

# Vote 3

## Provincial Treasury

	2009/10 To be appropriated	2010/11	2011/12
<b>MTEF allocations</b>	<b>R134 682 000</b>	<b>R142 851 000</b>	<b>R153 426 000</b>
Responsible MEC	Provincial Minister of Finance, Economic Development and Tourism		
Administering Department	Provincial Treasury		
Accounting Officer	Head Official: Provincial Treasury		

### 1. Overview

#### Core functions and responsibilities

To provide strategic leadership in financial matters, provide support to the Minister and ensure sound departmental financial and human resource management.

Enhance the financial resources available to the Province, better targeting of these to achieve desired socio-economic and governance outcomes as well as improve alignment with municipal budgetary processes.

Promote the effective and efficient management of physical and financial assets, liabilities, supply chain systems and public-private partnerships, both within the Province and municipalities.

Promote financial governance, accountability, performance oriented financial management, accurate and full reflection of the Province's financial activities and processes.

#### 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.

#### Main services

A credible medium term fiscal framework supported by robust socio-economic analyses, leading to responsive and sustainable budgets to promote shared growth and development.

Proper recording of all financial transactions, promoting substantive compliance with financial management norms and standards, effective provincial risk management and high value internal audit services.

Fostering prudent management of the built environment, physical and financial assets, financial systems and liabilities. Improved in-year expenditure management practices, analysis and improvement of intergovernmental financial management systems, municipal oversight and capacity building.

## **Demands and changes in service**

The pressure on South Africa's revenue budget, with a tighter fiscal envelope for the Province had the effect that a relatively small but expanding department such as the Provincial Treasury also had to economise, resulting on a cap having to be placed on employment. Notwithstanding the tighter funding scenario, the Provincial Treasury stays committed to improve on the successes and challenges of the past. Improving the credibility of the medium term fiscal framework, improving the scope of practical socio-economic impact analysis and refined expenditure management will remain our highest priorities.

The responsibility to improve the state's fiscal and service delivery performance continues unabated with provincial treasuries having to play a key role in this respect in partnership with primarily the National Treasury and provisionally with the Departments of the Premier and Local Government and Housing.

The challenge for the Provincial Treasury and the Province remains the fight against poverty and unemployment as well as increasing access to quality social and economic services. Therefore, improving the quality and efficiency of public services can only be achieved through greater synergies within and across departments to achieve more for less. (MTBPS 2009 to 2012, 20 November 2008)

## **Acts, rules and regulations**

### **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 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 Tourism 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.

### **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 secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government; to establish treasury norms and standards for the local sphere of government; and to provide for matters connected therewith.

**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 persons at work; to establish an advisory council for occupational health and safety; 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. To fulfil all Treasury 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 (Act 108 of 1996), the Constitution of the Western Cape, 1998 (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 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.

## **Budget decisions**

Mention was made in the 2008/09 Budget documentation that the distributions of financial allocations across the various sub-programmes have been amended to take account further refinement of transformational structural processes that began 5 years ago. However, all transformational changes have not been completed yet and a further final reconfiguration phase three will hopefully be completed during 2010/11. The exact details of this final phase are still in the planning stage in liaison with the Organisation and Development Unit in the Premier's office. The additional costs and roll out of the final stage be catered for in future budgets if approved by the Executive.

## **2. Review 2008/09**

In many respects the 2008/09 financial year was challenging. Firstly, the vacancy rate of just under 25 per cent had to be reduced while the attrition rate also had to be lowered. Secondly, but in the same breath, the service delivery of the department had to be maintained and in many cases lifted to a higher standard as more role players and new needs had to be accommodated. Thirdly, special initiatives were instituted to retain staff that included a benchmarking process that is currently underway, while several projects were driven forward to lift the competencies of employees to enhance career development. The outcome of the whole process ensured a vacancy rate that went down from over 30 per cent to lower than 23 per cent at the end of 2008/09.

As has become customary, the Provincial Economic Review and Outlook 2008 and the Medium Term Budget Policy Statement (MTBPS) 2009 – 2012, respectively, again sketched the enormous socio-economic challenges and the proposed associated response thereto. Furthermore, interaction with Local Government via the LGMTEC (I, II and III) processes delivered promising results and further fostered closer alignment between municipal planning, budgeting and implementation. These processes, though not legislated, except for the LGMTECIII process provide for improved understanding of each sphere's roles and responsibilities, highlighting individual or collective challenges.

The Asset Management component provided policy direction to departments and municipalities while effective and efficient management of financial systems, physical and financial assets were facilitated. During this period SCM compliance assessments, training interventions and asset management guidelines were provided to departments. The financial systems unit was responsible for assisting the reimplementation of BAS at 13 votes due to the SCoA toning project that was introduced by the National Treasury.

The Financial Governance programme had several workshops and interventions with departments and municipalities that focussed on better external audit outcomes, establishing accounting standards board forums and to improve GRAP/GAMAP standards.

In previous years the internal audit component was significantly dependant on an external service provider to deliver internal audits in the Province. Great strides were made to fill the new establishment and to reduce dependency on the outside service provider with the contract reaching termination in December 2008.

## **3. Outlook for 2009/10**

The quarterly monitoring and control process within the department has become a joint effort of all senior managers who are driving this new venture under the guidance of the head of the department. This should in all probability have a cascading effect to all the staff within the Treasury, as their personal quarterly performance assessment have now been linked that of the department at middle management level. This new process will be further developed and refined during 2009/10. It is also the intention that budget related documents will in future create a more realistic picture of what is being attained within the department and in turn should better reflect the employees understanding of what our challenges are and how we respond to them.

As in the past, the Treasury stays committed to promote substantive compliance to the protocols and standards applicable to financial transactions, asset and supply chain management, across the provincial and municipal spheres. Further details on progress have been taken up in the APP for 2009/10 – 2011/12.

The Provincial Treasury is in a developed stage with a middle management benchmarking process in collaboration with other treasuries to enhance recruitment and retention. This exercise has become necessary to bring the Provincial Treasury's post levels on par with provincial treasuries in other provinces.

## 4. Receipts and financing

### Summary of receipts

Table 4.1 below depicts the sources of funding for the vote.

**Table 4.1 Summary of receipts**

Receipts R'000	Outcome			Main appropriation 2008/09	Adjusted appropriation 2008/09	Revised estimate 2008/09	Medium-term estimate				
	Audited 2005/06	Audited 2006/07	Audited 2007/08				% Change from Revised estimate				
							2009/10	2008/09	2010/11	2011/12	
<b>Treasury funding</b>											
Equitable share	(353 103)	(8 441)	(15 916)	3 029	8 328	8 328	18 326	120.05	26 495	37 070	
Financing		(49 033)									
Asset Finance Reserve		(49 033)									
Own receipts (Provincial Treasury)		(149 923)	(251 252)	(251 252)	(251 252)	(251 252)	(272 512)	8.46	(273 041)	(273 041)	
<b>Total Treasury funding</b>	(353 103)	(207 397)	(267 168)	120 596	121 895	121 895	134 682	10.49	142 851	153 426	
<b>Departmental receipts</b>											
Tax receipts	221 972	275 984	324 591	314 801	310 801	310 801	333 817	7.41	334 346	334 346	
Sales of goods and services other than capital assets	7 233	1 207	1 297	1 022	1 022	1 022	1 022		1 022	1 022	
Transfers received			65	1	1	1	1		1	1	
Fines, penalties and forfeits	290	215	139								
Interest, dividends and rent on land	233 361	54 125	47 128	52 947	52 947	52 947	53 980	1.95	53 980	53 980	
Financial transactions in assets and liabilities	4 522	9 802	9 072	48	48	48	48		48	48	
<b>Total departmental receipts</b>	467 378	341 333	382 292	368 819	364 819	364 819	388 868	6.59	389 397	389 397	
<b>Total receipts</b>	114 275	133 936	115 124	120 596	121 895	121 895	134 682	10.49	142 851	153 426	

### Summary of receipts:

Total receipts increase by R12.787 million or 10.5 per cent from R121.895 million in 2008/09 to R134.682 million in 2009/10.

### Treasury funding of which:

Equitable share amounts to R18.326 million in 2009/10 and over the MTEF it is R26.495 million in 2010/11 and R37.070 million in 2011/12.

Financing from Provincial Treasury funding of R272.512 million in 2008/09 and 2009/10, R273.041 million in 2010/11 and R273.041 million in 2011/12 is allocated to the Department of the Premier.

### **Details of Departmental receipts:**

Total departmental own receipts increase by R24.049 million or 6.6 per cent from R364.819 million in 2008/09 to R388.868 million in 2009/10. The main sources of income are in respect of tax receipts and interest, dividends and rent on land. Tax receipts, of which casino taxes and horseracing are the main contributors, increase by R23.016 million or 7.4 per cent from R310.801 million in 2008/09 to R333.817 million in 2009/10. The increase in tax receipts over the MTEF shows moderating growth due to the slow down in the economy and therefore a conservative approach was taken in budgeting for casino tax revenues.

Interest, dividends and rent on land, of which interest is the main contributor, increases by R1.033 million or 2.0 per cent from R52.947 million in 2008/09 to R53.980 million in 2009/10.

### **Donor funding (excluded from vote appropriation)**

Table 4.2 hereunder gives the sources of donor funding and details of any terms and conditions attached to donor funds.

#### **Table 4.2 Summary of donor funding - None**

## **5. Payment summary**

### **Key assumptions**

Year-on-year adjustments for salary increases are based on the assumption that wage agreements will result in salary increases of 7.0 per cent from 2008/09 to 2009/10, 7 per cent per cent from 2009/10 to 2010/11 and 6.6 per cent from 2010/11 to 2011/12 inclusive of the 1 per cent pay progression. Adjustments for the majority of the non-personnel expenditure items classified under Goods and Services are based on the assumption that CPIX will be 5.0 per cent from 2008/09 to 2009/10, 5.2 per cent from 2009/10 to 2010/11 and 4.7 per cent from 2010/11 to 2011/12.

### **National and provincial priorities**

The Provincial Treasury's financial and fiscal policy is strongly guided by National Treasury priorities as agreed within the national consultative fora, inclusive of the Budget Council. These are reflected in the Provincial Treasury's core functions and responsibilities and further elaborated on in its Annual Performance Plan (APP).

### **Programme summary**

Table 5.1 below indicates the budget or estimated expenditure per programme and Table 5.2 per economic classification. Details of the Government Financial Statistics (GFS) economic classifications are attached as an annexure to this vote.

**Table 5.1 Summary of payments and estimates**

Programme R'000	Outcome			Main appro- priation 2008/09	Adjusted appro- priation 2008/09	Revised estimate 2008/09	Medium-term estimate			
	Audited 2005/06	Audited 2006/07	Audited 2007/08				% Change from Revised estimate			
							2009/10	2008/09	2010/11	2011/12
1. Administration <sup>a</sup>	23 220	28 724	33 447	34 335	38 016	39 032	36 579	(6.28)	38 996	41 692
2. Sustainable Resource Management	16 513	21 332	21 540	23 794	22 691	22 691	33 595	48.05	35 542	38 296
3. Asset and Liabilities Management	46 699	51 537	21 707	23 395	22 540	22 277	27 320	22.64	29 154	31 024
4. Financial Governance	27 843	32 343	38 430	39 072	38 648	37 895	37 188	(1.87)	39 159	42 414
<b>Total payments and estimates</b>	114 275	133 936	115 124	120 596	121 895	121 895	134 682	10.49	142 851	153 426

<sup>a</sup> MEC total remuneration package: R1 327 560 with effect from 1 April 2008.

## Summary by economic classification

**Table 5.2 Summary of provincial payments and estimates by economic classification**

Economic classification R'000	Outcome			Main appro- priation 2008/09	Adjusted appro- priation 2008/09	Revised estimate 2008/09	Medium-term estimate			
	Audited 2005/06	Audited 2006/07	Audited 2007/08				% Change from Revised estimate			
							2009/10	2008/09	2010/11	2011/12
<b>Current payments</b>	112 495	130 860	112 680	119 357	120 074	119 896	133 492	11.34	141 599	152 116
Compensation of employees	41 941	52 919	60 231	73 014	74 281	73 171	100 579	37.46	107 036	115 815
Goods and services	70 381	77 164	52 428	46 343	45 793	46 723	32 913	(29.56)	34 563	36 301
Financial transactions in assets and liabilities	173	777	21			2		(100.00)		
<b>Transfers and subsidies to</b>	348	392	1 414		151	179	330	84.36	347	363
Provinces and municipalities	152	29								
Departmental agencies and accounts			252							
Foreign governments and international organisations		1								
Households	196	362	1 162		151	179	330	84.36	347	363
<b>Payments for capital assets</b>	1 432	2 684	1 030	1 239	1 670	1 820	860	(52.75)	905	947
Buildings and other fixed structures				669						
Machinery and equipment	1 029	2 279	1 030	450	1 670	1 820	860	(52.75)	905	947
Software and other intangible assets	403	405		120						
<b>Total economic classification</b>	114 275	133 936	115 124	120 596	121 895	121 895	134 682	10.49	142 851	153 426

## Transfers to public entities

**Table 5.3 Summary of departmental transfers to public entities**

Western Cape Gambling and Racing Board - None

## Transfers to other entities

Table 5.4 Summary of departmental transfers to other entities - None

## Transfers to local government

Table 5.5 Summary of departmental transfers to local government by category - None

## Departmental Public-Private Partnership (PPP) projects

Table 5.6 Summary of departmental Public-Private Partnership projects – None

## 6. Programme description

### Programme 1: Administration

**Purpose:** To conduct the strategic management and overall administration of the Provincial Treasury.

#### Analysis per sub-programme:

**Sub-programme 1.1: Office of the Minister**

to render secretarial, administrative and office support services

**Sub-programme 1.2: Management Services**

to render strategic support, coordination and communication services

**Sub-programme 1.3: Corporate Services**

to provide human resource management and development

**Sub-programme 1.4: Financial Management**

to deliver financial management and advisory services

to make limited provision for and maintenance of accommodation needs

This Programme concerns the staff function of the Treasury ("internal services") and is, therefore, not discussed in further detail. However, the budgetary figures of the Programme are reflected in the tables below.

Table 6.1 Summary of payments and estimates – Programme 1: Administration

Sub-programme R'000	Outcome			Main appro- priation 2008/09	Adjusted appro- priation 2008/09	Revised estimate 2008/09	Medium-term estimate			
	Audited 2005/06	Audited 2006/07	Audited 2007/08				% Change from Revised estimate			
							2009/10	2008/09	2010/11	2011/12
1. Office of the Minister <sup>a</sup>	3 559	2 774	3 312	3 761	3 421	3 972	3 411	(14.12)	4 012	4 327
2. Management Services	1 747	2 029	2 566	3 037	2 630	2 567	3 440	34.01	3 832	4 218
3. Corporate Services	6 999	8 928	13 371	12 581	14 351	14 530	13 547	(6.77)	14 433	15 316
4. Financial Management	10 915	14 993	14 198	14 956	17 614	17 963	16 181	(9.92)	16 719	17 831
<b>Total payments and estimates</b>	<b>23 220</b>	<b>28 724</b>	<b>33 447</b>	<b>34 335</b>	<b>38 016</b>	<b>39 032</b>	<b>36 579</b>	<b>(6.28)</b>	<b>38 996</b>	<b>41 692</b>

<sup>a</sup> MEC total remuneration package: R1 327 560 with effect from 1 April 2008.



**Table 6.1.1 Summary of provincial payments and estimates by economic classification – Programme 1: Administration**

Economic classification R'000	Outcome			Main appro- priation 2008/09	Adjusted appro- priation 2008/09	Revised estimate 2008/09	Medium-term estimate			
	Audited 2005/06	Audited 2006/07	Audited 2007/08				% Change from Revised estimate			
							2009/10	2008/09	2010/11	2011/12
<b>Current payments</b>	22 541	26 966	31 701	33 216	36 195	37 053	<b>35 389</b>	(4.49)	37 744	40 382
Compensation of employees	12 111	13 098	15 132	18 014	17 632	17 736	<b>21 330</b>	20.26	22 955	24 898
Goods and services	10 257	13 091	16 548	15 202	18 563	19 315	<b>14 059</b>	(27.21)	14 789	15 484
Financial transactions in assets and liabilities	173	777	21			2		(100.00)		
<b>Transfers and subsidies to</b>	191	143	799		151	159	<b>330</b>	107.55	347	363
Provinces and municipalities	80	8								
Departmental agencies and accounts			250							
Households	111	135	549		151	159	<b>330</b>	107.55	347	363
<b>Payments for capital assets</b>	488	1 615	947	1 119	1 670	1 820	<b>860</b>	(52.75)	905	947
Buildings and other fixed structures				669						
Machinery and equipment	475	1 615	947	450	1 670	1 820	<b>860</b>	(52.75)	905	947
Software and other intangible assets	13									
<b>Total economic classification</b>	23 220	28 724	33 447	34 335	38 016	39 032	<b>36 579</b>	(6.28)	38 996	41 692

## Details of transfers and subsidies:

Economic classification R'000	Outcome			Main appropriation 2008/09	Adjusted appropriation 2008/09	Revised estimate 2008/09	Medium-term estimate			
	Audited 2005/06	Audited 2006/07	Audited 2007/08				% Change from Revised estimate			
							2009/10	2008/09	2010/11	2011/12
<b>Transfers and subsidies to (Current)</b>	191	143	549		151	159	330	107.55	347	363
Provinces and municipalities	80	8								
Provinces	50									
Provincial agencies and funds	50									
Municipalities	30	8								
Municipalities	30	8								
<i>of which</i>										
Regional services council levies	30	8								
Households	111	135	549		151	159	330	107.55	347	363
Other transfers to households	111	135	549		151	159	330	107.55	347	363
<b>Transfers and subsidies to (Capital)</b>			250							
Departmental agencies and accounts			250							
Entities receiving transfers			250							
Western Cape Provincial Youth			250							

## Programme 2: Sustainable Resource Management

**Purpose:** To provide professional advice on economic parameters and fiscal policy, to assess and monitor municipal budgets and to manage the provincial budget.

### Analysis per sub-programme:

#### **Sub-programme 2.1: Programme support**

to provide management and administrative support to the programme

#### **Sub-programme 2.2: Fiscal Policy**

to provide for the effective and efficient development of revenue streams

#### **Sub-programme 2.3: Budget Management**

##### ***Provincial Government Budgets***

to provide for provincial economic analysis and advice that informs fiscal policy and the budget allocative process

to compile the Provincial Medium-term Budget Policy Statement, policy proposals and associated budgetary allocations over the MTEF

to assist, assess and report on policy attainment across the provincial sphere

##### ***Local Government Budgets***

to provide for local government economic analysis and advice that informs fiscal policy and the budget allocative process

to assist, assess and report on policy attainment across the local government sphere

#### **Sub-programme 2.4: Public Finance**

##### ***Provincial Government Finance***

to compile the annual main and adjustments estimates and the efficient implementation thereof

to assist, assess and report on provincial revenue and expenditure management, including provincial entities

to provide oversight of the Western Cape Gambling and Racing Board

##### ***Local Government Finance (Groups 1 and 2)***

to assist, assess and report on municipal budgets, revenue and expenditure management, including municipal entities

to drive the implementation of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)

## Policy developments:

Policy developments that will receive attention are:

Better assessment of provincial departments and municipalities' measurable information to improve alignment of their stated objectives towards the desired provincial socio-economic outcomes.

Introduction of measures to detect and correct inappropriate expenditures and sharpening of initiatives to improve on financial management generally and quality of spending more specifically, with the focus on goods and services and transfer payments.

Concerted efforts to improve the design of analytical instruments to assess the qualitative impact of service delivery on applicable socio-economic variables.

Take steps to enhance the research capacity within Treasury as well as the cross sphere practical collaboration to improve service delivery and financial management.

## Changes: policy, structure, service establishment, etc. Geographic distribution of services:

Further refinements were made to this programme's structural and operational reconfiguration design to promote:

The integration of revenue and expenditure management and monitoring across provincial departments and municipalities allowing for greater efficiency and deepening of in-house technical capacity.

To provide for a specialist unit focussing on fiscal research.

To foster the links between and the applicability of socio-economic analysis with policy formulation and allocative efficiency.

## Expenditure trends analysis:

Since 2005/06 no transfers have been made to the Western Cape Gambling and Racing Board due to them becoming self-sufficient. However, this might change in years to come but in the 2009/10 MTEF period no funds will be transferred. Over the period of 2005/06 to 2008/09 (revised estimate) the programme increased from a base of R16.513 million to R22.691 million indicating an average nominal growth of 11.1 per cent per annum for the stated years. From 2008/09 and over the new MTEF period the allocations will increase from a base of R22.691 million in 2008/09 (revised estimate) to R38.296 million in 2011/12 with an average annual nominal growth of 19.0 per cent. The higher level of funding for this programme from 2009/10 onwards is due to recruitment and retention practices and counterparted gearing up to its full performance potential.

## Service delivery measures:

Programme/Sub-programme/Performance Measures	Estimated Annual Targets		
	2009/10	2010/11	2011/12
<b>PROGRAMME PERFORMANCE MEASURES (Non-customised)</b>			
<b>QUARTERLY OUTPUTS</b>			
<b>Programme 2: Sustainable Resource Management</b>			
<b>2.3 Budget Management</b>			
<b>2.3.1 Provincial Government Budgets</b>			
Evaluate Annual Performance Plans, Quarterly Performance Reports and Annual reports in terms of a developed Impact Assessment Framework.	12	12	12
	Annual Performance Plans	Annual Performance Plans	Annual Performance Plans
	48 Quarterly Performance Reports	48 Quarterly Performance Reports	48 Quarterly Performance Reports
	12 Annual Reports assessed and provide feedback	12 Annual Reports assessed and provide feedback	12 Annual Reports assessed and provide feedback
<b>2.3.2 Local Government Budgets</b>			
Recommend budget and structural responses and deal with constraints of enhanced growth and development through participation in various IGR forums.	4 Quarterly BIF meetings, LGMTECs and IGR	4 Quarterly BIF meetings, LGMTECs and IGR	4 Quarterly BIF meetings, LGMTECs and IGR

Programme/Sub-programme/Performance Measures	Estimated Annual Targets		
	2009/10	2010/11	2011/12
Evaluate IDP's, SDBIP, Mid Year Assessments and Annual reports in terms of a developed Impact Assessment Framework	30 IDP, SDBIP, Mid Year Assessment and Annual Reports and provide feedback	30 IDP, SDBIP, Mid Year Assessment and Annual Reports and provide feedback	30 IDP, SDBIP, Mid Year Assessment and Annual Reports and provide feedback
<b>2.4 Public Finance</b>			
<b>2.4.1 Provincial Government Finance</b>			
Number of IYM reports and Cabinet submissions.	13 Monthly IYM reports and 4 Cabinet submissions	13 Monthly IYM reports and 4 Cabinet submissions	13 Monthly IYM reports and 4 Cabinet submissions
Number of efficiency analysis reports as part of IYM process.	13 quarterly reports	13 quarterly reports	13 quarterly reports
<b>2.4.2 Local Government Finance (Groups 1 and 2)</b>			
Number of IYM reports and Cabinet submissions.	30 Monthly IYM reports and 4 Cabinet submissions	30 Monthly IYM reports and 4 Cabinet submissions	30 Monthly IYM reports and 4 Cabinet submissions
<b>ANNUAL OUTPUTS</b>			
<b>Programme 2: Sustainable Resource Management</b>			
<b>2.2 Fiscal Policy</b>			
New revised fiscal transfer system	Research and input into new provincial fiscal framework	Implementation of new provincial fiscal framework	Refinement of new provincial fiscal framework
Research into additional revenue sources for provincial governments	Refinement and updating of current research initiatives	Implementation of research initiatives	Refinement of research initiatives
Determined revenue base per Municipality.	Database of revenue base per Municipality	Development of an enhancement strategy	Implementation of research initiatives / enhancement strategy
Efficient collecting and forecasting models, especially in municipalities.	Conceptualising, planning and terms of reference	Models finalised and pilot	Models further refined and implemented
Review of the Metro Casino exclusivity licence gambling tax regime and tax rates	Legislature approval and implementation	Implement new tax regime	Possible refinement
<b>2.3 Budget Management</b>			
<b>2.3.1 Provincial Government Budgets</b>			
Publication of the Annual Provincial Economic Review and Outlook (PER&O).	PER&O 2009 to be published in August 2009	PER&O 2010 to be published in August 2010	PER&O 2011 to be published in August 2011
Publication of Economic Reviews	Publication of two economic reviews	Publication of two economic reviews	Publication of two economic reviews

Programme/Sub-programme/Performance Measures	Estimated Annual Targets		
	2009/10	2010/11	2011/12
Tabling of a Socio-economic responsive WC-Medium Term Budget Policy Statement and Budget	Table MTBPS in November and Budget in March	Table WC MTBPS in November and Budget in March	Table WC MTBPS in November and Budget in March
<b>2.3.2 Local Government Budgets</b>			
Publication of the Annual Socio Economic Review of Local Government (SEPLG).	Publish a district SEP-LG for Eden and Cape Winelands in November 2009	2 District SEPLG's published in November 2010	2 District SEPLG's published in November 2011
<b>2.4 Public Finance</b>			
<b>2.4.1 Provincial Government Finance</b>			
Systematic development and application of a rating instrument that measures efficiency, least cost, financial prudence and fiscal discipline.	Assessment Measurement tool.	Implementation and refinement	Implementation and possible further refinement
Systematic development and application of a rating instrument.	Assessment Measurement tool linked into QPRs.	Implementation and refinement	Implementation and possible further refinement
Number of MTEC assessments.	13 MTEC 1 and 13 MTEC 2 reports	13 MTEC 1 and 13 MTEC 2 reports	13 MTEC 1 and 13 MTEC 2 reports
Development and roll-out of a methodology to test and improve the integrity of the data.	Rating instrument.	Implementation and refinement	Implementation and refinement
Development of a tool that unambiguously assesses sustainability and credibility.	Assessment tool assessing costing structures and spending to purpose	Implementation and refinement inclusive of zero base budgeting	Zero base budgeting system implementation and refinement
Systematic implementation measurement tool measuring implementation of Gambling Board Act.	Measurement tool assessing implementation and compliance and costing structure.	Implementation and refinement	Implementation and possible further refinement
Systematic implementation measurement tool.	Measurement tool.	Implementation and refinement	Implementation and possible further refinement
<b>2.4.2 Local Government Finance (Groups 1 and 2)</b>			
Systematic development and application of a rating instrument that measures efficiency, least cost, financial prudence and fiscal discipline.	Assessment Measurement tool.	Implementation and refinement	Implementation and possible further refinement
Systematic development and application of a rating instrument.	Assessment measurement tool linked into LGMTEC processes.	Implementation and refinement	Implementation and possible further refinement
Development and roll-out of a methodology to test and improve the integrity of the data.	A developed methodology.	Implementation and refinement	Implementation and refinement

Programme/Sub-programme/Performance Measures	Estimated Annual Targets		
	2009/10	2010/11	2011/12
Number of sustainable and credible municipal budget assessments.	30 LGMTEC 3 Assessment reports	30 LGMTEC 3 Assessment reports	30 LGMTEC 3 Assessment reports
Development of a tool that unambiguously assesses sustainability and credibility.	Assessment tool assessing costing structures and spending to purpose	Implementation and refinement inclusive of zero base budgeting	Zero base budgeting system implementation and refinement
System / Mechanism in place that measure the efficacy of coordination activities.	Develop and pilot a MFMA implementation tool-kit	Implement MFMA implementation tool-kit	Further refinement to MFMA implementation tool-kit
Systematic implementation measurement tool.	Measurement tool.	Implementation and refinement	Implementation and possible further refinement

**Table 6.2 Summary of payments and estimates – Programme 2: Sustainable Resource Management**

Sub-programme R'000	Outcome			Main appropriation 2008/09	Adjusted appropriation 2008/09	Revised estimate 2008/09	Medium-term estimate			
	Audited 2005/06	Audited 2006/07	Audited 2007/08				% Change from Revised estimate			
							2009/10	2008/09	2010/11	2011/12
1. Programme Support	1 142	1 742	1 475	1 901	1 726	1 726	2 878	66.74	3 041	3 366
2. Fiscal Policy	66	1 163	230	999	621	621	1 813	191.95	2 079	2 289
3. Budget Management	8 588	9 746	10 478	10 426	9 769	9 769	12 372	26.65	13 111	13 999
Provincial Government Budgets							8 537		9 049	9 663
Local Government Budgets							3 835		4 062	4 336
4. Public Finance	6 717	8 681	9 357	10 468	10 575	10 575	16 532	56.33	17 311	18 642
Provincial Government Finance	4 758	4 553	3 432	3 897	3 286	3 286	5 336	62.39	5 581	5 992
Local Government Finance: Group 1	1 959	4 128	5 925	6 571	7 289	7 289	6 431	(11.77)	6 742	7 276
Local Government Finance: Group 2							4 765		4 988	5 374
<b>Total payments and estimates</b>	<b>16 513</b>	<b>21 332</b>	<b>21 540</b>	<b>23 794</b>	<b>22 691</b>	<b>22 691</b>	<b>33 595</b>	<b>48.05</b>	<b>35 542</b>	<b>38 296</b>

**Table 6.2.1 Summary of provincial payments and estimates by economic classification – Programme 2: Sustainable Resource Management**

Economic classification R'000	Outcome			Main appro- priation 2008/09	Adjusted appro- priation 2008/09	Revised estimate 2008/09	Medium-term estimate			
	Audited 2005/06	Audited 2006/07	Audited 2007/08				% Change from Revised estimate			
							2009/10	2008/09	2010/11	2011/12
<b>Current payments</b>	16 100	21 069	21 478	23 794	22 691	22 691	33 595	48.05	35 542	38 296
Compensation of employees	9 332	14 931	16 544	20 170	18 123	17 938	25 854	44.13	27 460	29 720
Goods and services	6 768	6 138	4 934	3 624	4 568	4 753	7 741	62.87	8 082	8 576
<b>Transfers and subsidies to</b>	22	7								
Provinces and municipalities	22	7								
<b>Payments for capital assets</b>	391	256	62							
Machinery and equipment	391	219	62							
Software and other intangible assets		37								
<b>Total economic classification</b>	16 513	21 332	21 540	23 794	22 691	22 691	33 595	48.05	35 542	38 296

**Details of transfers and subsidies:**

Economic classification R'000	Outcome			Main appro- priation 2008/09	Adjusted appro- priation 2008/09	Revised estimate 2008/09	Medium-term estimate			
	Audited 2005/06	Audited 2006/07	Audited 2007/08				% Change from Revised estimate			
							2009/10	2008/09	2010/11	2011/12
<b>Transfers and subsidies to (Current)</b>	22	7								
Provinces and municipalities	22	7								
Municipalities	22	7								
Municipalities of which	22	7								
Regional services council levies	22	8								

**Programme 3: Asset and Liabilities Management**

**Purpose:** 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.

**Analysis per sub-programme:**

**Sub-programme 3.1: Programme Support**

to provide management and administrative support

**Sub-programme 3.2: Asset Management**

**Moveable Asset Management**

to determine policy, to drive, assess and assist departments and municipalities in the attainment of effective and efficient management of moveable assets

**Immoveable Asset Management**

to determine policy, to drive, assess and assist departments and municipalities in the effective and efficient management of immovable assets and sustainable public private partnership projects

### Sub-programme 3.3: Liabilities Management

to determine policy, to drive, assess and assist departments and municipalities in the effective and efficient management of financial assets

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

to provide for the oversight and management of existing financial systems and the transition to the Integrated Financial Management System enhancing compliance with the Public Finance Management Act (PFMA) and other relevant legislation

### Policy developments:

Policy developments that will receive attention are:

Capacity building of provincial and municipal supply chain management units, the development of an SCM and Moveable Asset assessment model that links with good governance practices, and to develop and implement a BBEE/supplier development programme in consultation with other stakeholders.

Introduction of measures to detect and correct inappropriate asset management expenditure particularly with regard to built environment related spending. Associated with this, steps to improve management of provincial property and the roll out of Government Immovable Asset Management Act, 2007 in the Province and assisting the Department of Transport and Public Works with the management of rates and taxes on provincial properties.

Further deepening and roll out of the IDIP methodology within the Province and to municipalities to improve on the planning and delivery of infrastructure projects. The Public Private Partnership unit will continue to expand its activities to both municipalities and departments.

### Changes: policy, structure, service establishment, etc. Geographic distribution of services:

Further refinements were made to this programme's structural and operational reconfiguration design to strengthen:

The monitoring and the assessment capabilities of the Movable Asset Management unit to enhance the quality of the procurement processes in departments and municipalities, as well as the introduction of 5 additional posts through reconfiguration to address further resource capacity.

### Expenditure trends analysis:

The decrease of R24.422 million from R46.699 million in 2005/06 to R22.277 million in 2008/09 (revised estimate) is due to the decentralisation of SITA costs to provincial departments who has taken the responsibility of their own costs. This equates to an annual average decrease in nominal terms of 21.9 per cent. The annual average nominal growth of 11.7 per cent from the revised estimate figure of R22.277 million in 2008/09 to the 2011/12 figure of R31.024 million is due to the benchmarking strengthening of the monitoring and evaluation of municipal infrastructure and supply chain management.

### Service delivery measures:

Programme/Sub-programme/Performance Measures	Estimated Annual Targets		
	2009/10	2010/11	2011/12
<b>PROGRAMME PERFORMANCE MEASURES (Non-customised)</b>			
<b>QUARTERLY OUTPUTS</b>			
<b>Programme 3: Asset and Liabilities Management</b>			
<b>3.2 Asset Management</b>			
<b>3.2.1 Movable Asset Management</b>			
Implementation and refinement of a management process and practice capability assessment model throughout the Province.	5 interventions	6 interventions	7 interventions
	20 SCM Assessments	20 SCM Assessments	20 SCM Assessments
Development and Implementation of a Supply Chain Cycle assessment model that feeds in good governance practices	SCM Assessment Model that promotes good governance practice	12 assessments	12 assessments
	12 assessments		



Programme/Sub-programme/Performance Measures	Estimated Annual Targets		
	2009/10	2010/11	2011/12
<b>3.2.2 Immovable Asset Management</b> Infrastructure Expenditure Reports of Education, Public Works and Health are compliant to Division of Revenue Act (DORA)	100%	100%	100%
<b>3.3 Liabilities Management</b> Assessments of the IYM cash flows submitted by municipalities to improve cash flow management and reporting.	20 Municipalities assessed in terms of latest IYM criteria	20 Municipalities assessed in terms of latest IYM criteria	20 Municipalities assessed in terms of latest IYM criteria
<b>3.4 Supporting and Interlinked Financial Systems</b> A fully operational helpdesk	Within 24 hours turn around time on queries received	Within 24 hours turn around time on queries received	Within 24 hours turn around time on queries received
Timely identification of new system requirements and arrangement for systems adaptation.	Roll out within two weeks after release	Roll out within two weeks after release	Roll out within two weeks after release
<b>ANNUAL OUTPUTS</b>			
<b>Programme 3: Asset and Liabilities Management</b>			
<b>3.2 Asset Management</b>			
<b>3.2.1 Movable Asset Management</b>			
Implementation and refinement of a management process and practice capability assessment model throughout the Province	Refined Capability assessment model and intervention plan	Refinement	Refinement
Implementation and refinement of a management capability model throughout the Province	Implement model and do 12 assessments	12 assessments	12 assessments
Develop and implement a BBBEE/SMME supplier development programme in consultation with other stakeholders.	3 Interventions	3 Interventions	3 Interventions
Develop and implement an internal capacitation plan.	BBBEE / Supplier Development Programme inclusive of policy, legislative and market research	Programme in place	Monitoring of Programme
	Development and implementation of an internal capacitation plan	Implementation of capacitation plan.	Implementation of capacitation plan.
<b>3.2.2 Immovable Asset Management</b>			
Infrastructure Planning processes and procedures compliant to Infrastructure Development Improvement Programme (IDIP)	Education: 70% Public works: 70% Health: 60%	Education: 85% Public works: 85% Health: 75%	Education: 100% Public works: 100% Health: 100%
Number of municipalities IDIP programme/principles promoted.	3 municipalities	3 municipalities	3 municipalities
Monitor compliance of Departmental User Asset Management Plans, in terms of GIAMA guidelines, in collaboration with Public Works.	Identification of 3 departments	3 departments	6 departments
In collaboration with Transport & Public Works, develop sustainable Mega Projects in the Province.	2 new	2 existing	2 existing 1 new

Programme/Sub-programme/Performance Measures	Estimated Annual Targets		
	2009/10	2010/11	2011/12
Development and implementation of an assessment and remedial action model.	Model developed	Refinement	Refinement
<b>3.3 Liabilities Management</b>			
Development of a good practice model for management of financial assets in municipalities that is in compliance with legislative requirements	Development and distribution by 31 March 2010	Maintain policy	Maintain policy
Competent Financial Asset Management unit internally and promotion of same across the Province.	Development and implementation of an evaluation and capacitation plan	Refinement	Refinement
Refinement of cash management withdrawals and close link with expenditure commitments and revenue flows in Provincial departments	Revised cash management model that incorporates latest best practice	Refinement	Refinement
Effective technical, strategic support and training to municipalities where applicable	30 Municipalities	30 Municipalities	30 Municipalities
<b>3.4 Support and Interlinked Financial Systems</b>			
The development and implementation of a risk management framework to assess security and veracity of data.	100% completed and implementation by 31 March 2010	Maintain policy	Maintain policy
Development and implementation of a financial operational model that enforces good governance practices.	100% completion and implementation by 31 March 2010.	Maintain policy	Maintain policy
Provision of timely and appropriate data and management information.	Development and phased implementation of a (Business Intelligence) BI tool by 31 March 2010.	Maintain tool	Maintain tool
Competent System unit internally and trained users within provincial departments.	Development and implementation of an evaluation and capacitation plan	Refinement	Refinement

**Table 6.3 Summary of payments and estimates – Programme 3: Asset and Liabilities Management**

Sub-programme R'000	Outcome			Main appro- priation 2008/09	Adjusted appro- priation 2008/09	Revised estimate 2008/09	Medium-term estimate			
	Audited 2005/06	Audited 2006/07	Audited 2007/08				% Change from Revised estimate			
							2009/10	2008/09	2010/11	2011/12
1. Programme Support	699	898	961	1 357	813	813	1 846	127.06	2 002	2 202
2. Asset Management	6 084	7 582	7 542	9 295	8 901	8 711	11 115	27.60	11 982	12 793
Moveable Asset Management	4 458	4 923	4 746	5 749	5 400	5 350	6 689	25.03	7 295	7 771
Immovable Asset Management	1 626	2 659	2 796	3 546	3 501	3 361	4 426	31.69	4 687	5 022
3. Liabilities Management	920	1 048	1 465	1 802	1 704	1 675	2 154	28.60	2 349	2 500
4. Supporting and Interlinked Financial Systems	38 996	42 009	11 739	10 941	11 122	11 078	12 205	10.17	12 821	13 529
<b>Total payments and estimates</b>	<b>46 699</b>	<b>51 537</b>	<b>21 707</b>	<b>23 395</b>	<b>22 540</b>	<b>22 277</b>	<b>27 320</b>	<b>22.64</b>	<b>29 154</b>	<b>31 024</b>

**Table 6.3.1 Summary of provincial payments and estimates by economic classification – Programme 3: Asset and Liabilities Management**

Economic classification R'000	Outcome			Main appro- priation 2008/09	Adjusted appro- priation 2008/09	Revised estimate 2008/09	Medium-term estimate			
	Audited 2005/06	Audited 2006/07	Audited 2007/08				% Change from Revised estimate			
							2009/10	2008/09	2010/11	2011/12
<b>Current payments</b>	46 631	51 048	21 081	23 395	22 540	22 277	27 320	22.64	29 154	31 024
Compensation of employees	11 725	13 018	15 034	18 566	16 807	16 599	22 515	35.64	24 098	25 731
Goods and services	34 906	38 030	6 047	4 829	5 733	5 678	4 805	( 15.38)	5 056	5 293
<b>Transfers and subsidies to</b>	29	235	615							
Provinces and municipalities	29	7								
Departmental agencies and accounts			2							
Foreign governments and international organisations		1								
Households		227	613							
<b>Payments for capital assets</b>	39	254	11							
Machinery and equipment	39	254	11							
<b>Total economic classification</b>	<b>46 699</b>	<b>51 537</b>	<b>21 707</b>	<b>23 395</b>	<b>22 540</b>	<b>22 277</b>	<b>27 320</b>	<b>22.64</b>	<b>29 154</b>	<b>31 024</b>

## Details of transfers and subsidies:

Economic classification R'000	Outcome			Main appro- piation 2008/09	Adjusted appro- piation 2008/09	Revised estimate 2008/09	Medium-term estimate			
	Audited 2005/06	Audited 2006/07	Audited 2007/08				% Change from Revised estimate			
							2009/10	2008/09	2010/11	2011/12
<b>Transfers and subsidies to (Current)</b>	29	235	615							
Provinces and municipalities	29	7								
Municipalities	29	7								
Municipalities of which	29	7								
Regional services council levies	29	6								
Departmental agencies and accounts			2							
Entities receiving transfers			2							
Other			2							
Foreign governments and international organisations		1								
Households		227	613							
Other transfers to households		227	613							

## Programme 4: Financial Governance

**Purpose:** To promote financial management improvement, accountability and efficiency within the provincial and municipal spheres.

### Analysis per sub-programme:

#### Sub-programme 4.1: Programme Support

to provide management and administrative support to the programme

#### Sub-programme 4.2: Accounting Services

##### *Local Government Accounting*

accounting practices within municipalities and entities that will enable the accurate reporting of revenue, expenditure, assets and liabilities in line with predetermined standards

##### *Provincial Government Accounting*

accounting practices within departments and entities that will enable the accurate reporting of revenue, expenditure, assets and liabilities in line with predetermined standards

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

to develop, implement and monitor compliance with financial norms and standards within departments, municipalities and entities

#### Sub-programme 4.4: Risk Management

to develop and implement a system of risk management and financial governance in departments

#### Sub-programme 4.5: Provincial Internal Audit

work performed to evaluate the effectiveness of risk management, control and governance processes in departments

to assist municipalities in the development and implementation of effective internal audit functions

### Policy developments:

Policy developments that will receive attention are:

Further development of steps, assessments and supporting measures that would raise the level of provincial management performance to a level 4 auditable organisation in time to come.

Steps to enhance the further roll out and development of GRAP specific standards to departments, municipalities and entities together with capacity building measures.

Evolve and entrench the principles of good financial governance in departments, municipalities and entities in accordance with the compiled framework.

Full capacitation of the inhouse Internal Audit Unit in the Province and continued roll-out of the internship programme.

**Changes: policy, structure, service establishment, etc. Geographic distribution of services:**

Further refinements were made to this programme's structural and operational configuration design to promote:

Initiatives meant to better integrate the activities related to norms and standards with financial governance improvement and risk management, as well as to enhance accounting services' support to municipalities.

**Expenditure trends analysis:**

The increase of R10.052 million from R27.843 million in 2005/06 to R37.895 million in 2008/09 (revised estimate) is due to the build-up of the internal audit function, which resulted in an increase in expenditure under consulting and specialised services (accounting and auditors). The decrease of R0.805 million or 1.9 per cent from 2008/09 (revised estimate) to 2009/10 is due to the contract of the co-sourced service provider for internal audit ending in December 2008. More reliance will in future be put on own staff employed to perform the audits, which should improve quality and better working relationships with departments. The average annual increase is 3.8 per cent from the revised estimate figure of R37.895 million in 2008/09 to R42.414 million in 2011/12.

**Service delivery measures:**

Programme/Sub-programme/Performance Measures	Estimated Annual Targets		
	2009/10	2010/11	2011/12
<b>PROGRAMME PERFORMANCE MEASURES (Non-customised)</b>			
<b>QUARTERLY OUTPUTS</b>			
<b>Programme 4: Financial Governance</b>			
<b>4.4 Risk Management</b>			
Development and implementation of effective enterprise risk management steps and procedures across departments, municipalities and entities	12 departments and 3 entities	12 departments, 6 entities, 10 municipalities	12 departments, 6 entities, 10 municipalities
Quarterly risk assessments that comply to ERM norms and standards for the year within departments, municipalities and entities	12 departments and 3 entities	12 departments, 6 entities, 10 municipalities	12 departments, 6 entities, 10 municipalities
<b>4.5 Provincial Internal Audit</b>			
Internal audit plans consisting of high-risk auditable areas that will enhance efficiency and value for money.	80% of available audit hours allocated to high risk areas	80% of available audit hours allocated to high risk areas	80% of available audit hours allocated to high risk areas
Reports issued in line with an approved quarterly project plan	95% completed	95% completed	95% completed
Percentage of critical and significant recommendations implemented	50% of critical and significant findings implemented	50% of critical and significant findings implemented	50% of critical and significant findings implemented
Quarterly progress reports to audit committees	4 progress reports	4 progress reports	4 progress reports
Quarterly interventions/ interactions with assurance providers that redirects audit plans and other interventions for synergistic impact.	4	4	4
Quarterly contact sessions	4	4	4
Response time to address requests received	10 business days	10 business days	10 business days
Number of audit committee meetings effectively convened	4 per audit committee	4 per audit committee	4 per audit committee

Programme/Sub-programme/Performance Measures	Estimated Annual Targets		
	2009/10	2010/11	2011/12
<b>ANNUAL OUTPUTS</b>			
<b>Programme 4: Financial Governance</b>			
<b>4.2 Accounting Services</b>			
<b>4.2.1 Local Government Accounting</b>			
Latest Accounting policy framework rolled out for accurate and complete implementation by municipalities to improve financial reporting	23 of the 30 municipalities with unqualified Audit Reports for 2008/09	24 of the 30 municipalities with Unqualified Audit Reports for 2009/2010	24 of the 30 municipalities with Unqualified Audit Reports for 2010/2011
Latest Accounting policy framework rolled out for accurate and complete implementation by municipal entities to improve financial reporting	4 of the 5 municipal entities with unqualified Audit Reports for 2008/09	5 of the 5 municipal entities with unqualified Audit Reports for 2009/2010	5 of the 5 municipal entities with unqualified Audit Reports for 2010/2011
Compile an Accounting Review working paper for municipalities to improve financial management	31 December 2009	31 December 2010	31 December 2011
Compile a Financial Health Assessment report to feed into the LGMTEC process	30 April 2009	30 April 2010	30 April 2011
Establishment and maintenance of a competent accounting unit internally and promotion of same across municipalities and their entities	Training on GRAP Standards/ASB Workshops – 31 March 2010	Training on GRAP Standards/AS B Workshops –31 March 2011	Sessions on practical application & improvements in GRAP Standards/AS B Work-shops – 31 March 2012
<b>4.2.2 Provincial Government Accounting</b>			
Latest Accounting policy framework rolled out for accurate and complete implementation by departments to improve financial reporting	13 Votes Unqualified Audit Reports for 2008/09	13 Votes Unqualified Audit Reports for 2009/10	13 Votes Unqualified Audit Reports for 2010/11
Latest Accounting policy framework rolled out for accurate and complete implementation by entities to improve financial reporting	14 Entities Unqualified Audit Reports for 2008/09	14 Entities Unqualified Audit Reports for 2009/10	14 Entities Unqualified Audit Reports for 2010/11
Compile the ACFS of Provincial Revenue Fund, departments and entities to reflect the consolidated financial performance and position of the Provincial Government	Tabled 31 October 2009	Tabled 31 October 2010	Tabled 31 October 2011
Compile and publish the Financial Governance Review and Outlook for departments and entities to provide an assessment of financial governance in the Province	Tabled 30 November 2009	Tabled 30 November 2010	Tabled 30 November 2011
Compile a Financial Health Assessment report to feed into the PGMTEC process	30 September 2009	30 September 2010	30 September 2011
Establishment and maintenance of a competent accounting unit internally and promotion of same across departments and entities	31 March 2010	31 March 2011	31 March 2012
<b>4.3 Norms and Standards</b>			
Develop and implement an accountability framework to enhance and assess good corporate governance.	Framework develop and completed – 31 March 2010	4 departments, 3 entities and 10 municipalities	8 departments, 6 entities and 15 municipalities
Develop a framework that provides transparency and accountability criteria.	Develop framework	12 departments, 9 entities, 18 municipalities	12 departments, 10 entities, 20 municipalities
Assess Annual Reports that are compliant to NT guidelines	8 departments, 6 entities, 15 municipalities	12 departments, 9 entities, 18 municipalities	12 departments, 10 entities, 20 municipalities

Programme/Sub-programme/Performance Measures	Estimated Annual Targets		
	2009/10	2010/11	2011/12
Oversight of Financial Management Improvement Program in PT, departments, entities and municipalities.	31 March 2010	31 March 2011	31 March 2012
Ensuring the existence of an appropriate and dynamic provincial financial legislative framework.	100% w.r.t. proposed provincial financial legislation and assess 1 existing legislation for relevance and inconsistency	100% w.r.t. proposed provincial financial legislation and assess 1 existing legislation for relevance and inconsistency	100% w.r.t. proposed provincial financial legislation and assess 1 existing legislation for relevance and inconsistency
Establishment and maintenance of a competent Corporate Governance unit internally and promotion of competent risk and internal control units across departments and public entities.	17 CG staff trained and ERM interventions in 4 departments and 3 entities,	8 departments, 6 entities, 10 municipalities	12 departments, 9 entities, 20 municipalities
Identification of applicable international best practice governance models relating to areas of the governance universe and their transformation for use in the Province.	4 areas of governance universe researched	4 guidance documents implemented 4 areas of governance universe researched	4 guidance documents implemented 4 areas of governance universe researched
Development of a framework of Norms and Standards to assess and improve the degree of corporate governance delivery performance.	31 March 2010	4 departments, 3 entities, 10 municipalities	8 departments, 6 entities, 15 municipalities
Establishment and refinement of a set of governance values and embedding it in the day-to-day operations of government taking into account other initiatives.	4 Departments	4 departments, 3 entities, 10 municipalities	8 departments, 6 entities, 15 municipalities
Development and implementation of a clear framework for integrated governance improvement processes across Treasury.	31 March 2010	4 directorates in PT	4 directorates in PT
<b>4.4 Risk Management</b>			
Establishment of a culture of risk management within the day-to-day operations of government	12 Departments - 31 March 2010	12 departments, 3 entities and 10 municipalities	12 departments, 3 entities and 10 municipalities
<b>4.5 Provincial Internal Audit</b>			
Developing a mechanism that allows for the interrogation and cataloguing of the risks informing the IA Plans.	Updated Internal Audit methodology containing mechanism	Completed	Completed
Approved plans by audit committees and bought into by management.	13 votes and 7 Public Entities	13 votes and 7 Public Entities	13 votes and 7 Public Entities
Continuous development through training interventions in accordance with IA training plan	Minimum of 40 hours of technical IA training per person for the year	Minimum of 40 hours of technical IA training per person for the year	Minimum of 40 hours of technical IA training per person for the year
Continuous performance management	100 % Sign off of Performance Agreements and Bi-annual reviews	100 % Sign off of Performance Agreements and Bi-annual reviews	100 % Sign off of Performance Agreements and Bi-annual reviews
A client relationship management strategy	30 April 2009	Completed	Completed
An approved internal audit quality assurance programme for all departments and selected entities.	Approved programme	Completed	Completed

Programme/Sub-programme/Performance Measures	Estimated Annual Targets		
	2009/10	2010/11	2011/12
Training interventions with audit committee members	2 training interventions with audit committee members	2 training interventions with audit committee members	2 training interventions with audit committee members

**Table 6.4 Summary of payments and estimates – Programme 4: Financial governance**

Sub-programme R'000	Outcome			Main appro- priation 2008/09	Adjusted appro- priation 2008/09	Revised estimate 2008/09	Medium-term estimate			
	Audited 2005/06	Audited 2006/07	Audited 2007/08				% Change from Revised estimate			
							2009/10	2008/09	2010/11	2011/12
1. Programme Support	1 039	1 169	1 037	1 331	1 505	1 501	1 308	(12.86)	1 422	1 516
2. Accounting Services	2 721	3 735	3 806	4 908	5 327	5 243	7 407	41.27	7 813	8 682
Provincial Government Accounting							4 181		4 395	5 020
Local Government Accounting							3 226		3 418	3 662
3. Norms and Standards	2 375	3 118	3 551	3 854	3 761	3 520	5 489	55.94	5 727	6 210
4. Risk Management	1 704	2 926	2 091	2 457	2 469	2 366	2 445	3.34	2 571	2 753
5. Provincial Internal Audit	20 004	21 395	27 945	26 522	25 586	25 265	20 539	(18.71)	21 626	23 253
Sub-programme Support							6 989		7 484	7 968
G&A Cluster							4 466		4 648	5 031
Economic Cluster							5 421		5 648	6 134
Social Cluster							3 663		3 846	4 120
<b>Total payments and estimates</b>	<b>27 843</b>	<b>32 343</b>	<b>38 430</b>	<b>39 072</b>	<b>38 648</b>	<b>37 895</b>	<b>37 188</b>	<b>(1.87)</b>	<b>39 159</b>	<b>42 414</b>

**Table 6.4.1 Summary of provincial payments and estimates by economic classification – Programme 4: Financial Governance**

Economic classification R'000	Outcome			Main appro- priation 2008/09	Adjusted appro- priation 2008/09	Revised estimate 2008/09	Medium-term estimate			
	Audited 2005/06	Audited 2006/07	Audited 2007/08				% Change from Revised estimate			
							2009/10	2008/09	2010/11	2011/12
<b>Current payments</b>	<b>27 223</b>	<b>31 777</b>	<b>38 420</b>	<b>38 952</b>	<b>38 648</b>	<b>37 875</b>	<b>37 188</b>	<b>(1.81)</b>	<b>39 159</b>	<b>42 414</b>
Compensation of employees	8 773	11 872	13 521	16 264	21 719	20 898	30 880	47.77	32 523	35 466
Goods and services	18 450	19 905	24 899	22 688	16 929	16 977	6 308	(62.84)	6 636	6 948
<b>Transfers and subsidies to</b>	<b>106</b>	<b>7</b>				<b>20</b>		<b>(100.00)</b>		
Provinces and municipalities	21	7								
Households	85					20		(100.00)		
<b>Payments for capital assets</b>	<b>514</b>	<b>559</b>	<b>10</b>	<b>120</b>						
Machinery and equipment	124	191	10							
Software and other intangible assets	390	368		120						
<b>Total economic classification</b>	<b>27 843</b>	<b>32 343</b>	<b>38 430</b>	<b>39 072</b>	<b>38 648</b>	<b>37 895</b>	<b>37 188</b>	<b>(1.87)</b>	<b>39 159</b>	<b>42 414</b>



## Details of transfers and subsidies:

Economic classification R'000	Outcome			Main appropriation 2008/09	Adjusted appropriation 2008/09	Revised estimate 2008/09	Medium-term estimate		
	Audited 2005/06	Audited 2006/07	Audited 2007/08				% Change from Revised estimate		
							2009/10	2008/09	2010/11
<b>Transfers and subsidies to (Current)</b>	106	7				20	(100.00)		
Provinces and municipalities	21	7							
Municipalities	21	7							
Municipalities <i>of which</i>	21	7							
Regional services council levies	21	7							
Households	85					20	(100.00)		
Other transfers to households	85					20	(100.00)		

## 7. Other programme information

### Personnel numbers and costs

Table 7.1 Personnel numbers and costs

Programme R'000	As at 31 March 2006	As at 31 March 2007	As at 31 March 2008	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012
1. Administration	54	68	78	77	83	84	84
2. Sustainable Resource Management	61	62	64	71	79	82	85
3. Asset and Liabilities Management	46	62	68	66	71	75	77
4. Financial Governance	50	54	65	91	109	115	121
<b>Total personnel numbers</b>	211	246	275	305	342	356	367
Total personnel cost (R'000)	41 941	52 919	60 231	73 171	100 579	107 036	115 815
Unit cost (R'000)	199	215	219	240	294	301	316

**Table 7.2 Departmental personnel number and cost**

Description	Outcome			Main appropriation 2008/09	Adjusted appropriation 2008/09	Revised estimate 2008/09	Medium-term estimate			
	Audited 2005/06	Audited 2006/07	Audited 2007/08				% Change from Revised estimate			
							2009/10	2008/09	2010/11	2011/12
<b>Total for department</b>										
Personnel numbers (head count)	211	246	275	314	315	305	342	12.13	356	367
Personnel cost (R'000)	41 941	52 919	60 231	73 014	74 281	73 171	100 579	37.46	107 036	115 815
<i>of which</i>										
<b>Human resources component</b>										
Personnel numbers (head count)	28	24	32	38	28	28	28		28	28
Personnel cost (R'000)	3 980	4 275	4 429	7 091	5 328	5 290	6 427	21.49	6 916	7 417
Head count as % of total for department	13.27	9.76	9.88	12.10	8.89	9.20	8.19		7.87	7.63
Personnel cost as % of total for department	9.49	8.08	7.35	9.71	7.17	7.23	6.39		6.46	6.40
<b>Finance component</b>										
Personnel numbers (head count)	36	38	28	35	36	36	40	11.11	40	40
Personnel cost (R'000)	4 359	4 987	4 848	6 368	6 154	6 052	7 670	26.73	7 766	8 458
Head count as % of total for department	17.06	15.45	8.64	11.15	11.43	11.80	11.70		11.24	10.90
Personnel cost as % of total for department	10.39	9.42	8.05	8.72	8.28	8.27	7.63		7.26	7.30
<b>Full time workers</b>										
Personnel numbers (head count)	193	240	318	308	307	297	336	13.13	350	361
Personnel cost (R'000)	39 404	51 524	59 099	70 725	72 610	71 500	98 727	38.08	105 051	113 697
Head count as % of total for department	91.47	97.56	98.15	98.09	97.46	97.40	98.25		98.31	98.37
Personnel cost as % of total for department	93.95	97.36	98.12	96.86	97.75	97.72	98.16		98.15	98.17
<b>Part-time workers</b>										
Personnel numbers (head count)										
Personnel cost (R'000)										
Head count as % of total for department										
Personnel cost as % of total for department										
<b>Contract workers</b>										
Personnel numbers (head count)	18	6	6	6	8	8	6	(25.00)	6	6
Personnel cost (R'000)	2 537	1 395	1 132	2 289	1 671	1 671	1 852	10.83	1 985	2 118
Head count as % of total for department	8.53	2.44	1.85	1.91	2.54	2.62	1.75		1.69	1.63
Personnel cost as % of total for department	6.05	2.64	1.88	3.14	2.25	2.28	1.84		1.85	1.83

## Training

**Table 7.3 Payments on training**

Programme R'000	Outcome			Main appro- priation 2008/09	Adjusted appro- priation 2008/09	Revised estimate 2008/09	Medium-term estimate			
	Audited 2005/06	Audited 2006/07	Audited 2007/08				% Change from Revised estimate			
							2009/10	2008/09	2010/11	2011/12
1. Administration	333	998	950	3 913	3 909	3 675	4 272	16.24	4 494	4 705
<i>of which</i>										
Payments on tuition	333	998	950	1 407	2 056	1 866	1 940	3.97	2 041	2 137
Other				2 506	1 853	1 809	2 332	28.91	2 453	2 568
2. Sustainable Resource Management	186									
<i>of which</i>										
Payments on tuition	186									
3. Asset and Liabilities Management	17									
<i>of which</i>										
Payments on tuition	17									
4. Asset and Liabilities	92			42	52	56	101	80.36	106	111
<i>of which</i>										
Payments on tuition	92									
Other				42	52	56	101	80.36	106	111
<b>Total payments on training</b>	<b>628</b>	<b>998</b>	<b>950</b>	<b>3 955</b>	<b>3 961</b>	<b>3 731</b>	<b>4 373</b>	<b>17.21</b>	<b>4 600</b>	<b>4 816</b>

Note: Human resource development was centralised under programme 1 from 2006/07. The amounts under programme 1 for 2004/05 and beyond include bursaries.

**Table 7.4 Information on training**

Description	Outcome			Main appro- priation 2008/09	Adjusted appro- priation 2008/09	Revised estimate 2008/09	Medium-term estimate			
	2005/06	2006/07	2007/08				% Change from Revised estimate			
							2009/10	2008/09	2010/11	2011/12
Number of staff	211	246	324	314	315	305	342	12.13	356	367
Number of personnel trained	205	246	241	237	237	350	350		350	350
<i>of which</i>										
Male	106	124	97	124	124	170	170		170	170
Female	99	122	144	113	113	180	180		180	180
Number of training opportunities	144	166	304	166	389	389	367	(5.66 )	385	395
<i>of which</i>										
Tertiary	62	85	63	95	93	93	62	(33.33 )	80	90
Workshops	45	29	182	20	134	134	140	4.48	140	140
Seminars	22	27	13	26	13	13	15	15.38	15	15
Other	15	25	46	25	149	149	150	0.67	150	150
Number of bursaries offered	91	121	24	105	30	30	28	(6.67 )	20	25
Number of interns appointed	6	12	21	21	39	39	41	5.13	41	41
Number of learnerships appointed	10	10	10	10	17	17	60	252.94	60	60
Number of days spent on training	550	620	680	680	177	177	96	(45.76 )	96	96

## Reconciliation of structural changes

Table 7.5 Reconciliation of structural changes

Programme for 2008/09			Programme for 2009/10		
Programme R'000	2009/10 Equivalent		Programme R'000	Pro- gramme	Sub-pro- gramme
	Pro- gramme	Sub-pro- gramme			
<b>2. Sustainable Resource Management</b>	<b>28 904</b>		<b>2. Sustainable Resource Management</b>	<b>28 904</b>	
Economic Analysis		2 955	Budget Management		12 372
Budget Management		9 417	Provincial Government Budgets		8 537
Public Finance		16 532	Local Government Budgets		3 835
Local Government Finance		11 196	Public Finance		16 532
			Local Government Finance: Group 1		6 431
			Local Government Finance: Group 2		4 765
<b>3. Assets and Liabilities Management</b>	<b>2 154</b>		<b>3. Assets and Liabilities Management</b>	<b>2 154</b>	
Liabilities Management		2 154	Liabilities Management		2 154
Borrowing		1			
Financial Asset Management		2 153			
<b>4. Financial Governance</b>	<b>27 946</b>		<b>4. Financial Governance</b>	<b>27 946</b>	
Accounting		7 407	Accounting		7 407
Provincial Internal Audit		20 539	Provincial Government Accounting		4 181
			Local Government Accounting		3 226
			Provincial Internal Audit		20 539
			Sub-programme Support		6 989
			G&A Cluster		4 466
			Economic Cluster		5 421
			Social Cluster		3 663
	<b>59 004</b>			<b>59 004</b>	

Table B.1 Specification of receipts

Receipts R'000	Outcome			Main appro- piation 2008/09	Adjusted appro- piation 2008/09	Revised estimate 2008/09	Medium-term estimate			
	Audited 2005/06	Audited 2006/07	Audited 2007/08				% Change from Revised estimate			2009/10
<b>Tax receipts</b> (Casino and LGM taxes)	221 972	275 984	324 591	314 801	310 801	310 801	<b>333 817</b>	7.41	334 346	334 346
Casino and LGM taxes	205 318	256 616	301 689	295 955	291 955	291 955	<b>314 594</b>	7.75	315 123	315 123
Horseracing taxes	16 654	19 368	22 902	18 846	18 846	18 846	<b>19 223</b>	2.00	19 223	19 223
<b>Sales of goods and services other than capital assets</b>	7 233	1 207	1 297	1 022	1 022	1 022	<b>1 022</b>		1 022	1 022
Sales of goods and services produced by department (excluding capital assets)	7 233	1 207	1 297	1 021	1 021	1 021	<b>1 021</b>		1 021	1 021
Administrative fees	7 220	1 207	1 285	1 009	1 009	1 009	<b>1 009</b>		1 009	1 009
Licences or permits		1 207	1 285	1 008	1 008	1 008	<b>1 008</b>		1 008	1 008
Request for information				1	1	1	<b>1</b>		1	1
Other	7 220									
Other sales	13		12	12	12	12	<b>12</b>		12	12
<i>of which</i>										
Commission on insurance			12	12	12	12	<b>12</b>		12	12
Other	13									
Sales of scrap, waste, arms and other used current goods (excluding capital assets)				1	1	1	<b>1</b>		1	1
<b>Transfers received from</b>			65	1	1	1	<b>1</b>		1	1
Public corporations and private enterprises			65							
Households and non-profit institutions				1	1	1	<b>1</b>		1	1
<b>Fines, penalties and forfeits</b>	290	215	139							
<b>Interest, dividends and rent on land</b>	233 361	54 125	47 128	52 947	52 947	52 947	<b>53 980</b>	1.95	53 980	53 980
Interest	233 361	54 125	47 128	52 947	52 947	52 947	<b>53 980</b>	1.95	53 980	53 980
<b>Financial transactions in assets and liabilities</b>	4 522	9 802	9 072	48	48	48	<b>48</b>		48	48
Recovery of previous year's expenditure	2 407	1	29	36	36	36	<b>36</b>		36	36
Staff debt	28	98		12	12	12	<b>12</b>		12	12
Cash surpluses	2 087	9 703	9 043							
<b>Total departmental receipts</b>	<b>467 378</b>	<b>341 333</b>	<b>382 292</b>	<b>368 819</b>	<b>364 819</b>	<b>364 819</b>	<b>388 868</b>	6.59	389 397	389 397

Table B.2 Summary of payments and estimates by economic classification

Economic classification R'000	Outcome			Medium-term estimate						
	Audited 2005/06	Audited 2006/07	Audited 2007/08	Main appro- piation 2008/09	Adjusted appro- piation 2008/09	Revised estimate 2008/09	% Change from Revised estimate			
							2009/10	2008/09	2010/11	2011/12
<b>Current payments</b>	112 495	130 860	112 680	119 357	120 074	119 896	133 492	11.34	141 599	152 116
Compensation of employees	41 941	52 919	60 231	73 014	74 281	73 171	100 579	37.46	107 036	115 815
Salaries and wages	36 738	46 148	52 712	64 089	64 894	64 146	87 891	37.02	93 159	100 762
Social contributions	5 203	6 771	7 519	8 925	9 387	9 025	12 688	40.59	13 877	15 053
Goods and services	70 381	77 164	52 428	46 343	45 793	46 723	32 913	(29.56)	34 563	36 301
<i>of which</i>										
Administrative fees	90	118	87	120	60	61	60	(1.64)	63	66
Advertising	3 502	3 188	4 629	2 154	3 184	3 617	2 000	(44.71)	2 104	2 203
Assets <R5 000	643	750	318	385	450	685	270	(60.58)	285	298
Audit cost: External	2 432	1 954	2 451	2 180	2 480	2 606	2 600	(0.23)	2 735	2 864
Bursaries (employees)	276	385	321	400	449	432	440	1.85	463	485
Catering: Departmental activities	153	433	542	381	448	612	416	(32.03)	437	459
Communication	1 230	1 319	1 248	1 085	1 069	1 134	1 092	(3.70)	1 150	1 203
Computer services	26 430	31 026	471	581	908	1 008	2 220	120.24	2 336	2 444
Cons/prof: Business and advisory services	27 943	28 465	25 360	20 716	14 544	14 545	12 475	(14.23)	13 063	13 791
Cons/prof: Legal cost	39	15	238		51	51		(100.00)		
Contractors	134	435	343	1 030	1 074	1 054	1 019	(3.32)	1 072	1 123
Agency and support/outsourced services	421	846	8 202	8 262	8 784	8 657	100	(98.84)	105	110
Entertainment	290	71	75	188	185	181	208	14.92	217	228
Inventory: Food and food supplies	25	34	47	57	64	65	57	(12.31)	59	61
Inventory: Other consumables	12		11	9	13	19	16	(15.79)	17	18
Inventory: Stationery and printing	1 879	2 019	1 806	2 027	2 842	2 826	2 324	(17.76)	2 444	2 560
Lease payments	436	512	385	500	410	387	500	29.20	526	551
Owned and leasehold property expenditure					575	485	500	3.09	526	551
Transport provided departmental activity							10		12	12
Travel and subsistence	2 962	3 737	4 067	4 057	4 729	5 054	3 908	(22.68)	4 110	4 303
Training and staff development	352	476	828	1 007	1 607	1 434	1 500	4.60	1 578	1 652
Operating expenditure	921	968	259	434	856	856	643	(24.88)	676	708
Venues and facilities	211	413	740	770	1 011	954	555	(41.82)	585	611
Financial transactions in assets and liabilities	173	777	21			2		(100.00)		
<b>Transfers and subsidies to</b>	348	392	1 414		151	179	330	84.36	347	363
Provinces and municipalities	152	29								
Provinces	50									
Provincial agencies and funds	50									
Municipalities	102	29								
Municipalities	102	29								
<i>of which</i>										
Regional services council levies	102	29								
Departmental agencies and accounts			252							
Entities receiving transfers			252							
Western Cape Provincial Youth Commission			250							
Other			2							
Foreign governments and international organisations		1								
Households	196	362	1 162		151	179	330	84.36	347	363
Other transfers to households	196	362	1 162		151	179	330	84.36	347	363
<b>Payments for capital assets</b>	1 432	2 684	1 030	1 239	1 670	1 820	860	(52.75)	905	947
Buildings and other fixed structures				669						
Other fixed structures				669						
Machinery and equipment	1 029	2 279	1 030	450	1 670	1 820	860	(52.75)	905	947
Other machinery and equipment	1 029	2 279	1 030	450	1 670	1 820	860	(52.75)	905	947
Software and other intangible assets	403	405		120						
<b>Total economic classification</b>	114 275	133 936	115 124	120 596	121 895	121 895	134 682	10.49	142 851	153 426

Table B.2.1 Payments and estimates by economic classification – Programme 1: Administration

Economic classification R'000	Outcome			Main appro- priation 2008/09	Adjusted appro- priation 2008/09	Revised estimate 2008/09	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2005/06	2006/07	2007/08				2009/10	2008/09	2010/11	2011/12
<b>Current payments</b>	22 541	26 966	31 701	33 216	36 195	37 053	<b>35 389</b>	(4.49)	37 744	40 382
Compensation of employees	12 111	13 098	15 132	18 014	17 632	17 736	<b>21 330</b>	20.26	22 955	24 898
Salaries and wages	10 718	11 477	13 408	15 984	15 466	15 633	<b>18 606</b>	19.02	19 865	21 551
Social contributions	1 393	1 621	1 724	2 030	2 166	2 103	<b>2 724</b>	29.53	3 090	3 347
Goods and services	10 257	13 091	16 548	15 202	18 563	19 315	<b>14 059</b>	(27.21)	14 789	15 484
<i>of which</i>										
Administrative fees	90	82	77	70	60	61	<b>60</b>	(1.64)	63	66
Advertising	1 554	1 960	3 710	1 363	2 482	2 907	<b>1 150</b>	(60.44)	1 210	1 267
Assets <R5 000	131	510	178	385	450	685	<b>270</b>	(60.58)	285	298
Audit cost: External	2 432	1 954	2 451	2 180	1 880	2 006	<b>2 000</b>	(0.30)	2 104	2 203
Bursaries (employees)	276	385	321	400	449	432	<b>440</b>	1.85	463	485
Catering: Departmental activities	74	131	245	212	153	166	<b>155</b>	(6.63)	163	171
Communication	647	1 266	1 195	1 007	1 011	1 076	<b>995</b>	(7.53)	1 047	1 096
Computer services	3	5	353	481	708	808	<b>590</b>	(26.98)	621	649
Cons/prof: Business and advisory services	289	1 053	84	60	62	63	<b>2 564</b>	3969.84	2 697	2 824
Cons/prof: Legal cost	39	15	238							
Contractors	74	187	246	612	575	565	<b>482</b>	(14.69)	507	531
Agency and support/ outsourced services	416	846	3 149	3 239	3 100	2 995	<b>100</b>	(96.66)	105	110
Entertainment	96	42	39	72	72	70	<b>75</b>	7.14	78	82
Inventory: Food and food supplies	12	11	16	16	21	21	<b>20</b>	(4.76)	21	21
Inventory: Other consumables	12		11	9	13	19	<b>16</b>	(15.79)	17	18
Inventory: Stationery and printing	1 475	1 607	1 264	1 574	2 209	2 189	<b>583</b>	(73.37)	613	642
Lease payments	436	512	379	500	410	387	<b>500</b>	29.20	526	551
Owned and leasehold property expenditure					575	485	<b>500</b>	3.09	526	551
Travel and subsistence	1 228	1 113	1 487	1 558	1 597	1 817	<b>1 517</b>	(16.51)	1 595	1 670
Training and staff development	56	476	779	1 007	1 607	1 434	<b>1 500</b>	4.60	1 578	1 652
Operating expenditure	891	805	217	392	804	804	<b>542</b>	(32.59)	570	597
Venues and facilities	26	131	109	65	325	325		(100.00)		
Financial transactions in assets and liabilities	173	777	21			2		(100.00)		
<b>Transfers and subsidies to</b>	191	143	799		151	159	<b>330</b>	107.55	347	363
Provinces and municipalities	80	8								
Provinces	50									
Provincial agencies and funds	50									
Municipalities	30	8								
Municipalities	30	8								
<i>of which</i>										
Regional services council levies	30	8								
Departmental agencies and accounts			250							
Provide list of entities receiving transfers			250							
Western Cape Provincial Youth			250							
Households	111	135	549		151	159	<b>330</b>	107.55	347	363
Other transfers to households	111	135	549		151	159	<b>330</b>	107.55	347	363
<b>Payments for capital assets</b>	488	1 615	947	1 119	1 670	1 820	<b>860</b>	(52.75)	905	947
Buildings and other fixed structures				669						
Other fixed structures				669						
Machinery and equipment	475	1 615	947	450	1 670	1 820	<b>860</b>	(52.75)	905	947
Other machinery and equipment	475	1 615	947	450	1 670	1 820	<b>860</b>	(52.75)	905	947
Software and other intangible assets	13									
<b>Total economic classification</b>	23 220	28 724	33 447	34 335	38 016	39 032	<b>36 579</b>	(6.28)	38 996	41 692

Table B.2.2 Payments and estimates by economic classification – Programme 2: Sustainable Resource Management

Economic classification R'000	Outcome			Main appro- priation 2008/09	Adjusted appro- priation 2008/09	Revised estimate 2008/09	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2005/06	2006/07	2007/08				2009/10	2008/09	2010/11	2011/12
<b>Current payments</b>	16 100	21 069	21 478	23 794	22 691	22 691	<b>33 595</b>	48.05	35 542	38 296
Compensation of employees	9 332	14 931	16 544	20 170	18 123	17 938	<b>25 854</b>	44.13	27 460	29 720
Salaries and wages	8 245	13 139	14 505	17 854	15 915	15 800	<b>22 783</b>	44.20	24 087	26 069
Social contributions	1 087	1 792	2 039	2 316	2 208	2 138	<b>3 071</b>	43.64	3 373	3 651
Goods and services	6 768	6 138	4 934	3 624	4 568	4 753	<b>7 741</b>	62.87	8 082	8 576
<i>of which</i>										
Administrative fees		3	3							
Advertising	1 948	1 225	844	790	700	708	<b>850</b>	20.06	894	936
Assets <R5 000	311	137	79							
Audit cost: External					600	600	<b>600</b>		631	661
Catering: Departmental activities	39	193	165	81	184	333	<b>126</b>	(62.16)	132	139
Communication	114	18	24	29	24	24	<b>38</b>	58.33	40	42
Computer services		41								
Cons/prof: Business and advisory services	2 780	2 826	1 989				<b>3 331</b>		3 444	3 719
Cons/prof: Legal cost					37	37		(100.00)		
Contractors	33	146	13	167	156	166	<b>196</b>	18.07	206	216
Agency and support/ outsourced services	5			835	763	752		(100.00)		
Entertainment	104	12	13	60	58	58	<b>68</b>	17.24	71	75
Inventory: Food and food supplies	4	4	7	15	15	15	<b>14</b>	(6.67)	15	15
Inventory: Stationery and printing	310	144	211	149	245	243	<b>1 181</b>	386.01	1 242	1 301
Travel and subsistence	798	1 201	1 099	1 153	1 312	1 409	<b>997</b>	(29.24)	1 049	1 098
Training and staff development	187									
Venues and facilities	135	188	487	345	474	408	<b>340</b>	(16.67)	358	374
<b>Transfers and subsidies to</b>	22	7								
Provinces and municipalities	22	7								
Municipalities	22	7								
Municipalities	22	7								
<i>of which</i>										
Regional services council levies	22	8								
<b>Payments for capital assets</b>	391	256	62							
Machinery and equipment	391	219	62							
Other machinery and equipment	391	219	62							
Software and other intangible assets		37								
<b>Total economic classification</b>	16 513	21 332	21 540	23 794	22 691	22 691	<b>33 595</b>	48.05	35 542	38 296



Table B.2.3 Payments and estimates by economic classification – Programme 3: Asset and Liabilities Management

Economic classification R'000	Outcome			Main appropriation 2008/09	Adjusted appropriation 2008/09	Revised estimate 2008/09	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2005/06	2006/07	2007/08				2009/10	2008/09	2010/11	2011/12
<b>Current payments</b>	46 631	51 048	21 081	23 395	22 540	22 277	<b>27 320</b>	22.64	29 154	31 024
Compensation of employees	11 725	13 018	15 034	18 566	16 807	16 599	<b>22 515</b>	35.64	24 098	25 731
Salaries and wages	10 139	11 212	12 912	16 052	14 426	14 305	<b>19 412</b>	35.70	20 798	22 205
Social contributions	1 586	1 806	2 122	2 514	2 381	2 294	<b>3 103</b>	35.27	3 300	3 526
Goods and services	34 906	38 030	6 047	4 829	5 733	5 678	<b>4 805</b>	(15.38)	5 056	5 293
<i>of which</i>										
Administrative fees		8	7							
Advertising		3	6	1	2	2		(100.00)		
Assets <R5 000	15	63	6							
Catering: Departmental activities	15	49	47	33	32	36	<b>34</b>	(5.56)	36	38
Communication	320	17	17	19	19	19	<b>19</b>		21	21
Computer services	26 427	30 527	9				<b>1 200</b>		1 263	1 321
Cons/prof: Business and advisory services	7 387	6 205					<b>2 500</b>		2 630	2 754
Contractors	11	61	59	136	180	169	<b>161</b>	(4.73)	170	178
Agency and support/outsourced services			4 590	3 638	4 294	4 292		(100.00)		
Entertainment	35	7	9	21	21	19	<b>24</b>	26.32	25	26
Inventory: Food and food supplies	4	8	9	11	10	10	<b>9</b>	(10.00)	9	10
Inventory: Stationery and printing	42	154	176	168	199	193	<b>144</b>	(25.39)	151	159
Lease payments			6							
Travel and subsistence	589	880	1 009	742	926	888	<b>704</b>	(20.72)	740	775
Training and staff development	17									
Operating expenditure	16									
Venues and facilities	28	48	97	60	50	50	<b>10</b>	(80.00)	11	11
<b>Transfers and subsidies to</b>	29	235	615							
Provinces and municipalities	29	7								
Municipalities	29	7								
Municipalities	29	7								
<i>of which</i>										
Regional services council levies	29	6								
Departmental agencies and accounts			2							
Entities receiving transfers			2							
Other			2							
Foreign governments and international organisations		1								
Households		227	613							
Other transfers to households		227	613							
<b>Payments for capital assets</b>	39	254	11							
Machinery and equipment	39	254	11							
Other machinery and equipment	39	254	11							
<b>Total economic classification</b>	<b>46 699</b>	<b>51 537</b>	<b>21 707</b>	<b>23 395</b>	<b>22 540</b>	<b>22 277</b>	<b>27 320</b>	<b>22.64</b>	<b>29 154</b>	<b>31 024</b>

Table B.2.4 Payments and estimates by economic classification – Programme 4: Financial Governance

Economic classification R'000	Outcome			Main appro- piation 2008/09	Adjusted appro- piation 2008/09	Revised estimate 2008/09	Medium-term estimate			
	Audited 2005/06	Audited 2006/07	Audited 2007/08				% Change from Revised estimate			
							2009/10	2008/09	2010/11	2011/12
<b>Current payments</b>	27 223	31 777	38 420	38 952	38 648	37 875	<b>37 188</b>	(1.81)	39 159	42 414
Compensation of employees	8 773	11 872	13 521	16 264	21 719	20 898	<b>30 880</b>	47.77	32 523	35 466
Salaries and wages	7 636	10 320	11 887	14 199	19 087	18 408	<b>27 090</b>	47.16	28 409	30 937
Social contributions	1 137	1 552	1 634	2 065	2 632	2 490	<b>3 790</b>	52.21	4 114	4 529
Goods and services	18 450	19 905	24 899	22 688	16 929	16 977	<b>6 308</b>	(62.84)	6 636	6 948
<i>of which</i>										
Administrative fees		25		50						
Advertising			69							
Assets <R5 000	186	40	55							
Catering: Departmental activities	25	60	85	55	79	77	<b>101</b>	31.17	106	111
Communication	149	18	12	30	15	15	<b>40</b>	166.67	42	44
Computer services		453	109	100	200	200	<b>430</b>	115.00	452	474
Cons/prof: Business and advisory services	17 487	18 381	23 287	20 656	14 482	14 482	<b>4 080</b>	(71.83)	4 292	4 494
Cons/prof: Legal cost					14	14		(100.00)		
Contractors	16	41	25	115	163	154	<b>180</b>	16.88	189	198
Agency and support/ outsourced services			463	550	627	618		(100.00)		
Entertainment	55	10	14	35	34	34	<b>41</b>	20.59	43	45
Inventory: Food and food supplies	5	11	15	15	18	19	<b>14</b>	(26.32)	14	15
Inventory: Stationery and printing	52	114	155	136	189	201	<b>416</b>	106.97	438	458
Transport provided departmental activity							<b>10</b>		12	12
Travel and subsistence	347	543	472	604	894	940	<b>690</b>	(26.60)	726	760
Training and staff development	92		49							
Operating expenditure	14	163	42	42	52	52	<b>101</b>	94.23	106	111
Venues and facilities	22	46	47	300	162	171	<b>205</b>	19.88	216	226
<b>Transfers and subsidies to</b>	106	7				20		(100.00)		
Provinces and municipalities	21	7								
Municipalities	21	7								
Municipalities	21	7								
<i>of which</i>										
Regional services council levies	21	7								
Households	85					20		(100.00)		
Other transfers to households	85					20		(100.00)		
<b>Payments for capital assets</b>	514	559	10	120						
Machinery and equipment	124	191	10							
Other machinery and equipment	124	191	10							
Software and other intangible assets	390	368		120						
<b>Total economic classification</b>	<b>27 843</b>	<b>32 343</b>	<b>38 430</b>	<b>39 072</b>	<b>38 648</b>	<b>37 895</b>	<b>37 188</b>	<b>(1.87)</b>	<b>39 159</b>	<b>42 414</b>

Table B.3 Details on public entities – Name of Public Entity: Western Cape Gambling and Racing Board

R'000	Outcome			Estimated outcome 2008/09	Medium-term estimate		
	Audited	Audited	Audited		2009/10	2010/11	2011/12
	2005/06	2006/07	2007/08				
<b>Revenue</b>							
<b>Non-tax revenue</b>	26 070	28 538	28 894	31 009	28 043	26 965	27 640
Sale of goods and services other than capital assets	25 229	27 345	27 740	29 792	26 670	25 693	26 292
<i>Of which:</i>							
Admin fees	25 229	27 345	27 740	29 792	26 670	25 693	26 292
Other non-tax revenue	841	1 193	1 154	1 217	1 373	1 272	1 348
<b>Transfers received</b>	762	634					
<b>Total revenue</b>	26 832	29 172	28 894	31 009	28 043	26 965	27 640
<b>Expenses</b>							
<b>Current expense</b>	16 947	20 036	23 686	27 877	30 223	34 044	39 569
Compensation of employees	10 850	11 910	14 780	18 008	20 620	22 063	27 994
Goods and services	5 296	7 307	8 063	9 183	8 917	11 295	10 889
Depreciation	801	819	843	686	686	686	686
<b>Transfers and subsidies</b>	218	183	296	344	343	337	342
<b>Total expenses</b>	17 165	20 219	23 982	28 221	30 566	34 381	39 911
<b>Surplus/(Deficit)</b>	9 667	8 953	4 912	2 788	(2 523)	(7 416)	(12 271)
<b>Cash flow summary</b>							
Adjust surplus/(deficit) for accrual transactions	71	(329)	(268)	(514)	(586)	(662)	(662)
Adjustments for:							
Depreciation	801	753	843	686	686	686	686
Interest	(730)	(1 066)	(1 111)	(1 200)	(1 272)	(1 348)	(1 348)
Net (profit)/loss on disposal of fixed assets		(16)					
<b>Operating surplus/ deficit) before changes in working capital</b>	9 738	8 624	4 644	2 274	(3 109)	(8 078)	(12 933)
Changes in working capital	(2 167)	1 223	(671)	712	926	(465)	(465)
(Decrease)/increase in accounts payable	(2 597)	351	294	810	1 116	(930)	(930)
Decrease/(increase) in accounts receivable	299	598	(840)	105	(65)	465	465
Decrease/(increase) in inventory	145	(38)	76	64			
(Decrease)/increase in provisions	(14)	312	(201)	(267)	(125)		
<b>Cash flow from operating activities</b>	7 571	9 847	3 973	2 986	(2 183)	(8 543)	(13 398)
<b>Cash flow from investing activities</b>	391	469	525	735	807	883	883
Acquisition of Assets	(339)	(618)	(586)	(465)	(465)	(465)	(465)
Other flows from Investing Activities	730	1 087	1 111	1 200	1 272	1 348	1 348
<b>Cash flow from financing activities</b>	(2 272)	(8 769)	(8 005)	(6 543)	(621)	1 932	1 932
<b>Net increase/decrease) in cash and cash equivalents</b>	5 690	1 547	(3 507)	(2 822)	(1 997)	(5 728)	(10 583)
<b>Balance Sheet Data</b>							
<b>Carrying Value of Assets</b>	2 097	1 956	1 700	1 479	1 258	1 037	1 037
<b>Cash and Cash Equivalents</b>	13 198	14 746	11 239	6 003	6 003	6 003	6 003
<b>Receivables and Prepayments</b>	1 168	608	1 372	1 203	1 268	803	803
<b>Total Assets</b>	16 463	17 310	14 311	8 685	8 529	7 843	7 843
<b>Capital &amp; Reserves</b>	11 465	10 117	5 802	3 788	(1 723)	(6 616)	(11 471)
<b>Trade and Other Payables</b>	1 345	1 699	1 990	2 800	3 916	2 986	2 986
<b>Provisions</b>	657	969	1 042	775	650	650	650
<b>Managed Funds</b>	2 996	4 525	5 477	3 736	3 689	5 095	5 095
<b>Total Equity and Liabilities</b>	16 463	17 310	14 311	11 099	6 532	2 115	(2 740)

Table B.4 Transfers to local government by transfers/grant type, category and municipality - None

Table B.5 Provincial payments and estimates by district and local municipality

Municipalities R'000	Outcome			Main appro- priation 2008/09	Adjusted appro- priation 2008/09	Revised estimate 2008/09	Medium-term estimate			
	Audited 2005/06	Audited 2006/07	Audited 2007/08				% Change from Revised estimate		2009/10	2010/11
Cape Town Metro	114 275	133 936	115 124	120 596	121 895	121 895	134 682	10.49	142 851	153 426
<b>Total provincial expenditure by district and local municipality</b>	114 275	133 936	115 124	120 596	121 895	121 895	134 682	10.49	142 851	153 426

Note: Projects disaggregated per district.