/expansion of establishments might be necessary, provided a reasonable consistency of work load spread and to ensure intensity is achieved. It is dependent on critical outcomes to be attained and resources that might be available and will come into play in 2009/10 if it is financially viable.

## **1.7 Strategic overview and key policy developments for the 2008/09 financial year**

In all three functional programmes namely, Sustainable resource management, Asset and liabilities management and Financial governance special efforts were put in place to introduce a higher level of financial management and governance for the provincial departments and municipalities throughout the Province. The relevant policy development areas that received special attention have not changed. These are listed below and will be discussed in more detail in paragraph 2 below:

- Facilitate or change agent towards achieving those socio-economic objectives that would contribute to the greater well being of the general public.
- Sharpen financial management to contribute to better governance at both provincial and municipal level.
- Foster the attainment of greater efficiency and value for money spending.
- Promote the effective utilisation and safeguarding of provincial assets.
- Facilitate the full disclosure of provincial objectives and attainments.

## **1.8 Departmental revenue**

This section deals with the Provincial Treasury's performance in terms of the collection of departmental revenue for the financial year under review. It will again be discussed on a per programme basis in the paragraphs below Table 2 that depicts the departmental own revenue collected by the Provincial Treasury for the period 2005/06 to 2008/09. The Provincial Treasury is the only provincial department to collect more own revenue than it requires in terms of departmental payments. This can be ascribed to the fact that functions are aligned to national policy instruments while its expenditure is comparable to smaller departments.

**Table 2: Departmental revenue collected for period 2005/06 – 2008/09**

Receipts	2005/06 Actual	2006/07 Actual	2007/08 Actual	2008/09 Target	2008/09 Actual	Deviation from target	
	R'000	R'000	R'000	R'000	R'000	R'000	%
Tax receipts	221,972	275,984	324,591	310,801	323,728	12,927	4.16
Casino taxes	205,318	256,948	301,689	291,955	301,100	9,145	3.13
Horse racing taxes	16,654	19,036	22,902	18,846	22,628	3,782	20.07
Non-tax receipts	240,884	55,547	48,564	53,970	54,674	704	1.30
Interest	233,362	54,125	47,128	52,947	52,948	1	
Other receipts	7,522	1,422	1,501	1,023	1,726	703	68.72
Financial transactions in assets and liabilities	4,521	9,802	9,072	48	7,280	7,232	15 066.67
<b>Total departmental receipts</b>	<b>467,377</b>	<b>341,333</b>	<b>382,292</b>	<b>364,819</b>	<b>385,682</b>	<b>20,863</b>	<b>5.72</b>

In general, the substantial higher collection in own revenues resulted from the adoption of a very conservative approach in determining the revenue targets in the beginning of the period under review given future risks in national formula financing and fixed asset financing requirements. Only programmes 1, 2 and 3 collected own revenue which is discussed in more detail below:

**Programme 1: Administration** – Departmental own receipts registered against this programme was essentially insignificant but nevertheless consists mainly of commission earned on third party payments under other miscellaneous receipts receipts such as private telephone and excess data card costs.

**Programme 2: Sustainable Resource Management** – Own revenue collected by this programme for casino and horseracing taxes were adjusted during 2008 and the surplus funds accrued in this Fund was much higher than was anticipated in accordance with the economic downturn in South Africa.

**Programme 3: Asset and Liabilities Management** – This programme is mainly responsible for interest earned on investments. The surplus funds accrued in this Fund above the budgeted level is directed to the Asset Finance Reserve (AFR) which forms part of the Provincial Revenue Fund (PRF) that was instituted by the Provincial Treasury as from 1 April 2006. Minor other receipts also consist of revenue earned on formal training provided.

## 1.9 Departmental payments

This section deals with Provincial Treasury's performance in terms of departmental payments for the financial year under review. Table 3 depicts departmental payments made by the Provincial Treasury and more specifically the variance between total voted funds and actual expenditure.

**Table 3: Departmental payments**

Programmes	Voted for 2008/09	Roll-overs and Adjustments	Virement	Total Voted	Actual Expenditure	Variance
	R'000	R'000	R'000	R'000	R'000	R'000
1. Administration	34,335	3,681	2,125	40,141	40,141	
2. Sustainable resource management	23,794	(1,103)	(1,345)	21,346	21,346	
3. Asset and liabilities management	23,395	(855)	(192)	22,348	22,348	
4. Financial governance	39,072	(424)	(588)	38,060	37,115	945
<b>Total</b>	<b>120,596</b>	<b>1,299</b>	<b>0</b>	<b>121,895</b>	<b>120,950</b>	<b>945</b>

**Programme 1: Administration (100% actual expenditure)**

There are no material variances to report on.

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

There are no material variances to report on.

**Programme 3: Asset and Liabilities Management (100% actual expenditure)**

There are no material variances to report on.

**Programme 4: Financial Governance (97,51% actual expenditure)**

The under spending (2,49%) on this programme can mainly be attributed to the inability to find appropriately skilled personnel, especially where the Provincial Treasury is in direct competition with the private sector.

**1.10 Transfer payments**

During the year under review transfer payments were only made to the Department of the Premier, the South African Local Government Association and to Households as indicated in Table 4 below. In Part 4 of this Annual report, the first two transfer payments have been treated as donations to these recipients.

**Table 4: Transfer payments**

Name of Institution	Amount Transferred	Estimate Expenditure
	R'000	R'000
Department of the Premier	80	80
South African Local Government Association	50	50
Households	137	137

### **1.11 Conditional grants and earmarked funds**

None

### **1.12 Capital investment, maintenance and asset management plans**

The investment in capital projects does not form part of the Provincial Treasury's core functions (strategic objectives) and no funds were appropriated for this purpose.

#### **Maintenance**

This section is currently not applicable to the Provincial Treasury. However, the consultant that was appointed in 2007/08 assisted with the completion of minor works in the Wale Street Building where ablution facilities were upgraded but not yet completed at the end of the reporting period. The shifting of staff to the Southern Life Building in 2008/09 was successfully completed with minor obstacles that were overcome.

#### **Asset Management**

The additions in computer equipment and related equipment as stated in Part 4, Disclosure notes 26 and 27 could be justified as follows:

- Additional computer equipment and software was purchased for new employees and obsolete/broken items required replacement.
- The notebooks of the senior managers were also replaced and the old notebooks re-issued to the new interns.

The disposal of assets as stated in Part 4, Disclosure note 26 could be justified as follows:

- In terms of computer equipment, certain redundant items were transferred to other departments.
- The asset register is automatically updated when new assets are acquired or when redundant items are disposed off. An annual stock take as at 31 March 2009 was completed and reconciled for the 2008/09 financial year.
- Approximately 70% of the Provincial Treasury's assets are in a good state, while the remaining 30% is in a fair condition.
- No facility was closed down or downgraded during the period under review for whatever reason.

## 2. Programme performance in detail

This section will deal with the respective programme's performances in more detail. It will be placed in perspective by focussing on the respective purposes or aims, measurable objectives, service delivery objectives and indicators and service delivery achievements of the different programmes/sub-programmes.

### 2.1 Programme 1: Administration

**Aim:** To provide and maintain high quality support service to the Minister and the Provincial Treasury pertaining to sound financial administration, supply chain management, auxiliary services, and corporate services.

Sub-programme 1.1	:	Office of the Provincial Minister
Purpose	:	To render secretarial, administrative and office support services.
Measurable Objectives	:	Smooth and effective functioning of office, good integration with departments in Treasury and Tourism.  Co-ordinate events and dates for Minister to achieve her obligations with her two portfolios (Treasury and Tourism) to enhance accountability to the Public.
Service delivery achievements	:	No service delivery achievements of note can be registered.
Reasons for achieving targets	:	A coordinated approach to work specifics was followed.
Reasons for not achieving targets	:	Targets were achieved.
The attainment of targets contributed in the following manner towards achieving the Provincial Treasury's outcomes	:	This sub-programme performs staff functions and it does not directly contribute towards achieving the Provincial Treasury's outcomes.

#### Programme 1: Administration

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
<b>Sub-programme 1.1: Office of the Provincial Minister</b>			
Smooth and effective functioning of office, good integration with departments in Treasury and Tourism.	Maximum turnaround time on documents submitted or correspondence addressed to the Minister.	2 working days	2.8 working days
Co-ordinate events and dates for Minister to achieve her obligations with her two portfolios (Treasury and Tourism) to enhance accountability to the Public.	Number of preparatory engagements for Budget Day.	48	51

Sub-programme 1.2	: Management Services
Purpose	: To render strategic support, coordination and communication service
Measurable Objectives	: Contribute to improved coordination of management processes to deliver effective and quality services. Smooth and effective functioning of the programme.
Service delivery achievements	: Issued 2 internal newsletters filled with interesting material for the employees of the department. All the translation deadlines were met for a number of internal publications in Afrikaans and Xhosa. The Information Resource Services Centre had a successful Library Week event resulting in a positive feedback for implementation.
Reasons for achieving targets	: A coordinated approach to work specifics was followed.
Reasons for not achieving targets	: Due to management partaking in the LG MTEC and the budget process, not all the TMM could take place to achieve the target.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	: This sub-programme performs staff functions and it does not directly contribute towards achieving the Provincial Treasury's outcomes.

**Programme 1: Administration**

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
<b>Sub-programme 1.2: Management Services</b>			
Contribute to improved coordination of management processes to deliver effective and quality services.	Turnaround time on documents submitted and electronic correspondence for HOD.	1 working day	1 working day
Smooth and effective functioning of the programme.	Meeting of all outputs of all sub-programmes	All outputs met	All outputs met

Sub-programme 1.3	: Corporate Services
Purpose	: To provide human resource management and development.
Measurable Objectives	: Develop appropriate strategies and mechanisms for attracting and acquiring the desired employees. To design and develop a comprehensive training and development strategy. Establish diverse and integrated workforce. Deliver effective and efficient human resource administration.



Sub-programme 1.3	:	Corporate Services
Service delivery achievements	:	<p>The success of the external graduate programme was maintained where 19 of the 23 interns were appointed to permanent positions in the Provincial Treasury.</p> <p>The intake of 32 interns and the granting of 9 fulltime bursaries.</p> <p>A significant improvement in People Management revealed over a period of one year through the completion of Q12 surveys and diversity training for Managers.</p> <p>The successful completion of the Nedbank Essay writing competition where 6 Grade 12 learners were granted bursaries and cash awards by Provincial Treasury and the provincial banker.</p>
Reasons for achieving targets	:	Project plans were put in place to finalise the cultural assessment findings and the Q12 survey.
Reasons for not achieving targets	:	<p>The vacancy rate at the end of 2008/09 is just under 24%, which is mainly due to inability to fill scarce skills positions and the attrition of staff to similar positions with higher remuneration packages in other provincial treasuries within South Africa.</p> <p>The implementation of the Behavioural Risk Policy and Strategy is dependent on the behavioural risk assessment that was postponed by management until February 2009.</p> <p>The remaining policies are in draft and for it to be finalised, it was dependent on the completion of the Talent Management Framework that was concluded on 31 March 2009.</p>
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	The Human Resource Management Unit in its role as one of the staff functions, contributed positively towards the Provincial Treasury. However, external factors at times hampered HRM from attaining its goals.

**Programme 1: Administration**

Output	Output performance measures/service delivery indicators	Actual performance against target	
Sub-programme 1.3: Corporate Services		Target	Actual
Develop appropriate strategies and mechanisms for attracting and acquiring the desired employees.	Date at which recruitment policy implemented.	Implementation and execution of policy as part of Talent Management Framework	Policy design in progress
	Date of the development and implementation of a retention policy and strategy.	Composite policy as part of Talent Management Framework	Development and design in progress

<b>Programme 1: Administration</b>			
<b>Output</b>	<b>Output performance measures/service delivery indicators</b>	<b>Actual performance against target</b>	
<b>Sub-programme 1.3: Corporate Services</b>		<b>Target</b>	<b>Actual</b>
To design and develop a comprehensive training and development strategy.	Date at which new Learning and Development Policy and strategy will be implemented.	Learning and development policy as of Talent Management Framework	Development and design in progress
	Date at which Quality Management System (QMS) for training will be refined.	Refined Quality Management System for training	Finalisation of policies in progress
Establish diverse and integrated workforce.	Implementation of cultural assessment findings.	Further roll-out of cultural assessment findings	Phase 4 completed and Q12 survey
	Develop and implement a Behavioural Risk Policy and Strategy	Behavioural Risk Policy and Strategy	Policy design in progress
Deliver effective and efficient human resource administration	Adherence to prescribed policies and procedures together with work and performance plans.	To receive and unqualified Audit-General Report	Received an unqualified Auditor - General report for 2007/08 financial year

**Sub-programme 1.4 : Financial Management**

<b>Purpose</b>	:	To deliver financial management and services to make limited provision and maintenance of accommodation needs.
<b>Measurable Objective</b>	:	Maintain and monitor an efficient and effective planning and budget management. Ledger accounts that accurately reflect the financial position. Fully functional payment system to improve financial management. To implement SCM that will enhance service delivery. Maintain effective risk management systems to reduce risks. Fully functional approved filing system for document flow and document control.
<b>Service delivery achievements</b>	:	The third and fourth quarterly performance reports were used as a basis to complete the 2009/10 APP. The IYM process was streamlined and with more interaction with managers, more realistic projections were provided. The department achieved an under spending of 0.8% on the Adjustment Budget. Improved controls led to timely payments and the introduction of raising interest on outstanding debt within financial accounting. The SCM unit maintained the secretarial service to the Bid Committee (DBC) and departmental IT Committee (DITCOM).

Sub-programme 1.4	:	Financial Management
Service delivery achievements	:	All directorates within Provincial Treasury completed the risk assessment and a risk register was compiled for each directorate. Consultant was appointed to help improve registry and document control functions of the Provincial Treasury.
Reasons for achieving targets	:	Quarterly sessions were scheduled where all programme managers and their SMS met the Accounting Officer to edit and improve the quality of the QPR. A post mortem meeting was held between officials of the AGSA and the CFO Office to streamline processes and resolve the problems experienced in completing the next AFS. With the Accounting Officer's intervention it was decided to list and identify risks on all key outcomes for the Provincial Treasury.
Reasons for not achieving targets	:	Controls over LOGIS reports, physical asset controls and expenditure payments left room for improvement.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	Service delivery to all components within the Treasury has improved with better IYM and QPR information gathering that could be used as a basis to compile the budgets and strategic plans. On the payments side, improvement has been made in the provision of goods and services and several bids were approved or amended to ensure that the Provincial Treasury attain its goals with communication, risk assessments and socio-economic research projects.

**Programme 1: Administration**

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
<b>Sub-programme 1.4: Financial Management</b>			
Maintain and monitor an efficient and effective planning and budget management.	Main and Adjustments estimates submitted timeously.	Achieved	Adjustment estimates for 2008/09 finalised and submitted in November 2008. Main estimates for 2009/10 was finalised and submitted in February 2009
Ledger accounts that accurately reflect the financial position.	Compile and submit quality AFS.	31 May 2009	31 May 2009
Fully functional payment system to improve financial management.	Number of days to process accounts received.	30 days	15 days
To implement SCM that will enhance service delivery.	Percentage of service satisfaction.	90%	80% (see PMF detail)
Maintain effective risk management systems to reduce risks.	Facilitation of risk identification process in accordance with 8 steps identified in PMF.	50% implementation	14 Risk assessments were performed

<b>Programme 1: Administration</b>			
<b>Output</b>	<b>Output performance measures/service delivery indicators</b>	<b>Actual performance against target</b>	
Fully functional approved filling system for document flow and document control.	Percentage of inadequacies addressed as recommended by internal control and internal audit inspections.	70%	70%

## 2.2 Programme 2: Sustainable Resource Management

Aim: To provide professional advice and support on provincial and local government economic analysis, fiscal policy, public finance development and management of the annual provincial budget process and assist and monitor local government budgets.

Sub-programme 2.1	:	Programme Support
Purpose	:	To provide management and co-ordinated administration the programme.
Measurable Objectives	:	Smooth and effective functioning of the component.
Service delivery achievements	:	No service delivery achievements of note can be registered.
Reasons for achieving targets	:	A coordinated approach to work specifics was followed.
Reasons for not achieving targets	:	Not applicable.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	This sub-programme performs staff functions and it does not directly contribute towards achieving the Provincial Treasury's outcomes.

<b>Programme 2: Sustainable Resource Management</b>			
<b>Output</b>	<b>Output performance measures/service delivery indicators</b>	<b>Actual performance against target</b>	
<b>Sub-programme 2.1: Programme Support</b>		<b>Target</b>	<b>Actual</b>
Smooth and effective functioning of the component.	Meeting of all outputs of all sub-programmes.	All outputs met	All outputs met

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Sub-programme 2.2	:	Economic Analysis
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Purpose	:	To provide for provincial and local government economic analysis and advice that informs fiscal policy and the budget allocative process.
Measurable Objectives	:	Analyse, inform and report on socio-economic indicators at provincial and local government level. Determine and report on the sources, potential and constraints of enhanced growth and development. Provide technical assistance and training to improve stakeholder understanding and practical application of socio-economic data.
Service delivery achievements	:	The socio-economic environment at provincial level was analysed and published in the PER&O. The socio-economic backdrop required for the budget processes such as the Medium Term Budget Policy Statement (MTBPS) and the Budget Overview was provided. The implementation of the first phase of the reconfiguration resulted in the amalgamation of the Economic Analysis unit into the Budget Management (Provincial Government) unit.
Reasons for achieving targets	:	The products (PER&O & SEP-LG) need a team approach. SEP-LG was confined to pilot in the Eden district in partnership with the municipalities and Stats SA. The reconfigured team of EA and Budget Management drove the production of the PER&O. The periodic economic reviews were substituted by the Social Accounting Matrix (SAM) in partnership with the DBSA.
Reasons for not achieving targets	:	High staff turnover resulted in delays in the timing of publication, the choice of topics and depth of content of chapters covered in the PER&O as well as no periodic economic reviews being produced. Similarly the SEP-LG was confined to pilot in the Eden district.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	The 2008 PER&O provided a robust socio-economic analysis that conceptualises the environment in which the lead strategies are compiled, thereby informing the 2009 Budget.

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**Programme 2: Sustainable Resource Management**

<b>Output</b>	<b>Output performance measures/service delivery indicators</b>	<b>Actual performance against target</b>	
<b>Sub-programme 2.2: Economic Analysis</b>		<b>Target</b>	<b>Actual</b>
Analyse and monitor macro and socio-economic trends to render policy advice.	Publication of the Annual Provincial Economic Review and Outlook (PER&O).	PER&O 2008 to be published on 30 August 2008 plus preparatory work done for PER&O 2009	PER&O 2008 published in November 2008. Preparatory work started on PER&O 2009
	Publication of the Socio-Economic Profile-Local Government (SEP-LG).	November 2007	Not achieved. In process of editing the Draft SEP-LG 2008 for the Eden District and publication planned for the first quarter in 2009/10
Determine and report on the sources, potential and constraints of enhanced growth and development.	Periodic economic reviews.	1 review	No periodic reviews were produced. Instead final SAM report submitted by DBSA to PGWC for utilisation
	Number of effective stakeholder engagements.	30 municipalities and 12 departments and 5 selected stakeholders	Met only 8 municipalities due to the SEP-LG focus only on the Eden District as well as the 12 departments and 5 selected external stakeholders

**Sub-programme 2.3 : Fiscal policy**

<b>Purpose</b>	: To provide for the effective and efficient development of revenue stream.
<b>Measurable Objectives</b>	: Enhancement of revenue flows to provincial and local government.
<b>Service delivery achievements</b>	: Managed to get the buy-in of the National Treasury and the Financial Fiscal Commission to run the fiscal transfer system as a national project together with KwaZulu-Natal PT. Determining the overall financing envelope for the Western Cape's MTEF. Communicated to National Treasury on a revised way forward so that the revenue estimation model becomes user-friendly and thereby ensured the buy-in from all Provinces.
<b>Reasons for achieving targets</b>	: With posts not being filled majority of the urgent work was outsourced to external service providers.

Sub-programme 2.3	:	Fiscal policy
Reasons for not achieving targets	:	Only 1 suitable candidate could be found for employment, which will start in the first quarter of 2009/10. History has shown that the recruitment process for this unit can take longer than the norm, as there is a market shortage for these skills and competencies required.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	The understanding of the revenue sources allowed the unit to manage and optimise revenue thereby ensuring that the Provincial Treasury was able to meet expenditure obligations as well as identifying the revenue sources that need further research.

**Programme 2: Sustainable Resource Management**

Output	Output performance measures/service delivery indicators	Actual performance against target	
Sub-programme 2.3: Fiscal Policy		Target	Actual
Enhancement of revenue flows to provincial and local government.	Research into and improving the fiscal transfer mechanism to provincial and local governments.	Input into new provincial fiscal framework	Commissioned the research. 1st draft received and discussed with research team
	Research into additional revenue sources for provincial and local governments.	Refinement of the current research	Research work commissioned on motor vehicle licensing structures across Provinces
	Improvement of the system and credibility of the revenue collection, estimation and forecasting for provincial and local governments	Model finalised and implemented	Not finalised due to the provincial progress being dependent on national timeframes

Sub-programme 2.4	:	Budget Management
Purpose	:	To promote effective financial resource allocation.
Measurable Objectives	:	<p>Drive strategy and publication of medium term fiscal policy and MTEF allocation process, which enables implementation of national, provincial and departmental policy priorities and achievement of desired socio-economic outcomes.</p> <p>Review efficacy of departmental spending and performance.</p> <p>Provide analysis and support to municipalities in the drafting of their budgets in order to improve quality and alignment between municipal and provincial budgets.</p> <p>Track and assess local government budget implementation against SDBIP for efficiency and effectiveness of service delivery.</p>

Sub-programme 2.4	:	Budget Management
Service delivery achievements	:	<p>The MTBPS and final budget allocations were approved by Cabinet and tabled in November 2008 and February 2009, respectively. Also the final allocations were in line with the national and provincial policy priorities that were achieved through the MTEC engagements.</p> <p>Quarterly non-financial information for all votes was submitted to NT by the due dates. These reports were assessed and the findings communicated to the votes.</p> <p>The LGMTEC 1 and 2 raised the necessary challenges to address the problems being experienced at a municipal level. The planning processes for the LGMTEC 3 taking place in 2009/10 commenced.</p>
Reasons for achieving targets	:	<p>Vacancies were kept to the minimum and the appointment of a strong team of economists with appropriate level of skills and expertise.</p> <p>The reconfiguration of the unit by combining it with Economic Analysis and the establishment of budget management units for provincial and local government.</p>
Reasons for not achieving targets	:	<p>The SDBIPs were received late in March 2009, which made it difficult to assess and report on as a fourth quarterly output. The assessment reports will be discussed at the LGMTEC 3 engagements.</p>
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	<p>Allocations aligned with the WC-MTBPS 2009 – 2012.</p>

**Programme 2: Sustainable Resource Management**

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
<b>Sub-programme 2.4: Budget Management</b>			
Drive strategy and publication of medium term fiscal policy and MTEF allocation process, which enables implementation of national, provincial and departmental policy priorities and achievement of desired socio-economic outcomes.	Publishing of the Medium Term Budget Policy Statement.	WC-MTBPS 2009 – 2012 tabled in Nov 2008	WC-MTBPS tabled on 20 November 2008
	Finalisation of the Annual MTEF allocation process.	February 2009	Final allocations approved by the Cabinet and Budget tabled on 24 February 2009
Review efficacy of departmental spending and performance.	Number of quarterly budget performance reviews of departments.	4 reviews for each of the 13 Votes	4 Reviews - quarterly performance reports for each of 13 Votes were conducted
Provide analysis and support to municipalities in the drafting of their budgets in order to improve quality and alignment between municipal and provincial budgets.	Number of draft municipal budget assessments focusing on responsiveness.	30 recommendations made through the LGMTEC process	30 recommendations made through the LGMTEC process



**Programme 2: Sustainable Resource Management**

Output	Output performance measures/service delivery indicators	Actual performance against target	
Track and assess local government budget implementation against SDBIP for efficiency and effectiveness of service delivery.	Number of midyear assessment of municipal budget performance.	30	Not achieved due to the assessments of the Midyear review forms part of the LGMTEC 3 Framework. Feedback will be given to the municipalities via the LGMTEC 3 assessments

Sub-programme 2.5.1 : Provincial Government Finance

Purpose : To ensure efficient budget management in provincial departments.

Measurable Objectives : Relevant and effective advisory service.  
 Credible MTEF and Adjustments Budget to improve efficiency, transparency and alignment.  
 Adequate mechanisms in place for improved in-year expenditure and revenue management.  
 Monitoring and oversight over the WCGRB to promote good governance and optimise revenue.

Service delivery achievements : An assessment of the annual Budget 2009 that contributed towards ensuring that the distribution of budget allocations within votes are aligned with policy priorities and that the budget is technically sound.  
 The IYM narrative reports were taken further to promote and enforce effective management of expenditure and revenue reporting in departments. A more detailed analysis of certain Goods and services items was undertaken i.e. events promoters, catering, marketing, consultants and communication, which was taken up in the MTEC 2 process.

Reasons for achieving targets : Targets were achieved due to dedication and commitment of all staff even though there were vacancies.

Reasons for not achieving targets : Challenges experienced on efficiency analysis are due to the correlation of performance information with the expenditure levels at activity level.  
 Updating of the tax regime and the splitting of the legislation has been postponed due to its proximity to the general elections and underlying complexities. It was rather decided to only pursue the exclusivity license regime in the province.

The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner : It ensured budget allocations were aligned with policy priorities.

**Programme 2: Sustainable Resource Management**

<b>Output</b>	<b>Output performance measures/service delivery indicators</b>	<b>Actual performance against target</b>	
<b>Sub-programme 2.5.1: Provincial Government Finance</b>		<b>Target</b>	<b>Actual</b>
Relevant and effective advisory service.	Maximum turnaround time on the provision of advice.	10 working days	10 working days
Credible MTEF and Adjustments Budget to improve efficiency, transparency and alignment.	SCoA, sub-programme and programme allocation in line with actual requirements.	Health, Education, Social Development and Transport and Public Works	1 Report done for each department i.e. Health, Education, Social Development and Transport and Public Works
Adequate mechanisms in place for improved in-year expenditure management.	Efficiency analysis and intervention on selected expenditure items.	Transfer payments at Votes 4, 7, 12 and 13 Consultancy spent at Votes 1, 5 and 6	Reports done monthly as part of the IYM narrative report on Transfer payments at Votes 4, 7, 12 and 13 and on Consultancy spent at Votes 1, 5 and 6
Monitoring and oversight over the WCGRB to promote good governance and optimise revenue.	Review of the tax regime.	Commence and finalise update of tax regime, inclusive of changes to license/bid exclusivity fees	Not achieved due to the upcoming elections. A service provider was appointed to look at the exclusivity fees

**Sub-programme 2.5.2 : Local Government Finance**

**Purpose :** To ensure efficient budget management in municipalities and to facilitate local government with financing service delivery obligations.

**Measurable Objectives :** Relevant and effective advisory service to improve.  
Provide analysis and support to municipalities in the drafting of their budget in order to improve quality and alignment between provincial and local government.  
Adequate mechanisms in place for improved in-year expenditure management.  
Functional intra and inter governmental co-ordinating structures and institutions (forums) that relate to planning and financial matters.

**Service delivery achievements :** Commenced with the Local Government tender for the provision of financial management support and improvement initiatives in municipalities.  
Monthly assessment and consolidated In-Year-Monitoring (IYM) reports and quarterly publishing to ensure that the expenditure performance of municipalities is in line with their budgeted revenue collection.  
Quarterly visits to all 30 municipalities to provide support and advise on MFMA related matters.  
A District Debt Management Task Team was created where progress was achieved to identify the major debtors and agreement reached with the Department of Public Works to begin to redeem their debt. On the City of Cape Town side, steady progress was achieved with the debt management.

Sub-programme 2.5.2	:	Local Government Finance
Reasons for achieving targets	:	Targets were achieved due to dedication and commitment of all staff even though there were vacancies at the middle management level.
Reasons for not achieving targets	:	Not applicable
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	It ensured efficient budget management.

**Programme 2: Sustainable Resource Management**

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
<b>Sub-programme 2.5.2: Local Government Finance</b>			
Relevant and effective advisory service to improve.	Maximum turnaround time to provide quality advice relating to efficient in-year budgets management.	10 working days	10 working days
Provide analysis and support to municipalities in the drafting of their budget in order to improve quality and alignment between provincial and local government.	Number of draft municipal assessments focussing on sustainability and credibility.	30 Recommendations made through the LGMTEC processes.	30 LGMTEC municipal assessments and visits as well as the consideration of recommendations by municipal councils. Provided input for the draft assessment framework for the 2009/10 financial year
Adequate mechanisms in place for improved in-year expenditure management.	Number of gazetted expenditure reports consolidated with the revenue side produced by Fiscal Policy (Local Government) submitted to Cabinet and tabled in Provincial Parliament	4 gazetted reports.	4 gazetted reports also submitted to Cabinet and Provincial Parliament
Functional intra and inter governmental co-ordinating structures and institutions (forums) that relate to planning and financial matters.	Number of CFO Forums.	4 quarterly CFO Forum meetings	4 quarterly CFO Forum meetings

## 2.3 Programme 3: Asset and Liabilities Management

Aim: To provide policy direction, facilitating the effective and efficient management of physical and financial assets, PPPs and liabilities.

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Sub-programme 3.1	:	Programme Support
Purpose	:	To provide management and administrative support.
Measurable Objective	:	Smooth and effective functioning of the component.
Service delivery achievements	:	No service delivery achievements of note can be registered.
Reasons for achieving targets	:	A coordinated approach to work specifics was followed.
Reasons for not achieving targets	:	Not applicable.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	This sub-programme performs staff functions and it does not directly contribute towards achieving the Provincial Treasury's outcomes.

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### Programme 3: Asset And Liability Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
<b>Sub-programme 3.1: Programme Support</b>		<b>Target</b>	<b>Actual</b>
Smooth and effective functioning of the component.	Meeting of all outputs of all sub-programmes.	All outputs met	All outputs met

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Sub-programme 3.2.1	:	Moveable Asset Management
Purpose	:	To determine policy, to drive, assess and assist departments and municipalities in the attainment of effective and efficient management of moveable assets.
Measurable Objectives	:	Assist provincial departments and municipalities in improving the efficiency of their SCM activities. To monitor provincial departments and municipalities to improve good governance and value creation in Supply Chain Management.

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Sub-programme 3.2.1	:	Moveable Asset Management
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Service delivery achievements	:	<p>Involved in the Small Business Week initiative in furthering the Provincial Treasury's objective in developing small businesses.</p> <p>All targeted SCM compliance assessments on departments and municipalities were completed, which evaluated institutions against SCM legislation and policy. The scope of the assessment was expanded to measure institutions in terms of an SCM financial capability model for SCM.</p> <p>3 special assessments were completed in respect of the Department of Transport and Public Works in respect of the disposal of the Somerset Hospital Precinct, the Integrated Fare Management System and the spending on consultants.</p> <p>Involved in the Small Business Week initiative in furthering the Provincial Treasury's objective in developing small businesses.</p> <p>Forum meetings per quarter were held for both provincial departments and municipalities. An IMFO workshop was also held in which officials of the unit were keynote speakers in respect of an initiative to fast track service delivery from an SCM perspective for municipalities.</p> <p>Instrumental in introducing 5 district working committees to facilitate, manage and benchmark best practices in SCM and information sharing for municipalities.</p>
Service delivery achievements	:	<p>Assistance and support in the form of intervention training on SCM, for targeted departments and municipalities, opinions on SCM procedure and the attendance and mediation of supplier complaints. Review and assessment of the budget from a governance perspective through the LGMTEC and PGMTEC processes.</p> <p>The Unit further managed the transversal contracts for the province in respect of the Western Cape Supplier database and the e-procurement system for quotations and recruitment and advertising.</p>
Reason for achieving targets	:	<p>Thorough planning, timeous action, commitment and co-operation of all relevant role players contributed to the successful achievement of most of the set targets.</p> <p>The appointment of departmental and municipal district champions assisted to alleviate the added pressure of handling and responding to the influx of supplier complaints. A rigorous monitoring of the process has been effected to the set up of a grievance register and a tracking process so that the responses can be effectively managed.</p> <p>One-on-one interventions with departments and municipalities as well as SCM forum meetings was facilitated and arranged to encourage information sharing and cooperative engagements.</p>

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Sub-programme 3.2.1	:	Moveable Asset Management
Reason for not achieving targets	:	<p>Only 2 training interventions out of 4 were completed for provincial departments within the financial year. Departments of Health and Community Safety cancelled the planned interventions because these departments were not in a state of readiness to implement the interventions.</p> <p>Not achieved target on implementation on BEE policy and complaints mechanism as a result of national policy not being finalised. However, a task team was formed with the Department of Economic Development and Tourism (DEDAT) to look at the preferential procurement policy for BBBEE.</p>
The attainment of target contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	Rolling out SCM best practice to departments and municipalities' results in improved asset management and accountability.

**Programme 3: Asset and Liabilities Management**

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
<b>Sub-programme 3.2.1: Moveable Assets Management</b>			
Assist provincial departments and municipalities in improving the efficiency of their SCM activities.	Number of training interventions arranged on SCM for provincial departments.	4 training interventions	2 interventions and 2 intervention assessment project plans and training material completed
	Number of training interventions arranged on SCM for municipalities.	2 training interventions	2 training intervention
	Develop and promote a BBBEE/SMME supplier development programme for provincial departments in liaison with Economic Development and Tourism.	Programme in place	Not achieved. A task team was formed with DEDAT
To monitor provincial departments and municipalities to improve good governance and value creation in SCM.	Number of SCM value for money and asset management assessments of provincial departmental sites.	12 assessments	12 assessments and 3 special investigations
	Number of value for money SCM assessments of municipalities.	5 assessments	5 assessment completed

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Sub-programme 3.2.2	:	Immoveable asset management
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Purpose	:	To determine policy, to drive, assess and assist departments and municipalities in the effective and efficient management of immoveable assets and sustainable public private partnership projects.
Measurable Objectives	:	<p>Implementation of Infrastructural Delivery Improvement Plan (IDIP).            Effective and efficient monitoring of infrastructure delivery.            Facilitate the development of provincial asset management guidelines to improve immoveable asset management.            Efficient utilisation of provincial properties.            Promote PPP projects in departments and municipalities to obtain value for money.            Training to departments and municipalities.</p>
Service delivery achievements	:	<p>Obtained the buy-in (both politically and at management level) from the relevant departments for IDIP, which was timeously rolled-out to targeted departments.            National assessment rating for draft departmental infrastructure plans achieved was greater than 4 out of a total of 5.            Assessment of the municipalities' expenditure on their infrastructure investment and input into the LGMTEC 3 process of 2008/09.            A draft efficiency template in respect of key performance indicators such as cost, time and quality was developed in-house to contribute to the effective monitoring of infrastructure spending.            Assisted the Department of Local Government and Housing with the revision of their existing housing and property related policies.</p>
Service delivery achievements	:	<p>Two workshops were held: One for the school PPP's, which the private sector was invited to and another for all municipalities to introduce them to "Municipal service delivery and PPP guidelines".            Engagements with two provincial departments held on the concept of mega projects. Cabinet approval was obtained by the Department of Health to register the replacement hospital for the Tygerberg Hospital, as both a PPP and mega project.            A major property development project (Somerset precinct) was stopped by Cabinet, with an instruction from the executive that it starts afresh as PPP project. The senior manager was part of the team that investigated the disposal.            A high calibre task team was appointed to investigate and make recommendations regarding the future of the Chapman's Peak Drive PPP and the agreement concerned.</p>

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Sub-programme 3.2.2	:	Immoveable asset management
Reason for achieving targets	:	<p>Short term technical assistance was utilised to overcome the challenges in respect of compiling quality Infrastructure plans, through the TA intervention program. To improve the assessment of the plans, Provincial Treasury is in the process of drafting an assessment template that will ease the assessment process whereby areas for improvement on the plans would be identified on a rating scale.</p> <p>Experiences from previous PPP workshops highlighted the need for strengthening promotional events and redefining the communication strategy and to obtain leadership buy-in.</p> <p>Intensified engagements and training provincial departments and municipalities to improve understanding of the PPP process and build capacity within institutions. Assisted departments to access the Project Development Fund (PDF) administered by National PPP unit as well as providing ongoing guidance and technical assistance.</p>
Reason for not achieving targets	:	<p>A high vacancy rate within the unit impacted on the unit achieving all its targets for municipalities.</p> <p>The delay in the enactment of the GIAMA for provinces, which was originally set for 1 April 2009, is now targeted for 1 April 2010, resulting in the delay of issuing the Provincial Treasury Instructions for Immoveable Asset Management. Furthermore, the subsequent approval of the user and custodian guidelines, which is scheduled for compliance by provinces by April 2010, hampered the finalisation of the provincial asset management guidelines, as the outcome of trial and draft User-AMPS and Custodian-AMPS will inform the final guidelines.</p> <p>Lack of cooperation from the Department of Transport and Public Works to respond to meetings and draft reports, seriously hampered the efficient utilisation of provincial properties. This was addressed through quarterly meetings with relevant the HODs. The engagement with a local university was solicited to design a training programme to assist in capacity building in terms of option analysis for property investment.</p>
The attainment of target contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	The component assisted in the drive to achieve prudent immoveable asset management.

**Programme 3: Asset and Liabilities Management**

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
<b>Sub-programme 3.2.2: Immoveable Asset Management</b>			
Implementation of the Infrastructure Delivery Improvement Plan (IDIP).	Full Implementation of IDIP in Health, Education and Transport and Public Works.	100% in Education, 60% in Transport and Public Works, and 10% in Health	90% in Education, 80% in Public Works and 50% in Health
	Implementation of IDIP in 3 municipalities	30%	Engagements with 3 municipalities



**Programme 3: Asset and Liabilities Management**

Output	Output performance measures/service delivery indicators	Actual performance against target	
Effective and efficient monitoring of infrastructure delivery.	Number of infrastructure reports compiled and compliant to NT Guidelines.	4	4
Facilitate the development of provincial asset management guidelines to improve immovable asset management.	Compile and update provincial asset management guidelines according to GIAMA.	Finalise and issue guidelines	Work in progress. Submitted copies of Infrastructure Plans to Property Management to compile User Amps
Efficient utilisation of provincial properties.	Development of property utilisation indicators.	Set of property indicators finalised	Not achieved.

**Public Private Partnership (PPP)**

Promote PPP projects in departments and municipalities to obtain value for money.	Provision of advisory services on non-assets solutions and alternative options analysis to departments and municipalities.	12 interactions	18 interactions.
Monitor the utilisation of provincial properties to enhance maximum use.	Number of training sessions/workshops.	2 training sessions	2 training sessions

**Sub-programme 3.3.1 : Borrowings**

Purpose : To facilitate the effective and efficient management of liabilities.

Measurable Objectives : Effective managed Provincial Revenue Fund (loan book).  
Training to municipalities.

Service delivery achievements : Despite the fact that this unit is not yet operational, informal training was done on the quarterly visits to municipalities i.e. person to person.

Reasons for achieving targets : Not applicable.

Reasons for not achieving targets : Not applicable.

The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner : Not applicable.

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**Programme 3: Asset and Liabilities Management**


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Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
<b>Sub-programme 3.3.1: Borrowings</b>			
Effective managed Provincial Revenue Fund (loan book).	Full compliance with capital market and legislative requirements	None	None
Training to municipalities.	Number of training sessions/workshops.	6 training sessions	Informal training done on the quarterly visits to municipalities i.e. person to person

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**Sub-programme 3.3.2 : Financial Asset Management**


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Purpose	:	To determine policy, to drive, assess and assist departments and municipalities in the effective and efficient management of financial assets.
Measurable Objectives	:	Improve the performance of the Provincial Revenue Fund to minimise borrowing costs and maximise returns from investments. Improvement of cash management and reporting by departments. Improvement of cash management and reporting by municipalities.
Service delivery achievements	:	During the financial year the banking accounts remained cash positive. A variance of 1.2% was achieved for departmental transfers vs. actual expenditure. Prime rate of minus 3.4% has been achieved on investments on call deposits. The global recession and direct link to downward fluctuations in interest rates was managed in a very responsible manner to ensure the achievement of the target. 30 Municipalities IYM were assessed for credibility/sustainability, despite the limited number of personnel in the unit. Participation by analysts in the BIF teams' structures and direct IYM engagements with municipalities has improved capacity building in the unit.
Reasons for achieving targets	:	Thorough planning, timeous action, commitment and co-operation of all relevant role players contributed to the successful achievement of most of the set targets. Compilation of a monthly comparative report to measure the IYM actual expenditure against actual transfers and comparing it with the budget of departments. This will serve as an early warning system for expenditure control. Engaged the municipalities to review their cash management and investment policies and to again provide them with a best practice cash management and investment framework.

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Sub-programme 3.3.2	:	Financial Asset Management
Reasons for not achieving targets	:	Not applicable.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	The component succeeded in establishing a more effective cash flow management in all provincial departments' and municipalities, as well as in respect of municipal borrowing and investments.

**Programme 3: Asset and Liabilities Management**

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
<b>Sub-programme 3.3.2: Financial Asset Management</b>			
Improve the performance of the Provincial Revenue Fund to maximise returns from investments.	Prime rate minus 4% investments over 30 days.	Prime rate minus 4%	Prime rate minus 3.4%
Improvement of cash management and reporting by departments.	Monthly variance between transfers and actual expenditure less than 1%.	Less than 1%	1.2% was achieved
Improvement of cash management and reporting by municipalities.	Assessments of the IYM submitted by municipalities in respect of cash flow management and provide feedback and guidance.	20 municipalities	30 municipalities

Sub-programme 3.4	:	Supporting and Interlinked Financial Systems
Purpose	:	To provide for the oversight and management of existing financial systems and the transition to the Integrated Financial Management System enhancing compliance with the (PFMA) and other relevant legislation.
Measurable Objectives	:	Effectively, efficiently and economically implemented and managed financial systems to ensure the availability of timely and updated management information. Build provincial capacity to contribute to the improvement of existing financial management.

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Sub-programme 3.4	:	Supporting and Interlinked Financial Systems
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Service delivery achievements	:	<p>1 207 officials were trained with a 79.94% pass rate and 639 officials received person-to-person training for the financial year.</p> <p>During the financial year officials were seconded to the Departments of Community Safety and Cultural Affairs and Sport to assist them in the execution of their supply chain management functions (LOGIS).</p> <p>99% uptime and a 10 second screen refresh rate on average were achieved.</p> <p>With the implementation of the new BAS 7 segment database all the liability balances of the departments was transferred from the old database to the new database at the beginning of December 2008.</p> <p>Assisted all departments to timeously submit IRP 5 information to SARS electronically (on EASY FILE FORMAT) to prevent any possible fines for late submissions. In addition, departments were also assisted with the implementation of the Occupational Service Dispensation (OSD) as well as the salary adjustment of the members of parliament.</p>
Reasons for achieving targets	:	<p>In liaison with the Department of the Premier, a project was launched to ensure the verification of PERSAL data in respect of all 70 000 current employees and the introduction of procedures and processes to ensure that information is updated, maintained and verified on a regular basis.</p> <p>Ensured that system-users are appropriately trained and on a regular basis in accordance with their profiles, supplied departments with information regarding their system-users, their current profile, the appropriate training they require and training gap/needs.</p>
Reasons for not achieving targets	:	<p>The unit's ability to present formal training was restricted during April and May 2008 because of the implementation of the new version of the Standard Chart of Accounts and the problems experienced with the access to BAS during February 2009. During these periods the training venues were used to capture transactions on BAS.</p>
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	<p>The unit contributed in vesting proper asset management by further developing financial system management and by building capacity through financial training for all finance staff in the Province.</p>

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Programme 3: Asset and Liabilities Management			
Output	Output performance measures/service delivery indicators	Actual performance against target	
Sub-programme 3.4: Supporting and Interlinked Financial Systems		Target	Actual
Effectively, efficiently and economically implemented and managed financial systems to ensure the availability of timely and updated management information.	System functionality as measured by an average of 98% uptime and a .10 second screen refresh.	98% uptime and a 10 second screen refresh on average	99% uptime and a 10 second screen refresh rate on average
Build provincial capacity to contribute to the improvement of existing financial management.	Accessibility to a fully operational helpdesk managed by skilled staff rendering service to all users.	9 hours per day	9 hours per day
	Number of officials appropriately trained on the various financial systems.	1400 officials with a 70% pass rate	1207 officials with an 80% pass rate. In addition, 639 officials received person-to-person training

## 2.4 Programme 4: Financial Governance

Aim: To enhance performance orientated financial management.

Sub-programme 4.1	: Programme Support
Purpose	: To provide management and administrative support to the programme.
Measurable Objectives	: Smooth and effective functioning of the component.
Service delivery achievements	: No service delivery achievements of note can be registered.
Reasons for achieving targets	: A coordinated approach to work specifics was followed.
Reasons for not achieving targets	: Not applicable.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	: This sub-programme performs staff functions and it does not directly contribute towards achieving the Provincial Treasury's outcomes.

Programme 4: Financial Governance			
Output	Output performance measures/service delivery indicators	Actual performance against target	
Sub-programme 4.1: Programme Support		Target	Actual
Smooth and effective functioning of the component.	Meeting of all outputs of all sub-programmes.	All outputs met	All outputs met
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Sub-programme 4.2	:	Accounting Services	
Purpose	:	Accounting practices within departments, municipalities and entities that will enable the accurate reporting of revenue, expenditure, assets and liabilities in line with predetermined standards.	
Measurable Objectives	:	<p>Accounting policy framework rolled out for implementation by departments, municipalities and all entities to improve financial reporting.</p> <p>Compile the ACFS of departments and entities to reflect the consolidated financial performance and position of the Provincial Government.</p> <p>Co-ordinate, compile, edit and publish the Financial Governance Review &amp; Outlook to provide an assessment of financial management.</p>	
Service delivery achievements	:	<p>12 departments, 9 public and trading entities and 24 municipalities received unqualified audit reports for 2007/08.</p> <p>Improved the financial management capability of departments and public entities to move them towards a level 3 auditable organisation. Focused on remedial steps to be instituted to address weaknesses and transversal matters identified in the Auditor-General's reports.</p> <p>The Consolidated Financial Information for departments and entities included an improved management report</p> <p>Facilitated a session between CFOs, ASB, National Treasury and municipalities' on implementing recommendations for improvement of GRAP standards. Conducted a GAP analysis with 1 municipality which will be used for implementing the GRAP standards.</p>	
Reasons for achieving targets	:	<p>Efforts were focussed on successfully dealing with high-priority tasks.</p> <p>Sessions were arranged with roleplayers i.e. departments, municipalities, entities and AGSA to address identified problems through meetings or training.</p> <p>Better co-ordination of the work flow within Financial Governance was pursued.</p>	
Reasons for not achieving targets	:	<p>Experienced difficulties in consolidating the Annual Financial Statements due to the differences between the departmental and entities reporting format and the PFMA imperative that requires the ACFS to be finalised by 30 June, which can only be based on unaudited financial statements. Also the audit of the AFS of certain departments was finalised late, which delayed the consolidated AFS.</p> <p>The marginal delay in the process of finalising the FGR&amp;O 2008 is due to the concurrent processes occurring at the same time i.e. the MTBPS and Adjustments Estimate.</p>	

Sub-programme 4.2	:	Accounting Services
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	Analysis and interpretation of annual financial statements were enhanced and included in the municipal Accounting Review and Financial Governance Review and Outlook. Improved compliance with GRAP standards.

**Programme 4: Financial Governance**

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
<b>Sub-programme 4.2: Accounting Services</b>			
Accounting policy framework rolled out for implementation by departments, municipalities and all entities to improve financial reporting.	The number of departments and entities comply with the approved AFS Accounting Standards.	13 votes and 14 entities	13 Votes and 14 entities
	The number of municipalities and entities comply with the approved AFS Accounting Standards	24	24
Compile the ACFS of departments and entities to reflect the consolidated financial performance and position of the Provincial Government	Publishing of Annual Consolidated Financial Statements.	31 October 2008	Tabled the ACFI and Management Report of departments and entities on 31 October 2008
Co-ordinate, compile, edit and publish the Financial Governance Review & Outlook to provide an assessment of financial management	Publishing of Annual Financial Governance Review & Outlook.	November 2008	FGR&O 2008 compiled and submitted for tabling on 5 December 2008

Sub-programme 4.3	:	Norms and Standards
Purpose	:	To develop, implement and monitor compliance with financial norms and standards within departments, municipalities and entities.
Measurable Objective	:	Annual Reports that are both compliant and relevant to foster transparency and accountability. Determination and application of financial management norms and standards to address deficiencies identified in internal and external audit reports. Monitor existing financial management norms and standards in municipalities to assess compliance thereof.

Sub-programme 4.3	:	Norms and Standards
Service delivery achievements	:	<p>83% of municipalities complied with the required timeframe for the submission of Annual Reports. Reassessed the annual reporting criteria for municipalities and circulated it. Assessed 29 municipal audit reports in respect of findings related to governance and municipal visits were utilised to obtain more information.</p> <p>Identified a need to form a task team to draft a LGMIP framework with the objective of full legislative compliance inclusive of all municipal acts and NT regulations.</p> <p>The implementation of the first phase of the reconfiguration resulted in the merger between the Norms and standards unit and the Risk Management unit into the Corporate Governance unit.</p>
Reasons for achieving targets	:	<p>The Treasury circulars issued to departments and public entities assisted them to adhere to the requirements of the annual reporting process.</p> <p>The annual report criteria for municipalities was reassessed for appropriateness in respect of relevant legislation to ensure feedback given is in line with NT guidelines and the MFMA requirements.</p>
Reasons for not achieving targets	:	<p>Insufficient information contained in the annual reports and lack of staff to assess annual report within limited timeframes.</p> <p>The municipalities' annual reports format is different from each other, which make it difficult to compare the different assessments.</p>
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	Ensured that norms and standards within the legislative framework were developed and maintained.

**Programme 4: Financial Governance**

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
<b>Sub-programme 4.3: Norms and Standards</b>			
Annual Reports that are both compliant and relevant to foster transparency and accountability.	Number of departments and entities compliant with NT and PT guidelines for Annual reporting.	4 departments and 3 entities	4 departments and 3 entities
	Number of municipalities compliant with NT and PT guidelines for Annual reporting.	10	15 assessed and 8 compliant
Determination and application of financial management norms and standards to address deficiencies identified in internal and external audit reports	Number of departments and entities assessed and corrective steps recommended to address deficiencies identified	25 reports	26 reports were received and 10 assessed
Monitor existing financial management norms and standards in municipalities to assess compliance thereof	Number of Auditor-General's reports assessed and corrective steps recommended.	30	29 Audit reports have been assessed



Sub-programme 4.4	:	Risk Management
Purpose	:	To develop and implement a system of enterprise and corporate governance in departments.
Measurable Objectives	:	Develop and facilitate the implementation of an effective enterprise risk management framework to enhance internal control and encourage risk management culture in provincial government. Provide consolidated PGWC risk profile to develop response strategies.
Service delivery achievements	:	Amended Risk Management Framework workshops were conducted to raise awareness of the National Treasury road shows. Further investigated risk appetite and tolerance through workshops held with all departments. Amended the ERM implementation assessment questionnaire to improve the state of implementation within departments. 81 officials were trained in Corporate Governance Introduction and Awareness. A Risk Management Database was finalised and the migration of data commenced. Successful engagements were held with the HOD's of the indentified pilot departments for the implementation of the governance framework.
Reasons for achieving targets	:	Targets were achieved through prioritisation of work and committed staff.
Reasons for not achieving targets	:	Due to systems problems encountered the transversal risks areas to be identified and allocated to transversal risk owners could not be achieved.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	Departments have approved risk management structures to help minimise risks in the Province. Process and control maps completed per department to focus management on risk areas and help with audits.

**Programme 4: Financial Governance**

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
<b>Sub-programme 4.4: Risk Management</b>			
Develop and facilitate the implementation of an effective risk management framework to enhance internal control and encourage risk management culture in provincial government.	Number of departmental risk management staff trained in enterprise risk management framework and tools.	40	44
	Finalise and implement governance framework.	31 March 2009 finalised and implemented in 4 departments	Framework finalised and adopted in June 2008. Implementation strategy was finalised and discussed with the 4 pilot departments

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**Programme 4: Financial Governance**


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Output	Output performance measures/service delivery indicators	Actual performance against target	
	Number of departments assessed quarterly for compliance with risk management framework.	13	12 departments finalised. Provincial Parliament is not included in the quarterly assessments
Provide consolidated PGWC risk profile to develop response strategies	Transversal risks areas identified and allocated to transversal risk owners.	4	Not achieved due to systems problems encountered

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Sub-programme 4.5 : Provincial Internal Audit

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Purpose : Work performed to evaluate the effectiveness of risk management control and governance processes in departments and to assist in the development and implementation of effective internal audit functions.

Measurable Objectives : Risk-based internal audit services to improve the effectiveness of risk management control and governance processes in departments and selected public entities.

Dedicated risk-based internal audit services to improve the effectiveness of risk management, control and governance processes in Health, Education and Transport and Public Works.

Risk-based internal audit services to improve the effectiveness of risk management control and governance processes in municipalities and public entities.

Building internal capacity to lessen dependence on external service providers.

Service delivery achievements : 144 audits have been executed per the quarterly deliverables schedule as agreed with individual departments and 86% of final audit reports were issued.

Quarterly audit committee meetings were held where progress relating to Internal Audit, Risk Management, In-Year- Monitoring and Quarterly Performance Reporting were discussed and relevant topics presented. Training interventions took place with all audit committee members focusing on relevant topics. Furthermore, the Auditor-General's audit plan was reviewed, the Internal Audit plans were approved and the Final Audited Financial Statements were reviewed by the audit committees.

Cabinet approved the establishment of the Provincial Shared Audit Committee to attend to matters of a transversal nature.

An "Assessment of Service Quality" questionnaire was completed by line managers subsequent to each audit project and results are satisfactory.

The internal audit function was devolved to the Departments of Health and Education at the beginning of the 2008/09 financial year.

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Sub-programme 4.5	:	Provincial Internal Audit
		Commenced with the first consultative process for the drafting of PTIs that would govern the operating of the internal audit units in the Province.
		Internal Audit services were rolled out to one additional public entity.
		Exceeded the targeted number of posts to be filled (both permanent and interns) by 12, which brought the total number of recruits to 58.
Reasons for achieving targets	:	The retention of staff and the successful recruitment of dedicated managers and assistant managers to manage the execution and quality of the work.
Reasons for not achieving targets	:	Significant effort was required to complete the audit areas included in the 2008/09 internal audit plans. Follow-up audits were only commenced subsequent to completion of the operational audit plan. Furthermore, commenced with the planning of 2009/10, which also required resources. Although only a few follow-ups were finalised, a great deal of fieldwork went into this process by the end of the financial year. All that is required is to finalise the assessments and communicate the results to management.
		Due to capacity constraints, any additional responsibilities could not be accepted relating to either local government and/or public entities.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	Improved awareness of control environments. Achievement of overall departmental objectives by addressing risks that could prevent achievement of objectives.

**Programme 4: Financial Governance**

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
<b>Sub-programme 4.5: Provincial Internal Audit</b>			
Risk-based internal audit services to improve the effectiveness of risk management, control and governance processes in departments and selected entities.	Number of votes and entities' internal audit plans executed by the end of the financial year as approved by the relevant Audit Committee.	13 votes and 5 entities	Audits executed as per the quarterly deliverables schedule and 86% of final audit reports issued for the 13 votes and 5 entities
	Number of critical and significant findings reported in the previous audit cycle followed-up.	All critical and significant audit findings followed-up	Not achieved
Dedicated risk-based internal audit services to improve the effectiveness of risk management, control and governance processes in Health, Education and Transport and Public Works.	Decentralising of operational internal audit services to Health, Education and Transport and Public Works.	Health and Education completed	Completed

**Programme 4: Financial Governance**

<b>Output</b>	<b>Output performance measures/service delivery indicators</b>	<b>Actual performance against target</b>	
Risk-based internal audit services to improve the effectiveness of risk management control and governance processes in municipalities and public entities.	Providing a guidance and advisory service.	Define and agree role 2 Districts 2 Public Entities	Questionnaire distributed to all municipalities to determine need High-level discussions took place with Bergriver Municipality CTRU's internal audit plan was approved, and high-level discussion took place with WESGRO
Building internal capacity to lessen dependence on external service providers.	Number of posts filled and interns employed on the establishment	46	Number of positions filled: 17 interns and 41 posts filled = 58 in total

# Report of the Provincial Government Western Cape Provincial Treasury (Vote 3) Audit Committee Report for the financial year ending 31 March 2009

## Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2009.

## Appointment of Audit Committee

In terms of Cabinet Resolution 55/2007, the Department is served by the Governance & Administration Cluster Audit Committee.

## Audit Committee Members and Attendance

The audit committee consists of the members listed hereunder and should meet at minimum 4 times per annum as per its approved terms of reference. During the year under review 7 meetings were held.

Name	Meetings attended
Mr P Jones (Chairperson)	6
Mr A Amod	6
Mr Z Hoosain	6
Mr R Kingwill	7
Dr R Lalu	7

Apologies were tendered and accepted for meetings not attended. Quorums were present at all meetings.

## Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA 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**

In 2004 the Sihluma Sonke Consortium was appointed to develop and transfer internal audit skills to the internal audit staff of the Provincial Government. The Consortium contract expired on 14 December 2008.

Significant progress was made during the financial year under review to capacitate the shared internal audit function within Provincial Treasury. The transition from a co-sourced internal audit function to an in-house internal audit function, in our assessment, was completed and successful.

In line with the PFMA and the King II Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with assurance that the internal controls are appropriate and effective. This is achieved by the execution of a risk-based internal audit coverage plan for the period under review, as well as a review of corrective actions and suggested enhancements to the controls and processes. The Internal Auditors and the Auditor-General reported some instances of non-compliance with prescribed policies and procedures. On our evaluation this was not indicative of major weaknesses in the control environment. We concur with Internal Audit and the Auditor-General's recommendations as tabled in the various reports and management has agreed to implement corrective actions.

The Department made some progress in respect of Enterprise Risk Management. The Governance and Administration Cluster Audit Committee is monitoring progress on a quarterly basis.

The Committee previously reported on the growing crisis of Information Technology (IT) within the Provincial Government. The Provincial Shared Audit Committee was presented with a turn-around strategy to address the IT-related risks facing the Province, and is closely monitoring the situation. Until the turn-around strategy has been fully implemented, the risks facing the department will not be mitigated to an acceptable level.

### **The quality of In-Year-Management and Quarterly Reports submitted in terms of the PFMA**

The Audit Committee is satisfied with the content and quality of quarterly In Year Monitoring and Quarterly Performance reports 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 letter and management's response thereto; and
- Reviewed significant adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General's conclusions on the annual financial statements, and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

### **Appreciation**

The Audit Committee wishes to express its appreciation to the Provincial Treasury, the Auditor-General and the Internal Audit Unit for the information they have provided to compile this report.

A handwritten signature in black ink, appearing to read 'P. C. Jones', with a stylized flourish at the end.

Mr PC Jones

Chairperson of the Governance and Administration Cluster Audit Committee

Date: 7 August 2009





# **Annual Financial Statements** for the year ended 31 March 2009

**WESTERN CAPE PROVINCE  
PROVINCIAL TREASURY  
VOTE 3**

**ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2009**

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**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2009**

Report by the Accounting Officer to the Executive Authority and Provincial Legislature of the Western Cape Government.

**1. General review of the state of financial affairs**

The Provincial Treasury stayed within the notional two per cent expenditure limit of its adjusted budget for the third consecutive year -

- The following external and internal challenges faced the Provincial Treasury during 2008/09:
  - Strengthening of links between departments and local authorities and between governance efforts and socio-economic needs within society.
  - Stabilising and building the Provincial Treasury team by improving soft and hard skills management, recruitment, retention, career and succession management.
  - Improving cohesion and synergy between provincial departments, the different spheres of government, private sector and civil society.
  - Reducing the vacancy rate further and putting measures in place to become an employer of choice.
  
- In response to the above challenges, Treasury achieved the following:
  - Recruited appropriately qualified individuals and developed existing staff by means of training interventions and granting bursaries to them.
  - The successful planning, co-ordination and implementation of the LGMTEC processes for the fourth time in a row.
  - Continued interactions with departments to improve targeting of resource allocations in response to socio-economic analyses and national priorities.
  - Distributed several publications such as the Medium Term Budget Policy Statement (MTBPS) 2009 – 2012, the annual Provincial Economic Review and Outlook (PER&O) and the Financial Governance Review and Outlook 2008.
  - Expanded the internship programme for the Provincial Treasury.
  - The Department's concerted efforts, coupled with a lower attrition rate assisted to significantly reduce the vacancy rate.
  
- The following major projects were undertaken during the year:
  - Filled over fifty of the Internal Audit posts that were created in the previous period, by either permanent staff or by means of recruiting interns.
  - Concluded the diversity and soft skills training for senior and other managers within the department.
  - Finalised a competency framework for Treasury, that now requires rolling out per level and per job family over the next few years.
  - Refined the reconfiguration of the establishment and work methods to improve synergy and efficacy, with the expected beneficial results over the medium to long term for the Provincial Treasury.

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**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2009**

- Spending trends.

The Department received R120,596 million in the main estimates and increased its budget with a further R1,299 million in the Adjustments Estimate to cater for the larger than expected improvement in conditions of service for public service employees.

## **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 original powers of the Western Cape Provincial Treasury are vested in the Minister of Finance 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 Official of the Provincial Treasury and certain of his duly appointed senior managers. Similar provisions apply in the case of the MFMA, 2003.

### **2.1 Tariff policy**

#### 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).

#### Functional Financial Training

The Provincial Treasury annually approves tariffs payable for functional financial training rendered to officials from national government departments. These tariffs are calculated as direct expenditure plus 40% to cater for overhead costs. All costs pertaining to training provided to the provincial departments are provided for under the Vote of the Provincial Treasury. These tariffs are usually revised annually and for the reporting period, on 8 July 2008.

### **2.2 Free Services**

All services rendered by the Provincial Treasury, except those in paragraph 2.1, are rendered to other departments mainly in terms of the PFMA, or to municipalities as per the MFMA, as referred to above. Per definition, the Provincial Treasury rendered no free services for the reporting period.

### **2.3 Inventories**

Two types of inventories are generated by LOGIS, namely an inventory of store items and one of moveable assets. Inventory items are included in major assets in Notes 26 and 27 of these Statements. Stationery to the value of ± R88 597 was available in the stationary store to be issued as at 31 March 2009. The stationary was recorded on a first in first out (FIFO) basis.

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**3. Capacity constraints**

During the reporting period, great strides were made to reduce the vacancy rate with the current economic climate perhaps also assisting to keep attrition rates low. Be that as it may, it was evident that quicker turnaround times, attention to detail, use of head-hunting agencies and soft skills training for all, with hard driving by the Senior Manager HRM greatly assisted in reducing the vacancy rate from just under 38 per cent at the beginning of the reporting period to below 24 per cent at the end of March 2009. These numbers do not take into account the number of interns employed, which further acted as an important feeder base to the permanent establishment.

Limited experience within the worksphere remains a challenge to make ends meet and to ensure that the Department achieves and maintains its targets. The medium term competency framework designed and developed over the reporting period, should aid in further raising the proficiency and professionalism of the Provincial Treasury.

Steps were also undertaken to re-evaluate all level 9 and 11 posts within the line components and the office of the CFO. However, this process could not be completed before the end of March 2009.

**4. Utilisation of donor funds**

The Provincial Treasury received donations of R20 000 from ABSA bank and R20 000 from Grant Thornton and Turner Townsend (R40 000 in total) to sponsor specific PPP seminars during the reporting period, one with Education and one with municipalities.

**5. Trading entities and public entities**

The single public entity operating under the auspices of the Provincial Treasury is the Western Cape Gambling and Racing Board. Its function is to regulate all gambling, racing and other related activities and reports to the Minister of Finance, Economic Development and Tourism, with the Head of Public Finance responsible for the administrative oversight over its activities.

**6. Organisations to whom transfer payments have been made**

The transfers made by the Provincial Treasury to households are reflected in Annexure 1D on page 108 of this document.

**7. Public private partnerships (PPP)**

Treasury acts as a facilitator and monitoring agent for PPP projects. Both departments and municipalities are reluctant to register new projects, due to the high cost of feasibility studies and intensive preparatory work required. Treasury was involved in reviewing the Somerset re-development project, the mooted Outeniqua Choo-Choo train PPP project within the Mossel Bay – George – Knysna area and the Chapman's Peak drive.

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**REPORT OF THE ACCOUNTING OFFICER  
for the year ended 31 March 2009**

**8. Corporate governance arrangements**

The Department has had a fraud prevention policy since the beginning of 2008 and a Fraud and Risk Committee was operative during the reporting period. Operational risk assessments were performed in most directorates and a risk report was compiled and submitted to AGSA and the Internal Audit Component.

The newly approved structure of the Central Internal Audit Component (Health and Education was hived off on 1 April 2008) enabled the Provincial Treasury to recruit and capacitate sufficient staff to reduce dependency on contracted external service providers, with the co-sourced contract ending in December 2008. Amongst others, twenty interns and three senior managers were recruited over the reporting period. The configuration of audit committees was also amended to improve oversight and thrust of the internal audit function. For the entire reporting period under review fully functional audit committees were in place for all departments, some of which forms part of a cluster arrangement.

**9. Discontinued activities/activities to be discontinued**

No specific activities were discontinued during the 2008/09 financial year, rather the reverse with the scope and depth of Treasury activities systematically increasing.

**10. New proposed activities**

The gradual strengthening of Provincial Treasury has made possible a re-focus of its activities on seven main areas, namely accounting, expenditure and resource management, goods and services (mainly supply chain), systems, performance, personnel (together with the Department of the Premier) and infrastructure management and with the exception of personnel management, within both municipalities and departments.

**11. Asset management**

The SCM Unit of the Department has again successfully completed its third consecutive stocktaking, the asset register has been re-compiled, but must still be finally reconciled with the new electronic barcoded Quix system. The minimum requirements to comply with asset management reforms (AMR) have been achieved within this Department. After the reconciliations are completed in 2009/10 it is the intention to do more regular stock takes with electronic scanners. Both major and minor assets are reflected in Note 26 from pages 102 to 104 of these statements.

**12. Performance information**

Over the reporting period a much greater emphasis was placed on the formulation of the 2009 Annual Performance Plan and monitoring and evaluation against its 2008 targets. Quarterly progress meetings with each individual Programme Manager and their senior managers were instituted, chaired by the Accounting Officer to assess both the quality and substance of the performance reporting. Where necessary, progress reports were rewritten and edited with the intention of writing up progress in a rolling fashion. Progress and challenges are therefore

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carried over from quarter to quarter. The intention is to further refine this approach in the 2009/10 financial year.

**13. SCOPA resolutions**

The Provincial Treasury received a clean Audit Report for 2008/09 with the exception of two corrections of material matters after the statements were submitted.

No vote specific resolutions were recommended for the Provincial Treasury. However, SCOPA recommended in general that for all departments, the management policies and procedures, including monitoring processes, should be put in place to govern the process of ensuring that the objectives per the strategic plan are aligned to be consistent with the objectives per the budget and annual report. Furthermore, that the Provincial Treasury must ensure that departments understand what is required of them, especially taking into account that the Auditor-General will be expressing an opinion on the performance information in the near future.

**14. Events after reporting date 2007/08**

The calculation of interest by private parties as identified by the Auditor-General during their regularity audit for the reporting period was corrected in 2008/09. (Consider to remove, event from a previous year.)

The minor assets on the LOGIS system as at 30 April 2009 is reflected per Note 26.4 on page 104. A special intervention in May 2009 revealed that just over R1,5 million of the minor assets purchased since LOGIS was implemented, were understated.

The irregular expenditure identified by the Auditor-General amounting to R250 000 for donations to the Youth Commission that was approved on 27 May 2007 by the Accounting Officer has been carried over into the 2008/09 Financial Statements. The Western Cape: Irregular Expenditure Bill, 2009 has been tabled in the Legislature, however it is expected that it will only be considered by the latter in the course of the 2009/10 financial year.

**15. Prior year modification to audit report**

In October 2008, the Accounting Officer of Provincial Treasury held a post mortem discussion on findings arising from the 2007/08 Audit report of Provincial Treasury. The purpose of the meeting was to discuss findings of the report and to devise and implement measures/initiatives to address these findings. Subsequent to these findings, amendments were made to the matters affecting the Audit Report to provide correct information in future and ensure that closer attention would be given to the interpretation of the findings.

Under other important matters the issues *inter alia* relating to a high vacancy rate within the Provincial Treasury, the incorrect level of authorisation of journals as well as the lack of risk assessments performed, received attention. To address the finding of the high vacancy rate, a more structured approach to recruitment and selection was adopted. To remedy the authorisation levels of journals, the Treasury's internal financial delegations were amended to prevent future errors of this nature from reoccurring. Risk assessments with all senior managers

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**REPORT OF THE ACCOUNTING OFFICER  
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within Provincial Treasury were also performed that supported the awareness of risks in the department.

Administrative matters *inter alia* refer to revenue and receivables, employee cost, asset management and Performance information. Revenue and receivables issues were addressed by implementing segregation of duties, ensuring that all monies received were banked timeously, approval from Provincial Treasury be received for amendment of fee structures and that interest where applicable be charged on outstanding debt. Improving the monitoring, documenting and controlling of performance reviews were implemented to ensure that pay point certificates are handed in timeously. Asset management issues were addressed by having assets available for verification which also had to be removed from the asset register and reported on accordingly. Issues regarding performance information were addressed during quarterly performance meetings and when the new 2009/10 Annual Performance Plan (APP) was compiled.

**16. Other**

The unauthorised expenditure amounting to R10,639 million reflected in the Statement of Financial Position in the 2008/09 reporting period has been cleared per journal and approval was obtained from AGSA. An Act has also been passed and promulgated by the Former President of South Africa on 21 April 2009 to clear the old Departmental balances that emanated from previous structures (department 70 account). Notes 8 and 14 of the Annual Financial Statements in this document refers to this matter. The transactions will be cleared in both the books of the National and the Western Cape Provincial Treasury during 2009/10 as agreed with AGSA and all other relevant parties involved.

**Approval**

The Annual Financial Statements set out on pages 55 to 112 have been approved by the Accounting Officer.



.....  
**(DR) JC STEGMANN  
ACCOUNTING OFFICER**

**DATE: 24 July 2009**



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**REPORT OF THE AUDITOR-GENERAL  
for the year ended 31 March 2009**

**REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL  
PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION  
OF VOTE NO. 3: WESTERN CAPE PROVINCIAL TREASURY FOR THE YEAR ENDED  
31 MARCH 2009**

**REPORT ON THE FINANCIAL STATEMENTS**

**Introduction**

1. I have audited the accompanying financial statements of the Western Cape Provincial Treasury which comprise the appropriation statement, the statement of financial position as at 31 March 2009, and the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes, as set out on pages 55 to 112.

**The accounting officer's responsibility for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1 and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act, 2008 (Act No. 2 of 2008) (DORA) 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.

**The Auditor-General's responsibility**

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 40(2) of the PFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. 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.
5. 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 and fair presentation 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

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**REPORT OF THE AUDITOR-GENERAL  
for the year ended 31 March 2009**

estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

7. 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 2009 and its financial performance and its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1 and in the manner required by the PFMA and DORA.

**Emphasis of matters**

Without qualifying my opinion, I draw attention to the following matters:

**Basis of accounting**

8. The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.

**Restatement of corresponding figures**

9. As disclosed in note 8 to the financial statements, the corresponding figures for 31 March 2008 have been restated as a result of an error discovered during the 2008-09 financial year in the financial statements of the Western Cape Provincial Treasury at, and for the year ended, 31 March 2008.

**Other matter**

**I draw attention to the following matter that relates to my responsibility in the audit of the financial statements:**

**Governance framework**

10. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibility and practices exercised by the accounting officer and executive management and are reflected in the key governance responsibilities addressed below:

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**REPORT OF THE AUDITOR-GENERAL  
for the year ended 31 March 2009**

**Key governance responsibilities**

11. The PFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
<b>Clear trail of supporting documentation that is easily available and provided in a timely manner</b>			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	■	
<b>Quality of financial statements and related management information</b>			
2.	The financial statements were not subject to any material amendments resulting from the audit.		■
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.	■	
<b>Timeliness of financial statements and management information</b>			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines section 40 of the PFMA.	■	
<b>Availability of key officials during audit</b>			
5.	Key officials were available throughout the audit process.	■	
<b>Development and compliance with risk management, effective internal control and governance practices</b>			
6.	Audit committee		
	<ul style="list-style-type: none"> <li>• The department had an audit committee in operation throughout the financial year.</li> </ul>	■	
	<ul style="list-style-type: none"> <li>• The audit committee operates in accordance with approved, written terms of reference.</li> </ul>	■	
	<ul style="list-style-type: none"> <li>• The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10.</li> </ul>	■	

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**REPORT OF THE AUDITOR-GENERAL  
for the year ended 31 March 2009**

No.	Matter	Y	N
7.	Internal audit		
	<ul style="list-style-type: none"> <li>• The department had an internal audit function in operation throughout the financial year.</li> </ul>	■	
	<ul style="list-style-type: none"> <li>• The internal audit function operates in terms of an approved internal audit plan.</li> </ul>	■	
	<ul style="list-style-type: none"> <li>• The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2</li> </ul>	■	
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	■	
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	■	
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	■	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in Treasury Regulation 3.2	■	
12.	Powers and duties have been assigned, as set out in section 44 of the PFMA.	■	
13.	The prior year audit findings have been substantially addressed.	■	
14.	SCOPA resolutions have been substantially implemented.	■	
<b>Issues relating to the reporting of performance information</b>			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.	■	
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.	■	
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the department against its mandate, predetermined objectives, outputs, indicators and targets Treasury Regulations 5.1, 5.2 and 6.1.	■	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	■	

**WESTERN CAPE PROVINCE  
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**REPORT OF THE AUDITOR-GENERAL  
for the year ended 31 March 2009**

12. While there has been an improvement in the overall quality of the financial statements, certain challenges still remain to ensure that the financial statements are free from material errors and omissions before submission for audit purposes, especially with regard to the disclosure notes. The main reason for this is the lapse in ongoing monitoring and supervision to enable an assessment of the effectiveness of internal control over financial reporting.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

**Report on performance information**

13. I have reviewed the performance information as set out on pages 9 to 50.

**The accounting officer's responsibility for the performance information**

14. The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

**The Auditor-General's responsibility**

15. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*.
16. In terms of the foregoing my engagement included performing procedures of a review nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
17. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the findings reported below.

**Findings on performance information**

**Usefulness and reliability of reported performance information**

18. The following criteria were used to assess the usefulness and reliability of the information on the department's performance with respect to the objectives in its annual performance plan:
- Consistency: Has the department reported on its performance with regard to its objectives, indicators and targets in its approved annual performance plan?
  - Relevance: Is the performance information as reflected in the indicators and targets clearly linked to the predetermined objectives and mandate. Is this specific and measurable, and is the time period or deadline for delivery specified?
  - Reliability: Can the reported performance information be traced back to the source data or documentation and is the reported performance information accurate and complete in relation to the source data or documentation?

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The following audit findings relate to the above criteria:

**Reported performance information not relevant**

19. The indicators for sub-programmes 3.2.2 and 3.3.3 under asset and liabilities management and the first objective under immovable asset management were not measurable in identifying the required performance. Targets are set as percentages without clarifying or quantifying which steps and/or phase of the indicators would result in compliance with the specific target.

**Reported performance information not reliable**

20. Sufficient appropriate evidence in relation to the reported performance information of the third quarter's review session and the minutes of the first session of the Annual Performance Plan held in October 2008, could not be obtained, as the relevant source documentation could not be provided for audit purposes.

**APPRECIATION**

21. The assistance rendered by the staff of the Western Cape Provincial Treasury during the audit is sincerely appreciated.

*Auditor - general*

Cape Town

18 August 2009



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

**WESTERN CAPE PROVINCE  
PROVINCIAL TREASURY  
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**APPROPRIATION STATEMENT  
for the year ended 31 March 2009**

Appropriation per programme									
Programmes	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1. Administration</b>									
Current payment	36,195	(513)	1,810	<b>37,492</b>	37,492	-	100.0	32,103	31,701
Transfers and subsidies	151	(43)	-	<b>108</b>	108	-	100.0	799	799
Payment for capital assets	1,670	556	315	<b>2,541</b>	2,541	-	100.0	1,275	947
<b>2. Sustainable Resource Management</b>									
Current payment	22,691	(50)	(1,345)	<b>21,296</b>	21,296	-	100.0	21,707	21,478
Transfers and subsidies	-	50	-	<b>50</b>	50	-	100.0	-	-
Payment for capital assets	-	-	-	-	-	-	-	86	62
<b>3. Asset and Liabilities Management</b>									
Current payment	22,540	-	(192)	<b>22,348</b>	22,348	-	100.0	21,505	21,081
Transfers and subsidies	-	-	-	-	-	-	-	635	615
Payment for capital assets	-	-	-	-	-	-	-	11	11
<b>4. Financial Governance</b>									
Current payment	38,648	(109)	(588)	<b>37,951</b>	37,006	945	97.5	38,420	38,420
Transfers and subsidies	-	109	-	<b>109</b>	109	-	100.0	-	-
Payment for capital assets	-	-	-	-	-	-	-	10	10
<b>Total</b>	<b>121,895</b>	<b>-</b>	<b>-</b>	<b>121,895</b>	<b>120,950</b>	<b>945</b>	<b>99.2</b>	<b>116,551</b>	<b>115,124</b>
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add:</b>									
Departmental receipts				20,863				37,610	
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				<b>142,758</b>				<b>154,161</b>	
<b>Actual amounts per Statement of Financial Performance Expenditure</b>					<b>120,950</b>				<b>115,124</b>

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2009**

<b>Appropriation per Economic classification</b>									
Economic classification	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	74,281	(351)	(1,750)	<b>72,180</b>	71,482	698	99.0	61,567	60,231
Goods and services	45,793	186	891	<b>46,870</b>	46,623	247	99.5	52,147	52,428
Financial transactions in assets and liabilities	-	37	-	<b>37</b>	37	-	100.0	21	21
							-		
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	-	80	-	<b>80</b>	80	-	100.0	-	-
Departmental agencies & accounts	-	-	-	-	-	-	-	252	252
Non-profit institutions	-	50	-	<b>50</b>	50	-	100.0	-	-
Households	151	(14)	-	<b>137</b>	137	-	100.0	1,182	1,162
<b>Payment for capital assets</b>									
Machinery & equipment	1,670	12	859	<b>2,541</b>	2,541	-	100.0	1,382	1,030
<b>Total</b>	<b>121,895</b>	-	-	<b>121,895</b>	<b>120,950</b>	<b>945</b>	<b>99.2</b>	<b>116,551</b>	<b>115,124</b>



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**APPROPRIATION STATEMENT  
for the year ended 31 March 2009**

**Detail per programme 1 – Administration  
for the year ended 31 March 2009**

Details per Sub-Programme	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>1.1 Office of the Minister</b>									
Current payment	3,420	166	-	<b>3,586</b>	3,586	-	100.0	3,501	3,287
Transfers and subsidies	-	9	-	<b>9</b>	9	-	100.0	-	-
Payment for capital assets	-	-	-	-	-	-	-	53	25
<b>1.2 Management Services</b>									
Current payment	2,631	(55)	-	<b>2,576</b>	2,576	-	100.0	2,021	2,021
Transfers and subsidies	-	-	-	-	-	-	-	545	545
Payment for capital assets	-	-	-	-	-	-	-	-	-
<b>1.3 Corporate Services</b>									
Current payment	14,201	(624)	-	<b>13,577</b>	13,577	-	100.0	13,266	13,108
Transfers and subsidies	151	(52)	-	<b>99</b>	99	-	100.0	250	250
Payment for capital assets	-	-	-	-	-	-	-	13	13
<b>1.4 Financial Management</b>									
Current payment	15,943	-	1,810	<b>17,753</b>	17,753	-	100.0	13,315	13,285
Transfers and subsidies	-	-	-	-	-	-	-	4	4
Payment for capital assets	1,670	556	315	<b>2,541</b>	2,541	-	100.0	1,209	909
<b>Total</b>	<b>38,016</b>	<b>-</b>	<b>2,125</b>	<b>40,141</b>	<b>40,141</b>	<b>-</b>	<b>100.0</b>	<b>34,177</b>	<b>33,447</b>

Programme 1 Per Economic classification	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	17 632	(6)	-	<b>17 626</b>	17 626	-	100.0	15 534	15 132
Goods and services	18 563	-	1 266	<b>19 829</b>	19 829	-	100.0	16 548	16 548
Financial transactions in assets and liabilities	-	37	-	<b>37</b>	37	-	100.0	21	21
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies & accounts	-	-	-	-	-	-	-	250	250
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	151	(43)	-	<b>108</b>	108	-	100.0	549	549
<b>Payment for capital assets</b>									
Machinery & equipment	1 670	12	859	<b>2 541</b>	2 541	-	100.0	1 275	947
<b>Total</b>	<b>38 016</b>	<b>-</b>	<b>2 125</b>	<b>40 141</b>	<b>40 141</b>	<b>-</b>	<b>100.0</b>	<b>34 177</b>	<b>33 447</b>

**WESTERN CAPE PROVINCE  
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**APPROPRIATION STATEMENT  
for the year ended 31 March 2009**

**Detail per programme 2 – Sustainable Resource Management  
for the year ended 31 March 2009**

Details per sub-programme	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>2.1 Programme Support</b>									
Current payment	1,726	(41)	(80)	<b>1,605</b>	1,605	-	100.0	414	406
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
<b>2.2 Economic Analysis</b>									
Current payment	2,401	-	(668)	<b>1,733</b>	1,733	-	100.0	3,506	3,667
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
<b>2.3 Fiscal Policy</b>									
Current payment	621	41	-	<b>662</b>	662	-	100.0	3,032	2,892
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	11	11
<b>2.4 Budget Management</b>									
Current payment	7,368	-	(127)	<b>7,241</b>	7,241	-	100.0	6,691	6,811
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
<b>2.5 Public Finance</b>									
Current payment	10,575	(50)	(470)	<b>10,055</b>	10,055	-	100.0	8,064	7,702
Transfers and subsidies	-	50	-	<b>50</b>	50	-	100.0	-	-
Payment for capital assets	-	-	-	-	-	-	-	75	51
<b>Total</b>	<b>22 691</b>	<b>-</b>	<b>( 1 345)</b>	<b>21 346</b>	<b>21 346</b>	<b>-</b>	<b>100.0</b>	<b>21,793</b>	<b>21,540</b>

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2009**

Programme 2 Per Economic classification	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	18,123	-	(970)	<b>17,153</b>	17,153	-	100.0	17,054	16,544
Goods and services	4,568	(50)	(375)	<b>4,143</b>	4,143	-	100.0	4,653	4,934
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies & accounts	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	50	-	<b>50</b>	50	-	100.0	-	-
Households	-	-	-	-	-	-	-	-	-
<b>Payment for capital assets</b>									
Machinery & equipment	-	-	-	-	-	-	-	86	62
<b>Total</b>	<b>22,691</b>	<b>-</b>	<b>(1,345)</b>	<b>21,346</b>	<b>21,346</b>	<b>-</b>	<b>100.0</b>	<b>21,793</b>	<b>21,540</b>

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2009**

**Detail per programme 3 – Asset and Liabilities Management  
for the year ended 31 March 2009**

Details per sub-programme	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>3.1 Programme Support</b>									
Current payment	813	27	-	840	840	-	100.0	961	961
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
<b>3.2 Asset Management</b>									
Current payment	8,901	(138)	(141)	8,622	8,622	-	100.0	7,580	7,183
Transfers and subsidies	-	-	-	-	-	-	-	348	348
Payment for capital assets	-	-	-	-	-	-	-	11	11
<b>3.3 Liabilities Management</b>									
Current payment	1,703	-	(51)	1,652	1,652	-	100.0	1,492	1,465
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
<b>3.4 Supporting and Interlinked Financial Systems</b>									
Current payment	11,123	111	-	11,234	11,234	-	100.0	11,472	11,472
Transfers and subsidies	-	-	-	-	-	-	-	287	267
Payment for capital assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>22,540</b>	<b>-</b>	<b>(192)</b>	<b>22,348</b>	<b>22,348</b>	<b>-</b>	<b>100.0</b>	<b>22,151</b>	<b>21,707</b>

Programme 3 Per Economic classification	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	16,807	(345)	(192)	16,270	16,270	-	100.0	15,458	15,034
Goods and services	5,733	345	-	6,078	6,078	-	100.0	6,047	6,047
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies & accounts	-	-	-	-	-	-	-	2	2
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	633	613
<b>Payment for capital assets</b>									
Machinery & equipment	-	-	-	-	-	-	-	11	11
<b>Total</b>	<b>22,540</b>	<b>-</b>	<b>(192)</b>	<b>22,348</b>	<b>22,348</b>	<b>-</b>	<b>100.0</b>	<b>22,151</b>	<b>21,707</b>

**WESTERN CAPE PROVINCE  
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**APPROPRIATION STATEMENT  
for the year ended 31 March 2009**

**Detail per programme 4 – Financial Governance  
for the year ended 31 March 2009**

Details per sub-programme	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>4.1 Programme Support</b>									
Current payment	1,505	76	-	<b>1,581</b>	1,581	-	100.0	1,027	1,027
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	10	10
<b>4.2 Accounting Services</b>									
Current payment	5,327	-	(55)	<b>5,272</b>	5,272	-	100.0	3,806	3,806
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
<b>4.3 Norms and Standards</b>									
Current payment	3,761	-	(218)	<b>3,543</b>	3,417	126	96.4	3,551	3,551
Transfers and subsidies	-	9	-	<b>9</b>	9	-	100.0	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
<b>4.4 Risk Management</b>									
Current payment	2,469	-	-	<b>2,469</b>	2,196	273	88.9	2,091	2,091
Transfers and subsidies	-	80	-	<b>80</b>	80	-	100.0	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
<b>4.5 Provincial Internal Audit</b>									
Current payment	25,586	(185)	(315)	<b>25,086</b>	24,540	546	97.8	27,945	27,945
Transfers and subsidies	-	20	-	<b>20</b>	20	-	100.0	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>38,648</b>	<b>-</b>	<b>(588)</b>	<b>38,060</b>	<b>37,115</b>	<b>945</b>	<b>97.5</b>	<b>38,430</b>	<b>38,430</b>

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2009**

Programme 4 Per Economic classification	2008/09							2007/08	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	21,719	-	(588)	<b>21,131</b>	20,433	698	100.0	13,521	13,521
Goods and services	16,929	(109)	-	<b>16,820</b>	16,573	247	100.0	24,899	24,899
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	-	80	-	<b>80</b>	80	-	-	-	-
Departmental agencies & accounts	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	29	-	<b>29</b>	29	-	-	-	-
<b>Payment for capital assets</b>									
Machinery & equipment	-	-	-	-	-	-	-	10	10
<b>Total</b>	<b>38,648</b>	-	<b>(588)</b>	<b>38,060</b>	<b>37,115</b>	<b>945</b>	<b>100.0</b>	<b>38,430</b>	<b>38,430</b>

**WESTERN CAPE PROVINCE  
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**NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2009**

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

Detail of these transactions can be viewed in Note 6 (Transfers and Subsidies) 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 financial transactions in assets and liabilities:**

Detail of these transactions per programme can be viewed in Note 5 (Financial Transactions in Assets and Liabilities) to the Annual Financial Statements.

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

**4.1 Per programme**

Per programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	R'000
Administration	40,141	40,141	-	-
Sustainable Resource Management	21,346	21,346	-	-
Assets and Liabilities Management	22,348	22,348	-	-
Financial Governance	38,060	37,115	945	2.5

The underspending on Financial Governance is in the main due to the difficulty in recruiting appropriately skilled personnel in particularly Internal Audit, given the competition in this field between various employing agencies in both the private and public sectors.

**WESTERN CAPE PROVINCE  
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**NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2009**

**4.2 Per economic classification**

Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
<b>Current expenditure</b>				
Compensation of employees	72,180	71,482	698	1.0
Goods and services	46,870	46,623	247	0.5
Financial transactions in assets and liabilities	37	37	-	-
<b>Transfers and subsidies</b>				
Provinces and municipalities	80	80	-	-
Departmental agencies and accounts	-	-	-	-
Non-profit institutions	50	50	-	-
Households	137	137	-	-
<b>Payments for capital assets</b>				
Machinery and equipment	2,541	2,541	-	-
<b>TOTAL</b>	<b>121,895</b>	<b>120,950</b>	<b>945</b>	<b>0.8</b>



**WESTERN CAPE PROVINCE  
PROVINCIAL TREASURY  
VOTE 3**

**STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 2009**

	Note	2008/09 R'000	2007/08 R'000
<b>REVENUE</b>			
Annual appropriation	1	121,895	116,551
Departmental revenue	2	20,863	37,610
<b>TOTAL REVENUE</b>		<b>142,758</b>	<b>154,161</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3	71,482	60,231
Goods and services	4	46,623	52,428
Financial transactions in assets and liabilities	5	37	21
<b>Total current expenditure</b>		<b>118,142</b>	<b>112,680</b>
<b>Transfers and subsidies</b>		<b>267</b>	<b>1,414</b>
Transfers and subsidies	6	267	1,414
<b>Expenditure for capital assets</b>			
Tangible capital assets	7	2,541	1,030
<b>Total expenditure for capital assets</b>		<b>2,541</b>	<b>1,030</b>
<b>TOTAL EXPENDITURE</b>		<b>120,950</b>	<b>115,124</b>
<b>SURPLUS FOR THE YEAR</b>		<b>21,808</b>	<b>39,037</b>
<b>Reconciliation of Net Surplus for the year</b>			
Voted Funds	12	945	1,427
Departmental revenue	13	20,863	37,610
<b>SURPLUS FOR THE YEAR</b>		<b>21,808</b>	<b>39,037</b>

**WESTERN CAPE PROVINCE  
PROVINCIAL TREASURY  
VOTE 3**

**STATEMENT OF FINANCIAL POSITION  
as at 31 March 2009**

	Note	2008/09 R'000	2007/08 R'000
<b>ASSETS</b>			
<b>Current Assets</b>		<b>2,847</b>	<b>3,442</b>
Unauthorised expenditure	8	-	-
Cash and cash equivalents	9	2,372	2,333
Prepayments and advances	10	12	3
Receivables	11	463	1,106
<b>TOTAL ASSETS</b>		<b>2,847</b>	<b>3,442</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>2,847</b>	<b>3,442</b>
Voted funds to be surrendered to the Revenue Fund	12	945	1,428
Departmental revenue to be surrendered to the Revenue Fund	13	257	276
Payables	14	1,645	1,738
<b>TOTAL LIABILITIES</b>		<b>2,847</b>	<b>3,442</b>
<b>NET ASSETS</b>		<b>-</b>	<b>-</b>

**WESTERN CAPE PROVINCE  
PROVINCIAL TREASURY  
VOTE 3**

**CASH FLOW STATEMENT  
for the year ended 31 March 2009**

	Note	2008/09 R'000	2007/08 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>507,577</b>	<b>498,843</b>
Annual appropriated funds received	1.1	121,895	116,551
Departmental revenue received	2	385,682	382,292
Net increase in working capital		541	1,836
Surrendered to Revenue Fund		(387,129)	(383,315)
Current payments		(118,142)	(112,680)
Transfers and subsidies paid		(267)	(1,414)
<b>Net cash flow available from operating activities</b>	<b>15</b>	<b>2,580</b>	<b>3,270</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	7	(2,541)	(1,030)
<b>Net cash flows from investing activities</b>		<b>(2,541)</b>	<b>(1,030)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net increase in cash and cash equivalents		39	2,240
Cash and cash equivalents at beginning of period		2,333	93
<b>Cash and cash equivalents at end of period</b>	<b>9</b>	<b>2,372</b>	<b>2,333</b>

**WESTERN CAPE RPOVINCE  
PROVINCIAL TREASURY  
VOTE 3**

**ACCOUNTING POLICIES  
for the year ended 31 March 2009**

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 2 of 2006.

**1. Presentation of the Financial Statements**

**1.1 Basis of preparation**

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

**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.

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

Total appropriated funds are presented in the Statement of Financial Performance.

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

**WESTERN CAPE PROVINCE  
PROVINCIAL TREASURY  
VOTE 3**

**ACCOUNTING POLICIES  
for the year ended 31 March 2009**

**2.2 Departmental revenue**

All departmental revenue is paid into the Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

**2.2.1 Tax revenue**

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits).

Tax receipts are recognised in the Statement of Financial Performance when received.

**2.2.2 Sales of goods and services other than capital assets**

The proceeds received from the sale of goods and/or the provision of services is recognised in the Statement of Financial Performance when the cash is received.

**2.2.3 Fines, penalties & forfeits**

Fines, penalties & forfeits are compulsory unrequited amounts which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the Statement of Financial Performance when the cash is received.

**2.2.4 Interest, dividends and rent on land**

Interest, dividends and rent on land is recognised in the Statement of Financial Performance when the cash is received.

**2.2.5 Sale of capital assets**

The proceeds received on sale of capital assets are recognised in the Statement of Financial Performance when the cash is received.

**2.2.6 Financial transactions in assets and liabilities**

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the Statement of Financial Performance on receipt of the funds.

**2.2.7 Transfers received (including gifts, donations and sponsorships)**

All cash gifts, donations and sponsorships are paid into the Provincial Revenue Fund and recorded as revenue in the Statement of Financial Performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

All in-kind gifts, donations and sponsorships are disclosed at fair value in an annexure to the financial statements.

**WESTERN CAPE RPOVINCE  
PROVINCIAL TREASURY  
VOTE 3**

**ACCOUNTING POLICIES  
for the year ended 31 March 2009**

**3. Expenditure**

**3.1 Compensation of employees**

**3.1.1 Short-term employee benefits**

Salaries and wages comprise payments to employees (including leave entitlements, thirteenth cheques and performance bonuses). Salaries and wages are recognised as an expense in the Statement of Financial Performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

All other payments are classified as current expense.

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 Position.

**3.1.2 Post retirement benefits**

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions.

Employer contributions (i.e. social contributions) to the fund are expensed when the final authorisation for payment to the fund 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 Provincial Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year).

**3.1.3 Termination benefits**

Termination benefits such as severance packages are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

**3.1.4 Other long-term employee benefits**

Other long-term employee benefits (such as capped leave) are recognised as an expense in the Statement of Financial Performance as a transfer (to households) when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

**WESTERN CAPE RPOVINCE  
PROVINCIAL TREASURY  
VOTE 3**

**ACCOUNTING POLICIES  
for the year ended 31 March 2009**

**3.2 Goods and services**

Payments made 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 services were used for a capital project or an asset of R5 000 or more is purchased. All assets costing less than R5 000 will also be reflected under goods and services.

**3.3 Financial transactions in assets and liabilities**

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 amounts are disclosed as a disclosure note.

Forex losses are recognised on payment of funds.

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

**3.4 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).

**3.5 Unauthorised expenditure**

When discovered 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 recognised in the Statement of Financial Performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the Statement of Financial Performance on the date of approval.

**3.6 Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure is recognised as expenditure in the Statement of Financial Performance. 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.

**3.7 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 in the Statement of Financial Performance.

**3.8 Expenditure for capital assets**

Payments made for capital assets 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).

**WESTERN CAPE RPOVINCE  
PROVINCIAL TREASURY  
VOTE 3**

**ACCOUNTING POLICIES  
for the year ended 31 March 2009**

**4. Assets**

**4.1 Cash and cash equivalents**

Cash and cash equivalents are carried in the Statement of Financial Position at cost.

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.

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.

Receivables outstanding at year-end are carried in the Statement of Financial Position at cost plus accrued interest.

**4.5 Inventory**

Inventories purchased during the financial year are disclosed at cost in the notes.

**4.6 Capital assets**

**4.6.1 Moveable assets**

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 moveable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

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 on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the Statement of Financial Performance.



**WESTERN CAPE RPOVINCE  
PROVINCIAL TREASURY  
VOTE 3**

**ACCOUNTING POLICIES  
for the year ended 31 March 2009**

**5. Liabilities**

**5.1 Voted funds to be surrendered to the Revenue Fund**

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position.

**5.2 Departmental revenue to be surrendered to the Revenue Fund**

Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the Statement of Financial Position at cost.

**5.3 Payables**

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the Statement of Financial Position.

**5.4 Contingent liabilities**

Contingent liabilities are included in the disclosure notes to the financial statements.

**5.5 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.

**5.6 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.

**5.7 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.

**5.8 Lease commitments**

**Finance leases**

Finance leases are not recognised as assets and liabilities in the Statement of Financial Position. Finance lease payments are recognised as an expense in the Statement of Financial Performance and are apportioned between the capital and the interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

**WESTERN CAPE RPOVINCE  
PROVINCIAL TREASURY  
VOTE 3**

**ACCOUNTING POLICIES  
for the year ended 31 March 2009**

**Operating leases**

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 statements.

**6. Receivables for departmental revenue**

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

**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 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 2009**

**1. Annual Appropriation**

**1.1 Annual Appropriation**

Programmes	Final Appropriation 2008/09 R'000	Actual Funds Received 2008/09 R'000	Funds not requested/ not received 2008/09 R'000	Appropriation Received 2007/08 R'000
ADMINISTRATION	40,141	40,141	-	34,177
SUSTAINABLE RESOURCE MANAGEMENT	21,346	21,346	-	21,793
ASSET AND LIABILITIES MANAGEMENT	22,348	22,348	-	22,151
FINANCIAL GOVERNANCE	38,060	38,060	-	38,430
<b>Total</b>	<b>121,895</b>	<b>121,895</b>	<b>-</b>	<b>116,551</b>

Note	2008/09 R'000	2007/08 R'000
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**2. Departmental Revenue**

Tax revenue		323,728	324,591
Sales of goods and services other than capital assets	2.1	1,346	1,297
Fines, penalties and forfeits	2.2	380	139
Interest, dividends and rent on land	2.3	52,948	47,128
Financial transactions in assets and liabilities	2.4	7,280	9,072
Transfer received	2.5	-	65
Total revenue collected		<u>385,682</u>	<u>382,292</u>
Less: Own revenue included in appropriation	13	(364,819)	(344,682)
Departmental revenue collected		<u><b>20,863</b></u>	<u><b>37,610</b></u>

**2.1 Sales of goods and services other than capital assets**

2

Sales of goods and services produced by the department		1,345	1,297
Administrative fees		1,301	1,285
Other sales		44	12
Sales of scrap, waste and other used current goods		1	-
<b>Total</b>		<u><b>1,346</b></u>	<u><b>1,297</b></u>

**2.2 Fines, penalties and forfeits**

2

Fines		5	7
Penalties		375	132
<b>Total</b>		<u><b>380</b></u>	<u><b>139</b></u>

**WESTERN CAPE PROVINCE  
PROVINCIAL TREASURY  
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2009**

	Note	2008/09 R'000	2007/08 R'000
<b>2.3 Interest, dividends and rent on land</b>	2		
Interest		52,948	47,128
<b>Total</b>		<b>52,948</b>	<b>47,128</b>
<b>2.4 Financial transactions in assets and liabilities</b>	2		
<b>Nature of recovery</b>			
Other Receipts including Recoverable Revenue		7,280	9,072
<b>Total</b>		<b>7,280</b>	<b>9,072</b>
<b>2.5 Transfers received</b>	2		
Public corporations and private enterprises		-	65
<b>Total</b>		<b>-</b>	<b>65</b>
<b>3. Compensation of employees</b>			
<b>3.1 Salaries and wages</b>			
Basic salary		48,823	42,224
Performance award		1,117	875
Service Based		139	157
Compensative/circumstantial		1,927	1,352
Periodic payments		19	36
Other non-pensionable allowances		10,528	8,063
<b>Total</b>		<b>62,553</b>	<b>52,707</b>
<b>3.2 Social Contributions</b>			
<b>Employer contributions</b>			
Pension		6,191	5,167
Medical		2,730	2,349
Bargaining council		8	8
<b>Total</b>		<b>8,929</b>	<b>7,524</b>
<b>Total compensation of employees</b>		<b>71,482</b>	<b>60,231</b>
Average number of employees		261	255

Note: The average number of employees for 2007/08 under note 3.2 above includes 22 interns. In 2008/09 interns were not included in the average number of employees.

**WESTERN CAPE PROVINCE  
PROVINCIAL TREASURY  
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2009**

	Note	2008/09 R'000	2007/08 R'000
<b>4. Goods and services</b>			
Administrative fees		56	88
Advertising		3,638	4,629
Assets less than R5,000	4.1	772	515
Bursaries (employees)		361	321
Catering		642	541
Communication		1,699	1,247
Computer services	4.2	1,780	296
Consultants, contractors and agency/outsourced services	4.3	23,509	34,092
Entertainment		86	74
Audit cost – external	4.4	2,875	2,450
Inventory	4.5	2,790	1,829
Maintenance, repairs and running costs		-	23
Operating leases		334	385
Owned and leasehold property expenditure	4.6	217	-
Transport provided as part of the departmental activities		13	-
Travel and subsistence	4.7	4,815	4,048
Venues and facilities		926	741
Training and staff development		1,402	828
Other operating expenditure	4.8	708	321
<b>Total</b>		<b>46,623</b>	<b>52,428</b>

Note: The SCOA items in Goods and Services for 2007/08 were re-classified in many cases to be in line with the new SCOA 2008/09 database. Therefore, some items will not be directly comparable.

**4.1 Assets less than R5,000**

<b>Tangible assets</b>	4	<b>772</b>	<b>280</b>
Machinery and equipment		772	280
<b>Intangible assets</b>		-	235
<b>Total</b>		<b>772</b>	<b>515</b>

**4.2 Computer services**

	4		
SITA computer services		316	290
External computer service providers		1,464	6
<b>Total</b>		<b>1,780</b>	<b>296</b>

**WESTERN CAPE PROVINCE  
PROVINCIAL TREASURY  
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2009**

	Note	2008/09 R'000	2007/08 R'000
<b>4.3 Consultants, contractors and agency/outsourced services</b>	4		
Business and advisory services		14,495	32,286
Legal costs		50	238
Contractors		680	292
Agency and support/outsourced services		8,284	1,276
<b>Total</b>		<b>23,509</b>	<b>34,092</b>
<b>4.4 Audit cost – external</b>	4		
Regularity audits		2,752	2,450
Performance audits		123	-
<b>Total</b>		<b>2,875</b>	<b>2,450</b>
<b>4.5 Inventory</b>	4		
Learning and teaching support material		44	-
Food and food supplies		56	47
Other consumable materials		24	33
Stationery and printing		2,666	1,749
<b>Total</b>		<b>2,790</b>	<b>1,829</b>
<b>4.6 Owned and leasehold property expenditure</b>	4		
Property management fees		217	-
<b>Total</b>		<b>217</b>	<b>-</b>
<b>4.7 Travel and subsistence</b>	4		
Local		4,629	3,716
Foreign		186	332
<b>Total</b>		<b>4,815</b>	<b>4,048</b>
<b>4.8 Other operating expenditure</b>	4		
Professional bodies, membership and subscription fees		56	89
Resettlement costs		618	196
Other		34	36
<b>Total</b>		<b>708</b>	<b>321</b>

**WESTERN CAPE PROVINCE  
PROVINCIAL TREASURY  
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2009**

	Note	2008/09 R'000	2007/08 R'000
<b>5. Financial Transactions in Assets and Liabilities</b>			
Material losses through criminal conduct		<b>26</b>	<b>21</b>
Theft	5.3	26	21
Other material losses written off	5.1	1	-
Debts written off	5.2	10	-
<b>Total</b>		<b>37</b>	<b>21</b>
<b>5.1 Other material losses written off</b>	5		
<b>Nature of losses</b>			
Damage to labelling machine		1	-
<b>Total</b>		<b>1</b>	<b>-</b>
<b>5.2 Debts written off</b>	5		
<b>Nature of debts written off</b>			
Irrecoverable telephone debts		10	-
<b>Total</b>		<b>10</b>	<b>-</b>
<b>5.3 Details of theft</b>	5		
<b>Nature of theft</b>			
Stolen Laptop		25	21
Stolen cellphone		1	-
<b>Total</b>		<b>26</b>	<b>21</b>
<b>5.4 Assets written off</b>			
<b>Nature of write-off</b>			
Stolen laptop		25	
Stolen cellphone		1	
<b>Total</b>		<b>26</b>	

1. The GG vehicles that were purchased for Treasury amounting to R420 000.00 were taken up in the Asset register of Government Motor Transport and not in Provincial Treasury's register. Therefore this note will not reflect the said amount.
2. The amounts identified in 2007/08 to be written off in the reporting period was not reduced before 31/03/2009 on LOGIS. Therefore, the LOGIS Asset register is still overstated with a net amount of R22 000.00.

**WESTERN CAPE PROVINCE  
PROVINCIAL TREASURY  
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2009**

	Note	2008/09 R'000	2007/08 R'000
<b>6. Transfers and subsidies</b>			
Provinces and municipalities	Annexure 1A	80	-
Departmental agencies and accounts	Annexure 1B	-	252
Non-profit institutions	Annexure 1C	50	-
Households	Annexure 1D	137	1,162
<b>Total</b>		<b>267</b>	<b>1,414</b>
<b>7. Expenditure for capital assets</b>			
<b>Tangible assets</b>		<b>2,541</b>	<b>1,030</b>
Machinery and equipment	26	2,541	1,030
<b>Total</b>		<b>2,541</b>	<b>1,030</b>
<b>7.1 Analysis of funds utilised to acquire capital assets - 2008/09</b>			
	<b>Voted Funds R'000</b>	<b>Aid assistance R'000</b>	<b>Total R'000</b>
<b>Tangible assets</b>	<b>2,541</b>	<b>-</b>	<b>2,541</b>
Machinery and equipment	2,541	-	2,541
<b>Total</b>	<b>2,541</b>	<b>-</b>	<b>2,541</b>
<b>7.2 Analysis of funds utilised to acquire capital assets - 2007/08</b>			
	<b>Voted Funds R'000</b>	<b>Aid assistance R'000</b>	<b>Total R'000</b>
Total assets acquired	1,030	-	1,030



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	Note	2008/09 R'000	2007/08 R'000
<b>8. Unauthorised Expenditure</b>			
<b>8.1 Reconciliation of unauthorised expenditure</b>			
Opening balance		-	-
Less: Amounts approved by Parliament/ Legislature with funding		-	-
<b>Unauthorised expenditure awaiting authorisation</b>		<u>-</u>	<u>-</u>
<b>Analysis of awaiting authorisation per economic classification</b>			
Current		-	-
<b>Total</b>		<u>-</u>	<u>-</u>

A prior year adjustment of R10,639 million was reflected in 2007/08 Annual Report which has now been omitted as it was double counted and is already included in Dept. 70 balance of R1, 579 million as per note 14.1 under the clearing accounts. (See note 14)

<b>9. Cash and Cash Equivalents</b>			
Consolidated Paymaster General Account		178	159
Disbursements		-	(12)
Cash with commercial banks (Local)		2,194	2,186
<b>Total</b>		<u>2,372</u>	<u>2,333</u>

<b>10. Prepayments and Advances</b>			
Travel and subsistence		12	3
<b>Total</b>		<u>12</u>	<u>3</u>

	Note	2008/09			Total R'000	2007/08 R'000
		Less than one year R'000	One to three years R'000	Older than three years R'000		
Claims recoverable	11.1	391	-	-	391	1,056
	Annex 2					
Recoverable expenditure	11.2	27	-	-	27	-
Staff debt	11.3	23	1	-	24	50
Other debtors	11.4	16	5	-	21	-
		<u>457</u>	<u>6</u>	<u>-</u>	<u>463</u>	<u>1,106</u>

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	Note	2008/09 R'000	2007/08 R'000
<b>11.1 Claims recoverable</b>	11		
National departments		71	59
Provincial departments		320	997
<b>Total</b>		<b>391</b>	<b>1,056</b>
<b>11.2 Recoverable expenditure (disallowance accounts)</b>	11		
Disallowance miscellaneous		27	-
<b>Total</b>		<b>27</b>	<b>-</b>
<b>11.3 Staff debt</b>	11		
Unclaimed staff debt		-	59
Debt recovered		-	(9)
Bursary debt		9	-
Tax		1	-
Theft of laptop		11	-
Data card		1	-
Housing bond		2	-
<b>Total</b>		<b>24</b>	<b>50</b>
<b>11.4 Other debtors</b>			
Debt receivable income	11	(41)	-
Debt receivable interest		(1)	-
Ex - Employees			
- Tax		10	-
- Salary		50	-
- Housing		1	-
- Library		1	-
- Telephone and Library		1	-
<b>Total</b>		<b>21</b>	<b>-</b>

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	Note	2008/09 R'000	2007/08 R'000
<b>12. Voted Funds to be Surrendered to the Revenue Fund</b>			
Opening balance		1,428	310
Transfer from statement of financial performance		945	1,427
Paid during the year		(1,428)	(309)
<b>Closing balance</b>		<b>945</b>	<b>1,428</b>
<b>13. Departmental revenue to be surrendered to the Revenue Fund</b>			
Opening balance		276	990
Transfer from Statement of Financial Performance		20,863	37,610
Own revenue included in appropriation		364,819	344,682
Paid during the year		(385,701)	(383,006)
<b>Closing balance</b>		<b>257</b>	<b>276</b>
<b>14. Payables - current</b>			
Clearing accounts	14.1	1,579	1,579
Other payables	14.2	66	159
<b>Total</b>		<b>1,645</b>	<b>1,738</b>
<b>14.1 Clearing accounts</b>	14		
Department 70 Control accounts		1,579	1,579
		-	-
<b>Total</b>		<b>1,579</b>	<b>1,579</b>
<b>14.2 Other payables</b>	14		
Private telephone account		30	24
SARS		22	135
Kromme Rhee		11	-
Pension fund		3	-
<b>Total</b>		<b>66</b>	<b>159</b>

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	Note	2008/09 R'000	2007/08 R'000
<b>15. Net cash flow available from operating activities</b>			
Net surplus as per Statement of Financial Performance		21,808	39,037
Add back non cash/cash movements not deemed operating activities		(19,228)	(35,767)
Decrease in receivables – current		643	1,700
(Decrease)/Increase in prepayments and advances		(9)	7
(Decrease)/Increase in payables – current		(93)	129
Expenditure on capital assets		2,541	1,030
Surrenders to Revenue Fund		(387,129)	(383,315)
Other non-cash items		364,819	344,682
<b>Net cash flow generated by operating activities</b>		<b>2,580</b>	<b>3,270</b>
<b>16. Reconciliation of cash and cash equivalents for cash flow purposes</b>			
Consolidated Paymaster General account		178	159
Disbursements		-	(12)
Cash with commercial banks (Local)		2,194	2,186
<b>Total</b>		<b>2,372</b>	<b>2,333</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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	Note	2008/09 R'000	2007/08 R'000		
<b>17. Contingent liabilities</b>					
Other departments (interdepartmental unconfirmed balances)	Annexure 3	184	305		
<b>Total</b>		<b>184</b>	<b>305</b>		
<b>18. Commitments</b>					
<b>Current expenditure</b>					
Approved and contracted		2,951	1,649		
<b>Capital Expenditure</b>					
Approved and contracted		86	-		
<b>Total Commitments</b>		<b>3,037</b>	<b>1,649</b>		
<b>19. Accruals</b>					
<b>Listed by economic classification</b>		<b>30 Days</b>	<b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services		2,450	226	2,676	1,008
Buildings and other fixed structures		-	-	-	7
Machinery and equipment		15	-	15	-
<b>Total</b>		<b>2,465</b>	<b>226</b>	<b>2,691</b>	<b>1,015</b>
<b>Listed by programme level</b>					
Administration				1,636	772
Sustainable Resource Management				173	115
Assets and Liabilities Management				673	111
Financial Governance				209	17
<b>Total</b>				<b>2,691</b>	<b>1,015</b>
Confirmed balances with departments	Annexure 3			58	55
Confirmed balances with other government entities	Annexure 3			22	135
<b>Total</b>				<b>80</b>	<b>190</b>

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	Note	2008/09 R'000	2007/08 R'000
<b>20. Employee benefits</b>			
Leave entitlement		1,814	1,626
Leave entitlement: Credits		229	184
Thirteenth cheque		1,976	1,479
Performance awards		1,462	1,034
Capped leave commitments		4,808	4,285
<b>Total</b>		<b>10,289</b>	<b>8,608</b>

Note: It is current practice in the Government service that performance awards are paid after the reporting date for the year under review from the next year's budget. This practice is followed in the Provincial Treasury as the evaluations are only finalised on average within three months after the closing of each financial year.

**21. Lease Commitments**

	Land R'000	Buildings & other fixed structures R'000	Machinery and equipment R'000	Total R'000
<b>21.1 Finance lease expenditure</b>				
<b>2008/09</b>				
Not later than 1 year	-	-	219	219
Later than 1 year and not later than 5 years	-	-	331	331
<b>Total lease commitments</b>	-	-	<b>550</b>	<b>550</b>
<b>Total present value of lease liabilities</b>	-	-	<b>550</b>	<b>550</b>
<b>2007/08</b>				
Not later than 1 year	-	-	321	321
Later than 1 year and not later than 5 years	-	-	342	342
<b>Total lease commitments</b>	-	-	<b>663</b>	<b>663</b>
<b>Total present value of lease liabilities</b>	-	-	<b>663</b>	<b>663</b>
	<b>Note</b>		<b>2008/09 R'000</b>	<b>2007/08 R'000</b>

**22. Receivables for departmental revenue**

Tax revenue	24,401	28,323
Sales of goods and services other than capital ass	-	39
Fines, penalties and forfeits	34	1
Interest, dividends and rent on land	37	3
Financial transactions in assets and liabilities	-	7,081
<b>Total</b>	<b>24,472</b>	<b>35,447</b>

**22.1 Analysis of receivables for departmental revenue**

Opening balance	35,447	34,960
Less: Amounts received	(35,447)	(34,960)
Add: Amounts recognised	24,472	35,447
Less: Amounts written-off/reversed as irrecoverable	-	-
<b>Closing balance</b>	<b>24,472</b>	<b>35,447</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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	Note	2008/09 R'000	2007/08 R'000
<b>23. Irregular expenditure</b>			
<b>23.1 Reconciliation of irregular expenditure</b>			
Opening balance		250	531
Less: Amounts condoned		-	(281)
<b>Irregular expenditure awaiting condonation</b>		<b>250</b>	<b>250</b>
<b>Analysis of awaiting condonation per age classification</b>			
Current year		-	250
Prior years		250	-
<b>Total</b>		<b>250</b>	<b>250</b>
<b>23.2 Details of irregular expenditure - current year</b>			
<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>		
Donation Youth Commission	None		250
			<b>250</b>

Note: See paragraph 14 of Accounting Officer's letter.

**24. Related party transactions**

No related party transactions were identified for the reporting period.

The Provincial Treasury occupies a building owned by the Department of Transport and Public Works free of charge. 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. Certain IT-services such as internet access and day-to-day IT software maintenance inter alia are rendered free of charge by the Department of the Premier.

	No. of Individuals	2008/09 R'000	2007/08 R'000
<b>25. Key management personnel</b>			
Political office bearers (provide detail below)	2	1,227	896
Level 15 to 16	3	2,838	1,123
Level 14 (inclusive of the CFO at Level 13)	4	2,628	3,040
<b>Total</b>		<b>6,693</b>	<b>5,059</b>

Note: Two MECs were in office during the reporting period as a result of Ms L Brown becoming the Premier during August 2008.

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**26. Moveable Tangible Capital Assets**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2009**

	Opening balance R'000	Current Year Adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>HERITAGE ASSETS</b>	245	-	-	-	245
Heritage assets	245	-	-	-	245
<b>MACHINERY AND EQUIPMENT</b>	7,930	66	2,541	(529)	10,008
Transport assets	-	-	420	(420)	-
Computer equipment	6,514	122	1,831	(103)	8,364
Furniture and office equipment	620	(56)	84	-	648
Other machinery and equipment	796	-	206	(6)	996
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>8,175</b>	<b>66</b>	<b>2,541</b>	<b>(529)</b>	<b>10,253</b>

**26.1 Additions**

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2009**

	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
<b>MACHINERY AND EQUIPMENT</b>	2,541	-	-	-	2,541
Transport assets	420	-	-	-	420
Computer equipment	1,831	-	-	-	1,831
Furniture and office equipment	84	-	-	-	84
Other machinery and equipment	206	-	-	-	206
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>2,541</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,541</b>



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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**26.2 Disposals**

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2009**

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash received Actual R'000
<b>MACHINERY AND EQUIPMENT</b>	-	529	529	-
Transport assets	-	420	420	-
Computer equipment	-	103	103	-
Other machinery and equipment	-	6	6	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>529</b>	<b>529</b>	<b>-</b>

**26.3 Movement for 2007/08**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2008**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>HERITAGE ASSETS</b>	<b>245</b>	-	-	<b>245</b>
Heritage assets	245	-	-	245
<b>MACHINERY AND EQUIPMENT</b>	<b>7,819</b>	<b>706</b>	<b>(595)</b>	<b>7,930</b>
Computer equipment	6,528	537	(551)	6,514
Furniture and office equipment	573	47	-	620
Other machinery and equipment	718	122	(44)	796
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>8,064</b>	<b>706</b>	<b>(595)</b>	<b>8,175</b>

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**26.4 Minor Assets**

**MINOR ASSETS OF THE DEPARTMENT FOR 31 MARCH 2009**

	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Minor Assets	-	87	6,074	-	6,161
<b>TOTAL</b>	<b>-</b>	<b>87</b>	<b>6,074</b>	<b>-</b>	<b>6,161</b>

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets	-	40	4,730	-	4,770
<b>TOTAL</b>	<b>-</b>	<b>40</b>	<b>4,730</b>	<b>-</b>	<b>4,770</b>

**27. Intangible Capital Assets**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009**

	Opening balance R'000	Current year adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
COMPUTER SOFTWARE	418	-	-	-	418
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>418</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>418</b>

**27.1 Movement for 2007/08**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
COMPUTER SOFTWARE	418	-	-	418
<b>TOTAL</b>	<b>418</b>	<b>-</b>	<b>-</b>	<b>418</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 1A  
STATEMENT OF UNCONDITIONAL GRANTS PAID TO THE PROVINCES AND MUNICIPALITIES**

NAME OF DEPARTMENT	GRANT ALLOCATION				TRANSFER		SPENT			2007/2008
	Amount	Roll Overs	Other Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by department	Amount spent by department	% of available funds spent by dept	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Department of the Premier	-	-	-	-	80		80	80		-
	-	-	-	-	<b>80</b>	-	<b>80</b>	<b>80</b>		<b>-</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 1B  
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/ AGENCY ACCOUNT	TRANSFER ALLOCATION				EXPENDITURE		2007/08
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Apropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Public Entity: Western Cape Youth Commission	-	-	-	-	-		250
PPP's Seminar	-	-	-	-	-		2
	-	-	-	-	-		<u>252</u>

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**ANNEXURE 1C  
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2007/08
	Adjusted appropriation Act	Roll Overs	Adjustments	Total available	Actual Transfer	% of Available funds	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
South African Local Government Association	-	-	-	-	50		-
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>		<u>-</u>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 1D  
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2007/08
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Apropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
<b>Transfers</b>							
CS Tredoux	-	-	-	-	-	-	190
Mr H van Jaarsveld	-	-	-	-	-	-	155
Me R Fourie	-	-	-	-	-	-	267
Mr DP Smit	-	-	-	-	-	-	545
Medical claims	-	-	-	-	-	-	5
Leave grauity	-	-	-	-	38	-	-
Bursaries	151	-	-	151	99	66	-
<b>Total</b>	<b>151</b>	<b>-</b>	<b>-</b>	<b>151</b>	<b>137</b>		<b>1,162</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 1E  
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2008/09	2007/08
		R'000	R'000
<b>Received in cash</b>			
PPP's Seminar		-	2
Youth Commission		-	250
ABSA	Sponsorship of Education and Municipalities seminars	20	-
<b>Subtotal</b>		<b>20</b>	<b>252</b>
<b>Received in kind</b>			
Grant Thornton & Turner Townsend	Cost of International speakers and flights	20	-
<b>Subtotal</b>		<b>20</b>	<b>-</b>
<b>TOTAL</b>		<b>40</b>	<b>252</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 1F**

**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE**

NATURE OF GIFT, DONATION OR SPONSORSHIP	2008/09	2007/08
	R'000	R'000
<b>Paid in cash</b>		
Attendance of International PPP's seminar	-	65
Department of the Premier	80	-
South African Local Government Assosiation	50	-
<b>TOTAL</b>	<b>130</b>	<b>65</b>



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**ANNEXURE 2  
CLAIMS RECOVERABLE**

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Department</b>						
National Treasury (Limpopo)	-	-	-	15	-	15
National: Department of Sport and Recreation: Kwazulu Natal	-	-	-	16	-	16
National: Department of Water Affairs and Forestry	-	14	-	-	-	14
National: Department of Environmental Affairs and Tourism (Vote 26)	-	14	-	-	-	14
Western Cape Education Department	-	820	274	-	274	820
Department of the Premier	-	158	-	-	-	158
Department of Transport and Public Works	-	19	-	-	-	19
Department of Social Development	18	-	-	-	18	-
National Department of Labour	42	-	-	-	42	-
Department of Cultural Affairs and Sport	11	-	-	-	11	-
Provincial Treasury Eastern Cape	17	-	-	-	17	-
Department of National Treasury	29	-	-	-	29	-
<b>Total</b>	<b>117</b>	<b>1,025</b>	<b>274</b>	<b>31</b>	<b>391</b>	<b>1,056</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 3  
INTER-GOVERNMENT PAYABLES**

Government entity	Confirmed balance		Unconfirmed balance		Total	
	31/03/2009	31/03/2008	31/03/2009	31/03/2008	31/03/2009	31/03/2008
	R'000	R'000	R'000	R'000	R'000	R'000
<b>DEPARTMENTS</b>						
<b>Current</b>						
Western Cape Education Department	-	1	-	-	-	1
National: Department of Trade and Industry	-	38	-	-	-	38
Department of Agriculture	-	12	-	-	-	12
Government Motor Transport	-	-	124	304	124	304
Department of Economic Development and Tourism	-	4	-	-	-	4
South African Police Service	1	-	-	-	1	-
Provincial Parliament	57	-	-	-	57	-
Department of the Premier	-	-	3	-	3	-
<b>Total</b>	<b>58</b>	<b>55</b>	<b>127</b>	<b>304</b>	<b>185</b>	<b>359</b>
<b>OTHER GOVERNMENT ENTITY</b>						
<b>Current</b>						
SASSA	-	-	-	1	-	1
SARS	22	135	-	-	22	135
SITA	-	-	-	25	-	25
PALAMA	-	-	57	-	57	-
<b>Total</b>	<b>22</b>	<b>135</b>	<b>57</b>	<b>26</b>	<b>79</b>	<b>161</b>

# Human Resource Management

## Oversight Report

The statistics and information published in this part of the annual report are required in terms of Chapter 1, Part III J.3 of the Public Service Regulations, 2001 and have been prescribed by the Minister for the Public Service and Administration for all departments within the Public Service.

The statistical tables provide high-level information on key human resource issues. The information aims to empower legislatures, the media, the public and other key stakeholders to monitor whether departments:

- Are exercising the powers granted under Public Service and Public Finance legislation in a responsible manner
- Are achieving national transformation priorities established by the Cabinet, for example, affirmative action

Annual reports are produced after the end of the financial year. This is aimed at strengthening the accountability of departments to key stakeholders. The tables in this report are revised on a regular basis by the Department of Public Service and Administration (DPSA).

### 1. Service Delivery

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 plan. Services provided per programme are discussed in Part 2 of this report.

**Table 1.1: Main services provided and standards**

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
<b>PROGRAMME 1: Administration</b>				
<b>Sub-programme 1.1: Office of the Minister</b>				
Effective and efficient office support services to the Executive Authority ensuring full integration with departmental activities and requirements.	Office of the Premier Department of the Premier Cabinet Secretariat Provincial Legislature Department of Economic Development and Tourism Provincial Treasury Provincial Ministers National Ministers Tourism Organisations City of Cape Town Gambling Board Diplomats Politicians Public Sector NGOs Business and Business Organisations Labour Organisations and Civil Society	Other Provincial Ministers Other National Ministers Other National Departments Other Provincial departments Parastatals International Organisations	A 3 day turnaround time on all documents submitted to the office and correspondence addressed to the Minister.  Tabling of the Budget and the MTBPS.  Bi-weekly meetings with Provincial Treasury  Weekly with the Department of Economic Development and Tourism	Achieved this standard in 70% of cases                       Achieved this standard 100%  Achieved this standard in 90% of cases  Achieved this standard in 90% of cases
Effective communication in line with the portfolio responsibilities of the Executive Authority.	Media Office of the Premier Department of the Premier Department of Economic Development and Tourism City of Cape Town Provincial Treasury Provincial Ministers (Western Cape) National Ministers	Other Provincial Ministers Other National Ministers Other National Departments Other Provincial departments Parastatals International Organisations	Issue of Ministerial statements / press releases within 24 hours of an incident  Respond to all media requests for telephone interview, personal interview, live interviews	Achieved this standard in 90% of cases      Achieved this standard in 100% of cases

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
	Tourism Organisations Gambling Board Diplomats Politicians Public Sector Private Sector NGOs Cabinet Secretariat Parliamentary Services			

**Sub-programme 1.2: Management Services**

A well functioning and coordinated institution that delivers on its responsibilities.	Minister Provincial Treasury Other Departments Directorates	Other Provinces Ministeries Other National Ministries National departments Provincial departments Municipalities	No service delivery achievements of note can be registered	This sub-programme performs staff functions and it does not directly contribute towards achieving the PT outcomes.
The coordination of processes and measures to support service delivery by the organisation.	Minister Provincial Treasury Other Departments Directorates	Other Provinces Ministeries Other National Ministries National departments Provincial departments Municipalities	No service delivery achievements of note can be registered	This sub-programme performs staff functions and it does not directly contribute towards achieving the PT outcomes.

**Sub-programme 1.3: Corporate Services**

Excellence in personnel management services.	Provincial Treasury Directorates SETA	Provincial Departments DPSA	12% Vacancy rate	The year started below 38% vacancy rate. Which was managed down to below 24% on 31 March 2009. The reasons as to why the vacancy rate of 12% was not reached are:
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Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
				<ul style="list-style-type: none"> <li>•The Department experienced difficulties' in filling SMS positions according to the Employment Equity targets.</li> <li>•The Department finds great difficulty in attracting African males and females at the SMS level as the private sector remuneration packages are much more competitive than the packages offered by the Department.</li> <li>•Candidates do not meet the criteria as set out in advertisements with regard to relevant experience and qualifications.</li> </ul> <p>Steps taken to reduce the vacancy rate:</p> <ul style="list-style-type: none"> <li>•The Provincial Treasury has contracted two approved service providers that headhunt suitably qualified candidates for scarce skill posts.</li> <li>•The current vacancy rate for SMS was reduced to 23%.</li> </ul>
Ensuring cordial Labour Relations.	Provincial Treasury Directorates SETA	Provincial Departments DPSA	Three disciplinary cases:	<ol style="list-style-type: none"> <li>1. Failed to carry out instruction and unauthorised absence (3 month suspension without pay).</li> <li>2. Absent from work without reason or permission (2 written warnings).</li> </ol>

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Facilitating appropriate human resource development.	Provincial Treasury Directorates SETA	Provincial Departments DPSA	Skilling in line with strategic goals.	<p>Bursary programmes: 68 Active Bursaries  Learnership Programme: 23 currently on the programme.  ABET programme: 2 learners still on the programme. A total of 276 employees were trained in courses identified through the IDP process.  External Graduate Programme:  In response to the Government call, 33 unemployed graduate students were appointed. Under graduate internship programme: 6 interns were employed for a period of 3 months.  External bursaries approved = 12 (3 cancelled).</p>
Ensuring organisational transformation.	Provincial Treasury Directorates SETA	Provincial Departments DPSA	Ability to deliver on Provincial Treasury's goals.	<p>The filling of vacancies focused on achieving equity targets within the Provincial Treasury.  The current workforce profile is as follows:  African Male 43,  African Female 40,  Coloured Male 66,  Coloured Female 83,  Indian Male 3,  Indian Female 3,  White Male 25,  White Female 18</p>

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
				<p>Gender equity in employment targets have been achieved and are as follows:  Male 49%  Female 51%</p> <p>The number of PWD increased from 2 to 4.</p> <p>Specific interventions to mitigate the impact of HIV and AIDS on productivity have been embarked upon and successfully pursued.</p> <p>The utilisation rate of the EAP is satisfactory and shows improvement.</p> <p>All employees in the Department participated in a cultural intervention to improve relationships amongst teams.</p> <p>The Department embarked on the development of a competency framework.</p> <p>Service Delivery Improvement Plans have been developed in the Department.</p>



<b>Main services</b>	<b>Actual customers</b>	<b>Potential customers</b>	<b>Standard of service</b>	<b>Actual achievement against standards</b>
<b>Sub-programme 1.4: Financial Management</b>				
Good budget management to remain within prescribed budget.	Provincial Treasury Directorates	Provincial departments	Ensure no greater than 1% variance between actual expenditure and approved budget.	A variance of below 1% was achieved for this period.
Ensure proper financial accounting service	Provincial Treasury Directorates	Provincial departments	Unqualified Auditor-General report.	Financial Accounting has improved the management of debtors and ledger accounts. Suspense accounts are being cleared on a monthly basis.
Efficient and effective supply chain management in line with Treasury criteria.	Provincial Treasury Directorates	Provincial departments	Full compliance to efficiency criteria developed by the Treasury.	The Supply Chain Management Unit complied fully to the efficiency criteria developed by Treasury.
Improve Provincial Treasury's risk profile	Provincial Treasury Directorates	Provincial departments	Full compliance to efficiency criteria developed by the Treasury.	Performed risk assessments of various directorates within Treasury. Performed follow-up inspections of Internal audit as well as Auditor-General findings to limit potential risks.

## **PROGRAMME 2: Sustainable Resource Management**

### **Sub-programme 2.2: Economic Analysis**

Provincial Economic Review and Outlook research document.	Provincial government departments in the Western Cape.	Learners in schools and University students.	Relevant and up to date research on the socio-economic status of the Western Cape economy.	Publication, dissemination and presentation of research findings to stakeholders.
	Local and district municipalities in the Western Cape, and the City of Cape Town. Provincial legislature and political parties	The general public  Possible investors in the province		

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
	NGO's  Business organisations	Chamber of Commerce		
Economic chapter inputs into MTBPS and Budget Overview documents.	Same as above	Same as above	Acceptable quality economic research	Publication, dissemination and presentation of these documents to stakeholders.

#### Sub-programme 2.3: Fiscal Policy: Provincial Government

Administer the medium-term revenue planning process.	Provincial and National departments CFOs Provincial and National Treasury	Statistics SA SCOF FFC	Timeous and accurate estimates of all sources of Provincial Revenue disseminated to Provincial Treasury.	Timeous and accurate estimates of all sources of Provincial Revenue disseminated to Provincial Treasury.
Analyse and optimise national transfers in line with the evolving intergovernmental architecture.	Provincial departments CFOs Provincial and National Treasury NCOP	Other Provincial Treasuries Statistics SA SCOF FFC	Annual nominal growth of national transfers to the Province.	12.2% nominal growth in Transfers received from National between 2008/09 adjusted appropriation and 2009/10 main appropriation.

#### Sub-programme 2.4: Budget Management

To coordinate and guide the process to determine provincial priorities and recommend financial resource allocation, which effectively contributes to accelerated and shared economic growth in the province.	Provincial and National departments and municipalities	Provincial Departments and Municipalities:  Accounting Officers, Chief Financial Officers, Strategic Planning Managers and Line managers where applicable.	Acceptance of Western Cape Medium-Term Budget Policy Statement (WC-MTBPS) and Departmental allocations for Budget 2009 by the Executive and tabling of WC-MTBPS and Budget 2009 in the Provincial Parliament.	WC-MTBPS 2009-2012 was produced and accepted by the Executive and tabled during November 2008.  Final departmental allocations were accepted by the Executive and the Western Cape Budget 2009 was tabled on 25 February 2009.
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Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
<p>Promote overall strategic goal of PT to understand local government and line departments' core business, functions, and progress.</p>			<p>Business Insight Folder (BIF) system utilised for provincial MTEC processes.</p> <p>Submission of non-financial quarterly IYM reports to NT on deadline (July; Oct; Jan; April).</p> <p>Business Insight Folder (BIF) system utilised for Quarterly IYM sign-off.</p>	<p>Bilateral MTEC 1 and 2 engagements with provincial departments, respectively took place in September 2008 and January 2009.</p> <p>The non-financial quarterly reports were received, assessed and the reports were timeously submitted to National Treasury.</p> <p>BIF Team presentation to PT Top Management according to schedule.</p>
<p>Improve alignment between provincial priorities and local government IDPs and improve quality and transparency of local government budgets.</p>			<p>Consultation increased between Provincial Treasury, provincial departments and municipalities via LGMTEC engagements, attendance at municipal Imbizo's, Quarterly BIF team municipal visits and other initiatives.</p> <p>Reviews conducted on draft budget of each municipality against completed budget evaluation checklist and comments provided to municipalities via LGMTEC 3 process (April).</p>	<p>LG MTEC engagements took place as follows:</p> <p>LG MTEC 3: April/May 2008.</p> <p>LG MTEC 1: October/Nov 2008.</p> <p>LG MTEC 2: March 2009.</p> <p>Quarterly BIF team Visits took place as follows:</p> <p>Aug 08</p> <p>Nov 08</p> <p>Feb 09</p> <p>30 Assessments were completed during the LGMTEC 3 process and communicated to municipalities. All 30 municipalities were visited during LGMTEC 3 engagement.</p>

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Enhance the implementation and impact of local government budgets and IDPs to improve service delivery and address the socio-economic needs of the community.			Assessment of 2008/09 SDBIPs, Mid-Year reports and 2007/08 Annual Reports. The idea was to track and compare the past performance of municipalities with current performance levels.	The assessments of both the SDBIPs and Annual Reports were completed and feedback was provided. The assessment was further used to assess the extent to which past and current performance supports or undermines the responsiveness of the IDP and budget. This was incorporated into LGMTEC 3 assessment reports.

**Sub-programme 2.5.1: Provincial Government Finance**

Controlled and assessed expenditure (actual and forecasts).	Provincial departments CFOs National Treasury Provincial Cabinet	Budget Committee StatsSA SCOF FFC	Timely quality expenditure reports. Spending patterns within defined limits.	Expenditure and trend analysis reports were produced.  Provincial spending below 2% norm.
Proposing allocations and compile annual adjustments budget.	Provincial and National departments	Provincial departments' directorates	Acceptance by the Executive and Provincial Parliament.	Adjustments Budget accepted by the Executive and tabled on 20 November 2008.
Publication of allocations from provincial departments to schools and hospitals.	Provincial departments National Treasury Provincial Cabinet SCOF SCOPA Provincial Ministers of Finance CFO Forum	Budget Forum FFC  Other Provinces	Ensure the publication of allocations by provincial departments to schools and hospitals in main budget, as well as in the adjusted budget.	Successful gazetting of allocations to schools and hospitals on a continuous basis.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
<b>Sub-programme 2.5.2: Local Government Finance</b>				
Provide policy advice, effective technical and strategic support and a change agent service to municipalities.	Provincial Minister of Finance Municipalities Other Provinces National Treasury Provincial Departments	SCOF SCOPA	Provision of sound advice on ad hoc municipal financial matters	Timeous response to issues as it arose eg: Assistance to the DLGH in respect of the confirmation and sign-off of costs related to the Displaced Persons as incurred by municipalities for submission to National Government in providing funding support. Affordability of the increase in the upper limits for Councillor Remuneration. Proposed Raising of External Loans.
Improve input-output sequencing of information and the quality thereof within the budget processes.	National Treasury Municipalities Department of Local Government and Housing Department of the Premier DPLG and other National Departments	National Minister of Finance National Minister of Provincial and Local Government Other PT's, Stats SA, Financial Institutions , Rating Agencies Provincial and National Portfolio Committees NCOP	Detailed analysis of the sustainability of municipal budgets in terms of revenue and expenditure management	30 Assessment reports on Municipal draft budgets for 2008/09. 2008/09 Provincial Budget Adjustment budget: LG Allocation booklet and Gazette - Provincial Adjusted Estimates LG Allocation booklet and Gazette – 2009 Budget: Estimates of Provincial Expenditure compilation of working paper:

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
				Spatial spending of Provincial Budget and Allocations to municipalities which not only provide greater predictability and certainty but also allows for proper planning and effective preparation of municipal budgets.
Develop effectiveness of in-year financial monitoring systems towards attaining level 3 auditable organisations.	National Treasury Municipalities Provincial Cabinet	Audit Committee SCOF FFC	Improved in-year expenditure management	Expenditure and Revenue trend analysis reports were produced and submitted monthly to National Treasury.  4 Gazetted expenditure reports were submitted to Cabinet and tabled in Provincial Parliament.  Quarterly IYM Visitations to municipalities - to obtain a better understanding of the municipalities business.
Develop intra Department, intra provincial; inter provincial and government co-ordinating structures and systems.	Municipalities National Treasury Provincial Departments SALGA Auditor- General	Other Provinces	Functional intra and inter governmental co-ordinating structures and institutions (forums) that relate to planning and financial matters to ensure the smooth implementation of the MFMA.	Municipal Chief Financial Officer's Forum is operational.  Quarterly MFMA Sub-committee meetings is taking place.  <ul style="list-style-type: none"> <li>• City and District Debt Management Task Team to address outstanding government debt owed to municipalities.</li> </ul>

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
				<p><i>MFMA Implementation Matters:</i></p> <ul style="list-style-type: none"> <li>• MFMA Workshop - Asset Management, Asset Transfer and GRAP Training: 28 – 30 October 2009.</li> <li>• MFMA Workshop - Municipal Finance Management Internship Workshop: 22 January 2009.</li> <li>• MFMA Workshop - Municipal Budget Formats and Regulations Workshop: 23 January 2009.</li> <li>• MFMA Workshop - Assessor, Coach and Mentor Training: 10 – 13 February 2009.</li> <li>• Skills Needs Analysis in a Budget and Treasury Office (BTO) within Municipalities in The Western Cape.</li> </ul>

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
<b>PROGRAMME 3: Asset and Liabilities Management</b>				
<b>Sub-programme 3.2.1: Moveable Asset Management</b>				
Assist provincial departments and municipalities in improving the efficiency of SCM activities.	Provincial Departments, and departmental institutions Municipalities	Liaison Committees Forums NGOs Service providers	Co-ordinate; facilitate and implement interventions / training at provincial departments and municipalities.	2 completed interventions (Provincial Treasury and LG&H), and 2 intervention plans and training material completed (Health and Community Safety). 2 training interventions completed at the Breede Valley and Overberg District.
	Provincial Departments, Provincial Public entities and departmental institutions Municipalities and municipal entities Supplier community MEC's Councillors	The Public	Develop and promote BBBEE/ supplier Development programme in liaison with DEDAT.	Small Business Week and attendance on supplier complaints register implemented for provincial departments and municipalities.
	Provincial Departments, and departmental institutions	Liaison Committees Forums NGOs Service providers.	Timeous qualitative and quantitative procurement data.	4 Quarterly procurement statistics reports completed from departmental monthly reporting and 1 annual report.
	Provincial Departments, and departmental institutions Municipalities	Liaison Committees Forums NGOs Service providers	Advise, guide and provide opinions on SCM and asset management related queries.	Provide regular and timeous feedback to provincial departments and municipalities on SCM and asset management related issues and log on query register.



Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
	Provincial Departments, and departmental institutions Municipalities	Liaison Committees Forums NGOs Service providers	Respond to supplier complaints and grievances lodged in respect of departmental and municipal procurement processes.	Implemented a compliance and grievance register to track and store information on complaints received and to monitor responses.  Allocation of departmental and municipal district champions to deal with providing and documenting comments and providing feedback to the relevant stakeholders.
	Provincial Departments, and departmental institutions	Liaison Committees Forums NGOs Service providers	Compilation of instructions, policy, practice notes and best practice guidelines to provincial departments.	Completed Chapter 16A of the PTIs, Practice notes on stocktaking, and circulars providing provincial directives on SCM issues.
Monitor provincial departments and municipalities to improve good governance and value creation in SCM.	Provincial Departments, and departmental institutions Municipalities	Liaison Committees Forums NGOs Service providers	Compliance to Prescripts in provincial departments and municipalities.	11 assessments completed on 11 provincial departments and 3 targeted assessments at T&PW.  5 Assessments completed at (Mossel Bay; Central Karoo; Kannaland; Hessequa and Swellendam Municipalities).
	Provincial Departments, and departmental institutions	Liaison Committees Forums NGOs Service providers	Promote asset management reform strategy through project dashboard assessments.	4 Quarterly Asset management project dashboard and Risk log reports completed from departmental monthly reporting and 1 annual report.
<b>Sub-programme 3.2.2: Immoveable Asset Management</b>				
Implementation of Infrastructure Delivery Improvement	Provincial Departments (Education; Health; Transport and	All Provincial Departments and municipalities.	Infrastructure Plans completed as per templates T201 and T202 as per	Assessment ratings for Infrastructure Plans out of 5 were achieved for:

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Program (IDIP) in Education, Health and Public Works (Education).	Public Works). National Treasury (Inter-government relations Unit). Construction Industry Development Board.		Construction Industry Development Board and Division of Revenue Act requirement.	(Public Works - 3) (Education and Health - 3.5) (Roads and Transport - 4.5).
Effective and efficient monitoring of infrastructure delivery.	Education; Health; Roads and Transport; Public Works (Transport and Public Works). National Treasury	Department of Social Development; Department of Arts and Culture.	Timeous submission of 4 x credible infrastructure expenditure reports to National Treasury on a quarterly basis.	4 x Credible Infrastructure expenditure reports were submitted on a quarterly basis.
Facilitate and support through liaison with accounting officers, the implementation of PPP projects to improve quality of service delivery.  Promote PPP projects in departments and municipalities to obtain value for money.	Provincial departments Public entities Municipalities  Provincial departments Public entities Municipalities	Private Sector  Private Sector	To respond to all requests within 10 working days.  Facilitate one workshop and one seminar	Responded to all departmental and municipal requests and provided comments on proposals within 10 working days.  A workshop and a seminar was held with departments, municipalities and the private sector.

### Sub-programme 3.3: Liabilities Management

Note: The liabilities unit was not functional during 2008/9.

### Sub-programme 3.3.2: Financial Asset Management

The Effective Management and Control of the Provincial Revenue Fund.	13 Votes 1 Provincial Banker 6 Investment Bankers	Public Entities Donor Agencies National Departments	To daily manage and control the Provincial Revenue Fund for all the departments in the Province.	100%
Provision of technical user support and capacity building to staff in the relevant departments.	13 Votes 1 Provincial Banker	Public Entities	Daily communication and personal interaction with departments and Provincial Banker in the Province to ensure effective Cash and Risk Management.	100%

<b>Main services</b>	<b>Actual customers</b>	<b>Potential customers</b>	<b>Standard of service</b>	<b>Actual achievement against standards</b>
Management of the Corporation for Public Deposits Account (CPD) in terms of the Inter-Governmental Cash Co-ordinating Agreement (IGCC).	2 National Departments (National Treasury and South African Reserve Bank).		As Per the Payment Schedule ensuring the transfer of Equitable Share and Conditional Grants to the Provincial Exchequer Account.	100%
Ensuring effective and efficient Cash Management in Local Government in the Province in compliance with PFMA, MFMA and Treasury Regulations.	30 Municipalities	Public Entities Financial Institutions	To regularly assess, monitor and advise municipalities to achieve optimum Cash Management objectives in compliance with the MFMA.	100 %

**Sub-programme 3.4: Supporting and Interlinked Financial Systems**

Implement and manage Financial Systems.	7 000 Financial System users	7 000 Financial System users	Manage the systems on a daily basis to 7 000 users from all Departments across the Province.	100%
Ensure stability and accessibility of existing financial systems.	7 000 Financial System users	7 000 Financial System users	98% uptime and a 10 second screen refresh rate.	100%
Capacitate system users.	7 000 Financial System users	7 000 Financial System users	Capacitate 20% of target group per annum from all departments across the Province to be fully skilled system users.	100%

**PROGRAMME 4: Financial Governance**

**Sub-programme 4.2: Accounting Services**

Latest accounting policy framework rolled out for accurate and complete annual financial reporting.	CFOs Accounting Officers Accounting Authorities Financial managers	SCOF SCOPA Audit Committees	Unqualified audit reports	12 of out 13 departments unqualified audit reports. 9 out of 14 entities unqualified audit reports. 23 out of 24 municipalities unqualified audit reports.
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<b>Main services</b>	<b>Actual customers</b>	<b>Potential customers</b>	<b>Standard of service</b>	<b>Actual achievement against standards</b>
Provide an assessment of the financial governance in the Province.	CFOs Accounting Officers Accounting Authorities Financial managers	SCOF SCOPA Audit Committees Provincial Legislature	Financial Governance Review & Outlook 2008	Published and distributed.
Consolidate the Annual Financial Statements of the Province.	CFOs Accounting Officers Accounting Authorities Financial managers	SCOF SCOPA Audit Committees Provincial Legislature	Annual Consolidated Financial Information 2007/08	Published and distributed.

#### **Sub-programme 4.3: Norms and Standards**

Monitoring existing financial management norms and standards in departments and public entities to assess compliance thereof.	AO's CFO's Provincial Treasury Directorates Public Entities	SCOF SCOPA	Number of departments and entities assessed quarterly.	12 Departments 13 Entities
Monitoring existing financial management norms and standards in municipalities to assess compliance thereof.	Provincial Treasury Directorates National Treasury Municipalities	SCOF SCOPA	Number of municipalities assessed quarterly.	28 Municipalities

#### **Sub-programme 4.4: Risk Management**

To develop and facilitate the implementation of effective enterprise risk management (ERM) and corporate governance capacity within the Provincial Government.	Provincial Departments	National Departments Municipalities Other Provinces	To facilitate the establishment of enterprise risk management and corporate governance in the Provincial Government.	All departments with approved structures ERM Framework Adopted and rolled out Corporate Governance Framework adopted.
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Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
<b>Sub-programme 4.5: Internal Audit</b>				
To render an effective risk-based internal audit service	Provincial Departments, including Accounting Officers and other senior management team members Provincial Public Entities Audit Committees	National Departments Municipalities SCOPA SCOF	Internal audit plans based on critical risks of the relevant department	A risk-based internal audit service was provided to all provincial departments.

**Table 1.2: Consultation arrangements with customers**

Type of arrangement	Actual customers	Potential customers	Actual achievements
<b>Office of the Minister</b>			
Budget Speeches	All Provincial Government Departments NGOs Business and Business Organisations Labour Organisations and Civil Society Municipalities	Other MECs, HODs, CEOs, Heads of parastals/government agencies, Mayors, Municipal Managers and National Minister.	100%
To initiate discussion and seek approval of matters that reside within National portfolios	National Ministers CEOs of National Public Entities	National Deputy Ministers and National DGs (National HODs).	80%
Solicit support in addressing matters that fall within MEC's portfolio	Embassies Diplomats	None	
To address matters of mutual interest	Business and Business Organisations Labour Organisations and Civil Society City of Cape Town Civil Society	Other MECs, HODs, CEOs, Heads of parastals/government agencies, Mayors, Municipal Managers, National Minister.	80%

Type of arrangement	Actual customers	Potential customers	Actual achievements
<b>Economic Analysis</b>			
Potential stakeholders were consulted to assess their specific needs. One on one interviews with customers were conducted and consultation feedback was compiled.	Asset Management (Provincial Treasury) Western Cape Education Department (WCED) Cape Town Partnership Economic Development and Tourism Social Development WESGRO- renamed to Trade IQ. Department of Agriculture	Department of Premier, Local government and housing, City of Cape Town and Health department to be included in the next cycle.	Buy-in of customers for the publication.
<b>Budget Management</b>			
CFO Forum meetings/National Treasury	Provincial Departments	Inter Provincial liaison; AG; SCOPA	Forums utilised effectively
Formal and informal meetings	Provincial Departments and municipalities	BIF Team	Effective consultation regarding non-financial performance
CFO Forum meetings	Municipalities and Departments	CFOs of Municipalities; National Treasury/MEC/ Technical Committee on Finance/	Effective consultation regarding non-financial performance
Municipal Manager's Forum	Municipalities and Departments	National Treasury/ DBSA/StatsSA/SALGA	Effective consultation regarding non-financial performance
Quarterly BIF team visits	Municipalities and Departments (LGH + DotP)	Stats SA	Expand BIF team municipal intelligence with the view of improving budget assessments and support.
LGMTEC Engagements	PT, LGH, DotP, CFO's, MM, Mayors and Officials of Municipalities	Municipalities; National Treasury/MEC/Technical Committee on Finance;/ Provincial Cabinet	Assessment and feedback of Municipal Budgets
<b>Provincial Government Finance</b>			
CFO Forum meeting	Provincial departments Treasury Directorate	None	Forums utilised effective Fully functional committee
Debt Management Task Team	Provincial departments Treasury Directorates	None	Fully functional Task Teams

Type of arrangement	Actual customers	Potential customers	Actual achievements
Formal and informal meetings	Provincial departments	None	Effective consultation regarding spending issues
Quarterly Cabinet reports	Cabinet	None	Complied
<b>Local Government Finance</b>			
CFO Forum	Municipalities National Treasury Auditor-General SALGA	Other provinces	4 Quarterly CFO Forum Meetings
MFMA Sub-committee	DLGH	Other provincial departments	4 Quarterly MFMA Sub-committee meetings which attend to MFMA implementation matters
City and District Debt Management	Municipalities Provincial departments National Department of Public Works	National Treasury	Monthly Debt technical meetings and Quarterly steering committee meetings
<b>Moveable Asset Management</b>			
Moveable Asset Management – SCM Office (PT)	National Treasury Provincial Departments Municipalities SCOPA SCOFF	Cabinet Other Provinces	Established and operational
SCM/Asset Management Forums	Provincial Departments Municipalities	National Treasury Other Provinces	Improved SCM Practices, information sharing and benchmarking best practices.
<b>Immoveable Assets</b>			
Provincial Programme Management Committee (PPMC)	Health, Education and Public Works	Roads and Transport; Social Development; Arts and Culture	100% Achieved
<b>Financial Asset Management</b>			
Training Sessions	12 Provincial Departments and the Provincial Parliament	Public Entities	100%
Financial Briefing Forums	12 Provincial Departments and the Provincial Parliament Provincial Banker Investment/Financial Institutions	Donor Agencies	100%

Type of arrangement	Actual customers	Potential customers	Actual achievements
CFO (Municipal) Forums Local Government Forums LGMTEC)	30 Municipalities	Public Entities Donor Agencies	100%
<b>Supporting and Interlinked Financial Systems</b>			
System forums	12 Provincial Departments and the Provincial Parliament	13 Provincial Departments	100%
<b>Accounting Services</b>			
CFO Forum meetings	Provincial Departments, Municipalities and Entities	Donor Agencies Auditor-General Accounting Standards Board National Treasury	7 ( Provincial Departments and Entities) and 4 (Municipalities) meetings
Financial Accountant's Forum	Departments	Public Entities Auditor-General	10 meetings
Auditor-General Forum	Provincial Treasury Auditor-General SA	Departments, Municipalities and Entities	6 meetings
Training Sessions: ASB and GRAP Workshops AFS Workshops SCoA Workshops	13 Provincial Departments 14 Entities 30 Municipalities	ASB National Treasury Provincial Treasury (Internal)	7 GRAP/ASB sessions 2 AFS Workshops 1 SCoA Workshop
Bi-lateral meeting	13 Departments 14 Entities 30 Municipalities	National Treasury	12 sessions per Department and Entity 3 sessions per Municipality.
<b>Norms and Standards</b>			
Provincial Treasury Forum	9 Provincial Treasuries	9 Provincial Treasuries	Improved Financial Governance within the Provincial Sphere.
<b>Risk Management</b>			
Chief Risk Officers Forum	Provincial Departments	Municipalities	12 Meetings held
National Risk Management Forum	National Treasury	Other Provinces	Transversal ERM issues raised and addressed.



Type of arrangement	Actual customers	Potential customers	Actual achievements
<b>Internal Audit</b> Chief Audit Executive's forum	National Treasury	Other Provinces	Transversal audit issues raised and resolved.
Audit Committee meetings	Audit Committees	Audit Committees	Progress in execution of internal audit plans and reporting critical issues to the audit committees.
Departmental Project Team Meetings	AO's and CFO's	AO's and CFO's	Monthly progress in terms of the execution of the internal audit plans

**Table 1.3: Service delivery access strategy**

Access strategy	Actual achievements
<b>Office of the Minister</b> Weekly one-on-one meetings with Heads of Departments	90%
Bi-weekly meetings with Departmental Top management (Provincial Treasury and the Department of Economic Development and Tourism).	90%
Deliver keynote and welcome addresses at various events when invited; attend and deliver opening addresses at Board meetings of Public Entities and Conference, etc.; attend AGMs on request to meet and interact with stakeholders.	Even though the achievement of this goal is dependent on the availability of the Minister at a given time, 90% of this objective was achieved.
Respond to all media requests on topical issues and matters affecting the public.	100%
Agree to meeting requests from Business, Associations, etc. where business proposal, funding requests, requests for government partnership proposals, are presented to the Minister.	70% of meeting requests were approved, while the appropriate department was delegated to meet with the correspondent. Where required, the relevant HoD will advise the Minister when his direct intervention is required.
<b>Economic Analysis</b>  Wider distributions of research results	Information accessible electronically on <a href="http://www.capegateway.gov.za">www.capegateway.gov.za</a> Outputs distributed to stakeholders Research findings were presented to relevant stakeholders.
<b>Local Government Finance</b> Helpdesk: MFMA e-mail address	100 per cent accessible to municipalities, National Treasury and other Provincial Departments.

<b>Access strategy</b>	<b>Actual achievements</b>
<b>Moveable Asset Management</b>	
Supplier Database	Population of database with verified suppliers (27 328).
Non Compliance Mechanism	Implementation of corrective measures, issuing of practice notes, Provincial Treasury Instructions and Procedural Manuals.
<b>Immoveable Asset Management</b>	
Joint meetings with relevant sector departments	3 Meetings were held
<b>Supporting and Interlinked Financial Systems</b>	
Help Desk	7 280 calls logged and solved
<b>Accounting Services</b>	
Helpdesk service provided on accounting matters	100% accessible to departments, municipalities and entities.
<b>Norms and Standards</b>	
Non Compliance Mechanism	Implementation of corrective measures, issuing of practice notes, Provincial Treasury Instructions and Procedural Manuals.
<b>Risk Management</b>	
Helpdesk function: ERA	All request attended to.

**Table 1.4: Service delivery information tool**

<b>Types of information tool</b>	<b>Actual achievements</b>
<b>Budget Management</b>	
Non-Financial Quarterly Performance Report	Quarterly Assessment Reports for all Provincial Departments completed.
Service Delivery and Budget Implementation Plan (SDBIP)	30 Municipal SDBIP assessment reports completed.
Mid-Year Assessment Reports	30 Municipal Mid Year assessment reports completed.
Annual Reports	30 Annual Report assessments done completed.
<b>Economic Analysis</b>	
PERO document, with five chapters	Document produced and disseminated
MTBPS Economic analysis chapter	Economic inputs provided
Budget Overview Economic analysis chapter	Economic inputs provided
Presentations of research findings	Presentations were made to stakeholders
Communication strategy	Consultation feedback compiled and disseminated to relevant people
<b>Provincial Government Finance</b>	
Provincial In-year Monitoring (IYM) reports	Monthly and quarterly
Database of financial performance trends	Monthly and quarterly
<b>Local Government Finance</b>	
National Treasury Website	100 per cent accessible
Provincial Treasury Database	

<b>Types of information tool</b>	<b>Actual achievements</b>
<b>Financial Asset Management</b>	
BAS (Basic Accounting System)	100% Transactions processed successfully
IGCC (Inter-Governmental Cash Co-ordinating System) with South African Reserve Bank.	100% Transactions processed successfully
Provincial Banking System (Nedbank business)	100% Transactions processed successfully
<b>Moveable Asset Management</b>	
PT Database	Updated regularly
Electronic Purchasing System	50 074 Quotations completed
Provincial and Municipal In-year Monitoring Reports	Monthly and quarterly reporting
Western Cape Supplier Database	27 328 suppliers registered
<b>Immoveable Asset Management</b>	
Infrastructure Reporting Model	Quarterly
<b>Supporting and Interlinked Financial Systems</b>	
BAS Remedy tool	Information disseminated
PERSAL SCC System	Information disseminated
LOGIS SCC System	Information disseminated
<b>Accounting Services</b>	
National Treasury Website	100% accessible
Provincial Treasury Database	100% accessible
ASB website	100% accessible
<b>Risk Management</b>	
ERA Risk Management System	Updated regularly

**Table 1.5: Complaints mechanism**

<b>Local Government Finance</b>
Municipal CFO Forum
PAFTECH meeting
LGMTEC Engagements
IYM/BIF Visitations to municipalities
On-going consultation with municipalities
National Treasury MFMA Joint Meetings
<b>Moveable Asset Management</b>
Implementation of a complaints register
<b>Supporting and Interlinked Financial Systems</b>
Help desk
CFO Forum
Accounting forum
<b>Accounting Services</b>
Available through the CFO and FA Fora and ongoing consultation
<b>Risk Management</b>
Chief Risk Officers Forum
ERA Helpdesk

## 2. Expenditure

The Provincial Treasury's own budget is in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 2.1) and by salary bands (Table 2.2). It provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the department.

**Table 2.1: Personnel costs by programme, 2008/09**

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as percent of Total Expenditure	Average Personnel Cost per Employee (R'000)
Programme 1 - Administration	40 141	17 626	1 402	3 028	43.91	245
Programme 2 - Sustainable Resource Management	21 346	17 153	-	542	80.36	268
Programme 3 - Asset and Liabilities Management	22 348	16 270	-	4 824	72.80	258
Programme 4 - Financial Governance	37 115	20 433	-	14 386	55.05	249
<b>Total</b>	<b>120 950</b>	<b>71 482</b>	<b>1 402</b>	<b>22 780</b>	<b>59.10</b>	<b>254</b>

**Table 2.2: Personnel costs by salary band, 2008/09**

Salary Bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	152	0.21	76
Skilled (Levels 3-5)	3 769	5.24	164
Highly skilled production (Levels 6-8)	11 200	15.58	162
Highly skilled supervision (Levels 9-12)	43 046	59.87	259
Senior management (Levels 13-16)	12 784	17.78	639
Minister	945	1.31	945
<b>Total</b>	<b>71 896</b>	<b>100.00</b>	<b>256</b>

Note: The discrepancy in personnel expenditure by programme (Table 2.1) and personnel expenditure by salary band (Table 2.2), amounting to R414 000 can be contributed to accumulated differences between the Basic Accounting System (BAS) and Persal.

**Table 2.3: Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2008/09**

Programme	Salaries		Overtime		Home Owners Allowance (HOA)		Medical Assistance	
	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost
1. Administration	11 082	15.41	146	0.20	259	0.36	731	1.02
2. Sustainable Resource Management	11 732	16.32	171	0.24	163	0.23	626	0.87
3. Asset and Liabilities Management	11 819	16.44	7	0.01	231	0.32	726	1.01
4. Financial Governance	14 471	20.13	6	0.01	185	0.26	640	0.89
<b>Total</b>	<b>49 104</b>	<b>68.30</b>	<b>330</b>	<b>0.46</b>	<b>838</b>	<b>1.17</b>	<b>2 723</b>	<b>3.79</b>

**Table 2.4: Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary band, 2008/09**

Salary band	Salaries		Overtime		Home Owners Allowance (HOA)		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)	97	0.13	1	0	12	0.02	14	0.02
Skilled (Levels 3-5)	1 550	2.16	40	0.06	98	0.14	218	0.30
Highly skilled production (Levels 6-8)	8 582	11.94	120	0.17	227	0.32	623	0.87
Highly skilled supervision (Levels 9-12)	31 292	43.52	169	0.24	501	0.70	1 624	2.26
Senior management (Levels 13-16)	7 200	10.01	-	0.00	-	0.00	227	0.32
Minister	383	0.53	-	0.00	-	0.00	17	0.02
<b>Total</b>	<b>49 104</b>	<b>68.30</b>	<b>330</b>	<b>0.46</b>	<b>838</b>	<b>1.17</b>	<b>2 723</b>	<b>3.79</b>

### 3. Employment and Vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables:- programme (Table 3.1), salary band (Table 3.2) and critical occupations (Table 3.3). Table 3.3 provides the establishment and vacancy information for the key critical occupations of the Provincial Treasury that require monitoring. The vacancy rate reflects the percentage of posts that are not filled.

**Table 3.1: Employment and vacancies by programme, 31 March 2009**

Programme	Number of posts	Number of posts filled	Vacancy Rate %	Number of posts filled additional to the establishment
1. Administration	87	72	17	-
2. Sustainable Resource Management	86	64	26	-
3. Asset and Liabilities Management	77	63	18	-
4. Financial Governance	119	81	32	1
<b>Total</b>	<b>369</b>	<b>280</b>	<b>24</b>	<b>1</b>

**Table 3.2: Employment and vacancies by salary bands, 31 March 2009**

Salary band	Number of posts	Number of posts filled	Vacancy Rate %	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2), Permanent	2	2	-	-
Skilled (Levels 3-5), Permanent	25	23	8	-
Highly skilled production (Levels 6-8), Permanent	103	69	33	-
Highly skilled supervision (Levels 9-12), Permanent	211	165	22	1
Senior management (Levels 13-16), Permanent	27	20	26	-
Minister	1	1	-	-
<b>Total</b>	<b>369</b>	<b>280</b>	<b>24</b>	<b>1</b>

**Table 3.3: Employment and vacancies by critical occupation, 31 March 2009**

Critical Occupation	Number of posts	Number of posts filled	Vacancy Rate %	Number of posts filled additional to the establishment
Economist	24	15	38	-
Expenditure Analyst	21	18	14	-
Financial Analyst	14	12	14	-
Procurement Specialist	13	8	38	-
State Accountant Senior	1	-	100	-
System Controller	26	22	15	-
<b>Total</b>	<b>99</b>	<b>75</b>	<b>24</b>	<b>-</b>

The information in each case reflects the situation as at 31 March 2008. For an indication of changes in staffing patterns over the year under review, please refer to Table 5 of the Oversight Report.

#### 4. Job Evaluation

The Public Service Regulations, 1999 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 job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

**Table 4.1: Job Evaluation, 1 April 2008 to 31 March 2009**

Salary band	Number of posts	Number of Jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	2	-	-	-	-	-	-
Skilled (Levels 3-5)	25	1	4	-	-	-	-
Highly skilled production (Levels 6-8)	103	16	16	14	88	-	-
Highly skilled supervision (Levels 9-12)	211	34	16	-	-	-	-
Senior Management Service Band A	18	3	17	-	-	-	-
Senior Management Service Band B	6	-	-	-	-	-	-
Senior Management Service Band C	2	-	-	-	-	-	-
Senior Management Service Band D	1	-	-	-	-	-	-
Minister	1	-	-	-	-	-	-
<b>Total</b>	<b>369</b>	<b>54</b>	<b>15</b>	<b>14</b>	<b>26</b>	<b>-</b>	<b>-</b>

**Table 4.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2008 to 31 March 2009**

Beneficiaries	African	Asian	Coloured	White	Total
Female	2	-	11	1	14
Male	-	-	1	-	1
<b>Total</b>	<b>2</b>	<b>-</b>	<b>12</b>	<b>1</b>	<b>15</b>
<b>Employees with a disability</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

**Table 4.3: Employees whose salary level exceeded the grade determined by job evaluation, 1 April 2008 to 31 March 2009 (in terms of PSR 1.V.C.3)**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Female	1	14	15	After numerous advertisements it was unable to find a applicant with the appropriate skills, knowledge and experience to accept the position on the applicable salary scale. The position being a scarce, skill, the executive authority therefore approved a salary on the next higher notch.
Male	-	-	-	N/A
<b>Total</b>	<b>1</b>	<b>14</b>	<b>15</b>	
Percentage of total employment				
TOTAL NUMBER OF EMPLOYEES WHOSE SALARIES EXCEED THE LEVEL DETERMINED BY JOB EVALUATION IN 2008/2009				

**Table 4.4: Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2007 to 31 March 2008 (in terms of PSR 1.V.C.3)**

Beneficiaries	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employees with a disability	-	-	-	-	-
Total number of employees whose salaries exceed the grades determined by job evaluation in 2008/09					-

## 5. Employment Changes

This section provides information on changes in employment over the financial year.

Turnover rates provide an indication of trends in the employment profile of the Provincial Treasury. The following tables provide a summary of turnover rates by salary band (Table 5.1) critical occupations (Table 5.2), reasons for leaving the department (Table 5.3), promotion by critical occupation (Table 5.4) and promotion by salary band (Table 5.5).



**Table 5.1: Annual turnover rates by salary band for the period 1 April 2008 to 31 March 2009**

Salary band	Number of employees per band as on 1 April 2007	Appointments and transfers into the Department	Terminations and transfers out of the department	Turnover Rate %
Lower skilled (Levels 1-2), Permanent	2	-	-	-
Skilled (Levels 3-5), Permanent	41	13	11	27
Highly skilled production (Levels 6-8), Permanent	48	23	9	19
Highly skilled supervision (Levels 9-12), Permanent	141	49	33	23
Senior Management Service Band A, Permanent	8	7	5	63
Senior Management Service Band B, Permanent	3	2	1	33
Senior Management Service Band C, Permanent	-	1	-	-
Senior Management Service Band B, Permanent	1	-	-	-
Minister	1	-	-	-
<b>Total</b>	<b>245</b>	<b>95</b>	<b>59</b>	<b>24</b>

**Table 5.2: Annual turnover rates by critical occupation for the period 1 April 2008 to 31 March 2009**

Occupation	Number of employees per occupation as on 1 April 2008	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate %
Economist	8	3	3	38
Expenditure Analyst	10	8	2	20
Financial Analyst	14	5	4	29
Procurement Specialist	11	-	1	9
State Accountant Senior	3	-	1	33
System Controller	24	1	1	4
<b>Total</b>	<b>70</b>	<b>17</b>	<b>12</b>	<b>17</b>

**Table 5.3: Reasons why staff are leaving Treasury**

Termination Type	Number	% of total
Transfer to other PS Dept	25	42
Resignating of Position	17	29
Conversion - Appointment	-	-
Deceased	1	-
Contract Expiry	15	25
Employee Initiated Severance Packages	1	4
<b>Grand Total</b>	<b>59</b>	<b>100</b>
Total number of employees who left as a % of the total employment		24

**Table 5.4: Promotions by critical occupation**

Occupation	Employees as at 1 April 2008	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Economist	8	2	25	6	75
Expenditure Analyst	10	1	10	10	100
Financial Analyst	14	2	14	10	71
Procurement Specialist	11	1	9	4	36
State Accountant Senior	3	-	-	3	100
System Controller	24	1	4	15	63
<b>Total</b>	<b>70</b>	<b>7</b>	<b>10</b>	<b>48</b>	<b>69</b>

**Table 5.5: Promotions by salary band**

Salary Band	Employees as at 1 April 2008	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower skilled (level 1-2)	2	-	-	1	50
Skilled (level 3-5)	41	3	7	11	27
Highly Skilled production (level 6-8)	48	8	17	14	29
Highly Skilled supervision (level 9-12)	141	12	9	71	50
Senior Management (level 13-16)	12	-	-	4	33
Minister	1	-	-	-	-
<b>Total</b>	<b>245</b>	<b>23</b>	<b>9</b>	<b>101</b>	<b>41</b>

## 6. Employment Equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

**Table 6.1: Total number of employees in each of the following occupational categories as on 31 March 2009**

Occupational Categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers (includes MEC)	2	5	2	5	1	4	1	1	21
Professionals	32	44	1	19	27	47	2	8	180
Technicians and Associate Professionals	1	3	-	-	2	5	-	-	11
Clerks	8	11	-	1	10	25	-	9	64
Plant and machine operators and assemblers	-	2	-	-	-	-	-	-	2
Labourers and Related Workers	-	2	-	-	-	1	-	-	3
<b>Total</b>	<b>43</b>	<b>67</b>	<b>3</b>	<b>25</b>	<b>40</b>	<b>82</b>	<b>3</b>	<b>18</b>	<b>281</b>
Employees with disabilities	-	-	-	1	-	1	-	1	3

**Table 6.2: Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2009**

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (includes MEC)	-	1	-	2	-	-	-	-	3
Senior Management	2	4	2	3	1	4	1	1	18
Professionally qualified and experienced specialists and mid-management	31	40	1	18	24	43	1	7	165
Skilled technical and academically qualified workers, junior management, supervisors, foremen	5	12	-	1	11	30	1	5	65
Semi-skilled and discretionary decision making	5	9	-	1	4	4	-	5	28
Unskilled and defined decision making	-	-	-	-	-	2	-	-	2
<b>Total</b>	<b>43</b>	<b>66</b>	<b>3</b>	<b>25</b>	<b>40</b>	<b>83</b>	<b>3</b>	<b>18</b>	<b>281</b>

**Table 6.3: Recruitment for the period 1 April 2008 to 31 March 2009**

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	2	-	1	1	-	1	-	1	6
Professionally qualified and experienced specialists and mid-management	6	10	1	-	7	8	-	-	32
Skilled technical and academically qualified workers, junior management, supervisors, foremen	1	3	-	1	2	6	-	1	14
Semi-skilled and discretionary decision making	1	-	-	-	-	2	-	-	3
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>10</b>	<b>13</b>	<b>2</b>	<b>2</b>	<b>9</b>	<b>17</b>	<b>-</b>	<b>2</b>	<b>55</b>
Employees with disabilities	-	-	-	-	-	-	-	-	-

**Table 6.4: Promotions for the period 1 April 2008 to 31 March 2009**

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management	5	1	-	-	2	4	-	-	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen	-	-	-	1	-	7	-	-	8
Semi-skilled and discretionary decision making	1	1	-	-	-	1	-	-	3
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6</b>	<b>2</b>	<b>-</b>	<b>1</b>	<b>2</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>23</b>
Employees with disabilities	-	-	-	-	-	-	-	-	-

**Table 6.5: Terminations for the period 1 April 2008 to 31 March 2009**

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	1	3	-	-	-	-	-	-	4
Professionally qualified and experienced specialists and mid-management	3	3	-	3	2	5	-	-	16
Skilled technical and academically qualified workers, junior management, supervisors, foremen	2	2	-	-	-	-	-	-	4
Semi-skilled and discretionary decision making	2	2	-	-	3	3	-	-	10
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>8</b>	<b>10</b>	<b>-</b>	<b>3</b>	<b>5</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>34</b>
Employees with disabilities	-	-	-	-	-	-	-	-	-

**Table 6.6: Disciplinary action for the period 1 April 2008 to 31 March 2009**

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	-	2	-	1	-	-	-	-	-

**Table 6.7: Skills development for the period 1 April 2008 to 31 March 2009**

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	2	5	2	5	1	4	1	1	21
Professionals	32	44	1	19	27	47	2	8	180
Technicians and Associate Professionals	1	3	-	-	2	5	-	-	11
Clerks	8	11	-	1	10	25	-	9	64
Plant and Machine Operators and Assemblers	-	2	-	-	-	-	-	-	2
Elementary Occupations	-	2	-	-	-	1	-	-	3
<b>Total</b>	<b>43</b>	<b>67</b>	<b>3</b>	<b>25</b>	<b>40</b>	<b>82</b>	<b>3</b>	<b>18</b>	<b>281</b>
Employees with disabilities	-	-	-	1	-	1	-	1	3

## 7. Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 7.1), salary bands (table 7.2) and critical occupations (Table 7.3).

**Table 7.1: Performance Rewards by race, gender and disability, 1 April 2008 to 31 March 2009**

Race, gender and disability	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2008	% of total within group	Cost (R'000)	Average cost per employee (R'000)
<b>African</b>	<b>23</b>	<b>74</b>	<b>31</b>	<b>123</b>	<b>6</b>
Male	12	36	33	89	7
Female	11	38	29	34	4
<b>Asian</b>	<b>1</b>	<b>5</b>	<b>20</b>	<b>14</b>	<b>23</b>
Male	1	2	50	14	-
Female	-	3	-	-	-
<b>Coloured</b>	<b>50</b>	<b>125</b>	<b>40</b>	<b>341</b>	<b>7</b>
Male	17	60	28	136	8
Female	33	65	51	205	6
<b>White</b>	<b>27</b>	<b>41</b>	<b>66</b>	<b>289</b>	<b>11</b>
Male	14	25	56	210	15
Female	13	16	81	78	6
<b>Total</b>	<b>101</b>	<b>245</b>	<b>41</b>	<b>766</b>	<b>8</b>

**Table 7.2: Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2008 to 31 March 2009**

Salary Bands	Beneficiary Profile			Cost		
	Number of Beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee (R'000)	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	2	2	100	6	3	0
Skilled (Levels 3-5)	8	41	20	28	3	5
Highly skilled production (Levels 6-8)	27	48	56	90	3	15
Highly skilled supervision (Levels 9-12)	56	141	40	318	6	64
<b>Total</b>	<b>93</b>	<b>232</b>	<b>40</b>	<b>442</b>	<b>5</b>	<b>84</b>

**Table 7.3: Performance Rewards by critical occupations, 1 April 2008 to 31 March 2009**

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee (R'000)
Economist	6	15	40	47	8
Expenditure Analyst	4	18	22	24	6
Financial Analyst	4	12	33	40	10
Procurement Specialist	4	8	30	31	8
State Accountant Senior	1	-	-	6	9
System Controller	9	22	41	36	4
<b>Total</b>	<b>28</b>	<b>75</b>	<b>37</b>	<b>184</b>	<b>7</b>

**Table 7.4: Performance related rewards (cash bonus), by salary band, for Senior Management Service 1 April 2008 to 31 March 2009**

Salary Bands	Beneficiary Profile			Total Cost (R'000)	Average cost per employee (R'000)	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands			
Band A	4	9	44	73	18	1.2
Band B	2	3	67	37	18	0.6
Band C	1	1	100	24	-	0.4
Band D	1	1	100	50	-	0.8
Minister	-	1	-	-	-	0.0
<b>Total</b>	<b>8</b>	<b>15</b>	<b>53</b>	<b>184</b>	<b>23</b>	<b>1.5</b>

## 8. Foreign Workers

**Table 8.1: Foreign Workers, 1 April 2008 to 31 March 2009, by salary band**

Salary Band	1 April 2008		31 March 2009		Change	
	Number	% of total	Number	% of total	Number	% of change
Highly skilled supervision (Levels 9-12)	1	100	1	100	-	-
<b>Total</b>	<b>1</b>	<b>100</b>	<b>1</b>	<b>100</b>	<b>-</b>	<b>-</b>

**Table 8.2: Foreign Workers, 1 April 2008 to 31 March 2009, by major occupation**

Major Occupation	1 April 2008		31 March 2009		Change	
	Number	% of total	Number	% of total	Number	% of change
Financial and Related Professionals	1	100	1	100	-	-
<b>Total</b>	<b>1</b>	<b>100</b>	<b>1</b>	<b>100</b>	<b>-</b>	<b>-</b>

## 9. Leave utilisation for the period 1 January 2008 to 31 December 2008

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 9.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided.

**Table 9.1: Sick leave, 1 April 2008 to 31 March 2009**

Salary Bands	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	32	72	2	1	16	12
Skilled (Levels 3-5)	176	73	23	9	8	1 142
Highly skilled production (Levels 6-8)	522	77	66	26	8	16 851
Highly skilled supervision (Levels 9-12)	1 203	78	154	60	8	147 351
Senior management (Levels 13-16)	22	64	10	4	2	334
<b>Total</b>	<b>1 955</b>	<b>77</b>	<b>255</b>	<b>100</b>	<b>8</b>	<b>165 690</b>



**Table 9.2: Disability leave (temporary and permanent), 1 April 2008 to 31 March 2009**

Salary Bands	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	-	0	-	-	-	-
Highly skilled supervision (Levels 9-12)	203	-	2	100	102	277
Senior management (Levels 13-16)	-	-	-	-	-	-
<b>Total</b>	<b>203</b>	<b>100</b>	<b>2</b>	<b>100</b>	<b>102</b>	<b>277</b>

Table 9.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000, requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

**Table 9.3: Annual Leave, 1 January 2008 to 31 December 2008**

Salary Bands	Total days taken	Average days per employee
Lower skilled (Levels 1-2)	48	24
Skilled (Levels 3-5)	431	14
Highly skilled production (Levels 6-8)	1 343	21
Highly skilled supervision (Levels 9-12)	3 257	20
Senior management (Levels 13-16)	331	18
<b>Total</b>	<b>5 410</b>	<b>20</b>

**Table 9.4: Capped leave, 1 January 2008 to 31 December 2008**

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2008
Lower skilled (Levels 1-2)	-	-	12
Skilled (Levels 3-5)	5	0.17	11
Highly skilled production (Levels 6-8)	11	0.17	12
Highly skilled supervision (Levels 9-12)	127	0.79	20
Senior management (Levels 13-16)	-	0.00	48
<b>Total</b>	<b>143</b>	<b>0.52</b>	<b>19</b>

The following table summarises payments as a result of leave that was not taken.

**Table 9.5: Leave payouts for the period 1 April 2008 to 31 March 2009**

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee (R'000)
Leave payout for 2008/2009 due to non- utilisation of leave for the previous year	-	-	-
Current leave payouts on termination of service for 2008/2009	122	11	11
<b>Total</b>	<b>122</b>	<b>11</b>	<b>11</b>

## 10. HIV/Aids & Health Promotion Programmes

**Table 10.1: Steps taken to reduce the risk of occupational exposure**

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 environment in the Provincial Treasury is for the most part administrative and does not place employees at risk of contracting HIV and related diseases.	Employees are regularly informed about universal precautions as precautionary measure to occupational injuries that may result in blood spillage.

**Table 10.2: Details of Health Promotion and HIV/Aids Programmes (tick the applicable boxes and provide the required information)**

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.	√		Ms Pauline Piedt: Senior Manager: HRM is the SMS member designated to deal with HIV and AIDS in PT.
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.	√		All Health and Wellness programmes are dealt with at HRM under the sub-directorate: Transformation, the component comprises of six staff members, 1 MMS member, 1 Assistant Manager and 4 Practitioners. All interventions pertaining to staff health and wellness, i.e. employee wellness programme, HIV and AIDS, etc are paid from one central budget dedicated for this purpose.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	√		Provincial Treasury has procured the services from an outsourced service provider. The services include the following: <ul style="list-style-type: none"> <li>• Counselling Services</li> <li>• Life Management Services</li> <li>• Management referral</li> </ul>
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.	√		The Institutional Management and Labour Committee (IMLC) has been amongst others, all human rights issues in the Department. The IMLC comprises of Employer Representatives: A Reddy, V Zingithwa, , G Paulse, P Piedt, K Langenhoven, C Miles, D de Waal, and Employee Representatives: P Wiese (PAWUSA), C Anthony and R Minnie (PSA), F Masibi and W Yamile (NEHAWU).
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.	√		Policies regarding employment have been reviewed on a transversal basis, submitted to the Bargaining Council and adopted in the Department. In addition, the Department has also adopted the Transversal Framework Workplace Policy and Programme for the management of HIV and AIDS.

Question	Yes	No	Details, if yes
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.	√		Effective use is being made of the Employee Assistance Programme to minimise discrimination and stigmatisation in the workplace.
7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	√		According to statistics received by LifeLine (HIV Service provider), in 2008-2009 financial year 17% of Provincial Treasury employees took part in the VCT Clinic programme. A substantial increase of 15% to the previous years VCT campaign.
8. Has the department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/ indicators.	√		Provincial Treasury undertook a BRM Audit during FEB/MARCH 2009. Approximately 60% of the targeted population responded to the audit.  In addition to this, attendees to awareness sessions have been requested to complete feedback questionnaires. Such feedback has been analysed and communicated to LifeLine.  The consumption rate of condoms by employees in the department for the period 01 April 08 – 31 March 09 has increased as condom dispensers have been replenished with 2850 condoms as apposed to 2500 in the previous year.

## 11. Labour Relations

**Table 11.1: Collective agreements, 1 April 2008 to 31 March 2009**

Subject Matter	Date
None	None

Table 11.2 summarises the outcome of disciplinary hearings conducted within the department for the year under review.

**Table 11.2: Misconduct and disciplinary hearings finalised, 1 April 2008 to 31 March 2009**

Outcomes of disciplinary hearings	Number	% of total
Written warning	-	-
Final written warning	2	50
Suspension	2	50
<b>TOTAL</b>	<b>4</b>	<b>100</b>

**Table 11.3: Types of misconduct addressed at disciplinary hearings for period 1 April 2008 to 31 March 2009**

Type of misconduct	Number	% of total
Absent from work without reason or permission	2	33
Wilfully or negligently mismanges finances	-	-
Contravenes any code of conduct of the state	1	17
Fails to comply with or contravenes an act	3	50
Under the influence of intoxicating substance	-	-
<b>Total</b>	<b>6</b>	<b>100</b>

**Table 11.4: Grievances lodged for the period 1 April 2008 to 31 March 2009**

Number of grievances addressed	Number	% of total
Resolved	-	-
Not resolved	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Table 11.5: Disputes lodged with Councils for the period 1 April 2008 to 31 March 2009**

Number of disputes addressed	Number	% of total
Upheld	-	-
Dismissed	-	-
Lodged (Pending)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Table 11.6: Strike actions for the period 1 April 2008 to 31 March 2009**

Strike Actions	Number
Total number of person working days lost	0.00
Total cost of working days lost	R 0.00
Amount recovered as a result of no work no pay	R 0.00

**Table 11.7: Precautionary suspensions for the period 1 April 2008 to 31 March 2009**

Strike Actions	Number	% of total
Number of people suspended	None	-
Number of people whose suspension exceeded 30 days	None	-
Average number of days suspended	None	-
Cost (R'000) of suspensions	None	-

## 12. Skills Development

This section highlights the efforts of the department with regard to skills development.

**Table 12.1: Training needs identified 1 April 2008 to 31 March 2009**

Occupational Categories	Gender	Number of employees as at 1 April 2008	Training needs identified at start of reporting period			
			Learner-ships	Skills Programmes & other short courses	Other forms of training (ABET)	Total
Legislators, senior officials and managers	Female	2	-	5	-	5
	Male	11	-	12	-	12
Professionals	Female	72	-	54	-	54
	Male	84	-	57	-	57
Technicians and associate professionals	Female	5	-	6	-	6
	Male	6	-	3	-	3
Clerks	Female	41	-	27	-	27
	Male	19	-	15	-	15
Elementary occupations	Female	2	-	-	-	-
	Male	1	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	2	-	-	-	-
Sub-total	Female	122	-	92	-	92
	Male	123	-	87	-	87
<b>Total</b>		<b>245</b>	<b>-</b>	<b>179</b>	<b>-</b>	<b>179</b>

**Table 12.2: Training provided 1 April 2008 to 31 March 2009**

Occupational Categories	Gender	Number of employees as at 1 April 2008	Training needs identified at start of reporting period			
			Learner-ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	2	-	6	-	6
	Male	11	-	14	-	14
Professionals	Female	72	13	88	-	101
	Male	84	10	95	-	105
Technicians and associate professionals	Female	5	-	4	-	4
	Male	6	-	4	-	4
Clerks	Female	41	-	41	-	41
	Male	19	-	19	-	19
Elementary occupations	Female	2	-	2	-	2
	Male	1	-	2	1	3
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	2	-	-	1	1
Sub-total	Female	122	13	1	-	154
	Male	123	10	134	2	146
<b>Total</b>		<b>245</b>	<b>23</b>	<b>135</b>	<b>2</b>	<b>300</b>

### 13. Injury on duty

The following table provides basic information on injury on duty.

**Table 13.1: Injury on duty, 1 April 2006 to 31 March 2007**

Nature of injury on duty	Number	% of total
None	-	-
<b>Total</b>	-	-

## 14. Utilisation of Consultants

**Table 14.1: Report on consultant appointments using appropriated funds**

Project Title	Total number of consultants that worked on the project	Duration: Workdays	Contract value in Rand
<b>Human Resource Management</b> Employee Assistance Programme	Various Staff of consulting Company	365	95 534.00
Response Handling/Advertising	Transversal Contract with company	365	2 632 267.00
Organisational Culture Project	2	365	467 400.00
Talent Management Competency & Development Programme	3	365	913 461.60
<b>Financial Management</b> Implementation of File Tracking	Various staff on consulting company	365	286 860.00
Various Categories of Skills transfer including all other consultation rendered (Makana)	Various staff on consulting company	365	2 365 728.08
Accommodation projects	1	365	217 386.60
<b>Budget Management</b> Annual Easy Data Internet Subscriptions	1	365	44 801.51
Research on Socio Economic profiles, develop Human Resource abilities	Various	365	115 200.00
<b>Moveable Asset Management</b> EPSi and Database Systems	1	365	1 337 220.00
<b>Supporting and Interlinked Financial Systems</b> VULINDLELA	1	239	629 441.00
PERSAL	5	876	2 166 896.00
<b>Accounting Services</b> GRAP Training	1	4	57 000
<b>Risk Management</b> Software Training Services	3	365	889 320.84
<b>Internal Audit</b> PAWCFIN 03/2003 Risk Assessment and Internal Audit service	Utilised various staff members of the 6 member firms of the Sihluma Sonke Consortium	240	22 889 000



**Table 14.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)**

<b>Project Title</b>	<b>Percentage ownership by HDI groups</b>	<b>Percentage management by HDI groups</b>	<b>Number of Consultants from HDI groups that work on the project</b>
<b>Human Resource Management</b>			
Employee Assistance Programme	51%	49%	1
Response Handling/Advertising	90%	90%	90%
Organisational Culture Project	50%	50%	1
Talent Management Competency & Development Programme	30.1%	90%	2
<b>Financial Management</b>			
Implementation of File Tracking	0	0	0
Various Categories of Skills transfer including all other consultation rendered (Makana)	100%	100%	75
Accommodation projects	0	0	0
<b>Budget Management</b>			
Annual Easy Data Internet Subscriptions			
Research on Socio Economic profiles, develop Human Resource abilities			
<b>Supporting and Interlinked Financial Systems</b>			
VULINDLELA	100	100	1
PERSAL	25	29	5
<b>Economic Analysis</b>			
PERO&O 2008	N /A	0	0
<b>Risk Management</b>			
Software Training Services	0	0	0
<b>Internal Audit :</b>			
Ernst & Young	24.5%	34%	25
Gcabashe Inc	100%	100%	12
NYZ Afripeak	100%	100%	12
Ramathe Inc	100%	100%	10
SAB&T Inc	88%	83%	30
PriceWaterhouseCoopers	22%	16.7%	19

**Table 14.3: Report on consultant appointments using Donor funds**

<b>Project Title</b>	<b>Total number of consultants that worked on the project</b>	<b>Duration: Workdays</b>	<b>Donor and Contract value in Rand</b>
None	-	-	-

**Table 14.4: Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)**

<b>Project Title</b>	<b>Percentage ownership by HDI groups</b>	<b>Percentage managed by HDI groups</b>	<b>Number of Consultants from HDI groups that work on the project</b>
None	-	-	-