

Provincial Government Western Cape Provincial Treasury

ANNUAL REPORT 2007/2008



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Provincial Treasury

ANNUAL REPORT

**Ms L Brown
Minister of Finance and Tourism**

REPORT OF THE ACCOUNTING OFFICER OF THE PROVINCIAL TREASURY FOR THE PERIOD 1 APRIL 2007 TO 31 MARCH 2008

Its my honour, in accordance with section 40(1)(d) of the Public Finance Management Act, 1999, the Public Service Act, 1994 and Treasury Regulation 18, to submit the Annual Report of the Provincial Treasury, Western Cape for the period 1 April 2007 to 31 March 2008.

**Dr JC Stegmann
ACCOUNTING OFFICER**

DATE: 29 AUGUST 2008

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Abbreviations

Abet:	Adult Basic Education and Training
AC:	Audit Committee
ACFS:	Annual Consolidated Financial Statement
ADP:	Accelerated Development Programme
AFR:	Asset Financing Reserve
AG:	Auditor-General
AO:	Accounting Officer
APP:	Annual Performance Plan
ASGISA:	Accelerated and Shared Growth Initiative of SA
ASB:	Accounting Standards Board
BAS:	Basic Accounting System
BBBEE:	Broad Based Black Economic Empowerment
BEE:	Black Economic Empowerment
BER:	Bureau for Economic Research
BIF:	Business Insight Folder
BPO:	Business Process Outsourcing
BS:	Budget Statement
CASIDRA:	Cape Agency for Sustainable Development in Rural Areas
CeI:	Centre for E-Innovation
CFO:	Chief Financial Officer
CG:	Conditional grant
CIDB:	Construction Industry Development Programme
CPD:	Corporation for Public Deposits
DBC:	Departmental Bid Committee
DBSA:	Development Bank of Southern Africa
DLGH:	Department of Local Government and Housing
DORA:	Division of Revenue Act
DPSA:	Department of Public Service and Administration
DPWT:	Department of Public Works and Transport
EA:	Economic Analysis
EDU:	Economic Development Unit
EoC:	Employer of Choice
EPS:	Electronic Purchasing System
EPWP:	Expanded Public Works Programme
ERA:	Enterprise Risk Assessor
FASSET:	Financial and Accounting Services Sector Education and Training Authority
FET:	Further Education Training
FETC:	Further Education and Training Certificate
FFC:	Financial Fiscal Commission
FMIP:	Financial Management Improvement Programme
FMS:	Financial Management System
GAMAP:	Generally Accepted Municipal Accounting Practice

GDPR:	Gross Domestic Product per Region
GEPF:	Government Employees Pension Fund
GIAMA:	Government-wide Immovable Asset Management Act
GRAP:	Generally Recognised Accounting Practice
HDI:	Historically Disadvantaged Individual
HOT:	Head Official Treasury
HR:	Human Resource
HRD:	Human Resource Development
HRDS:	Human Resource Development Strategy
HSRC:	Human Sciences Research Council
IA:	Internal Audit
ICS:	Improvement in Conditions of Service
ICT:	Information Communication Technology
IDIP:	Infrastructure Delivery Improvement Programme
IDP:	Integrated Development Plans
IFMS:	Integrated Financial Management System
IGCC:	Inter-Governmental Cash Co-ordinating System
IIA:	Institute for Internal Auditors
IMFO:	Institute of Municipal Finance Officers
IMLC:	Institutional Management and Labour Committee
IPMU:	Infrastructure Programme Management Unit
IT:	Information Technology
IYM:	In-year monitoring
LED:	Local Economic Development
LG:	Local Government
LG MTEC:	Local Government – Medium Term Expenditure Committee
LOGIS:	Logistical Information System
MEC:	Member of Executive Council
MEDS:	Micro Economic Development Strategy
MEDSAS:	Medical Stores Administration System
MFMA:	Municipal Finance Management Act, 2003
MLO:	Media Liaison Officer
MPSA:	Minister of Public Service and Administration
MSP:	Master Systems Plan
MTBPS:	Medium Term Budget Policy Statement 2005 -2008
MTEC:	Medium Term Expenditure Committee
MTEF:	Medium Term Expenditure Framework
MTFF:	Medium Term Fiscal Framework
MTREF:	Medium Term Revenue Expenditure Framework
NCOP:	National Council of Provinces
NGO:	Non-governmental Organisation
NMIR:	National Minimum Information Requirements
NT:	National Treasury
NTR:	National Treasury Regulations
PDC:	Provincial Development Council
PERSAL:	Personnel and Salary Administration System
PER&O:	Provincial Economic Review and Outlook

PES:	Provincial Equitable share
PMF:	Performance Management Framework
PFMA:	Public Finance Management Act
PGDS:	Provincial Growth and Development Summit
PGWC:	Provincial Government Western Cape
PMDS:	Performance Management Development System
PMU:	Programme Management Unit
PPP:	Public Private Partnerships
PPFA:	Preferential Procurement Policy Framework Act
PPSC:	Provincial Portfolio Steering Committee
PSCBC:	Public Service Commission Bargaining Council
PT:	Provincial Treasury
PTC:	Provincial Treasury Committee
PTF:	Provincial Treasury Forum
PTM:	Provincial Treasury Management
QPR:	Quarterly Performance Report
REAL:	Revenue, Expenditure, Assets, Liabilities
RFP:	Request for Proposal
SALGA:	South African Local Government Association
SAMDI:	South African Management Development Institute
SAQA:	South African Qualification Authority
SARS:	South African Revenue Services
SASSA:	South African Social Services Authority
SCM:	Supply Chain Management
SCoA:	Standard Chart of Accounts
SCOF:	Standing Committee on Finance
SCOPA:	Standing Committee on Public Accounts
SDBIP:	Service Delivery Budget Implementation Plan
SDI:	Service Delivery Improvement
SDR:	Service Delivery Review
SEP:	Socio-economic Profile
SEP-LG:	Socio-economic Profiles of Local Government
SER:	Socio-economic Review
SETA:	Sector Education and Training Authority
SIP:	Strategic Infrastructure Plan
SITA:	State Information Technology Agency
SME:	Small and Medium Enterprise
SMME:	Small Medium and Micro Enterprise
SMS:	Senior Management Service
SPMS:	Staff Performance Management System
SSA:	Statistics South Africa
TCF:	Technical Committee on Finance
TCO:	Total Cost of Ownership
TELKOM:	Telecommunication
TMM:	Top Management Meeting
TQM:	Total Quality Management
URS:	User Requirement Statement
WCED:	Western Cape Education Department

WCGRB: Western Cape Gambling and Racing Board
WC-MTBPS: Western Cape Medium Term Budget Policy Statement 2005 - 2008
WCSD: Western Cape Supplier Database
WSP: Workplace Skill Plan

General Information

Introduction by the Accounting Officer

The Provincial Treasury as in the previous reporting periods overcame several challenges. In many instances following this route was not easy, but keeping focused on our ultimate goals and the bigger picture kept the Provincial Treasury on track to better serve the Province and its objectives towards better corporate governance.

It remained a daunting task to recruit and retain appropriately qualified and committed individuals and reduce the high vacancy rate, but we are a proud department and will always strive to successfully deal with this challenge, using both tried and tested pathways, but also trying out more innovative ones.

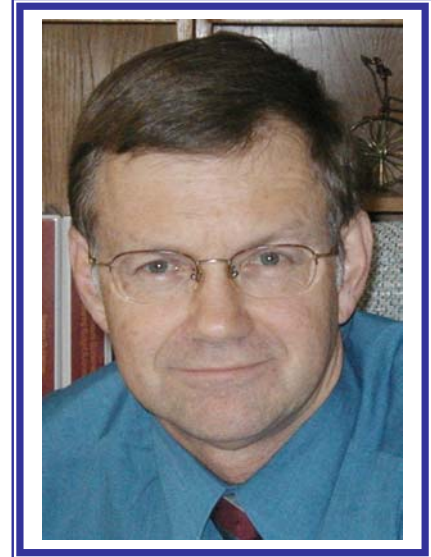
Some, successes that were attained during 2007/08 were:

- Improvement of soft skills of senior and middle management to improve overall efficiency as well as recruitment and retention.
- Steps were also initiated to put in place a talent management framework, a process to be concluded only in the new financial year.
- The further refinement and enhancement of the LGMTEC processes now in its fourth year of condonement, improving financial management relationships and interactions with all the municipalities in the Province.
- Deepened engagements with the national government and departments to improve targeting of resource allocations in response to socio-economic analyses and national priorities.
- Distributed several publications such as the Medium Term budget statement 2008 – 2011 and the PERO 2007.
- Expanded the external internship programme for the Provincial Treasury, as well as introduced, for the first time, bursaries to undergraduate and post-graduate students not in our employ.

- Substantially expanded the Internal Audit component to reduce dependency on external service providers.
- Initiation of reconfiguration of the establishment and work methods to improve internal synergy and efficacy.

In closing, I would like to extend my sincere appreciation to all the staff in Treasury who diligently braved the way to enhance the functioning of the Provincial Treasury as both a supporting unit to our clients, provincial and municipal, as well as to provide assurance on the standards of financial governance.

In addition, many thanks to our MEC, Lynne Brown, for her unwavering support and wise guidance over the course of a difficult but satisfying year.



*Dr JC Stegmann
Accounting Officer
Provincial Treasury*

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

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

DATE: 29 AUGUST 2008

The Ministry

Mrs Lynne Brown became the Minister of Finance, Economic Development and Tourism on 5 May 2004. On 27 July 2005 the Minister's portfolio was amended with the shifting away of Economic Development, while the important Finance and Tourism portfolios remained with her.

As Head of the Provincial Treasury her duties include charting the road for this organisation and membership of the influential National Budget Council and National Budget Forum, both chaired by the national Minister of Finance (Minister Trevor Manuel). Minister Brown is also the Executive member responsible for the Gambling Board.



*Ms L Brown
Minister of Finance
and Tourism*

Bills

The Bills that the Executive Authority submitted to the Western Cape Provincial Parliament during the financial year under review are the following:

- Western Cape First Finance Bill, 2007
- Western Cape Adjustments Appropriation Bill, 2007
- Western Cape Direct Charges Amendment Bill, 2008
- Western Cape Appropriation Bill, 2008

Visits abroad

During the 2007/08 financial year, Minister Brown was part of the Western Cape Premiers' delegation that visited China from 8 November 2006 to 17 November 2006. From 11 November 2007 to 18 November 2007 she also attended the World Travel Market (WTM) in the United Kingdom (London). The purpose of the visit was to market the Province to an international audience, as the WTM is one of the world's biggest conventions of tourism operators.

VISION

As a change agent to achieve maximum well-being

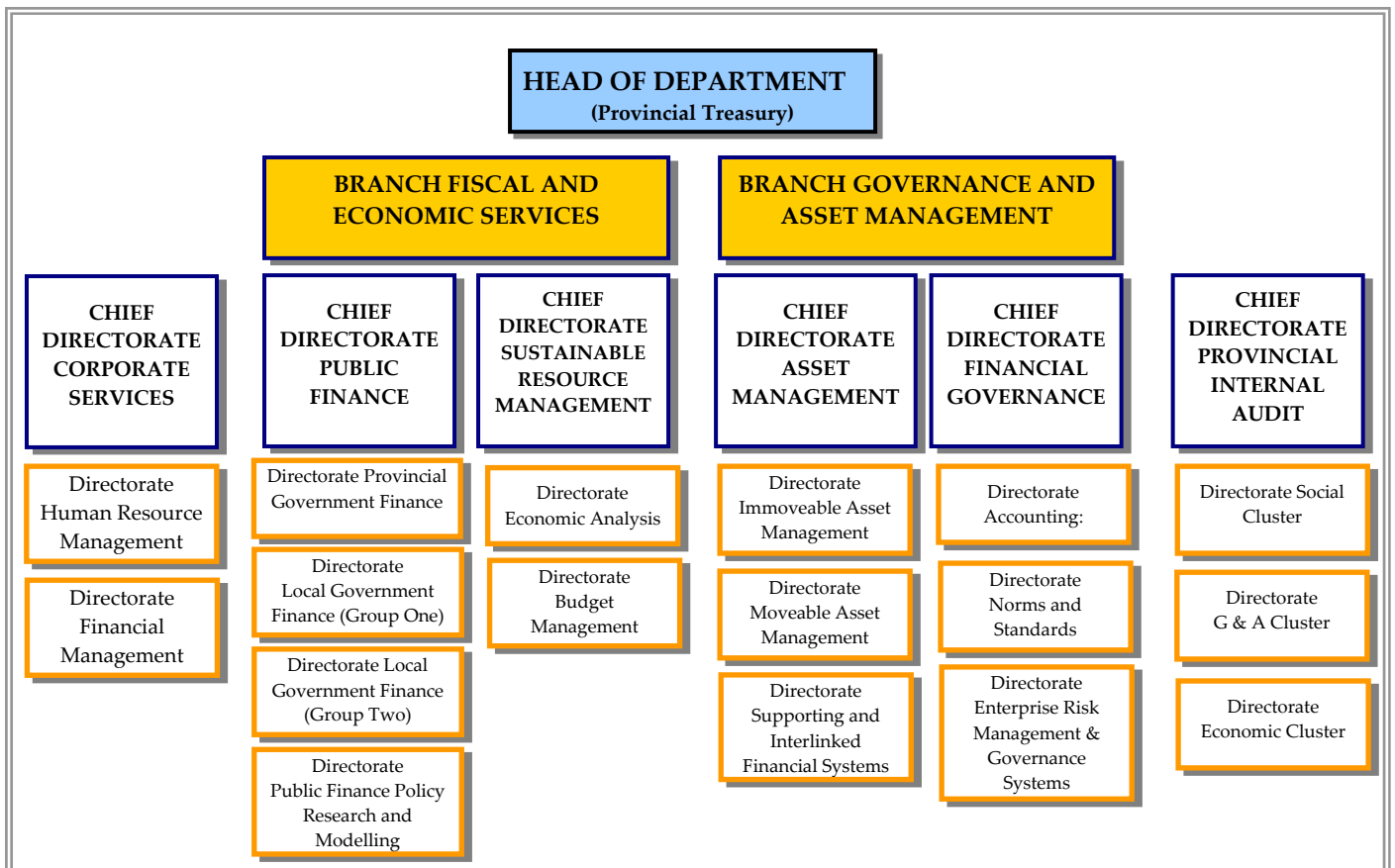
MISSION

To obtain financial and supportive means and utilise them to the optimum advantage of the whole community.

DEPARTMENTAL ETHOS

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

ORGANISATIONAL STRUCTURE



Legislative and other mandates

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

- **Annual Division of Revenue Act**
To provide for the equitable division of revenue raised nationally, inclusive of conditional grants, amongst the three spheres of government and matters incidental thereto.
- **Basic Conditions of Employment Act, 1997 (Act 75 of 1997)**
To provide regulatory prescripts, in addition to the Public Service Act, 1994 and the Public Service Regulations, 2001, regarding the conditions of employment of staff in the Treasury.
- **Borrowing Powers of Provincial Government Act, 1996 (Act 48 of 1996)**
To provide norms and conditions which the Treasury must adhere to in negotiating loans for the Provincial Government.
- **Employment Equity Act, 1998 (Act 55 of 1998)**
To regulate the processes and procedures of the Treasury in achieving a diverse and competent workforce broadly representative of the demographics of the Western Cape and eliminating unfair discrimination in employment towards implementing employment equity.
- **Government Immovable Asset Management Act, 2007 (Act 19 of 2007)**
To provide for a uniform framework for the management of an immovable asset that is held or used by a provincial department and to ensure the coordination of the use of an immovable asset with the service delivery objectives of a provincial department.
- **Intergovernmental Fiscal Relations Act, 1997 (Act 97 of 1997)**
To define the role of the Minister of Finance and Economic Development and that of the Treasury as representatives of the Provincial Government, in promoting co-operation between other spheres of government on fiscal, budgetary and financial matters; to provide insight into the prescribed processes for the determination of the equitable share and allocation of revenue raised nationally and for matters in connection therewith.
- **Labour Relations Act, 1995 (Act 66 of 1995)**
To regulate and guide the Treasury in recognising and fulfilling its role in effecting labour harmony and the democratisation of the workplace.
- **Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA)**
To regulate financial management in the local sphere of government; to require that all revenue, expenditure, assets and liabilities of municipalities and municipal entities are managed economically, efficiently and effectively; to determine the responsibilities of persons entrusted with municipal borrowing; to make provision for the handling of financial emergencies in municipalities; and to provide for matters connected therewith.
- **Occupational Health and Safety Act, 1993 (Act 85 of 1993)**
To provide for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery; the protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of person at work; to establish an advisory council for occupational health and safety; and to provide for matters connected therewith.

- **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 (HDIIs) in the sustainable development and implementation of a preferential procurement system.
- **Promotion of Access to Information Act, 2000 (Act 2 of 2000)**

To give effect to the constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights; and to provide for matters connected therewith.
- **Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)**

To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to request written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996; and to provide for matters incidental thereto.
- **Provincial Tax Regulation Process Act, 2001 (Act 53 of 2001)**

To regulate the intergovernmental process that must be followed by provinces in the exercise of their power in terms of section 228 of the Constitution to impose taxes, levies and duties, and flat-rate surcharges on the tax bases of any tax, levy or duty imposed by national legislation; and to provide for matters connected therewith.
- **Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA)**

To regulate financial management in the Treasury to ensure that all revenue, expenditure, assets and liabilities of the Treasury are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in the Treasury and to provide for matters connected therewith. In addition, to describe the powers and functions of Treasuries and to direct their responsibilities with respect to other departments and public entities.
- **Public Service Act, 1994 (Act 103 of 1994)**

To provide for the organisation and administration of the Treasury and for human resource management which includes the regulation of conditions of employment, terms of office, discipline, retirement and discharge of staff members of the Treasury and matters connected therewith.
- **Skills Development Act, 1998 (Act 97 of 1998)**

To provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce; to integrate those strategies within the National Qualification Framework contemplated in the South African Qualification Authority Act, 1995; to provide for learnerships that lead to recognised occupational qualifications; to provide for the financing of skills development by means of a levy-grant scheme and a National Skills Fund; to provide for and regulate employment services; and to provide for matters connected therewith.
- **Skills Development Levy Act, 1999 (Act 9 of 1999)**

To provide for the imposition of a skills development levy; and for matters connected therewith.
- **Western Cape Direct Charges Act, 2000 (Act 6 of 2000)**

To provide for the withdrawal of State moneys from the Western Cape Provincial Revenue Fund, as a direct charge, in accordance with the Constitution of the Republic of South Africa, 1999 (Act 108 of 1996), the Constitution of the Western Cape, 1997 (Act 1 of 1998) and the Public Finance Management Act, 1999 (Act 1 of 1999), and for matters incidental thereof.

- **Western Cape Gambling and Racing Law, 1996 (Law 4 of 1996)**
To provide regulatory prescripts to support the responsible Minister in ensuring sound financial administration and management and matters incidental thereto by the Western Cape Gambling and Racing Board.
- **Western Cape Law on the Powers and Privileges of the Provincial Legislature Amendment Act, 1998 (Law 3 of 1998)**
To provide the Treasury with regulatory prescripts in assisting the Legislature when necessary, in meeting their financial responsibilities as set out in legislation.
- **Western Cape Provincial Tender Board Law, 1994 (Law 8 of 1994)**
Although this Law has been revoked, a number of period contracts concluded under this Law and its regulations, are still valid and have to be administered in terms of this legislation.

The Provincial Treasury is responsible for the following public entity:

□ **Western Cape Gambling and Racing Board**

The Board has been established in terms of the **Western Cape Gambling and Racing Law, 1996 (Law 4 of 1996)**, that purports to provide a regulatory framework for good financial, gaming and betting management by the Western Cape Gambling and Racing Board. The Board has to control all gambling, racing and activities incidental thereto in the Province, subject to any applicable policy determinations of the Provincial Cabinet. The Board's functions and responsibilities are fully captured under section 12 of the Western Cape Gambling and Racing Law, 1996.

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

Programme Performance

1. Programme performance in summary

1.1 Voted funds

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

Table 1: Voted funds: Provincial Treasury

Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/(Under) Expenditure
R'000	R'000	R'000	R'000
119,001	116 551	115 124	1 427
Responsible Minister	Minister of Finance and Tourism		
Administering Department	Provincial Treasury		
Accounting Officer	Head Official Provincial Treasury and Head of Department		

1.2 Aim of the vote

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

1.3 Summary of programmes

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

- **Programme 1: Administration**
To provide and maintain high quality support services to the Minister and within the Provincial Treasury pertaining to sound financial administration, supply chain management, auxiliary services and corporate services.
- **Programme 2: Sustainable Resource Management**
To provide professional advice and support on provincial and local government economic analysis, fiscal policy, public finance development and management of the annual provincial budget process and assist and monitor local government budgets.
- **Programme 3: Asset and Liabilities Management**
To provide policy direction, facilitating the effective and efficient management of physical and financial assets, PPP's and Liabilities.
- **Programme 4: Financial Governance**
To enhance performance orientated financial management.

1.4. Key strategic objectives and achievements

1.4.1 Key strategic objectives

The Provincial Treasury set itself the following key strategic objectives, which was published in its Five Year Strategic and Performance Plan 2005/06 – 2009/10 and was tabled in the Provincial Parliament at the end of March 2005. These strategic objectives underwent minor changes in the third Annual Performance Plan 2007/08 – 2009/10 that was again tabled in the Provincial Parliament at the end of March 2007. They are listed per programme below:

Programme 1: Administration

- Ensure the rendering of secretarial, administrative and office support services.
- Assist with tourism functions vested under the Minister.
- Ensure an efficient public profile for the Minister.
- Enable the Minister to realise her executive responsibilities.
- A well functioning and coordinated institution that delivers on its responsibilities.
- To attract and acquire the desired employee profile in alignment with PT business objectives.
- To develop and maintain a learning organisation in order to produce a competent workforce.

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

Programme 2: Sustainable Resource Management

- Rendering administrative support service to ensure the effective operational management of the unit.
- Capacitate and train administrative support and line function staff.
- Support and promote BBBEE initiative through administrative functions.
- Describe the Western Cape economy by determining and analysing key provincial and, where possible, district economic variables and their interrelation.
- Determine the sources, potential and constraints for enhanced growth and development in the Western Cape, as framed within *iKapa Elihlumayo*.
- Assess the impact of various budget (municipal and provincial) policy objectives on selected economic variables, providing a link between the macro, meso and municipal spheres.
- Contribute to improving system of provincial government finance to enhance revenue adequacy and service delivery towards attaining a level 4 auditable organisation.
- Improve input-output sequencing of information and the quality thereof within the budget processes
- Develop effectiveness of in-year revenue monitoring systems towards attaining level 3 auditable organisations.
- Provide policy advice, effective technical and strategic support and a change agent service to municipalities.
- To coordinate and guide the process to determine provincial priorities and recommend financial resource allocation, which effectively contribute to, accelerated and shared economic growth in the province.
- Promote overall strategic goals of Provincial Treasury to understand local government and line departments' core business, functions, and progress.
- Improve alignment between provincial priorities and local government IDP's and improve quality and transparency of local government budgets.

- Enhance the implementation and impact of local government budgets and IDPs to improve service delivery and address the socio economic needs of the community.
- Rendering administrative support services to ensure the effective operational management of the unit.
- Capacitate and train administrative support and line function staff.
- Provide policy advice, effective technical and strategic support and a change agent service to provincial departments.
- Improve input-output sequencing of information and the quality of the latter within the budget processes.
- Develop the effectiveness of in-year expenditure monitoring systems towards attaining a level 4 auditable organisation.
- Provide policy advice, effective technical and strategic support and a change agent service to municipalities.
- Improve input-output sequencing of information and the quality thereof within the budget processes
- Develop effectiveness of in-year expenditure monitoring systems towards attaining level 3 auditable organisations.
- Develop intra Department, intra provincial; inter provincial and government co-ordinating structures and systems.

Programme 3: Asset and Liabilities Management

- Rendering administrative support services to ensure the effective operational management of the programme.
- Capacitate and train administrative support and line function staff.
- Support and promote BBBEE initiatives through administrative functions.
- Ensure effective control and management of the Provincial Revenue Fund.
- Render effective technical, strategic support and training to provincial departments and local government where applicable.
- Compliance with the PFMA, MFMA, accounting policies, regulations and guidelines.
- To ensure that departments/municipalities embrace SCM as a strategic directive that delivers continual cost and value improvements resulting in effective future planning, mitigation of risk in SCM, leveraged buying power and a smoother acquisition process. (That implies departments achieving a level 4 auditable rating and municipalities achieving a level 3 auditable rating in the 2007/08 financial year).
- Coordinate the implementation of the Infrastructure Delivery Improvement Programme (IDIP) for cost effective execution of infrastructure projects. (That implies departments achieving a level 4 auditable rating and municipalities achieving a level 3 auditable rating in the 2007/08 financial year).
- To strengthen oversight and strategic roles by rendering advice and direction to departments, public entities, municipalities and municipal entities to enhance service delivery. (That implies departments achieving a level 4 auditable rating and municipalities achieving a level 3 auditable rating in the 2007/08 financial year).

- Coordinate and promote the implementation of PPP projects through assessments compliance and enforcement of legislation.
- Facilitate and provide developmental technical assistance and support to departments and municipalities on all PPP projects in progress.
- Establish and ensure implementation of policies for effective management of assets and liabilities.
- To strengthen and provide technical and strategic support for the institutional capacity of provincial and local government.
- Monitor compliance with the PFMA, MFMA and applicable regulations.
- Establishment of the necessary structures to service loans and guarantees.
- To provide for the management, improvement and implementation of existing financial systems and eventual transition to the IFMS, ensuring compliance with the PFMA and other relevant legislation.
- Monitor and report on financial management system's performance.
- Render effective technical, strategic support and training to departments.

Programme 4: Financial Governance

- Rendering administrative support services to ensure the effective operational management of the unit.
- Capacitate and train administrative support and line function staff.
- Support and promote BBBEE initiatives through administrative functions.
- Ensure the development of accounting practices that will promote effective and efficient capturing of REAL movements/accountability and contribute towards attaining level 3 auditable organisations.
- Ensure integrity of financial data.
- To identify and develop financial norms and standards and monitor compliance by municipalities and departments and public entities respectively in terms of the MFMA and PFMA to contribute to the attainment of level 3 auditable organisations.
- Appropriate and dynamic financial legislative framework.
- Develop and facilitate the implementation of effective risk management and governance capacity within the Provincial Government.
- Provide consolidated PGWC risk profile to develop response strategies to mitigate transversal risk.
- To render an effective risk based internal audit (IA) service that will contribute towards a level 4 auditable organisation.
- Ensure fully functional audit committees.

1.4.2 Programmes

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

Programme One: (Administration)

For the third consecutive year the Provincial Treasury again attained the goal of spending within two per cent of its adjusted budget on 31 March 2008. This was achieved by strict fiscal discipline and controls implemented by Financial Management within the Programmes and utilising the under spending for other high priority services. The APP for 2008/09 was greatly streamlined where the key measurable objectives for each sub-programme was reduced to focus more on service delivery. The implementation of an internship programme commenced during 2007 and especially benefited the Internal Audit component. Several programmes were started to develop the soft skills of senior and middle management managers during the reporting period. This is an ongoing process which will receive attention in the coming financial years.

Programme Two: (Sustainable Resource Management)

During 2007/08 the Public Finance component took steps to improve the quality of financial management, which inter alia included deepening the credibility of the 2008 Budget, by linking Provincial and National priorities with the budget allocation. The Public Finance component was also actively involved with the further implementation of the MFMA and facilitating initiatives conducive to creating a smooth environment implementation. On the municipal side considerable progress was also made in respect of Treasury's roles and responsibilities as required by the MFMA, which included the quarterly outcomes of municipalities and successful implementation of the Local Government MTEC processes. The consequence of the work done in relation to the MFMA was greater compliance with prescribed legislation and regulations. While a great deal of focus was placed on municipalities the twelve departments within the Provincial Government received the same level of attention as in previous years, in terms of the PFMA.

The proposed draft budget (in December 2007) was presented and defended at the National Treasury Benchmark exercises. The Budget Office together with the media liaison office of the Ministry conducted the Medium Term Budget Policy Statement and Main Budget communication strategies in-house, unlike the previous practice where consultants were used. The Budget Office completed the 2008 Provincial Budget and allocations made are in line with nationally agreed priorities. The Budget Office also provided guidance and oversight with regard to local government's budgets and the coordination of the Local Government MTEC processes. The assessment of quarterly non-financial performance of provincial departments was enhanced and moved to a higher level during 2007/08.

On the Economic Analysis side the PER&O 2007/08 was published and the SEP-LG process was completed with the respective municipalities before the end of March 2008.

Programme Three: (Asset and Liabilities Management)

As from 1 April 2007, the Province switched banking services from ABSA to Nedbank and it was a successful process that was implemented in all thirteen votes with a Nedbank branch (Ikapa branch) being opened in the 4 Dorp Street building.

During 2007/08 the Moveable Asset Management assessed more provincial departments and engaged municipalities on the implementation on SCM policies. The unit in conjunction with the National Treasury also promoted and facilitated the Asset Management Reform Strategy.

The PPP Unit remained dedicated to the process of developing links with departments and a number of projects are being attended to within departments and local governments.

The Systems team provided oversight on the existing financial systems and with National Treasury in transition to drive the Integrated Financial Management System (IFMS) forward. The team assisted with the revision of the Standard Chart of Accounts (SCoA) that was implemented on 1 April 2008 and would not have been possible without the guidance of the Directorate Supporting and Interlinked Financial Systems.

Programme Four: (Financial Governance)

The main purpose of the Accounting Services Unit was to ensure that financial reporting is a true reflection of the financial position of the province, provincial departments and municipalities. The Unit actively participated in taking their financial management improvement plan forward and monitoring remedial steps instituted by departments and public entities to address management improvement. The cash basis was also modified in 2007/08 to assist departments in the transition from cash to accrual accounting. This gradual process needs ongoing training and further capacity building. The Consolidated Annual Financial Statements for the Province were compiled and submitted to Cabinet. Accounting reforms were successfully rolled out for implementation by departments, municipalities and entities.

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

Risk Management was driven forward to promote risk management awareness for the audit committees that could lead to more rigorous management of responsibilities within departments. At the end of 2007/08 two of the twelve departments submitted their strategic risk management plans. The greatest impediment regarding the implementation of strategic risk management within the departments is related to high vacancy rates in the Chief Risk Officer's sections within all the departments.

The approval of the Internal Audit Unit's new organisational structure by DPSA in the middle of 2007/08 resulted in an increase of the staff establishment from 24 to 92 staff members that will be phased in over a three year period. The filling of these posts will also capacitate the Provincial Treasury to decrease its dependence on external service providers. New audit committees were established during the 2007/08 financial year.

1.5 Overview of the service delivery environment for 2007/08

As reported in previous years, the Provincial Treasury does not render services directly to the public, but to provincial departments and municipalities as assigned by the PFMA and MFMA, respectively. Nonetheless, the environment in which it operates is very competitive and forever changing.

The skills and expertise needed remains in short supply, resulting in the department being in direct competition with the private sector and other spheres of government for the scarce skills. The external graduate programme developed in 2006/07 was further rolled out in the reporting period where final year students are granted the opportunity to gain valuable work experience and increase the skills pool. Notwithstanding these efforts combined with special recruitment drives the Provincial Treasury still had very high level of 34 per cent at the end of March 2008.

As change agent in resource allocation, ensuring efficacy of spending and general fiscal discipline, treasuries collectively and individually deal with significant challenges to improve the general welfare within their respective provinces. This challenge, as in the past, was also true for the Western Cape in 2007/08.

1.6 Overview of the organisational environment for 2007/08

The approved organisational structure was further expanded for the year under review to enable the Provincial Treasury to better fulfil its Constitutional mandate, which is to address the socio-economic challenges of the Province in tandem with all other departments, municipalities and other stakeholders. The largest growth in posts was in the Internal Audit Unit which increased with 68 posts. Several reconfiguration exercises are also in process within the other Programmes and should be completed during 2008/09. A new Senior Manager: HRM was appointed in July 2007 and several new efforts have been implemented to reduce the high attrition rate and high vacancy rate within the Department. These actions included the appointment of headhunting agencies and skills development interventions by external service providers for the senior and middle management.

1.7 Strategic overview and key policy developments for the 2007/08 financial year

In all three functional programmes namely, Sustainable resource management, Asset and liabilities management and Financial governance special efforts were put in place to introduce a higher level of financial management and governance for the provincial departments and municipal governments throughout the Province. Relevant policy development areas that received special attention are listed below and will be discussed in more detail in paragraph 2 of this Part:

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

1.8 Departmental revenue

This section deals with the Provincial Treasury's performance in terms of the collection of departmental revenue for the financial year under review. It will again be discussed on a per programme basis in paragraph 2. Table 2 below depicts the departmental own revenue collected by the Provincial Treasury for the period 2004/05 to 2007/08. The Provincial Treasury is the only provincial department to collect more own revenue than it requires in terms of departmental payments. This can be ascribed to the fact that functions are aligned to national policy instruments while its expenditure is comparable to smaller departments.

Table 2: Departmental revenue collected for period 2004/05 – 2007/08

Receipts	2004/05	2005/06	2006/07	2007/08	2007/08	Deviation from target	
	Actual	Actual	Actual	Target	Actual	R'000	%
	R'000	R'000	R'000	R'000	R'000		
Tax receipts	172,745	221,972	275,984	296,418	324,591	28,173	9.50
Casino taxes	157,611	205,318	256,948	277,942	301,689	23,747	8.54
Horse racing taxes	15,134	16,654	19,036	18,476	22,902	4,426	23.96
Non-tax receipts	212,464	240,884	55,547	48,216	48,564	348	0.72
Interest	211,333	233,362	54,125	47,128	47,128		
Other receipts	1,131	7,522	1,422	1,088	1,501	413	37.96
Financial transactions in assets and liabilities	103	4,521	9,802	48	9,072	9,024	18 800
Total departmental receipts	385,312	467,377	341,333	344,682	382,292	37,610	10.91

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

Programme 1: Administration – Departmental own receipts registered against this programme was essentially insignificant but nevertheless consists mainly of court fines, private telephone calls and sale of redundant goods.

Programme 2: Sustainable Resource Management – Own revenue collected by this programme relates mainly to casino and horseracing taxes. The substantial variance for which the actual amounts exceed the targeted amounts at the tax receipts can be ascribed to higher than anticipated gambling and betting activity, which might be caused by more disposable income being available to households. Included under the other receipts is an amount for fines and penalties, which due to its very nature was not budgeted for in the first place thereby adding to the substantial variance. The deviation under "Financial transactions in assets and liabilities" is mainly due to surplus funds surrendered by the Western Cape Gambling and Racing Board.

Programme 3: Asset and Liabilities Management – This programme is responsible for managing interest earned on investments. The interest revenue collected is on par with estimates due to effective management of investments according to an investment and nascent asset financing policies.

1.9 Departmental payments

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

Table 3: Departmental payments

Programmes	Voted for 2007/08 R'000	Roll-overs and Adjustments R'000	Virement R'000	Total Voted R'000	Actual Expenditure R'000	Variance R'000
1. Administration	30,238	3,849		34,177	33,447	730
2. Sustainable resource management	28,233	(5,704)	(736)	21,793	21,540	253
3. Asset and liabilities management	20,738	1,413		22,151	21,707	444
4. Financial governance	39,702	(2008)	736	38,430	38,430	
Total	119,001	2,450	0	116,551	115,124	1,427

Programme 1: Administration (97,86% actual expenditure)

The under spending (2,14%) on this programme can mainly be attributed to the inability to find appropriately skilled personnel. Provisions were also made for the furniture and equipment for the Internal Audit accommodation which did not materialise as anticipated, thus increasing the under spending.

Programme 2: Sustainable Resource Management (98,84% actual expenditure)

The under spending (1,16%) on this programme can mainly be attributed to the inability to find appropriately skilled personnel, especially where the Provincial Treasury is in direct competition with the private sector.

Programme 3: Asset and Liabilities Management (98% actual expenditure)

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

Programme 4: Financial Governance (100% actual expenditure)

There are no material variances to report on.

1.10 Transfer payments

During the year under review transfer payments were only made to the Department of the Premier and to households as indicated in Table 4 below:

Table 4: Transfer payments

Name of Institution	Amount Transferred	Estimate Expenditure
	R'000	R'000
Department of the Premier	250	250
Households	1,162	1,162

1.11 Conditional grants and earmarked funds

The Provincial Treasury did not receive any conditional grants. Earmarked funds amounting to R4,600 million for Internal Audit capacity, was fully spent in the financial year under review.

1.12 Capital investment, maintenance and asset management plans

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

Maintenance

This section is currently not applicable to the Provincial Treasury, However, a consultant was appointed during 2007 to assist with the completion of minor works and the shifting of staff to the Southern Life Building.

Asset Management

The additions in computer equipment and related equipment as stated in Part 4, Disclosure notes 37 and 38 could be justified as follows:

Additional computer equipment was purchased for new employees. The Provincial Treasury has also commenced with the programme to refresh its existing technology in line with the ICT changes.

The disposal of asset could be justified as follows:

- In terms of furniture and computer equipment, certain redundant items were transferred to other departments while redundant and obsolete items were donated to institutions that could still utilise them.
- Losses were incurred due to a Notebook that was stolen and a Notebook screen that was damaged, which have subsequently been written off.
- The asset register is automatically updated when new assets are acquired or when redundant items are disposed off. An annual stock take has been completed and reconciled in the 2007/08 financial year.
- Approximately 70% of the Provincial Treasury's assets are in a good state, while the remaining 30% is in a fair condition.

- No maintenance projects have been undertaken during the financial year under review and no projects are being carried forward from the financial year under review to the following financial year.
- No facility was closed down or downgraded during the period under review for whatever reason.
- Where needs arise to follow the route of bidding for projects, the Supply Chain Management process outlined in the Provincial Treasury's Accounting Officer's System acts as a guideline.

2. Programme performance in detail

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

2.1 Programme 1: Administration

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

Sub-programme 1.1	:	Office of the Provincial Minister
Purpose	:	To render secretarial, administrative and office support services to the Minister to enable the Minister to realise her treasury and tourism priorities.
Measurable Objectives	:	Smooth and effective functioning of office, good integration with departments in Treasury and Tourism. Improve image of professional staff and the spheres of their jobs through capacity building. Co-ordinate events and dates for Minister to achieve her obligations with her two portfolios (Treasury and Tourism) to enhance accountability to the Public. Improve exposure of Minister in public domain through media. Interface between legislation; government and public. Be briefed on regular (daily) basis on political and constituency issues.
Service delivery achievements	:	No service delivery achievements of note can be registered.
Reasons for achieving targets	:	A coordinated approach to work specifics was followed.
Reasons for not achieving targets	:	Targets were achieved.
The attainment of targets contributed in the following manner towards achieving the Provincial Treasury's outcomes	:	This sub-programme performs staff functions and it does not directly contribute towards achieving the Provincial Treasury's outcomes.

Programme 1: Administration

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 1.1: Office of the Provincial Minister			
Smooth and effective functioning of office, good integration with departments in Treasury and Tourism.	Minimum number of formal interactions held between the Minister and Treasury	20	17
	Minimum number of formal interactions held between the Minister and Tourism	20	14
	Maximum turnaround time on documents submitted or correspondence addressed to the Minister	7 working days	7 working days
Improve image of professional staff and the spheres of their jobs through capacity building	Number of people attending courses.	2 officials	2 officials
Co-ordinate events and dates for Minister to achieve her obligations with her two portfolios (Treasury and Tourism) to enhance accountability to the Public.	Number of preparatory engagements for Budget Day.	3	3
	Number of preparatory engagements for Medium-Term Budget Policy Statement (MTBPS).	3	3
	Number of preparatory engagements for Provincial, National and Local Medium-Term Expenditure Committee (MTEC) processes.	7	12
	Number of preparatory engagements for Tourism launch.	3	3
	Number of preparatory engagements for Tourism Indaba.	3	0
	Number of preparatory engagements for the International Tourism Guides.	3	0
Improve exposure of Minister in public domain through media.	Minimum number of calendar days to inform media in advance of event.	14	14
	Minimum number of days at which the speech is ready before the event.	1	1
	Number of media contacted per event namely:		
Newspapers	7	7	
Television	2	2	
Radio	6	6	

Programme 1: Administration			
Output	Output performance measures/service delivery indicators	Actual performance against target	
Sub-programme 1.1: Office of the Provincial Minister		Target	Actual
Interface between legislation; government and public. Be briefed on regular (daily) basis on political and constituency issues.	Frequency with which responses are prepared for parliamentary questions for Minister to answer in parliament (weekly).	48	38
	Frequency with which Minister meets with her constituency (bi-monthly).	8	8
	Frequency with which briefing documents are prepared for Minister to attend cabinet meetings (weekly).	48	41

Sub-programme 1.2 : Management Services

Purpose	:	To render strategic support and conduct overall planning.
Measurable Objectives	:	Contribute to improved coordination of management processes to deliver effective and quality services.
Service delivery achievements	:	No service delivery achievements of note can be registered.
Reasons for achieving targets	:	A coordinated approach to work specifics was followed.
Reasons for not achieving targets	:	Due to management partaking in the LG MTEC and the budget process, not all the TMM could take place to achieve the target.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	This sub-programme performs staff functions and it does not directly contribute towards achieving the Provincial Treasury's outcomes.

Programme 1: Administration			
Output	Output performance measures/service delivery indicators	Actual performance against target	
Sub-programme 1.2: Management Services		Target	Actual
Contribute to improved coordination of management processes to deliver effective and quality services.	Number of bi-monthly TMMs arranged.	20	9
	Number of quarterly extended TMMs arranged.	4	4
	Frequency at which monthly expenditure, revenue and projections are assessed.	12	12
	Number of PT Newsletters published.	4	1

Programme 1: Administration

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 1.2: Management Services			
	Date on which PT's calendar of events is compiled.	End of March 2008.	End of March 2008.
	Turnaround time on documents submitted and electronic correspondence for HOD.	1 working day	1 working day
	Development of departmental language policy.	March 2008	No progress
	Annual update of Provincial Acts and laws.	October 2007.	No progress

Sub-programme 1.3 : Corporate Services

Purpose	:	To partner with the business in developing a Human Capital Strategy aimed at attracting, developing and retaining Provincial Treasury employees aligned with the business objectives.
Measurable Objectives	:	Vacancies to be filled to enhance service delivery. Develop appropriate strategies and mechanisms for attracting and acquiring the desired employees. To design and develop a comprehensive training and development strategy (inclusive of a performance management system to develop and empower employee's capacity). Establish diverse and integrated workforce. Deliver effective and efficient human resource administration.
Service delivery achievements	:	External graduate programme was implemented and of the 19 people attended the programme, 15 were successful in obtaining permanent positions either at Provincial Treasury or other government departments. Implementation of an external bursary programme to assist with the attraction and retention of talent also started in late 2007 and will be pursued further during 2008.
Reasons for achieving targets	:	A pre-determined strategy involving all staff was implemented, such as changing the organisational and functional structure to ensure better supervision and flow of work and by allocating specific responsibilities to all staff. Achievements were rewarded through the system of SPMS.

Sub-programme 1.3 : Corporate Services

Reasons for not achieving targets : The realignment of structure and capacity to facilitate streamlined organisational service processes was explored, which culminated into the reconfiguration exercise that should be finalised in 2008/09.

The vacancy rate increased to 37% mainly due to the additional posts added to the internal audit component, which was finalised later than anticipated to fill more of these posts in 2007/08.

The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner : The Human Resource Management Unit in its role as one of the staff functions, contributed positively towards the Provincial Treasury, however external factors did not always make it possible for HRM to attain its goals.

Programme 1: Administration

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 1.3: Corporate Services		Target	Actual
Vacancies to be filled to enhance service delivery.	Minimum number of vacancies relative to frozen posts.	98	126
Develop appropriate strategies and mechanisms for attracting and acquiring the desired employees	Effective external Recruitment providers.	Utilising of approved service provider with effect from 1 April 2007.	Utilising of approved service provider with effect from 1 April 2007.
	Date at which recruitment policy reviewed for effectiveness	Reviewing of policy continues, with revised policy implemented 1 August 2007.	The recruitment policy will be included as part of the Talent Management Framework to be implemented in 2008/09.
	Implementation of external graduate program.	1 April 2007.	Implemented on 1 May 2007 and preparation commenced for the contracting of 42 students onto the programme.
	Awareness campaigns to be held at 4 academic institutions.	15 August 2007.	Academic institutions visited from the 24 - 28 September 2007.
	Date by which we would Participate at Career Expo.	31 July 2007	Career exhibition was the 23-27 July 2007.
	Number of articles to be published in quarterly corporate magazine.	4 articles	3 articles

Programme 1: Administration			
Output	Output performance measures/service delivery indicators	Actual performance against target	
Sub-programme 1.3: Corporate Services		Target	Actual
	Date for the implementation of a retention strategy for PT.	30 June 2007	The retention strategy will be included as part of the Talent Management Framework to be implemented in 2008/09.
To design and develop a comprehensive training and development strategy (inclusive of a performance management system to develop and empower employee's capacity).	Date at which new competency framework will be implemented.	30 November 2007	The competency framework will be included as part of the Talent Management Framework to be implemented in 2008/09.
	Date at which accredited training service providers are approved/appointed.	1 November 2007.	Work in progress
	Date at which annual Workplace Skills Plan (WSP) will be developed	30 June 2007	30 June 2007
	Number of employees to be trained and developed in priority generic areas as identified in WSP.	122	202
	Date at which PMS reviewed and integrated into transformation strategy.	30 November 2007.	The Performance Management System will be included as part of the Talent Management Framework to be implemented in 2008/09.
	Date at which Quality Management System (QMS) for training will be refined	1 November 2007	The Quality Management System will be included as part of the Talent Management Framework to be implemented in 2008/09.
	Total number of employees attending learning interventions:		
	ABET	2	2
Learner ships	2	0	
Job Rotation	4	13	
ADP	4	4	
Number of bursaries to PT employees awarded and reviewed.	90	79	

Programme 1: Administration			
Output	Output performance measures/service delivery indicators	Actual performance against target	
Sub-programme 1.3: Corporate Services		Target	Actual
Establish diverse and integrated workforce	Implementation of cultural assessment findings (inclusive of cultural imbizo).	Implementation of findings	Roll-out of Organisational Culture project to all managers from salary level 11 achieved and ongoing.
Deliver effective and efficient human resource administration	Adherence to prescribed policies and procedures together with work and performance plans	Clean audit report.	Clean audit report.
	Date at which employee job descriptions will be refined.	31 October 2007.	Adjustments to JD's initiated due to reconfiguration within the line components of the Treasury.

Sub-programme 1.4 : Financial Management

Purpose	:	To deliver financial management, supply chain management and specialised auxiliary services for the Treasury.
Measurable Objective	:	<p>Maintain and monitor an efficient and effective planning and budget management.</p> <p>Ledger accounts that accurately reflect the financial position of the Provincial Treasury.</p> <p>Fully functional payment system to improve financial management.</p> <p>To implement SCM requirements in line with legislation that will enhance service delivery.</p> <p>To accurately manage the assets of Provincial Treasury.</p> <p>Maintain effective risk management systems to reduce risks within Provincial Treasury.</p> <p>Adequate internal control measures are in place to enhance financial management standards.</p> <p>Drafting and revision of policies, procedures and prescripts to ensure improved compliance.</p> <p>Efficient control over debtors and creditors to enhance service delivery.</p> <p>Efficient system management (Syscon).</p> <p>Availability of vehicle fleet that is compliant to prescripts to meet the changing needs of Provincial Treasury</p> <p>Ensure adequate accommodation for Provincial Treasury.</p>

Sub-programme 1.4 : Financial Management

		<p>Compilation and maintenance of database of all general administration enquiries and associated instructions.</p> <p>Fully functional Information Resource Centre.</p> <p>Implementation of suitable mechanisms to facilitate accurate administration, monitoring and reporting of landline and cell phone accounts in respect of accountability.</p> <p>Fully functional approved filing system for document flow and document control.</p> <p>Good communication and co-ordination within the sections of Financial Management and other components within Provincial Treasury to improve transparency.</p>
Service delivery achievements	:	<p>The compilation of a comprehensive operational plan and four quarterly performance reports were completed successfully with improved controls over the IYM process.</p> <p>The department attained to achieve a 1.2% under spending on the Adjustment Budget.</p> <p>Improvements within financial accounting, improved controls over timely payments and the reduction of debtors have been attained.</p> <p>The SCM unit has become fully operational with a well-established Bid Committee (DBC) and departmental IT Committee (DITCOM).</p> <p>A consultant was appointed to help improve registry and document control functions.</p> <p>A consultant was appointed to assist with the accommodation needs of the Provincial Treasury.</p> <p>The library is functioning.</p>
Reasons for achieving targets	:	<p>Basically all targets as set out in the performance agreement of the CFO have been attained and concerted efforts were made with appointments to attain representivity.</p>
Reasons for not achieving targets	:	<p>Controls over LOGIS reports, physical asset controls and expenditure payments left room for improvement.</p>
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	<p>Service delivery to all components within the Treasury has improved with better IYM information and support to all the programmes with the compilation of their budgets and strategic plans. On the payments side, improvement has been made in the provision of goods and services and several bids were approved or amended to ensure that the Provincial Treasury attain its goals with communication, risk assessments and socio-economic research projects.</p>

Programme 1: Administration

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 1.4: Financial Management			
Maintain and monitor an efficient and effective planning and budget management.	Percentage variance between actual expenditure and approved budget.	1%	1.2%
	Expenditure in line with detailed budget per sub-programme and economic classification.	100%	88%
	Budget for the department submitted timeously:		
	Main budget	February	Final budget submitted by 22 February 2008
	Adjustments budget	November	Adjustments budget submitted by November 2007
	Number of Quarterly Performance Reports submitted.	4	4
	Monthly IYM report submitted and assessed by the due date.	15th of every month	15th of every month
	Annual Performance Plan tabled before the financial year begins.	March 2008	Tabled on 31 March 2008.
	Audited Annual Report submitted by due date.	August 2007	September 2007
Frequency at which the Management Accounting database is updated.	Monthly	Monthly	
Ledger accounts that accurately reflect the financial position of the Provincial Treasury	Number of days for clearing of ledger control accounts.	30 days.	30 days.
	Number of days to complete reconciliation after month close.	12 days.	12 days.
	Number of management information tools to reflect the Provincial Treasury's records.	14	24
Fully functional payment system to improve financial management.	Number of days to process accounts received.	30 days	30 days
	Accuracy of account management system in terms of auditors' rating.	2% error margin	2% error margin

Programme 1: Administration

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 1.4: Financial Management			
To implement SCM requirements in line with legislation that will enhance service delivery.	Percentage of service delivery complaints addressed.	95%	95%
	Days' turnaround time to address complaints.	5 days	5 days
	Frequency of Departmental Bid Committee meetings.	Monthly	Monthly
	Frequency of Departmental Information Technology Meetings	Monthly	Monthly
	Communication with clients on procedures concerning SCM through Admin Instructions.	Quarterly	Quarterly
	Number of incorrect purchases.	0	0
	Number of internal orders returned due to non-compliance with procedures.	24	7
	Percentage of external orders returned due to non-compliance with procedures.	0%	0%
To accurately manage the assets of Provincial Treasury.	Stock take of assets and maintain asset register.	Annually	Annually
	Stock take of store inventory	Bi-annually	Stocktaking finalised by 31 March 2008
	Reconciliation between LOGIS and BAS	Monthly	Monthly
	Disposal reports on obsolete and redundant assets.	Quarterly	Quarterly
Maintain effective risk management systems to reduce risks within Provincial Treasury.	Facilitation of risk identification process.	Annually	Still to be developed
	Maintenance of risk management database and reporting mechanisms.	Monthly	Still to be developed
	Number of reports on consolidated risk profile.	4 Reports	No Reports

Programme 1: Administration

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 1.4: Financial Management			
Adequate internal control measures are in place to enhance financial management standards.	Effective and efficient performance of financial inspections.	Monthly	Monthly
Drafting and revision of policies, procedures and prescripts to ensure improved compliance.	Frequency of reviewing policies and prescripts.	Quarterly	1 Review
Efficient control over debtors and creditors to enhance service delivery.	Days to follow up debtors	30-day cycles	30-day cycles
	Days to pay creditors	<30 days	<30 days
Efficient system management (Syscon)	Frequency of maintenance checks on BAS	Monthly	Monthly
Availability of vehicle fleet that is compliant to prescripts to meet the changing needs of PT	Frequency of maintenance checks on LOGIS	Monthly	Monthly
	Frequency of vehicle needs analysis and review of prescripts	Monthly	Monthly
Ensure adequate accommodation for Provincial Treasury	Facilitate consultation between PT and Department of Public Works and Transport (DPWT) to assess the accommodation needs of PT.	Monthly	Monthly
Compilation and maintenance of database of all general administration enquiries and associated instructions.	Maintenance of database and Regular follow-ups on enquiries.	Weekly	Weekly
Fully functional Information Resource Centre	Number of staff with access to resource centre services.	150	150
	Percentage of customers' queries resolved satisfactorily	80%	80%
Implementation of suitable mechanisms to facilitate accurate administration, monitoring and reporting of landline and cell phone accounts in respect of accountability.	Frequency of submitting debit lists and cell phone accounts to Financial Accounting	Monthly	Monthly

Programme 1: Administration

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 1.4: Financial Management			
Fully functional approved filing system for document flow and document control.	Number of submissions of the File Plan to Provincial Archives for approval	4 submissions	0
	Percentage of inadequacies addressed as recommended by internal control inspections.	100%	90%
	Number of new policies and file plan implemented.	4	2
	Percentage of a system of physical and electronic document control developed.	80%	80%
Good communication and co-ordination within the sections of Financial Management and other components within Provincial Treasury to improve transparency.	Number of directorate meetings	9	7
	Percentage of fora relevant to Financial management attended	65%	65%
	Date on which the Financial management database is developed and maintained.	September 2007	September 2007
	Number of management information tools determined for Directorate's meeting.	4	4
	Number of control mechanisms in place and updated monthly.	9	9

2.2 Programme 2: Sustainable Resource Management

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

Sub-programme 2.1 : Programme Support

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

Programme 2: Sustainable Resource Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.1: Programme Support			
Smooth and effective functioning of the component.	Hours turn around time for management of operational finances, human resources and logistical issues.	24 hours	24 hours.
Trained and capacitated administrative support and line function staff.	Number of training interventions per staff member.	2	2

Sub-programme 2.2		: Economic Analysis
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Purpose	:	To conduct macro and socio-economic analysis and render policy advice, i.e. to determine and analyse key economic variables, their interrelation and relevance to the provincial and municipal budgets.
Measurable Objectives	:	Analyse and monitor macro and socio-economic trends to render policy advice. Provide advice on socio-economic issues to contribute to improving alignment of policies and the spatial distribution of resources. Provide technical assistance and training to improve stakeholder understanding and practical application of socio-economic data. Disseminating information to other stakeholders in the province.
Service delivery achievements	:	The socio-economic environment at provincial level was analysed and published in the PER&O. Socio-economic scans was provided on all local and district municipalities. The socio-economic backdrop required for the budget processes such as the Medium-term Budget Policy Statement (MTBPS) and the Budget Review was provided.
Reasons for achieving targets	:	The products (PERO & SEP-LG) need a team approach. SEP-LG was produced by the EA team and with the assistance of the external providers. External contractors and the EA team drove the production of the PERO.
Reasons for not achieving targets	:	High staff turnover has led to some of the targets to be carried over to 2008/09.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	The 2007 PERO provided a robust socio-economic analysis that conceptualises the environment in which the lead strategies are compiled, thereby informing the 2008 Budget.

Programme 2: Sustainable Resource Management			
Output	Output performance measures/service delivery indicators	Actual performance against target	
Sub-programme 2.2: Economic Analysis		Target	Actual
Analyse and monitor macro and socio-economic trends to render policy advice.	Date at which Provincial Economic Review and Outlook (PER&O) is published.	PER&O 2007 to be published on 30 May 2007 plus preparatory work done for PER&O 2008.	PER&O 2007 published in June 2007 plus preparatory work done for PER&O 2008.
	Date at which the Socio-Economic Profile-Local Government (SEP-LG) is published.	November 2007	November 2007
	Percentage satisfaction by clients and appropriate to their needs to be determined by sample survey.	80% of sample based on 2007 PER&O and 2006 SEP-LG .	Did not materialise
	Quarterly economic reviews.	2 reviews	None
Provide advice on socio-economic issues to contribute to improving alignment of policies and the spatial distribution of resources.	Number of assessment reports on provincial departments.	7 reports on key departments for each MTEC.	4 reports completed
	Modelling of levers impacting on variables.	Advice to departments and municipalities on reprioritisation.	Advice to departments used in MTPBS 2008-2011 chapter
	Number of municipal assessment reports that feed into the IDPs and municipal budgets.	30 reports	6 reports: 1 metro and 5 at district level
	Number of IDP assessments.	30 assessments	6 reports: 1 metro and 5 at district level
Provide technical assistance and training to improve stakeholder understanding and practical application of socio-economic data.	Effective stakeholder engagements held with municipalities.	Focus on 5 district municipalities for technical assistance and training.	All 5 districts covered.
	Provincial departments.	Focus on 7 Provincial Departments for technical assistance and training.	1
Disseminating information to other stakeholders in the province.	The degree to which the municipalities change their expenditure patterns.	Consideration, commitments to recommendations and discussion of Provincial input by Councils	Work in progress
	The degree to which the departments change their expenditure patterns.	Consideration, commitments to recommendations and discussion of EA's findings by Departments	Work in progress

Sub-programme 2.3	:	Fiscal policy: Provincial government
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Purpose	:	To enable the provincial government to finance its service delivery obligations.
Measurable Objectives	:	<p>Improve participation in the intergovernmental medium term revenue planning processes to optimise revenue from current source.</p> <p>Adequate mechanisms in place for improved In-year revenue management.</p> <p>Adequate measures and mechanisms in place for identification of new revenue sources to increase provincial own revenue.</p> <p>Adequate mechanisms in place to optimise own revenue.</p> <p>Adequate mechanisms in place to improve debtor management.</p> <p>Monitoring and oversight over the Western Cape Gambling and Racing Board (WCGRB) to promote good governance and optimise revenue.</p>
Service delivery achievements	:	<p>Analysed the provincial equitable share formula and conditional grant transfers from the Western Cape's perspective and it was a key input into the fiscal framework review being conducted by the Technical Committee on Finance (TCF), supported by the FFC as well as input into the budget processes.</p> <p>Determining the overall financing envelope for the Western Cape's MTEF.</p> <p>A quantitative analysis of provincial own revenue and commenced with the reporting on provincial debt.</p>
Reasons for achieving targets	:	With posts not being filled some of the work was outsourced to external service providers.
Reasons for not achieving targets	:	The Unit lost staff and with the reconfiguration exercise, some of the functions were shifted to Provincial Government Finance. These posts were not filled during the year, which resulted in some of the work being carried over to 2008/09.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	A thorough understanding of revenue sources allowed the unit to manage, optimise and expand revenue thereby ensuring that the Provincial Treasury was able to meet expenditure obligations.

Programme 2: Sustainable Resource Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.3: Fiscal Policy: Provincial Government			
Improve participation in the intergovernmental medium term revenue planning processes to optimise revenue from current source.	Position paper to state the Western Cape's proposals on the Provincial Fiscal Architecture	Finalised position paper by end of June 2007	Inputs for the position paper was submitted to the FFC and will be finalised in 2008/09.
	Compliance framework for Division of Revenue Act (DORA) produced.	Finalise framework by end of April 2007.	The DORA has been complied with.
	Inputs into Medium-Term Budget Policy Statement (MTBPS), Adjustments budget, budget overview and Estimates of Expenditure	Meeting of due dates as per Budget calendar.	Due dates met.
	Number of assessment reports per main revenue source.	29 assessment reports	4 consolidated reports..
Adequate mechanisms in place for improved In-year revenue management.	Time at which IYM reports are produced	22nd of each month and 30 days after end of each quarter.	22nd of each month and 30 days after end of each quarter.
	Number of IYM reports.	13 Departmental and 1 consolidated report each month and per quarter.	13 Departmental and 1 consolidated report each month and per quarter.
	Tabling of fuel levy legislation in Provincial Parliament.	Fuel levy legislation to be tabled in March 2008 in Provincial Parliament.	National Treasury, as per 2008 Budget Review, is considering a possible alternative to the fuel levy.
Adequate measures and mechanisms in place for identification of new revenue sources to increase provincial own revenue	Cabinet approval of tourism-related and other taxes.	Cabinet approval of Tourism related and other taxes by 30 September 2007.	Work in progress.
	Number of progress reports to MEC on new taxes.	Quarterly progress reports on new taxes reports.	Work in progress.
Adequate mechanisms in place to optimise own revenue.	Adoption and piloting of a revenue estimation and forecasting model.	Further refinement and implementation of NT model.	Work in progress.
	Completion of Motor vehicle License Fees incidence study and associated proposals.	Study finalised.	Study to be completed in 2008/09.
	Completion of review into GMT.	Completed review.	Work in progress

Programme 2: Sustainable Resource Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.3: Fiscal Policy: Provincial Government			
Adequate mechanisms in place to improve debtor management	Quarterly debtors reports produced.	4 Quarterly Debt management reports.	2 Quarterly Debt management reports.
Monitoring and oversight over the Western Cape Gambling and Racing Board (WCGRB) to promote good governance and optimise revenue.	Review of the tax regime.	Updated tax regime.	Work in progress
	Splitting of gambling legislation into a tax and functional component.	Splitting of WCGRB.	Work in progress

Sub-programme 2.4 : Fiscal policy: Local government

Purpose	:	To facilitate local government with financing its service delivery obligations.
Measurable Objectives	:	Credible Medium-Term Revenue Expenditure Framework (MTREF) and Provincial/Local Interface to improve the alignment of the planning and revenue priorities of provincial and local government. Adequate mechanisms in place for improved in-year revenue management. Relevant and effective advisory service to improve compliance within the local government financial legislation framework.
Service delivery achievements	:	With the reconfiguration exercise the functions was shifted to Local Government Finance and will be reported on there. A holistic approach was followed where the revenue and expenditure was looked at together.
Reasons for achieving targets	:	
Reasons for not achieving targets	:	
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.4: Fiscal Policy: Local Government			
Credible Medium-Term Revenue Expenditure Framework (MTREF) and Provincial/Local Interface to improve the alignment of the planning and revenue priorities of provincial and local government.	Inputs into Medium term budget policy statement, Adjustments budget, budget overview and Estimates of Expenditure	Meeting of due dates as per LG-Budget calendar.	Due dates met
	Number of assessment reports per municipality.	30 assessment reports	30 assessment reports
Adequate mechanisms in place for improved in-year revenue management.	Time at which IYM reports are produced.	22nd working day of each Month.	22nd working day of each Month.
	Number of IYM reports produced.	Consolidated report 30 days after end of quarter.	Consolidated report 30 days after end of quarter.
	Number of gazetted revenue reports consolidated with the expenditure side produced by Public Finance (Local Government) and tabled in Provincial Parliament.	4 gazetted reports.	4 gazetted reports.
	Number of service delivery visits to enhance knowledge of Municipalities.	120 Municipal service delivery visits.	120 Municipal service delivery visits.
Relevant and effective advisory service to improve compliance within the local government financial legislation framework.	Number of written responses to requests for advice.	5 reports	2 reports and ongoing, verbal, electronic and written advice to municipalities

Sub-programme 2.5 : Budget Management

Purpose	:	To promote effective financial resource allocation.
Measurable Objectives	:	<p>Drive strategy and publication of medium term fiscal policy which activates/enables implementation of national, provincial and departmental policy priorities and achievement of desired socio-economic outcomes.</p> <p>Recommend financial resource allocation (within and between departments) which activates/enables implementation of national, provincial and departmental policy priorities and achievement of desired socio-economic outcomes</p> <p>Assess efficacy and efficiency of departmental spending and performance.</p> <p>Promote co-operation across units within Provincial Treasury to better understand situation and challenges of local government.</p>

Sub-programme 2.5 : Budget Management

Ensure proper electronic filing system managed efficiently.
 Provide analysis and support to municipalities in the drafting of their budgets in order to improve quality and alignment between municipal and provincial budgets.
 Provide oversight of municipal budget process to improve alignment.
 Track and assess local government budget implementation against SDBIP for efficiency and effectiveness of service delivery.

Service delivery achievements : MTBPS approved by Cabinet and tabled in November 2007.
 Final budget allocations approved by Cabinet and subsequently tabled in the Provincial Legislature in March 2008.
 Quarterly non-financial information for all votes was submitted to NT by the due dates.
 Final allocation was in line with the national and provincial policy priorities that were achieved through the MTEC engagements.

Reasons for achieving targets : Vacancies were kept to the minimum and the appointment of a strong team of economists with appropriate level of skills and expertise.

Reasons for not achieving targets : Not applicable

The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner : Allocations aligned with the WC-MTBPS 2008 – 2011.

Programme 2: Sustainable Resource Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.5: Budget Management			
Drive strategy and publication of medium term fiscal policy which activates/enables implementation of national, provincial and departmental policy priorities and achievement of desired socio-economic outcomes.	Date of tabling of the MTBPS.	WC-MTBPS 2008 – 2011 tabled in Nov 2007.	WC-MTBPS 2008 – 2011 tabled in Nov 2007.
	Quality of MTBPS.	Executive approval of MTBPS.	Executive approval of MTBPS.

Programme 2: Sustainable Resource Management			
Output	Output performance measures/service delivery indicators	Actual performance against target	
Sub-programme 2.5: Budget Management		Target	Actual
	Quality of discussion at bilateral MTEC 1 engagements with provincial departments and extent to which they impact on quality of policy and budget planning for upcoming MTEF.	MTEC reports completed and recommendations considered by departments.	MTEC reports completed and recommendations considered by departments.
Recommend financial resource allocation (within and between departments) which activates/enables implementation of national, provincial and departmental policy priorities and achievement of desired socio-economic outcomes	Quality of discussion at bilateral MTEC 2 engagements with provincial departments and extent to which they impact on quality of policy and budget planning for upcoming MTEF.	MTEC reports completed and recommendations considered by departments.	MTEC reports completed and recommendations considered by departments.
	Date of tabling of Main Budget (Feb).	2008/09 Budget tabled within 2 weeks of national budget day.	Main Budget tabled on 4 March 2008
	Cabinet submission for final allocations	Executive approval of 2007/08 final allocations.	Executive approved the Budget 2008 allocations.
	Quality of Budget Overview	Favourable consideration by the Budget Committee	Favourable consideration by the Budget Committee.
	Baseline Analysis distributed internally.	Baseline analysis distributed internally prior to MTEC 1 and considered by departments	Baseline analysis distributed internally prior to MTEC 1 and considered by departments.
	Submission of non-financial quarterly IYM reports to NT and Budget Committee on deadlines (May, August; November; February).	All QPRS received, assessed and forwarded to NT and Budget Committee on deadline.	All Quarterly Performance Reports (QPRs) received, assessed and forwarded to NT and Budget Committee on deadline.
	Business Insight Folder (BIF) system utilised for provincial MTEC processes.	Contribution/ involvement from multiple components of PT in MTEC assessments.	Contribution involvement from multiple components of PT in MTEC 2 assessments.

Programme 2: Sustainable Resource Management			
Output	Output performance measures/service delivery indicators	Actual performance against target	
Sub-programme 2.5: Budget Management		Target	Actual
Promote co-operation across units within Provincial Treasury to better understand situation and challenges of local government.	BIF system utilised for local government MTEC processes.	Contribution involvement from multiple components of PT in MTEC. 3 assessments.	Contribution involvement from multiple components of PT in MTEC. 3 assessments
Ensure proper electronic filing system managed efficiently.	Electronic documents accessible on PT database.	Further development	Maintained and updated with the latest information as received.
Provide analysis and support to municipalities in the drafting of their budgets in order to improve quality and alignment between municipal and provincial budgets.	Quality of engagements and assessments.	Consideration, commitments to recommendations and discussion of Provincial input by Councils	Consideration commitments to recommendations and discussion of Provincial input by Councils.
	Number of draft budget assessments	30	30
	Due date of assessments	30 April	30 April
Provide oversight of municipal budget process to improve alignment.	Timely receipt of tabled and adopted budgets and on-line publication of adopted budget.	90% implementation.	100% collection of electronic or hard copies of tabled budgets.
Track and assess local government budget implementation against SDBIP for efficiency and effectiveness of service delivery.	Number of assessments of 2007/08 SDBIPs	30	27
	Due date of assessments of 2007/08 SDBIPs	31 August	Assessments completed by 31 August.
	Number of assessments of 2007/08 mid year performance reports against SDBIPs	30	Not applicable due to non submission of mid-year reports, decision taken that mid-year assessments to feed into LGMTEC 3
	Due date of assessments of 2007/08 mid year performance reports against SDBIPs	28 February	Revised date is in April/May of the new financial year

Sub-programme 2.6	:	Programme Support: Public Finance
Purpose	:	To facilitate the efficient and co-ordinated administration and management of the sub-programme: Programme Support: Public Finance.
Measurable Objectives	:	Smooth and effective functioning of the component. Trained and capacitated administrative support and line function staff.
Service delivery achievements	:	No service delivery achievements of note can be registered.
Reasons for achieving targets	:	A coordinated approach to work specifics was followed.
Reasons for not achieving targets	:	Not applicable.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	This sub-programme performs staff functions and it does not directly contribute towards achieving the Provincial Treasury's outcomes.

Programme 2: Sustainable Resource Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.7: Programme Support: Public Finance			
Smooth and effective functioning of the component.	Hours turnaround time for management of operational finances, human resources and logistical issues.	24 hours.	24 hours.
Trained and capacitated administrative support and line function staff.	Number of training interventions per staff member.	2	2

Sub-programme 2.7	:	Provincial Government Finance
Purpose	:	To ensure efficient budget management in provincial departments.
Measurable Objectives	:	Relevant and effective advisory service. Credible MTEF and Adjustments Budget to improve transparency and alignment. Adequate mechanisms in place for improved in-year expenditure management.

Sub-programme 2.7 : Provincial Government Finance

Service delivery achievements : An assessment of the annual Budget 2008 that contributed towards ensuring that the distribution of budget allocations within votes are aligned with policy priorities and that the budget is technically sound.

IYM reporting information has been augmented with analytical and explanatory narrative reports to encourage the development of interpretive skills in Provincial Treasury and provincial departments as well as to promote and enforce effective management of expenditure and revenue.

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

Reasons for not achieving targets : Turnover of staff resulted in some of the targets not being met.

The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner : It contributed towards achieving the Provincial Treasury's outcomes by ensuring efficient budget management.

Programme 2: Sustainable Resource Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.7: Provincial Government Finance			
Relevant and effective advisory service.	Maximum turnaround time to provide quality advice relating to efficient in-year budgets management.	10 working days.	10 working days.
Credible MTEF and Adjustments Budget to improve transparency and alignment.	Inputs into Medium term budget policy statement, budget overview and Estimates of Expenditure.	Meeting of due dates as per Budget calendar.	Due dates met.
		Bilateral MTEC hearings in September/ October and January. 3 Assessed- budget documents per department.	MTEC hearings held in September and January. 3 Assessed budget documents per department.
	Compile and collate the Adjustments Estimates.	Adjustment budget bill and schedules tabled within one month of national adjustments.	Adjustment budget bill and schedules tabled within one month of national adjustments.

Programme 2: Sustainable Resource Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
Sub-programme 2.7: Provincial Government Finance		Target	Actual
Adequate mechanisms in place for improved in-year expenditure management.	Time at which IYM reports are produced. Number of IYM reports.	22nd of each Month. 30 days after end of quarter 13 Departmental and 1 consolidated report each month and per quarter	22nd of each Month. 30 days after end of quarter 13 Departmental and 1 consolidated report each month and per quarter
	Maximum levels of under spending. Time of trend analysis report.	Quarterly and annual performance analysis reports to prevent over-spending, smoothing of expenditure and limit under-spending to 1% overall.	Quarterly and annual performance analysis reports to prevent over-spending, smoothing of expenditure and limit under-spending to 1% overall.
	Number of reports to Cabinet and Budget Committee.	8 Quarterly expenditure and performance reports to Cabinet and Budget Committee.	5 Reports.
	Number of efficiency reports on a quarterly basis focusing on conditional grants, compensation of employees, transfer payments, earmarked allocations and goods and services.	5 Reports.	2 Reports.
	Number of service delivery visits to enhance knowledge of Departments.	48 departmental service delivery visits	24 visits.
	Date at which IYM tool for public entities is in place.	Co-ordinated development of public entity in-year monitoring reporting tool by September 2007.	Template for reporting on expenditure and revenue formulated and distributed.

Sub-programme 2.8	:	Local Government Finance
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Purpose	:	To ensure efficient budget management in municipalities.
Measurable Objectives	:	<p>Relevant and effective advisory service to improve compliance with the local government financial legislation framework.</p> <p>Credible MTREF and Provincial/Local Interface to improve the alignment of the planning and expenditure priorities of provincial and local government.</p> <p>Adequate mechanisms in place for improved in-year expenditure management.</p> <p>Functional intra and inter governmental co-ordinating structures and institutions (forums) that relate to planning and financial matters.</p>
Service delivery achievements	:	<p>Monthly assessment and consolidated In-Year-Monitoring (IYM) reports and quarterly publication to reflect the performance of municipalities that is in line with their budgeted revenue collection. Expenditure projections in line with their budgeted Expenditure thereby ensuring sustainability and credibility of revenue and expenditure budgets.</p> <p>Quarterly visits to all 30 municipalities, ensuring efficient budget implementation and to provide support and advise on MFMA related matters.</p> <p>A debt management forum was created between the Province and the City of Cape Town to resolve financial disputes and it is in the process of being rolled out to all district municipalities.</p>
Reasons for achieving targets	:	Targets were achieved due to dedication and commitment of all staff even though there were vacancies.
Reasons for not achieving targets	:	Not applicable
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	It contributed towards achieving the Provincial Treasury's outcomes by ensuring efficient budget management.

Programme 2: Sustainable Resource Management			
Output	Output performance measures/service delivery indicators	Actual performance against target	
Sub-programme 2.8: Local Government Finance		Target	Actual
Relevant and effective advisory service to improve compliance with the local government financial legislation framework.	Maximum turnaround time to provide quality advice relating to efficient in-year budgets management.	10 working days.	10 working days.
Credible MTREF and Provincial/ Local Interface to improve the alignment of the planning and expenditure priorities of provincial and local government.	Inputs into Medium term budget policy statement, Adjustments budget, budget overview and Estimates of Expenditure	Meeting of due dates as per LG-Budget calendar.	Due dates met.
	Number of assessment reports per municipality.	30 assessment reports	30 assessment reports
	Date of publication of allocations to municipalities during the main and adjusted budget process in line with the prescribed formats and timelines.	March 2008	4 March 2008
Adequate mechanisms in place for improved in-year expenditure management.	Time at which IYM reports are produced.	22nd working day of each month.	22nd working day of each month.
	Number of IYM reports produced.	1 Consolidated report 30 days after end of quarter.	1 Consolidated report 30 days after end of quarter.
	Number of gazetted expenditure reports consolidated with the revenue side produced by Fiscal Policy (Local Government) submitted to Cabinet and tabled in Provincial Parliament.	4 gazetted reports.	4 gazetted reports.
	Number of service delivery visits to enhance knowledge of Municipalities.	120 Municipal service delivery visits	120 Municipal service delivery visits
Functional intra and inter governmental co-ordinating structures and institutions (forums) that relate to planning and financial matters.	Relevant and effective co-ordination.	Full implementation of operational plan.	Full implementation of operational plan.
	Number of CFO Forums.	4 quarterly CFO Forum meetings	4 quarterly CFO Forum meetings
	Timely submission of return forms.	Submission of quarterly return forms within 30 days of end of quarter.	Submission of quarterly return forms within 30 days of end of quarter.

2.3 Programme 3: Asset and Liabilities Management

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

Sub-programme 3.1 : Programme Support

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

Programme 3: Asset And Liability Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 3.1: Programme Support			
Smooth and effective functioning of the component.	Hours turnaround time for management of operational finances, human resources and logistical issues.	24 hours.	24 hours.
Trained and capacitated administrative support and line function staff.	Number of training interventions per staff member.	2	2

Sub-programme 3.2 : Financial Asset Management

Purpose	:	To facilitate the effective and efficient management of financial assets.
Measurable Objectives	:	<p>Improve the performance of the Provincial Revenue Fund (PRF) to minimise borrowing costs and maximise returns from investments.</p> <p>Build provincial capacity to contribute to improvement of management of financial assets.</p> <p>Facilitate the implementation of the MFMA to improve cash management and reporting.</p>
Service delivery achievements	:	<p>During the financial year the banking accounts remained cash positive. A variance between transfers and actual expenditure of less than 1% was maintained.</p> <p>On average an interest rate of prime minus 3.5% was earned on investments exceeding 30 days.</p> <p>In terms of the MFMA, a database of primary banking account details, contact names and details of each municipality was established.</p>
Reasons for achieving targets	:	Thorough planning, timeous action, commitment and co-operation of all relevant role players contributed to the successful achievement of most of the set targets.
Reasons for not achieving targets	:	Not applicable
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	The component succeeded in establishing more effective cash flow management in all provincial departments and started to play a roll in the cash management of municipalities.

Programme 3: Asset and Liabilities Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 3.2: Financial Asset Management			
Improve the performance of the Provincial Revenue Fund (PRF) to minimise borrowing costs and maximise returns from investments.	The daily deviation between transfers and actual expenditure.	2%	2%
	The weekly manual releasing of payments on BAS as per the prescribed payment schedule.	Pre-determined weekly dates.	Achieved
	Facilitate and monitor the PRF to ensure that all moneys due are received in accordance with the mutually agreed upon national payment schedule.	Pre-determined weekly/ monthly date	Achieved

Programme 3: Asset and Liabilities Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 3.2: Financial Asset Management			
	Submission of Annual Financial Statements to satisfaction of the office of the Auditor-General.	End of August	End of August.
	Annual submission of the consolidated Provincial cash flow projections in terms of the PFMA on a predetermined date by NT.	March	13 March
	Daily investment of surplus funds at reputable financial institutions and Corporation of Public Deposits (CPD) in accordance with an approved investment policy.	Budgeted figure, subject to economic variables, eg. Inflation.	Achieved
Build provincial capacity to contribute to improvement of management of financial assets.	Accessibility to a fully operational helpdesk managed by skilled staff rendering service to all users.	9 hours per day	9 hours per day
Facilitate the implementation of the MFMA to improve cash management and reporting.	Number of municipalities monitored and advised according to the MFMA.	30 municipalities	30 municipalities
	Assessments of the IYM submitted by municipalities in respect of cash flow management and provide feedback and guidance.	30 municipalities	30 municipalities

Sub-programme 3.3 : Moveable assets management

Purpose	:	To facilitate the effective and efficient management of moveable assets.
Measurable Objectives	:	<p>Assist provincial departments and municipalities in improving the efficiency of their SCM activities.</p> <p>To provide strategic leadership and guidance to provincial departments and municipalities for a cost effective and value for money SCM process.</p> <p>To monitor provincial departments and municipalities to improve good governance and value creation in SCM.</p> <p>Provincial departments and municipalities were assisted with the improving of the efficiency of their SCM activities through amongst other facilitating and arranging SAMDI / National Treasury training and facilitating the Asset Management / SCM Forums.</p> <p>Develop and promote BBBEE and supplier development, in liaison with the Department of Economic Development and Tourism through engaging in a consultative process in developing a draft Preferential Procurement policy.</p>
Service delivery achievements	:	Perform SCM assessments (including compliance and value for money assessments) on 12 institutions of Department of Health and 4 provincial departments as well as 5 municipalities. Undertook interventions to address critical/deficient areas as emanated from the compliance assessment process for both provincial departments and municipalities.
Reason for achieving targets	:	Conscientious effort and diligent officials
Reason for not achieving targets	:	<p>Not achieved target on implementation on BEE policy and complaints mechanism as a result of national policy not being finalised.</p> <p>Comments on the Transversal contracts are being awaited from the departments for it to be finalised in 2008/09.</p>
The attainment of target contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	Rolling out SCM best practice to departments and municipalities' results in better asset management and accountability.

Programme 3: Asset and Liabilities Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 3.3: Movable Assets Management			
Assist provincial departments and municipalities in improving the efficiency of their SCM activities.	Number of training interventions arranged on SCM for provincial departments.	3 training interventions.	1 training intervention
	Number of training interventions arranged on SCM for municipalities.	2 training interventions.	2 training Sessions
	Develop Practice Notes and Guidelines for municipalities on SCM.	Determined by National Treasury and own assessments.	Determined by National Treasury and own assessments.
	Issue of PTI's, Practice Notes and Guidelines to provincial departments on SCM and Asset Management.	Determined by National Treasury and own assessments.	Determined by National Treasury and own assessments.
To provide strategic leadership and guidance to provincial departments and municipalities for a cost effective and value for money SCM process.	Number of provincial transversal contracts arranged.	3 transversal contracts	Work in progress
	Number of municipal transversal contracts arranged.	1 transversal contract.	Work in progress
	Number of provincial procurement reports on bids awarded per vote.	12 reports	12 reports
	Develop and promote a BBEE/SMME supplier development programme for provincial departments in liaison with Economic Development and Tourism.	An acceptable model or policy in place.	Work in progress
To monitor provincial departments and municipalities to improve good governance and value creation in SCM.	Number of SCM value for money and asset management assessments of provincial departmental sites.	12 assessments.	12 assessments.
	Number of value for money SCM assessments of municipalities.	5 assessments.	5 assessments

Sub-programme 3.4	:	Immoveable assets management
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Purpose	:	To facilitate the effective and efficient management of immovable assets (including the built environment and housing) and to facilitate and enhance quality public service delivery by being a catalyst for effective, efficient and value for money best practice solutions.
Measurable Objectives	:	<p>Successful implementation of the Infrastructure Delivery Improvement Plan (IDIP).</p> <p>Facilitate the development of provincial asset management guidelines to improve immoveable asset management.</p> <p>Effective and efficient monitoring of infrastructure delivery.</p> <p>Monitor the utilisation of provincial properties to enhance maximum use.</p>
Service delivery achievements	:	<p>Facilitated the refinement processes on infrastructure reporting.</p> <p>Engage with Public Works on specific areas indicated in the White Paper on Property Management, Government Immoveable Asset Management Act and Asset Management Guidelines.</p> <p>Submissions for property disposal and acquisitions were evaluated.</p>
Reason for achieving targets	:	Most targets were achieved due to commitment and dedication of all staff.
Reason for not achieving targets	:	As a result of the absence of a property disposal plan it was not possible to monitor disposals.
The attainment of target contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	The component assisted in the drive to achieve proper asset management.

Programme 3: Asset and Liabilities Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 3.4: Immovable Assets Management			
Successful implementation of the Infrastructure Delivery Improvement Plan (IDIP).	Number of departments and municipalities participating in IDIP.	Education, Transport and Public Works, and Health participating in IDIP.	Implemented in 3 departments and 3 municipalities.
	Number of business cases (as is assessment and recommendation arising) implemented.	Start with the implementation of business case in Health and continue with business cases in Education and Transport and Public Works.	Implementation of business cases in the 3 departments.
	Number of annual assessment and submission of departmental Infrastructure Plans, Infrastructure Programme Management (IPMP) and Infrastructure Implementation Plan (IPIP) to National Treasury.	Infrastructure Plans of Health, Transport and Public Works, Agriculture and Education submitted to National Treasury.	3 submissions to National Treasury. Agriculture was excluded.
Facilitate the development of provincial asset management guidelines to improve immoveable asset management.	Compile and update provincial asset management guidelines according to GIAMA.	Initial research, subsequent to guidelines that will be promulgated in 2007/08.	Work in progress
Effective and efficient monitoring of infrastructure delivery.	Number of site visits conducted and performance reports (including housing, roads and transport projects) submitted.	4 site visits and performance reports.	4 site visits and performance reports.
	Number of infrastructure reports compiled and compliant to IDIP/ NT Guidelines.	4	4
Monitor the utilisation of provincial properties to enhance maximum use.	Number of utilisation reports from departments (Education and Public Works) assessed.	2 (one each)	Work in progress
	Number of days responsive to disposal assessments.	5 days	4 days

Sub-programme 3.4	:	Immoveable assets management (PPPs)
Purpose	:	To facilitate the effective and efficient management of immoveable assets and to elicit sustainable Public Private Partnership (PPP) projects.
Measurable Objectives	:	Facilitate and support in liaison with accounting officers the implementation of PPP projects to improve quality of service delivery. Promote PPP projects in departments and municipalities to obtain value for money. Provide assistance with identification and initiation of PPP projects to maximise value for money from each project. Monitor and enforce compliance with Treasury Regulations. Capacitate departments and municipalities about PPPs.
Service delivery achievements	:	Facilitating knowledge and information exchange across the Western Cape provincial departments and public entities through the maintenance of close working relationships with the procuring department across the full range of PPP procurement activity. Facilitated a municipal PPP training workshop in the Province
Reasons for achieving targets	:	Targets were achieved due to commitment and dedication of all staff.
Reasons for not achieving targets	:	Still need to obtain the buy-in from the Department of Education to seriously engage in a school PPP.
The attainment of target contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	The component assisted in to achieve value for money.

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 3.4: Immoveable Assets Management (PPPs)			
Facilitate and support in liaison with accounting officers the implementation of PPP projects to improve quality of service delivery.	Amount of time taken to respond to PPP project requests.	Respond to requests within 20 working days.	Responded to request within 20 working days or less
Promote PPP projects in departments and municipalities to obtain value for money.	Number of PPP projects facilitated and co-ordinated.	Minimum of 12 interactions.	21 interactions.

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 3.4: Immovable Assets Management (PPPs)			
Provide assistance with identification and initiation of PPP projects to maximise value for money from each project.	Number of departments and municipalities engaged in promotion activities.	3 Additional municipalities. 1 Additional Provincial department.	3 departments and 23 municipalities
Monitor and enforce compliance with Treasury Regulations.	Number of projects monitored post registration.	3 municipal projects. 9 provincial projects.	4 municipal projects. 2 provincial projects.
Capacitate departments and municipalities about PPPs.	Number of projects monitored post-financial closure.	2 provincial closed deals monitored.	2 provincial closed deals monitored.
	Number of training sessions/workshops.	4 training sessions.	2 training sessions

Sub-programme 3.5 : Liabilities Management

Purpose	:	To facilitate the effective and efficient management of liabilities.
Measurable Objectives	:	Effective managed Provincial Revenue Fund (loan book) from 2009/10. To strengthen and provide technical and strategic support for the institutional capacity of provincial and local government to ensure capacity with regard to liabilities management. Compliance to prescripts. Establish the necessary structures to ensure accurate reporting and servicing capabilities in respect of liabilities.
Service delivery achievements	:	Unit not yet operational.
Reasons for achieving targets	:	Unit not yet operational.
Reasons for not achieving targets	:	Unit not yet operational.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	Not applicable.

Programme 3: Asset and Liabilities Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 3.5: Liabilities Management			
Effective managed Provincial Revenue Fund (loan book) from 2009/10.	Percentage achieved w.r.t provision for necessary funds to service loan agreements and/or guarantees.	Not applicable.	Not yet operational.
	Percentage achieved w.r.t. Meeting of all due dates for repayment of loans and/or guarantees.	Not applicable.	Not yet operational.
	Percentage achieved w.r.t. Refinement of cash flow to include such loan and/or guarantee repayments.	Not applicable.	Not yet operational.
To strengthen and provide technical and strategic support for the institutional capacity of provincial and local government to ensure capacity with regard to liabilities management.	Percentage achieved w.r.t. Appointment of suitably qualified personnel and build capacity amongst existing staff.	Not applicable.	Not yet operational.
	Percentage achieved regarding assistance and/or establishment of suitable monitoring mechanisms for loans and for guarantees.	Not applicable.	Not yet operational.
Compliance to prescripts.	Percentage achieved i.t.o. All loans and/or guarantees that are administered and repaid strictly in terms of relevant legislation.	Not applicable.	Not yet operational.
	Percentage accuracy of reporting in terms of annual financial statements of all loans and/or guarantees.	Not applicable	Not yet operational.
Establish the necessary structures to ensure accurate reporting and servicing capabilities in respect of liabilities.	Percentage achieved i.t.o. creation and implementation of suitable mechanisms to facilitate accurate reporting, monitoring, administering and repayment of loans and/or guarantees.	Not applicable	Not yet operational.

Sub-programme 3.6	:	Supporting and Interlinked Financial Systems.
Purpose	:	To provide for the oversight, enhancement and management of existing financial systems and the transition to the Integrated Financial Management System (IFMS) enhancing compliance with the PFMA and other relevant legislation.
Measurable Objectives	:	Effectively, efficiently and economically implemented and managed financial systems to ensure the availability of timely and updated management information. The smooth and cost effective transition to National Treasury Integrated Financial Management System (IFMS) contributing to sound financial management. Availability, stability and accessibility of existing financial systems to ensure timely availability of information for management decisions. System functionalities to comply with norms and standards and the relevant statutory requirements. Build provincial capacity to contribute to the improvement of existing financial management.
Service delivery achievements	:	Training material was updated with the latest enhancements and new prescripts. A skills gap analysis was performed of all system users in order to identify their training needs and priority training interventions. Received in excess of 22 000 calls. Most of the calls resolved to the satisfaction of the system users.
Reasons for achieving targets	:	Fully operational helpdesk managed by skilled staff rendering service to 7000 users.
Reasons for not achieving targets	:	Targets achieved
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	Is assisted in vesting proper asset management by further developing financial system management and by building capacity through financial training for all finance staff in the Province.

Programme 3: Asset and Liabilities Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 3.6: Supporting and Interlinked Financial Systems			
Effectively, efficiently and economically implemented and managed financial systems to ensure the availability of timely and updated management information.	Time taken to clear all exceptions, rejections and audit reports.	7 days	7 days
	The roll out of Vulindlela (WEB application) to all departments, regions and institutions on request.	Access granted within 72 hours.	Access granted within 72 hours.

Programme 3: Asset and Liabilities Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 3.6: Supporting and Interlinked Financial Systems			
The smooth and cost effective transition to National Treasury Integrated Financial Management System (IFMS) contributing to sound financial management.	Provincial Treasury to play an integral role in planning, development, testing and implementation phases in accordance with an approved project plan.	Dependent on completion of phase 2 (provincial set-up gearing for actual implementation for SCM module) by National Treasury	Tender awarded for the first two modules of the IFMS
Availability, stability and accessibility of existing financial systems to ensure timely availability of information for management decisions.	Availability and stability of existing financial systems to ensure an up-time of at least 95%.	95% uptime.	> 95 % uptime achieved
System functionalities to comply with norms and standards and the relevant statutory requirements	All user requirements submitted to National Treasury and rolled out within 2 weeks after release	Within 2 weeks after release.	Achieved
Build provincial capacity to contribute to the improvement of existing financial management.	Accessibility to a fully operational helpdesk managed by skilled staff rendering service to all users.	9 hours per day.	9 hours per day
	Number of officials appropriately trained on the various financial systems.	1400 officials with a 70% pass rate	1509 officials trained

2.4 Programme 4: Financial Governance

Aim: To enhance performance orientated financial management.

Sub-programme 4.1 : Programme Support

Purpose	: To facilitate the efficient and co-ordinated administration and management of the programme.
Measurable Objectives	: Smooth and effective functioning of the component. Trained and capacitated administrative support and line function staff. Achievement of <i>iKapa Elihlumayo</i> goals.
Service delivery achievements	: No service delivery achievements of note can be registered.
Reasons for achieving targets	: A coordinated approach to work specifics was followed.
Reasons for not achieving targets	: Not applicable.

Sub-programme 4.1 : Programme Support

The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner : This sub-programme performs staff functions and it does not directly contribute towards achieving the Provincial Treasury's outcomes.

Programme 4: Financial Governance

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 4.1: Programme Support			
Smooth and effective functioning of the component.	Hours turn around time for management of operational finances, human resources and logistical issues.	24 hours.	24 hours.
Trained and capacitated administrative support and line function staff.	Number of training interventions per staff member.	2	4
Achievement of iKapa Elihlumayo goals.	Number of service providers complying with BBBEE.	3	3

Sub-programme 4.2 : Accounting Services

Purpose : To ensure that financial reporting is a full and true reflection of the financial position of the Province, including municipalities.

Measurable Objectives : Accounting policy framework rolled out for implementation by departments, municipalities and all entities to improve financial reporting.

Compile the ACFS of departments and entities to reflect the consolidated financial performance and position of the Provincial Government.

Monitor and assess institutions for compliance with Financial Reporting Requirements to improve financial management capability.

Produce an Accounting Review on the financial statements of departments and entities to provide an assessment of financial management.

Co-ordinate, compile, edit and publish the Financial Governance Review & Outlook to provide an assessment of financial management.

Compile a REAL Assessment report of municipalities to feed into the LG MTEC 3 process.

Compile an Accounting Review working paper for municipalities to assess financial management capabilities.

Sub-programme 4.2 : Accounting Services

- Service delivery achievements : A strategy was embarked on to improve the financial management capability of departments and public entities to move them towards a level 3 auditable organisation. It focuses on remedial steps to be instituted to address weaknesses and transversal matters identified in the Auditor-General's reports. Training was provided to Municipalities on compliance with GRAP standards as well as GRAP implementation plans.
- Reasons for achieving targets : A drive to fully capacitate the sub-programme was successful. Efforts were focussed on successfully dealing with high-priority tasks.
- Reasons for not achieving targets : Delay in the release of the Auditor General's report, which consequently delayed the finalising of the Financial Governance Review and Outlook and the consolidation of financial statements.
- The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner : Analysis and interpretation of annual financial statements were enhanced and included in the municipal Accounting Review and Financial Governance Review and Outlook. Improved compliance with GRAP standards.
-

Programme 4: Financial Governance

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 4.2: Accounting Services			
Accounting policy framework rolled out for implementation by departments, municipalities and all entities to improve financial reporting.	The number of departments, municipalities and entities comply with the approved Accounting Policy Framework (APS)	All 13 votes, 20/24 Municipalities, 12/14 Public and trading entities	13 departments, 14 trading and public entities and 26 municipalities
Compile the ACFS of departments and entities to reflect the consolidated financial performance and position of the Provincial Government	Date to be tabled in Provincial Parliament	31 October 2007	31 January 2008
Monitor and assess institutions for compliance with Financial Reporting Requirements to improve financial management capability	Periodic timeframes within which assessment reports are compiled	Monthly (20th) Quarterly: April July October January	Monthly (20th) Quarterly: April July October January
Produce an Accounting Review on the financial statements of departments and entities to provide an assessment of financial management	Date by which to complete the Review	31 April 2007	31 August 2007

Programme 4: Financial Governance

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 4.2: Accounting Services			
Co-ordinate, compile, edit and publish the Financial Governance Review & Outlook to provide an assessment of financial management	Date by which published and tabled in Provincial Parliament	31 August 2007	Work in progress. Tabled in May 2008
Compile a REAL Assessment report of municipalities to feed into the LG MTEC 3 process	Date by which assessment to be completed	Mid April 2007	Mid April 2007
Compile an Accounting Review working paper for municipalities to assess financial management capabilities.	Date by which working paper to be completed	31 August 2007	Work in progress. Finalised in April 2008

Sub-programme 4.3 : Norms and Standards

Purpose	:	To identify, develop and monitor financial norms and standards.
Measurable Objective	:	<p>Monitor existing financial management norms and standards in departments and public entities to assess compliance thereof.</p> <p>Annual Reports that are both compliant and relevant to foster transparency and accountability.</p> <p>Determination of financial management norms and standards to address deficiencies identified in internal and external audit reports.</p> <p>Monitor existing financial management norms and standards in municipalities to assess compliance thereof.</p> <p>Annual review of existing provincial financial legislation to keep it relevant and appropriate and co-ordination of inputs into proposed amendments of National Financial Legislation.</p>
Service delivery achievements	:	An action plan was compiled based on the analysis of all the Auditor- General Reports, management letters and overarching issues raised in the respective Internal Audit reports. It identified transversal issues that require remedial steps, either by issuing additional Provincial Treasury Instructions, and further Practice Notes addressing transversal accounting systems shortcomings and identifying skills assessments and training
Reasons for achieving targets	:	Posts were filled.
Reasons for not achieving targets	:	None.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	Ensured that norms and standards within the legislative framework were developed and maintained.

Programme 4: Financial Government

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 4.3: Norms and Standards			
Monitor existing financial management norms and standards in departments and public entities to assess compliance thereof.	Number of departments and entities assessed quarterly.	12 departments 13 entities	12 departments 13 entities
	Updating the existing monitoring tool for public entities.	31 March 2008	Revised Monitoring tool developed by 31 March 2008.
Annual Reports that are both compliant and relevant to foster transparency and accountability.	Number of departments and entities assessed for compliance with NT guidelines for Annual reporting.	12 departments 13 entities	12 departments 13 entities
Determination of financial management norms and standards to address deficiencies identified in internal and external audit reports	Number of reports assessed for generic norms and standards to address deficiencies identified	25 reports highlighting the corrective steps required.	25 reports
Monitor existing financial management norms and standards in municipalities to assess compliance thereof	Number of municipalities assessed quarterly.	20/24 municipalities	20/24 municipalities
	Number of municipalities assessed for compliance with NT guidelines for annual reporting.	20/24 municipalities	20/24 municipalities
	Number of Auditor-General's reports assessed and corrective steps recommended.	24/24 municipalities	24/24 municipalities
Annual review of existing provincial financial legislation to keep it relevant and appropriate and co-ordination of inputs into proposed amendments of National Financial Legislation	Number of legislation reviewed and/or commented on.	Review of 3 existing provincial financial laws and further input into PFMA amendments.	Finalise and review 2 Provincial Financial Laws.
	Maintenance of a database of all financial legislation and associated instructions	Database updated.	Database updated.

Sub-programme 4.4 : Risk Management

Purpose	:	To facilitate the establishment of risk management capacity and financial governance systems in the Provincial Government.
Measurable Objectives	:	Develop and facilitate the implementation of an effective risk management framework to enhance internal control and encourage risk management culture in provincial government. Provide consolidated PGWC risk profile to develop response strategies.
Service delivery achievements	:	All departments have approved structures. Process and control maps completed for all audit areas in departments 100% internal control staff trained in basic risk management tools and techniques
Reasons for achieving targets	:	Targets were achieved through prioritisation of work and committed staff.
Reasons for not achieving targets	:	None
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	Departments have approved risk management structures to help minimise risks in the Province. Process and control maps completed per department to focus management on risk areas and help with audits. Existence of a consolidated risk profile for PGWC.

Programme 4: Financial Governance

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 4.4: Risk Management			
Develop and facilitate the implementation of an effective risk management framework to enhance internal control and encourage risk management culture in provincial government.	Number of practice notes issued to departments to implement risk management.	4 practice notes workshopped and issued.	5 practice notes workshopped and issued
	Number of departmental risk management staff trained in risk management framework and tools	30/45	42/45
	Number of departments assessed for compliance with risk management framework and tools.	12	12
	Finalise update of governance framework and obtain Cabinet approval for rollout.	31 August 2007	Update of governance framework finalised and awaiting Cabinet approval for rollout.

Programme 4: Financial Governance

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 4.4: Risk Management			
	Number of risk awareness workshops conducted	4	16
	Develop and update pocket guidance document	31 December 2007	31 December 2007
Provide consolidated PGWC risk profile to develop response strategies	Existence of an inherent consolidated risk profile for PGWC	Bi-annually	Not completed due to systems errors
	Transversal risks identified and allocated to transversal risk owners.	Bi-annually	Not completed due to systems errors
	Monitor the implementation of transversal response strategies.	Quarterly	Not completed due to systems errors

Sub-programme 4.5 : Provincial Internal Audit

Purpose	:	To perform internal audit services on a risk-based basis.
Measurable Objectives	:	<p>Risk-based internal audit services to improve the effectiveness of risk management, control and governance processes.</p> <p>Building internal capacity to take over the full internal audit function from the current service provider before December 2008</p> <p>Fully functional, competent and independent audit committees to promote good governance and accountability.</p>
Service delivery achievements	:	<p>A co-sourced internal audit service was provided to all provincial departments (including Provincial Parliament).</p> <p>The organisational structure for the Internal Audit unit was approved by the DPSA. This started the recruitment process to increase the staff establishment from 24 to 92 staff members in a phased approach.</p> <p>The appointment of 10 interns was the first phase of the internship program that was developed to increase the human resource capacity in this unit.</p> <p>The successful roll-out of the recruitment plan will enable the provincial government to appoint and capacitate the staff required to take over the service from the external service provider when the contract expires in 2008/09.</p>
Reasons for achieving targets	:	The appointment of skilled staff helped the unit to achieve its targets. However, with the high vacancy rate work is being co-sourced with the Sihluma Sonke Consortium. They provide additional human resource capacity and skills required to rollout the internal audit service in the Province.

Sub-programme 4.5 : Provincial Internal Audit

- Reasons for not achieving targets : The new organisational structure was approved late, which led to the delay in the filling of posts.
 Limited financial resources, which restrict the extent of the audit coverage and a lack of skilled human resources.
- The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner : The sub-programme contributed by fostering a process of improvement and facilitating change within provincial department.
-

Programme 4: Financial Governance

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 4.5: Provincial Internal Audit			
Risk-based internal audit services to improve the effectiveness of risk management, control and governance processes	Number of votes' internal audit plans executed by the end of the financial year as approved by the relevant Audit Committee.	13 votes	13 votes – audits were completed according to the updated deliverables schedule supporting the internal audit plan, resulting in some internal audit reports not finalised at year-end
	Number of critical and significant findings reported in the previous audit cycle followed-up.	All critical and significant audit findings followed-up	Audits completed and reports issued according to the updated deliverables schedule supporting the internal audit plan, resulting in some follow-up reports not finalised at year-end.
	Number of progress reports issued per audit committee.	4 reports	2 reports
	Generally compliant external Quality Assurance Review report of the Provincial Internal Audit Function by the IIA (SA).	Nil	Not applicable.
Building internal capacity to take over the full internal audit function from the current service provider before December 2008.	Number of posts filled.	27 additional posts filled	22 posts filled
	Number of training interventions.	2 formal training interventions per staff member.	2 formal training interventions per staff member.
	Number of Interns recruited.	10	10

Programme 4: Financial Governance

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Fully functional, competent and independent audit committees to promote good governance and accountability.	Number of audit plans submitted for approval.	13 audit plans approved	13 audit plans approved
	Number of training interventions per committee.	2	2
	Updating of standard operating procedures and audit committee charter.	Annually	Charter ready for cabinet approval.

Report of the Provincial Government Western Cape Provincial Treasury (Vote 3) Audit Committee Report for the financial year ending 31 March 2007

We are pleased to present our report for the above-mentioned financial year.

Appointment of the Shared Audit Committee

Provincial Treasury (Vote 3) was served by a Shared Audit Committee appointed under Cabinet Resolution 75/2003 on 23 June 2003 which was subsequently extended by Cabinet Resolutions 95/2005 and 77/2007. The term of the Shared Audit Committee expired on 31 December 2007.

Commencing 1 January 2008 the Department is served by the Governance and Administration Cluster Audit Committee, under Cabinet Resolution 55/2007.

Audit Committee Members and Attendance

The Shared Audit Committee is required to meet a minimum of 4 times per annum as per its approved Terms of Reference. During the term of the Shared Audit Committee the following meetings were held and attended from 1 April 2007 until 31 December 2007:

Member	Meetings Attended
Mr JA. Jarvis (Chairperson)	9
Mr J. January	4
Mr P. Jones	8
Mr R. Warley	2

No formal meetings for the Governance and Administration Cluster Audit Committee were held for the period 1 January 2008 to 31 March 2008.

Audit Committee Responsibility

The Audit Committees have complied with their responsibilities arising from section 38(1) (a) of the PFMA and Treasury Regulation 3.1.13 and 27(1)(10). The Audit Committees have also regulated their affairs and discharged their responsibilities in terms of the approved Audit Committee Charter.

Effectiveness of Internal Control

Internal Audit Function

In 2004 the Sihluma Sonke Consortium was appointed to develop and transfer internal audit skills to the staff of the Provincial Government over a three-year period. At the end of December 2006 the Consortium contract was extended for a further 2 years to allow the development of the Internal Audit function to be completed. Some progress was made to internalise internal audit capacity and skills within Provincial Treasury. Significant progress is being made in the new financial year.

Internal Control

The evaluation of internal control comprises an evaluation of:

- The adequacy of the design of the control environment;
- The extent of compliance to established policies, procedures and applicable legislation; and
- The efficiency and effectiveness of controls implemented by management to achieve the overall departmental objectives.

In line with the Operational Internal Audit plan for 2007/8 approved by the Shared Audit Committee the internal audit effort was focused on assessing design and compliance for the following processes:

1. Auxiliary Services – Information Resource (Library)
2. Auxiliary Services – Transport
3. Auxiliary Services – Maintenance
4. Auxiliary Services – Reprographic
5. Financial Accounting
6. Human Resource Administration – Payroll
7. Human Resource Administration – Allowances
8. Human Resource Administration – Leave
9. Labour Relations
10. Public Finance and Fiscal Policy – Provincial Departments
11. Public Finance and Fiscal Policy – Local Government
12. Accounting – Provincial Departments
13. Physical Asset Management (Moveable and Immovable)
14. Internal Control processes (Theft and Losses)
15. Various Follow-up audits

Based on the results of the above audits, the system of internal control is adequate; however in some instances it was not operating as intended for the year under review, as compliance with certain prescribed policies and procedures was lacking.

Internal Audit received commitment from Management to implement corrective action on weaknesses identified.

Enterprise Risk Management

Enterprise Risk Management is at an early stage of implementation. The Governance & Administration Cluster Audit Committee is monitoring the progress of implementation on a quarterly basis.

Information Technology

In the previous financial year the Shared Audit Committee expressed its concerns regarding the growing crisis of IT within the Provincial Government. This included the need to replace outdated equipment, improve security, back-up information and develop plans to address the business needs of its customers including this department.

During the year under review internal audit results showed no significant progress largely due to the transversal nature of the underlying IT service.

The Governance & Administration Cluster Audit Committee strongly urges Provincial Government to escalate this crisis to the highest level of priority for action to prevent a collapse of the IT systems.

In Year Management Reporting

The In Year Management Reports (IYM) were submitted to the Audit Committees as required and the Committees were accordingly informed of the financial situation of the Department in relation to its budget. The Committees continue to monitor these reports.

Evaluation of Financial Statements

The Governance & Administration Cluster Audit Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report with the Auditor-General and the Accounting Officer;
- Reviewed the Auditor-General's management letter and management's response thereto; and
- Reviewed significant adjustments resulting from the audit.

The Governance & Administration Cluster Audit Committee concurs and accepts the Auditor-General's conclusions on the Annual Financial Statements, and is of the opinion that the audited Annual Financial Statements read together with the report of the Auditor-General be accepted.

Appreciation

The Audit Committees wish to express their appreciation to the Provincial Treasury, Officials of the Department, the Auditor General and the Internal Audit Unit for the information they have provided for us to compile this report.



Mr. J.A. Jarvis
Chairperson of the Shared Audit Committee

Date: 6 August 2008



Mr. P.C. Jones
Chairperson of the Governance and
Administration Cluster Audit Committee
Date: 6 August 2008

Annual Financial Statements for the year ended 31 March 2008

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008**

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**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2008**

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

1. General review of the state of financial affairs

The Provincial Treasury for the second consecutive year stayed within two per cent of its approved budget and overcame many of the challenges it faced in 2007/08. In an ever-changing environment it becomes increasingly difficult to adhere to all the legislation, prescripts and policies and ensure that financial administration continuously improves.

- The following external and internal challenges remain:
 - Building analytical competence and although links have been strengthened between governance and socio-economic needs, further work still needs to be done to ensure that resources are applied more efficiently.
 - Stabilising and building the Provincial Treasury team by improving soft skills management, recruitment, retention and career and succession planning.
 - Improving cohesion and synergy between provincial departments, the different spheres of government, private sector and civil society.
 - Reduce the high vacancy rate and put measures in place to become an employer of choice.

- In response to the above challenges, Treasury achieved the following:
 - Continued its drive to recruit appropriately qualified individuals and to provide financial support for further education and training.
 - The successful planning, coordination and implementation of the LGMTEC processes for the fourth time in a row.
 - Continued interactions with departments to improve targeting of resource allocations in response to socio-economic analyses and national priorities.
 - Distributed several publications such as the Medium Term budget statement 2008 – 2011 and the PERO 2007.
 - Expanded the external internship programme for the Provincial Treasury.

- The following major projects were undertaken during the year:
 - Expanded the Internal Audit component by about four hundred per cent from 24 posts to 92.
 - Obtained new office accommodation in the Southern Life building below Strand Street.
 - Concentrated on the skills development and diversity training of senior and other managers.
 - The expanded establishment of the Treasury that was approved in 2007 now caters for two deputy director general posts and a Chief Director Corporate Services.
 - Reconfiguration of the establishment and work methods to improve synergy and efficacy.

- Spending trends.

The department's actual expenditure for the 2007/08 financial year was R115,124 million compared to the total adjusted budget of R116,551 million. This resulted in an under spending of R1,427 million or 1.2% of the adjusted budget of which the balance will be surrendered to the Provincial Revenue Fund.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2008**

The under spending, just as in previous years, was mainly as a result of the high vacancy rate and posts that were not filled. The Treasury reduced its budget on compensation of employees during the Adjustments Estimate but the struggle to fill planned posts and increase staff retention resulted in the under spending on Compensation of Employees.

2. Service rendered by the department

2.1 Under the powers vested in the Minister of Finance and Tourism as Head of the Provincial Treasury, she is mainly responsible for the execution of the functions and powers as prescribed in Chapter 3 of the PFMA. However, a range of other legislative provisions in different national and provincial acts and laws, including the MFMA, add further responsibilities.

2.2 Tariff policy

Betting and Gambling

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

Functional Financial Training

The Provincial Treasury annually approves tariffs payable for functional financial training rendered to officials from national government departments. These tariffs are calculated as direct expenditure plus 40% to cater for overhead costs. All costs pertaining to training to the provincial departments are provided for under the Vote of the Provincial Treasury.

2.3 Free Services

All services rendered by the Provincial Treasury, except those in paragraph 2.2, are rendered to other departments mainly in terms of the PFMA, or to municipalities as per the MFMA, as referred to in paragraph 2.1 above. Per definition the Provincial Treasury rendered no free services for the reporting period.

2.4 Inventories

Two types of inventories are generated by LOGIS. The one consists of an inventory of store items and the other inventories of furniture and equipment. Inventory items are reflected as major assets in Notes 26 and 27 of these Statements. Stationery to the value of ± R57 056 (as at 31 March 2008) was issued on a first in first out (FIFO) basis.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2008**

3. Capacity constraints

The major constraint remain the high staff turnover rate, limited experience and slow net reduction of vacancy levels, that reached 37 per cent at the end of the reporting period. All components within Provincial Treasury are focussed on recruitment, ably asserted and professionally driven by the HR directorate. While many appointments are made via both normal recruiting and head-hunting processes, the attrition rate remains high. Many accept similar posts at higher levels in other government departments and the private sector. This leads to a capacity building problem because of the short exposure with limited transfer of skills. Although this has placed pressure on the standard and extent of service delivery, Treasury has been blessed with a core of dedicated and competent officials who have managed to raise the scope and standards of services. In addition the appointment of interns within certain components has proved to be very beneficial in providing a future stream of potential well versed and adjusted employees.

4. Utilisation of donor funds

The Provincial Treasury did not receive any donor funding.

5. Trading entities and public entities

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

6. Organisations to whom transfer payments have been made

The transfers made by the Provincial Treasury to households are reflected in Annexure 1D on page 123 of this document.

7. Public private partnerships (PPP)

As in previous years, the PPP Unit remains dedicated to the process of developing links with different departments and a number of projects are being attended to on local and government level. The Provincial Treasury monitors two signed deals, namely, Chapmans Peak Toll road and Lentegeur Hospital. Two Cape nature conservation projects are currently in process and five projects are in process at local government level.

8. Corporate governance arrangements

The newly approved structure of the internal Audit Component has enabled Provincial Treasury to ultimately recruit and capacitate sufficient staff to actively reduce dependency on contractual external service providers. Amongst others, ten interns were appointed during 2007/08 and three senior managers recruited. The configuration of audit committees was amended to improve oversight and direction for the internal audit function. Dedicated audit committees are in place for Health and Education, another is planned for Transport and Public Works, with this new cluster (socio economic and G and A) audit committees appointed.

**WESTERN CAPE PROVINCE
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VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2008**

9. Discontinued activities/activities to be discontinued

No specific activities were discontinued during the 2007/08 financial year.

10. New Proposed activities

No new activities per sé have been introduced or contemplated. However, of the current functions have been deepened, made much more sophisticated or more expanded in reach and width.

11. Asset management

The Provincial Treasury has successfully completed its second consecutive stocktaking during the reporting period. The Asset Register has been re-compiled and which balanced with the records on the LOGIS and the BAS systems.

12. Performance information

The Provincial Treasury continued to use the assistance of an outside service provider to improve the Provincial Treasury's performance reporting and performance measure indicators, so that these can be better quantified. Special efforts were put in place to streamline and improve Treasury's key measurable objectives for 2008/09.

13. SCOPA resolutions

The Provincial Treasury received a clean report for the 2006/07 reporting period and bar SCOPA expectations and request as regards its line function responsibilities, for the second year running, no adverse Vote specific SCOPA resolutions have been made.

14. Events after reporting date

The calculation of interest by private parties as identified by the Auditor-General during their regularity audit for the reporting period will receive further attention in 2008/09.

It would appear that the Provincial Treasury and National Treasury will have to assist this department with the LOGIS system that could currently not identify minor assets.

The irregular expenditure identified by the Auditor-General amounting to R250 000 for donations to the Youth Commission that was approved on 27 May 2007 will receive further attention during 2008/09 and be taken up in a Finance Act.

15. Other

An amount of R10,639 million was posted against the Vote by the Directorate Accounting within the Provincial Treasury that according to the Provincial reading of this long underlying outstanding matter has to be dealt with in a special Finance Act to be tabled in Parliament by the National Treasury. Please refer to note 8 to the statements where the unauthorised expenditure is further explained.

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In the Annual Report of 2005/06 it was reported under Note 13 that the Provincial Treasury inherited a clearing account that was a trial balance which did not balance. This account was in a credit with R767 000. Given the underlying and long-standing complexity the mistake could not be resolved after many years. During 2006/07 a further amount of R756 572.17 was written off against thefts and losses on the clearing account and it increased to R1 579 455.47 while Vote 3 was debited automatically when the year-end books were closed. The Provincial Treasury's approval will be sought to correct this error as the Provincial Revenue Fund received a credit on 31 March 2007, which must still be cleared against the clearing account in 2008/09.

Approval

The Annual Financial Statements set out on pages 84 to 125 have been approved by the Accounting Officer.



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

DATE: 31 MAY 2008

**WESTERN CAPE PROVINCE
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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2008**

**REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL
LEGISLATURE ON THE FINANCIAL STATEMENTS AND PERFORMANCE
INFORMATION OF VOTE NO. 3: WESTERN CAPE PROVINCIAL TREASURY FOR
THE YEAR ENDED 31 MARCH 2008**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Western Cape Provincial Treasury which comprise the appropriation statement, statement of financial position as at 31 March 2008, statement of financial performance, and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 84 to 125.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1 and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 40(2) of the PFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance on whether the financial statements are free from material misstatement.

**WESTERN CAPE PROVINCE
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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2008**

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
6. An audit also includes evaluating the:
 - appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

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

Opinion

9. In my opinion the financial statements present fairly, in all material respects, the financial position of the Western Cape Provincial Treasury as at 31 March 2008 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1 and in the manner required by the PFMA.

OTHER MATTERS

Without qualifying my audit opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

**WESTERN CAPE PROVINCE
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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2008**

Matters of governance

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

Matter of governance	Yes	No
Audit committee		
<ul style="list-style-type: none"> • The department had an audit committee in operation throughout the financial year. 	<input type="checkbox"/>	
<ul style="list-style-type: none"> • The audit committee operates in accordance with approved, written terms of reference. 	<input type="checkbox"/>	
<ul style="list-style-type: none"> • The audit committee substantially fulfilled its responsibilities for the year, as set out in section 77 of the PFMA and Treasury Regulation 3.1.10. 	<input type="checkbox"/>	
Internal audit		
<ul style="list-style-type: none"> • The department had an internal audit function in operation throughout the financial year. 	<input type="checkbox"/>	
<ul style="list-style-type: none"> • The internal audit function operates in terms of an approved internal audit plan. 	<input type="checkbox"/>	
<ul style="list-style-type: none"> • The internal audit function substantially fulfilled its responsibilities for the year, as set out in Treasury Regulation 3.2. 	<input type="checkbox"/>	
Other matters of governance		
The annual financial statements were submitted for audit as per the legislated deadlines (section 40 of the PFMA for departments and constitutional institutions).	<input type="checkbox"/>	
The financial statements submitted for audit were not subject to any material amendments resulting from the audit.		<input type="checkbox"/>
No significant difficulties were experienced during the audit concerning delays or the unavailability of expected information and/or the unavailability of senior management.	<input type="checkbox"/>	
The prior year's external audit recommendations have been substantially implemented.	<input type="checkbox"/>	
SCOPA resolutions have been substantially implemented.	<input type="checkbox"/>	

WESTERN CAPE PROVINCE
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REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2008

OTHER REPORTING RESPONSIBILITIES

REPORT ON PERFORMANCE INFORMATION

11. I have reviewed the performance information as set out on pages 84 to 125.

Responsibility of the accounting officer for the performance information

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

Responsibility of the Auditor-General

13. I conducted my engagement in accordance with section 13 of the PAA read with General Notice 616 of 2008, issued in Government Gazette No. 31057 of 15 May 2008.

14. In terms of the foregoing my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.

15. I believe that the evidence I have obtained is sufficient and appropriate to report that no significant findings have been identified as a result of my audit.

APPRECIATION

16. The assistance rendered by the staff of the Provincial Treasury during the audit is sincerely appreciated.

To be signed (scanned) by Mr J Diedericks.

Auditor - General

Cape Town
31 July 2008



A U D I T O R - G E N E R A L

**WESTERN CAPE PROVINCE
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**APPROPRIATION STATEMENT
for the year ended 31 March 2008**

Appropriation per Programme									
Programmes	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	32,894	(791)	-	32,103	31,701	402	98.7	27,180	26,966
Transfers and subsidies	8	791	-	799	799	-	100.0	232	143
Payment for capital assets	1,275	-	-	1,275	947	328	74.3	1,615	1,615
2. Sustainable Resource Management									
Current payment	22,454	(11)	(736)	21,707	21,478	229	98.9	21,069	21,069
Transfers and subsidies	-	-	-	-	-	-	-	8	7
Payment for capital assets	75	11	-	86	62	24	72.1	256	256
3. Asset and Liabilities Management									
Current payment	21,516	(11)	-	21,505	21,081	424	98.0	51,048	51,048
Transfers and subsidies	635	-	-	635	615	20	96.9	235	235
Payment for capital assets	-	11	-	11	11	-	100.0	254	254
4. Financial Governance									
Current payment	37,564	120	736	38,420	38,420	-	100.0	31,783	31,777
Transfers and subsidies	-	-	-	-	-	-	-	7	7
Payment for capital assets	130	(120)	-	10	10	-	100.0	559	559
Total	116,551	-	-	116,551	115,124	1,427	98.8	134,246	133,936
Reconciliation with Statement of Financial Performance									
Add:									
Departmental revenue				37,610	-			49,033	-
Actual amounts per Statement of Financial Performance (Total Revenue)				154,161	-			183,279	-
Actual amounts per Statement of Financial Performance Expenditure					115,124				133,936

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2008**

Appropriation per Economic classification									
Economic classification	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	63,756	(2,018)	(171)	61,567	60,231	1,336	97.8	52,919	52,919
Goods and services	50,672	1,304	171	52,147	52,428	(281)	100.5	77,384	77,164
Financial transactions in assets and liabilities	-	21	-	21	21	-	100.0	777	777
Transfers & subsidies									
Provinces & municipalities								30	29
Departmental agencies & accounts	-	252	-	252	252	-	1.0	37	-
Foreign governments & international organisations	-	-	-	-	-	-	-	53	1
Households	643	539	-	1,182	1,162	20	98.3	362	362
Payment for capital assets									
Machinery & equipment	1,360	22	-	1,382	1,030	352	74.5	2,279	2,279
Software & other intangible assets	120	(120)	-	-	-	-	-	405	405
Total	116,551	-	-	116,551	115,124	1,427	98.8	134,246	133,936

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2008**

**Detail per programme 1 – Administration
for the year ended 31 March 2008**

Programme per subprogramme	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the Minister									
Current payment	3,501	-	-	3,501	3,287	214	93.9	2,866	2,752
Transfers and subsidies	-	-	-	-	-	-	-	53	2
Payment for capital assets	53	-	-	53	25	28	47.2	20	20
1.2 Management Services									
Current payment	2,062	(41)	-	2,021	2,021	-	100.0	2,128	2,028
Transfers and subsidies	-	545	-	545	545	-	100.0	1	1
1.3 Corporate Services									
Current payment	13,516	(250)	-	13,266	13,108	158	98.8	8,926	8,926
Transfers and subsidies	-	250	-	250	250	-	100.0	39	2
Payment for capital assets	13	-	-	13	13	-	100.0	-	-
1.4 Financial Management									
Current payment	13,815	(500)	-	13,315	13,285	30	99.8	13,260	13,260
Transfers and subsidies	8	(4)	-	4	4	-	100.0	139	138
Payment for capital assets	1,209	-	-	1,209	909	300	75.2	1,595	1,595
Total	34,177	-	-	34,177	33,447	730	97.9	29,027	28,724

Economic classification	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	15,920	(386)	-	15,534	15,132	402	97.4	13,098	13,098
Goods and services	16,974	(426)	-	16,548	16,548	-	100.0	13,305	13,091
Financial transactions in assets and liabilities	-	21	-	21	21	-	100.0	777	777
Transfers & subsidies									
Provinces & municipalities	-	-	-	-	-	-	-	8	8
Departmental agencies & accounts	-	250	-	250	250	-	1.0	37	-
Foreign governments & international organisations	-	-	-	-	-	-	-	52	-
Households	8	541	-	549	549	-	100.0	135	135
Payment for capital assets									
Machinery & equipment	1,275	-	-	1,275	947	328	74.3	1,615	1,615
Total	34,177	-	-	34,177	33,447	730	97.9	29,027	28,724

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2008**

**Detail per programme 2 – Sustainable Resource Management
for the year ended 31 March 2008**

Programme per subprogramme	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Programme Support: Resource Management									
Current payment	414	-	-	414	406	8	98.1	666	666
2.2 Economic Analysis									
Current payment	3,457	49	-	3,506	3,667	(161)	104.6	3,087	3,087
Transfers and subsidies	-	-	-	-	-	-	-	1	1
Payment for capital assets	-	-	-	-	-	-	-	37	37
2.3 Fiscal Policy: Provincial Government									
Current payment	1,079	-	-	1,079	998	81	92.5	3,047	3,047
Transfers and subsidies	-	-	-	-	-	-	-	1	1
Payment for capital assets	-	-	-	-	-	-	-	46	46
2.4 Fiscal Policy: Local Government									
Current payment	1,964	(11)	-	1,953	1,894	59	97.0	1,488	1,488
Transfers and subsidies	-	-	-	-	-	-	-	1	1
Payment for capital assets	-	11	-	11	11	-	100.0	-	-
2.5 Budget Management									
Current payment	7,426	(49)	(686)	6,691	6,811	(120)	101.8	6,538	6,538
Transfers and subsidies	-	-	-	-	-	-	-	2	1
Payment for capital assets	-	-	-	-	-	-	-	82	82
2.6 Programme Support: Public Finance									
Current payment	950	95	-	1,045	1,045	-	100.0	1,049	1,049
Transfers and subsidies	-	-	-	-	-	-	-	1	1
Payment for capital assets	24	-	-	24	24	-	100.0	26	26
2.7 Provincial Government									
Current payment	2,858	(95)	(50)	2,713	2,654	59	97.8	2,621	2,621
Transfers and subsidies	-	-	-	-	-	-	-	1	1
Payment for capital assets	10	-	-	10	10	-	100.0	-	-
2.8 Local Government Finance									
Current payment	4,306	-	-	4,306	4,003	303	93.0	2,573	2,573
Transfers and subsidies	-	-	-	-	-	-	-	1	1
Payment for capital assets	41	-	-	41	17	24	41.5	65	65
Total	22,529	-	(736)	21,793	21,540	253	98.8	21,333	21,332

**WESTERN CAPE PROVINCE
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**APPROPRIATION STATEMENT
for the year ended 31 March 2008**

**Detail per programme 2 – Sustainable Resource Management
for the year ended 31 March 2008**

Economic classification	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	17,236	(11)	(171)	17,054	16,544	510	97.0	14,931	14,931
Goods and services	5,218	-	(565)	4,653	4,934	(281)	106.0	6,138	6,138
Transfers & subsidies									
Provinces & municipalities	-	-	-	-	-	-	-	8	7
Payment for capital assets									
Machinery & equipment	75	11	-	86	62	24	72.1	219	219
Software & other intangible assets	-	-	-	-	-	-	-	37	37
Total	22,529	-	(736)	21,793	21,540	253	98.8	21,333	21,332

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2008**

**Detail per programme 3 – Asset and Liabilities Management
for the year ended 31 March 2008**

Programme per subprogramme	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Programme Support									
Current payment	878	83	-	961	961	-	100.0	898	898
3.2 Financial Asset Management									
Current payment	1,491	-	-	1,491	1,465	26	98.3	1,047	1,047
Transfers and subsidies	-	-	-	-	-	-	-	1	1
3.3 Moveable Asset Management									
Current payment	4,695	(263)	-	4,432	4,389	43	99.0	4,671	4,671
Transfers and subsidies	346	-	-	346	346	-	100.0	229	229
Payment for capital assets	-	11	-	11	11	-	100.0	23	23
3.4 Immoveable Asset									
Current payment	3,148	-	-	3,148	2,794	354	88.8	2,597	2,597
Transfers and subsidies	2	-	-	2	2	-	100.0	2	2
Payment for capital assets	-	-	-	-	-	-	-	60	60
3.5 Liabilities Management									
Current payment	1	-	-	1	-	1	-	-	-
3.6 Supporting and Interlinked Financial Systems									
Current payment	11,303	169	-	11,472	11,472	-	100.0	41,835	41,835
Transfers and subsidies	287	-	-	287	267	20	93.0	3	3
Payment for capital assets	-	-	-	-	-	-	-	171	171
Total	22,151	-	-	22,151	21,707	444	98.0	51,537	51,537

Economic classification	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	15,589	(131)	-	15,458	15,034	424	97.3	13,018	13,018
Goods and services	5,927	120	-	6,047	6,047	-	100.0	38,030	38,030
Transfers & subsidies									
Provinces & municipalities	-	-	-	-	-	-	-	7	7
Departmental agencies & accounts	-	2	-	2	2	-	100.0	-	-
Foreign governments & international organisations	-	-	-	-	-	-	-	1	1
Households	635	(2)	-	633	613	20	96.8	227	227
Payment for capital assets									
Machinery & equipment	-	11	-	11	11	-	100.0	254	254
Total	22,151	-	-	22,151	21,707	444	98.0	51,537	51,537

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
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**APPROPRIATION STATEMENT
for the year ended 31 March 2008**

**Detail per programme 4 – Financial Governance
for the year ended 31 March 2008**

Programme per subprogramme	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Programme Support									
Current payment	1,094	(67)	-	1,027	1,027	-	100.0	1,168	1,162
Transfers and subsidies	-	-	-	-	-	-	-	1	1
Payment for capital assets	10	-	-	10	10	-	100.0	6	6
4.2 Accounting Services									
Current payment	4,051	(245)	-	3,806	3,806	-	100.0	3,720	3,720
Transfers and subsidies	-	-	-	-	-	-	-	2	2
Payment for capital assets	-	-	-	-	-	-	-	13	13
4.3 Norms and Standards									
Current payment	3,657	(106)	-	3,551	3,551	-	100.0	3,052	3,052
Transfers and subsidies	-	-	-	-	-	-	-	1	1
Payment for capital assets	-	-	-	-	-	-	-	65	65
4.4 Risk Management									
Current payment	2,073	18	-	2,091	2,091	-	100.0	2,477	2,477
Transfers and subsidies	-	-	-	-	-	-	-	1	1
Payment for capital assets	120	(120)	-	-	-	-	-	448	448
4.5 Provincial Internal Audit									
Current payment	26,689	520	736	27,945	27,945	-	100.0	21,366	21,366
Transfers and subsidies	-	-	-	-	-	-	-	2	2
Payment for capital assets	-	-	-	-	-	-	-	27	27
Total	37,694	-	736	38,430	38,430	-	100.0	32,349	32,343

Economic classification	2007/08							2006/07	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	15,011	(1,490)	-	13,521	13,521	-	100.0	11,872	11,872
Goods and services	22,553	1,610	736	24,899	24,899	-	100.0	19,911	19,905
Transfers & subsidies									
Provinces & municipalities	-	-	-	-	-	-	-	7	7
Payment for capital assets									
Machinery & equipment	10	-	-	10	10	-	100.0	191	191
Software & other intangible assets	120	(120)	-	-	-	-	-	368	368
Total	37,694	-	736	38,430	38,430	-	100.0	32,349	32,343

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2008**

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

Detail of these transactions can be viewed in note 6 (Transfers and subsidies) and Annexure 1 (A-C) to the Annual Financial Statements.

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

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

3. Detail on financial transactions in assets and liabilities:

Detail of these transactions per programme can be viewed in note 5 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

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

4.1 Per programme

Programme name	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%

Administration	34,177	33,447	730	2.1
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The under spending on this programme is due to the inability to find appropriately skilled personnel to fill posts.				
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Sustainable Resource Management	21,793	21,540	253	1.2
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The under spending on this programme is due to inability to find appropriately skilled personnel to fill posts, especially where the Provincial Treasury is in direct competition with the private sector.				
--	--	--	--	--

Assets and Liabilities Management	22,151	21,707	444	2.0
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The under spending on this programme is due to inability to find appropriately skilled personnel to fill posts, especially where the Provincial Treasury is in direct competition with the private sector.				
--	--	--	--	--

Financial Governance	38,430	38,430	-	-
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No variance.				
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**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2008**

4.2 Per economic classification

Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Current expenditure				
Compensation of employees	61,567	60,231	1,336	2.2
Goods and services	52,147	52,428	(281)	(0.5)
Financial transactions in assets and liabilities	21	21	-	-
Transfers and subsidies				
Provinces and municipalities	252	252	-	-
Households	1,182	1,162	20	1.7
Payments for capital assets				
Machinery and equipment	1,382	1,030	352	25.5
Total	116,551	115,124	1,427	1.2

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2008**

	Note	2007/08 R'000	2006/07 R'000
REVENUE			
Annual appropriation	1.	116,551	134,246
Departmental revenue	2.	37,610	49,033
TOTAL REVENUE		154,161	183,279
EXPENDITURE			
Current expenditure			
Compensation of employees	3.	60,231	52,919
Goods and services	4.	52,428	77,164
Financial transactions in assets and liabilities	5.	21	777
Total current expenditure		112,680	130,860
Transfers and subsidies	6.	1,414	392
Expenditure for capital assets			
Machinery and equipment	7.	1,030	2,279
Software and other intangible assets	7.	-	405
Total expenditure for capital assets		1,030	2,684
TOTAL EXPENDITURE		115,124	133,936
SURPLUS		39,037	49,343
SURPLUS FOR THE YEAR		39,037	49,343
Reconciliation of Net Surplus for the year			
Voted Funds	12.	1,427	310
Departmental revenue	13.	37,610	49,033
SURPLUS FOR THE YEAR		39,037	49,343

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2008**

	Note	2007/08 R'000	2006/07 R'000
ASSETS			
Current assets		14,081	2,909
Unauthorised expenditure	8.	10,639	-
Cash and cash equivalents	9.	2,333	93
Prepayments and advances	10.	3	10
Receivables	11.	1,106	2,806
TOTAL ASSETS		14,081	2,909
LIABILITIES			
Current liabilities		14,081	2,909
Voted funds to be surrendered to the Revenue Fund	12.	1,428	310
Departmental revenue to be surrendered to the Revenue Fund	13.	276	990
Payables	14.	12,377	1,609
TOTAL LIABILITIES		14,081	2,909
NET ASSETS		-	-

**WESTERN CAPE RPOVINCE
PROVINCIAL TREASURY
VOTE 3**

**CASH FLOW STATEMENT
for the year ended 31 March 2008**

	Note	2007/08 R'000	2006/07 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		498,843	475,579
Annual appropriated funds received	1.1	116,551	134,246
Departmental revenue received	2.	382,292	341,333
Net (increase)/ decrease in working capital		1,836	(1,779)
Surrendered to Revenue Fund		(383,315)	(341,701)
Current payments		(112,680)	(130,860)
Transfers and subsidies paid		(1,414)	(392)
Net cash flow available from operating activities	15.	3,270	847
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(1,030)	(2,684)
Net cash flows from investing activities		(1,030)	(2,684)
Net increase/ (decrease) in cash and cash equivalents		2,240	(1,837)
Cash and cash equivalents at beginning of period		93	1,930
Cash and cash equivalents at end of period	16.	2,333	93

**WESTERN CAPE RPOVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2008**

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2007.

1. Presentation of the Financial Statements

1.1 Basis of preparation

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

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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

1.5 Comparative figures - Appropriation Statement

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

2. Revenue

2.1 Appropriated funds

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

Total appropriated funds are presented in the statement of financial performance.

**WESTERN CAPE RPROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2008**

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

2.2 Departmental revenue

All departmental revenue is paid into the Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

2.2.1 Tax revenue

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

Tax receipts are recognised in the statement of financial performance when received.

2.2.2 Sales of goods and services other than capital assets

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

2.2.3 Fines, penalties & forfeits

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

2.2.4 Sale of capital assets

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

2.2.5 Financial transactions in assets and liabilities

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

2.2.6 Transfers received (including gifts, donations and sponsorships)

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

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

**WESTERN CAPE RPOVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2008**

3. Expenditure

3.1 Compensation of employees

3.1.1 Short-term employee benefits

Salaries and wages comprise payments to employees (including leave entitlements, thirteenth cheques and performance bonuses). Salaries and wages are recognised as an expense in the Statement of Financial Performance when final authorisation for payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the Statement of Financial Performance¹.

All other payments are classified as current expense.

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

3.1.2 Post retirement benefits

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

Employer contributions (i.e. social contributions) to the fund are expensed when the final authorisation for payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the Provincial Revenue Fund and not in the financial statements of the employer department.

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

3.1.3 Termination benefits

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

3.1.4 Other long-term employee benefits

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

¹ This accounting policy is only relevant where the department elects to capitalise the compensation paid to employees involved on capital projects

**WESTERN CAPE RPOVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2008**

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used for a capital project or an asset of R5 000 or more is purchased. All assets costing less than R5 000 will also be reflected under goods and services.

3.3 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under spending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

Forex losses are recognised on payment of funds.

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

3.4 Unauthorised expenditure

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

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

3.5 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the Statement of Financial Performance.

3.6 Irregular expenditure

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

3.7 Transfers and subsidies

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

**WESTERN CAPE RPOVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2008**

3.8 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

4. Assets

4.1 Cash and cash equivalents

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

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

4.2 Other financial assets

Other financial assets are carried in the Statement of Financial Position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Receivables outstanding at year-end are carried in the statement of financial position at cost.

4.5 Investments

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance when the cash is received.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any loss is included in the disclosure notes.

4.6 Inventory

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2008**

4.7 Capital assets

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

Projects (of construction/development) running over more than one financial year relating to assets, are only capitalised as assets on completion of the project and at the total cost incurred over the duration of the project.

Disclosure Notes 26 and 27 reflect the total movement in the asset register for the current financial year.

5. Liabilities

5.1 Voted funds to be surrendered to the Revenue Fund

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

5.2 Departmental revenue to be surrendered to the Revenue Fund

Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position at cost.

5.3 Payables

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

5.4 Contingent liabilities

Contingent liabilities are included in the disclosure notes.

5.5 Commitments

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

5.6 Accruals

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

**WESTERN CAPE RPOVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2008**

5.7 Employee benefits

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

5.8 Lease commitments

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

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures and disclosure notes to the financial statements.

6. Receivables for departmental revenue

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

7. Related party transactions

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

8. Key management personnel

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008**

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for Provincial Departments (Equitable Share)

	Final Appropriation 2007/08 R'000	Actual Funds Received 2007/08 R'000	Funds not requested/ not received 2007/08 R'000	Appropriation Received 2006/07 R'000
Programmes				
Administration	34,177	34,177	-	29,027
Sustainable Resource Management	21,793	21,793	-	21,333
Asset and Liabilities Management	22,151	22,151	-	51,537
Financial Governance	38,430	38,430	-	32,349
Total	116,551	116,551	-	134,246

Note	2007/08 R'000	2006/07 R'000
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2. Departmental revenue

Tax revenue		324,591	275,984
Sales of goods and services other than capital assets	2.1	1,297	1,207
Fines, penalties and forfeits		139	215
Interest, dividends and rent on land	2.2	47,128	54,125
Financial transactions in assets and liabilities	2.3	9,072	9,802
Transfers received	2.4	65	-
Total revenue collected		<u>382,292</u>	<u>341,333</u>
Less: Departmental revenue budgeted	13.	<u>344,682</u>	<u>292,300</u>
Total		<u>37,610</u>	<u>49,033</u>

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008**

	Note	2007/08 R'000	2006/07 R'000
2.1 Sales of goods and services other than capital assets			
Sales of goods and services produced by the department		1,297	1,201
Administrative fees		1,285	1,189
Other sales		12	12
Sales of scrap, waste and other used current goods		-	6
Total		1,297	1,207
2.2 Interest, dividends and rent on land			
Interest		47,128	54,125
Total		47,128	54,125
2.3 Financial transactions in assets and liabilities			
Nature of loss recovered			
Other receipts including recoverable revenue		9,072	9,802
Total		9,072	9,802
2.4 Transfers received			
Nature of loss recovered			
Public Corporations and Private enterprises		65	-
Total		65	-
3. Compensation of employees			
3.1 Salaries and wages			
Basic salary		42,224	37,413
Performance award		875	838
Service Based		157	143
Compensative/circumstantial		1,352	905
Periodic payments		36	64
Other non-pensionable allowances		8,063	6,904
Total		52,707	46,267

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008**

	Note	2007/08 R'000	2006/07 R'000
3.2 Social contributions			
3.2.1 Employer contributions			
Pension		5,167	4,742
Medical		2,349	1,903
Bargaining Council		8	7
Total		7,524	6,652
Total compensation of employees		60,231	52,919
Average number of employees		255	247
4. Goods and services			
Advertising		4,629	3,188
Attendance fees (including registration fees)		10	36
Bank charges and card fees		78	82
Bursaries (employees)		321	385
Communication		1,247	1,320
Computer services		296	31,336
Consultants, contractors and special services		33,758	29,335
Courier and delivery services		32	40
Entertainment		615	505
External audit fees	4.1	2,450	1,954
Equipment less than R5 000		515	751
Inventory	4.2	1,822	2,120
Legal fees		238	15
Maintenance, repair and running costs		23	31
Operating leases		385	513
Plant flowers and other decorations		7	10
Professional bodies and membership fees		32	157
Resettlement costs		196	623
Subscriptions		57	14
Owned and leasehold property expenditure		-	9
Translations and transcriptions		89	109
Travel and subsistence	4.3	4,048	3,737
Venues and facilities		741	413
Protective, special clothing & uniforms		11	5
Training & staff development		828	476
Total		52,428	77,164

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008**

	Note	2007/08 R'000	2006/07 R'000
4.1 External audit fees			
Regulatory audits		2,450	1,954
Total		<u>2,450</u>	<u>1,954</u>
4.2 Inventory			
Domestic Consumables		-	9
Food and Food supplies		47	35
Sport and recreation		-	1
Stationery and Printing		1,749	2,004
Restoration and fittings		26	71
Total Inventory		<u>1,822</u>	<u>2,120</u>
4.3 Travel and subsistence			
Local		3,716	3,476
Foreign		332	261
Total travel and subsistence		<u>4,048</u>	<u>3,737</u>
5. Financial transactions in assets and liabilities			
Material losses through criminal conduct:		21	705
Theft	5.3	<u>21</u>	<u>705</u>
Other material losses written off	5.1	-	52
Debts written off	5.2	-	20
Total		<u>21</u>	<u>777</u>
5.1 Other material losses written off			
Nature of losses			
Department 70 cases (old claims, ledger accounts etc.)		-	52
Total		<u>-</u>	<u>52</u>

An amount of R22 123.20 that was incorrectly captured and written-off for 3 losses will be in the 2008/09 financial year and all the necessary steps to reverse the actions will be put in place.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008**

	Note	2007/08 R'000	2006/07 R'000
5.2 Debts written off			
Nature of debts written off			
Transfer to debts written off			
Other minor accounts		-	20
Total		<u>-</u>	<u>20</u>
5.3 Details of theft			
Computer Equipment		21	-
Department 70 cases (3 cases of cheque fraud)		-	679
Irrecoverable debts (1 Case)		-	22
Other (5 Cases)		-	4
Total		<u>21</u>	<u>705</u>
6. Transfers and subsidies			
Provinces and municipalities	ANNEXURE 1A		29
Statement of transfers to departmental agencies and accounts	ANNEXURE 1B	252	-
Foreign governments and international organisations	ANNEXURE 1C	-	1
Statement of transfers/subsidies to households	ANNEXURE 1D	1,162	362
		<u>1,414</u>	<u>392</u>
7. Expenditure on capital assets			
Machinery and equipment	26.	1,030	2,279
Software and other intangible assets		-	405
Computer Software	27.	<u>-</u>	<u>405</u>
Total		<u>1,030</u>	<u>2,684</u>

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008**

	Note	2007/08 R'000	2006/07 R'000
8. Unauthorised expenditure			
8.1 Reconciliation of unauthorised expenditure			
Amount to be approved by Legislator		10,639	-
Transfers and subsidies		10,639	-
Unauthorised expenditure awaiting authorisation		10,639	-
		10,639	-

8.2 Analysis of current unauthorised expenditure

The Western Cape Provincial Government inherited old balances from the previous constitutional dispensation that originated prior to the 1994/95 financial year, as well as from the first year of democracy (1994/95). The decentralisation of the accounting functions of the former Department of Finance (FMS Department 70) resulted in these balances, including unauthorised expenditure, being transferred to the various departments. The Western Cape Provincial Treasury is currently in consultation with the National Treasury to expedite the process of passing the necessary legislation to fund the unauthorised expenditure, since these old balances were incurred against the SA Reserve Bank accounts of ex-Cape Provincial Administration and ex-House of Representatives, which is a National Treasury competency.

On 7 February 2008 Minister Trevor Manuel, Minister of Finance, indicated in a letter to Ms Lynne Brown, Western Cape MEC for Finance, that the National Treasury is currently looking at drafting the necessary legislation as well as accounting rules to assist the Province with the matter.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008**

		2007/08	2006/07
		R'000	R'000
9. Cash and cash equivalents			
Consolidated Paymaster General Account		159	222
Disbursements		(12)	(2,730)
Cash with commercial banks (Local)		2,186	2,601
Total		<u><u>2,333</u></u>	<u><u>93</u></u>
10. Prepayments and advances			
Description			
Travel and subsistence		3	10
Total		<u><u>3</u></u>	<u><u>10</u></u>
11. Receivables	Note		
		Less than one year R'000	One to three years R'000
		Older than three years R'000	Total R'000
			Total R'000
Staff debtors	11.1	49	1
Other debtors	11.2	-	-
Intergovernmental receivables	Annex 3	1,056	-
Total		<u><u>1,105</u></u>	<u><u>1</u></u>
			<u><u>50</u></u>
			<u><u>12</u></u>
			<u><u>2,748</u></u>
			<u><u>46</u></u>
			<u><u>2,806</u></u>
		2007/08	2006/07
		R'000	R'000
11.1 Staff debtors			
Unclaimed staff debt		59	65
Debt recovered		(9)	(53)
Total		<u><u>50</u></u>	<u><u>12</u></u>
11.2 Other Debtors			
Pension recoverable		-	1
SARS		-	19
SITA		-	2,728
Total		<u><u>-</u></u>	<u><u>2,748</u></u>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008**

	Note	2007/08 R'000	2006/07 R'000		
12. Voted funds to be surrendered to the Revenue Fund					
Opening balance		310	1,134		
Transfer from Statement of Financial Performance		1,427	310		
Paid during the year		(309)	(1,134)		
Closing balance		<u>1,428</u>	<u>310</u>		
13. Departmental revenue to be surrendered to the Revenue Fund					
Opening balance		990	224		
Transfer from Statement of Financial Performance		37,610	49,033		
Departmental revenue budgeted	2.	344,682	292,300		
Paid during the year		(383,006)	(340,567)		
Closing balance		<u>276</u>	<u>990</u>		
14. Payables – current					
Description	Note	30 Days R'000	30+ Days R'000	2007/08 Total R'000	2006/07 Total R'000
Clearing accounts	14.1	-	12,218	12,218	1,579
Other payables	14.2	135	24	159	30
Total		<u>135</u>	<u>12,242</u>	<u>12,377</u>	<u>1,609</u>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008**

	2007/08	2006/07
	R'000	R'000
14.1 Clearing accounts		
Description		
70 Control Account Debits	(960,772)	(960,772)
70 Control Account Credits	962,351	962,351
Control Account: Unauthorised Expenditure	10,639	-
Total	12,218	1,579
14.2 Other payables		
Private Telephone Account	24	30
SARS	135	-
Total	159	30
15. Net cash flow available from operating activities		
Net surplus/(deficit) as per Statement of Financial Performance	39,037	49,343
Add back non cash/cash movements not deemed operating activities	(35,767)	(48,496)
(Increase)/decrease in receivables – current	1,700	(2,565)
(Increase)/decrease in prepayments and advances	7	(5)
(Increase) in other current assets	(10,639)	-
Increase in payables – current	10,768	791
Expenditure on capital assets	1,030	2,684
Surrenders to revenue fund	(383,315)	(341,701)
Other non cash items	344,682	292,300
Net cash flow generated by operating activities	3,270	847
16. Reconciliation of cash and cash equivalents for cash flow purposes		
Consolidated Paymaster General Account	159	222
Disbursements	(12)	(2,730)
Cash with commercial banks - Local	2,186	2,601
Total	2,333	93

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008**

	Note	2007/08 R'000	2006/07 R'000
17. Contingent liabilities			
Liable to	Nature		
Other departments (interdepartmental unconfirmed balances)	ANNEXURE 4	305	21
Total		<u>305</u>	<u>21</u>
18. Commitments			
Current expenditure			
Approved and contracted		1,649	810
Approved but not yet contracted			37
		<u>1,649</u>	<u>847</u>
Non-current expenditure			
Approved and contracted		-	16
		<u>-</u>	<u>16</u>
Total Commitments		<u>1,649</u>	<u>863</u>

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for the year ended 31 March 2008**

	2007/08	2006/07
	R'000	R'000
19. Accruals		
	30 Days	30+ Days
	R'000	R'000
By economic classification	R'000	R'000
Goods and services	1,008	1,008
Buildings and other fixed structures	7	7
Machinery and Equipment	-	229
Total	1,015	-
	1,015	597
Listed by programme level		
Administration	772	576
Sustainable Resource Management	115	4
Assets and Liabilities Management	111	17
Financial Governance	17	-
Total	1,015	597

Provincial Treasury leases 14 photocopier machines. Four photocopier machines, received in March 2008 could not be paid as the contracts were not signed yet.

20. Employee benefit provisions

Leave entitlement	1,810	1,088
Thirteenth cheque	1,479	1,310
Performance awards	1,034	893
Capped leave commitments	4,285	4,343
Total	8,608	7,634

It is current practice in the Government service that performance awards are paid after the reporting date for the year under review from the next year's budget as in all other Provincial Departments. This practice is followed as the evaluations are only finalised on average within three months after the closing of each financial year. Comparative figures for all employee benefits have been regrouped.

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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21. Lease Commitments

	Land R'000	Buildings & other fixed structures R'000	Machinery and equipment R'000	Total R'000
21.1 Finance leases				
2007/08				
Not later than 1 year			321	321
Later than 1 year and not later than 5 years			342	342
Total present value of lease liabilities	-	-	663	663
Analysis Condoned	-	-	663	663
Total	-	-	663	663
21.2 2006/07				
Not later than 1 year	-	-	243	243
Later than 1 year and not later than 5 years	-	-	106	106
Total present value of lease liabilities	-	-	349	349

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	2007/08 R'000	2006/07 R'000
22. Receivables for departmental revenue		
Tax revenue	28,323	25,945
Sales of goods and services other than capital assets	39	41
Fines, penalties and forfeits	1	20
Interest, dividends and rent on land	3	1
Financial transactions in assets and liabilities	7,081	8,953
	35,447	34,960

<p>The comparative amount for the 2006/07 financial year has been changed in line with the 2007/08 tax revenue, reflecting taxes accrued after over payments have been made to the Provincial Treasury in March of each year for comparative purposes of these statements.</p>
--

23. Irregular expenditure

23.1 Reconciliation of irregular expenditure

Opening balance		
Irregular expenditure – current year	531	306
Less: Amounts condoned	281	306
Current expenditure	281	306
Less: Not condoned		
Current expenditure		
Irregular expenditure awaiting condonement	250	
Analysis of awaiting condonement per classification		
Current expenditure	250	
Total	250	
Analysis of awaiting condonement per age classification		
Current year	250	
Total	250	

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23.2 Irregular expenditure

Incident	Disciplinary steps taken/criminal proceedings	
Donation Youth Commission	None	250
Holy Cow Design	None	41
SEP-LG	None	241
Total		532

24. Related party transactions

The Provincial Treasury occupies a building owned by the Department of Transport and Public Works free of charge. The Western Cape Gambling and Racing Board is the collecting agent for taxes due to the Provincial Revenue Fund via the vote of this department. Certain IT-Services such as internet access and day-to-day IT software maintenance *inter alia* are rendered free of charge by the Department of the Premier.

25. Key management personnel

Description	No of Individuals	Total R'000	Total R'000
Political Office Bearers	1	896	834
Officials			
Level 15 to 16	1	1,123	1,049
Level 14 (including the CFO)	5	3,040	2,982
Total	7	5,059	4,865

Notes

1. MEC L Brown is the MEC for Finance and Tourism in the Province.
2. The Chief Financial Officer is appointed on salary level 13 but has been included with the information for salary level 14 statistics.

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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26. Tangible Capital Assets

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

	Opening balance Cost R'000	Current Year Adjustments to prior year balances Cost R'000	Additions Cost R'000	Disposals Cost R'000	Closing balance Cost R'000
BUILDING AND OTHER FIXED STRUCTURES	245	-	-	-	245
Heritage assets	245	-	-	-	245
MACHINERY AND EQUIPMENT	7,727	92	706	595	7,930
Computer equipment	6,520	8	537	551	6,514
Furniture and Office equipment	423	150	47	-	620
Other machinery and equipment	784	(66)	122	44	796
TOTAL TANGIBLE ASSETS	7,972	92	706	595	8,175

The total value of these assets exclude the value of R1 305 471 in respect of assets acquired through a finance lease.

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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26.1 ADDITIONS TO TANGIBLE CAPITAL ASSET PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2008

	Cash Cost R'000	Non-Cash Fair Value R'000	(Capital work in progress - current costs) Cost R'000	Received current year, not paid (Paid current year, received prior year) Cost R'000	Total Cost R'000
MACHINERY AND EQUIPMENT	1,030	-	-	(324)	706
Computer equipment	888	-	-	(352)	537
Furniture and Office equipment	47	-	-	-	47
Other machinery and equipment	95	-	-	28	122
TOTAL CAPITAL ASSETS	1,030	-	-	(324)	706

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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**26.2 DISPOSALS OF TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2008**

	Sold for cash	Transfer out of destroyed or scrapped	Total disposals	Cash Received Actual
	Cost/value price as per AR	Cost/value price as per AR		
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	595	-	595	-
Computer equipment	551	-	551	-
Other machinery and equipment	44	-	44	-
TOTAL	595	-	595	-

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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**26.3 MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR
ENDED 31 MARCH 2007**

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	245	-	-	245
Heritage assets	245	-	-	245
MACHINERY AND EQUIPMENT	7,511	2,764	2,548	7,727
Transport assets	108	536	644	-
Computer equipment	6,026	2,033	1,539	6,520
Furniture and Office equipment	389	99	65	423
Other machinery and equipment	988	96	300	784
TOTAL TANGIBLE ASSETS	7,756	2,764	2,548	7,972

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27. Intangible Capital Assets

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

	Opening balance Cost	Current Year Adjustments to prior year balances Cost	Additions Cost	Disposals Cost	Closing balance Cost
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	418	-	-	-	418
TOTAL INTANGIBLE ASSETS	418	-	-	-	418

**27.2 CAPITAL INTANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR
ENDED 31 MARCH 2007**

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	13	405	-	418
TOTAL INTANGIBLE ASSETS	13	405	-	418

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2008**

**ANNEXURE 1A
UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2006/07
	Amount R'000	Roll Overs R'000	Adjust- ments R'000	Total Avail- able R'000	Actual Transfer R'000	% of Available Funds Transferred %	Amount received by munici- pality R'000	Amount spent by munici- pality R'000	% of available funds spent by municipality %	Total Available R'000
City of Cape Town	-	-	-	-	-	0.0	-	-	0.0	29
	-	-	-	-	-		-	-		29

**ANNEXURE 1B
TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENTS/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2006/07
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjust- ments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred %	Final Appropriation Act R'000
Public Entity: Western Cape Youth Commission	-	-	250	250	250	100.0	-
PPPs Seminar	-	-	2	2	2	100.0	-
	-	-	252	252	252		-

**ANNEXURE 1C
TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS**

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2006/07
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available Funds Transferred %	Final Aproppriation Act R'000
Transfers							
Donations & Gifts	-	-	-	-	-	-	1
Total	-	-	-	-	-	-	1

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1D
TRANSFERS/SUBSIDIES TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2006/07
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Transferred	Final Apropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Claims against State							
Households	-	-	-	-	-	-	362
CS Tredoux	190	-	-	190	-	100.0	-
Mr. H. Van Jaarsveldt	155	-	-	155	155	100.0	-
Me. R Fourie	267	-	-	267	267	100.0	-
Mr. DP Smit	545	-	-	545	545	100.0	-
Medical Claims	5	-	-	5	5	100.0	-
Total	1,162	-	-	1,162	1,162		362

**ANNEXURE 1E
GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED FOR THE YEAR ENDED 31 MARCH 2008**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2007/08 R'000	2006/07 R'000
Received in cash			
PPPs Seminar	Gifts to individuals attending seminar	2	-
Youth Commission	Sponsorship: Youth Day activities	250	-
Total		252	-

**ANNEXURE 1F
GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS
MADE AS AN ACT OF GRACE FOR THE YEAR ENDED 31 MARCH 2008**

NATURE OF GIFT, DONATION OR SPONSORSHIP	2007/08	2006/07
Paid in cash		
Attendance of International PPPs seminar	65	
Total	65	

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 2
FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2008 – LOCAL**

Guarantor institution	Guarantee in respect of	Original Guaranteed capital amount R'000	Opening Balance 01/04/2007 R'000	Guarantee drawdowns during the year R'000	Guarantees cancelled/reduced/released during the year R'000	Currency Re-evaluation R'000	Closing Balance 31/03/2008 R'000	Guaranteed interest outstanding 31/03/2008 R'000	Realised losses not recoverable R'000
	Motor Vehicles								
ABSA		-	-	19	19	-	-	-	-
	Total	-	-	19	19	-	-	-	-

**ANNEXURE 3
INTER-GOVERNMENT RECEIVABLES**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Treasury Limpopo	-	-	15	-	15	-
Department of Sport and Recreation: KwaZulu-Natal	-	-	16	-	16	-
Department of Water Affairs and Forestry	14	-	-	-	14	-
Department of Environmental Affairs and Tourism (Vote 26)	14	-	-	-	14	-
Western Cape Education Department	820	-	-	-	820	-
Department of the Premier	158	-	-	-	158	-
Department of Transport and Public Works	19	-	-	-	19	-
Dept of Economic Development and Tourism	-	22	-	-	-	22
TOTAL	1,025	22	31	-	1,056	22
Other Government Entities						
SASSA	-	-	-	24	-	24
TOTAL	1,025	22	31	24	1,056	46

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 4
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007	31/03/2008	31/03/2007
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Western Cape Education Department	1	-	-	-	1	-
Department of Trade and Industry	38	-	-	-	38	-
Department of Agriculture	12	-	-	-	12	-
Government Motor Transport	-	-	304	-	304	-
Department of Economic Development and Tourism	4	-	-	-	4	-
Department of the Premier	-	-	-	8	-	8
Dept. of Enviromental Affairs and Development Planning	-	-	-	13	-	13
Total	55	-	304	21	359	21
OTHER GOVERNMENT ENTITY						
Current						
SASSA	-	-	1	-	1	-
SARS	135	-	-	-	135	-
SITA	-	-	25	-	25	-
Total	135	-	26	-	161	-

Human Resource Management

Oversight Report

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

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

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

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

1. Service Delivery

All departments are required to develop a Service Delivery Improvement (SDI) Plan. The following tables reflect the components of the SDI plan as well as progress made in the implementation of the plan. Services provided per programme are discussed in Part 2 of this statement.

Table 1.1: Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
PROGRAMME 1: Administration				
Sub-programme 1.1: Office of the Minister				
Rendering of secretarial administrative and office support for the office of the Minister	Minister Office of Premier Three tiers of Government: National, Provincial and Local National Ministers Provincial Ministers Director General Department Heads Tourism Organisations Gambling Board Diplomats Politicians Public Public Sector Private Sector NGOs Cabinet Secretariat International Organisations	Other Provinces Ministeries Other National Ministeries National Departments Provincial Departments	Adherence to benchmarked services standards	Delivery of Administrative, Communication and other support services to the standards set by the Minister

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Sub-programme 1.2: Management Services				
Ensure good strategic support to the Head Official: Treasury and his management team. Conduct overall planning to ensure that remaining management functions are conducted on such a level that PT delivers on its responsibilities.	Minister Provincial Treasury Other Departments Directorates	Other Provinces Ministeries Other National Ministries National departments Provincial departments. Municipalities	No service delivery achievements of note can be registered	This sub-programme performs staff functions and it does not directly contribute towards achieving the PT outcomes.
Ensure good strategic support to the HOT and his management team. Conduct overall planning to ensure that remaining management functions are conducted on such a level that PT delivers on its responsibilities.	Minister Provincial Treasury Other Departments Directorates	Other Provinces Ministeries Other National Ministries National departments Provincial departments. Municipalities	No service delivery achievements of note can be registered	This sub-programme performs staff functions and it does not directly contribute towards achieving the PT outcomes.
Sub-programme 1.3: Corporate Services				
Excellence in personnel management services.	Provincial Treasury Directorates SETA	Provincial Departments DPSA	20% Vacancy rate	The year started off with a vacancy rate of 21%. However, during the year the Provincial Cabinet approved the creation of 3 additional posts to the top structure of the Provincial Treasury and the creation of 68 additional posts for Internal Audit. This had the affect that the year ended with a vacancy rate of 34%.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Ensuring cordial Labour Relations.	Provincial Treasury Directorates SETA	Provincial Departments DPSA	No labour disputes	Eight (8) disciplinary cases: -3 cases of failing to carry instruction and order (3 written warnings) - 2 cases of unauthorized absence (1 written warning; 1 suspension without pay) -2 cases of misconduct (2 corrective counseling) -1 case of disrespectful/abusive behaviour (1 final written warning) -1 case of victimization (1 verbal warning).
Facilitating appropriate human resource development	Provincial Treasury Directorates SETA	Provincial Departments DPSA	Skilling in line with strategic goals.	Bursary programmes: 35 Active Bursaries Learnership Programme: 4 currently on the programme. ABET programme: 2 learners still on the programme. A total of 241 employees were trained in courses identified through the IDP process. External Graduate Programme: In response to the Government call, 23 unemployed graduate students were appointed. Under graduate internship programme: 6 interns were employed for a period of 3 months.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Ensuring organizational transformation	Provincial Treasury Directorates SETA	Provincial Departments DPSA	Ability to deliver on Provincial Treasury's goals.	<p>The filling of vacancies focused on achieving equity targets within the Provincial Treasury.</p> <p>The current workforce profile is as follows:</p> <p>African Male 37, African Female 43, Coloured Male 61 , Coloured Female 66, Indian Male 2, Indian Female 3 , White Male 25 , White Female 16</p> <p>Gender equity in employment targets have been achieved and are as follows:</p> <p>Male 49% Female 51%</p> <p>Specific interventions to mitigate the impact of HIV and AIDS on productivity have been embarked upon and successfully pursued.</p> <p>An Employee Assistance Programme has been successfully launched in the Department.</p> <p>All female employees in the Department have participated in diversity training.</p> <p>Service Delivery Improvement Plans have been developed in the Department.</p>

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Sub-programme 1.4: Financial Management				
Good budget management to remain within prescribed budget.	Provincial Treasury Directorates	Provincial departments	Ensure no greater than 1% variance between actual expenditure and approved budget	A variance of 1% between actual expenditure and the approved budget was achieved for this period.
Ensure proper financial accounting service	Provincial Treasury Directorates	Provincial departments	Unqualified Auditor –general report.	Financial Accounting has improved the management of debtors and ledger accounts now suspense accounts are being cleared on monthly basis Unqualified Auditor-General report for 2007/08 achieved.
Efficient and effective supply chain management in line with treasury criteria.	Provincial Treasury Directorates	Provincial departments	Full compliance to efficiency criteria developed by the Treasury.	The Supply Chain Management Unit complied fully to the efficiency criteria developed by Treasury. Unqualified Auditor-General report for 2007/08 achieved.
Improve Provincial Treasury's risk profile	Provincial Treasury Directorates	Provincial departments	Full compliance to efficiency criteria developed by the Treasury.	Established a fraud committee within Provincial Treasury. Performed follow-up inspections based on Auditor-General audit report to enhance internal controls within the dept.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
PROGRAMME 2: Sustainable Resource Management				
Sub-programme 2.2: Economic Analysis				
Socio-economic research	12 Provincial government departments in the Western Cape All local and district municipalities in the Western Cape, and the metro Provincial legislature and political parties Non governmental organisations Business organizations	Learners in schools The general public Business organizations	Relevant and up to date research on the socio-economic status of the Western Cape economy.	Dissemination of research findings done to all actual customers in the form of presentations.
Technical assistance	Local municipalities and provincial departments		Timely response to all technical data queries.	All queries responded to
Sub-programme 2.3: Fiscal Policy: Provincial Government				
Administer the medium-term revenue planning process.	Provincial and National departments CFOs Provincial and National Treasury	Statistics SA SCOF FFC	Timeous and accurate estimates of all sources of Provincial Revenue disseminated to Provincial Treasury.	Timeous and accurate estimates of all sources of Provincial Revenue disseminated to Provincial Treasury.
Analyse and optimise national transfers in line with the evolving intergovernmental architecture.	Provincial departments CFOs Provincial and National Treasury NCOP	Other Provincial Treasuries Statistics SA SCOF FFC	Annual nominal growth of national transfers to the Province.	12.7% nominal growth in Transfers received from National between 2007/08 and 2008/09.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Sub-programme 2.4: Fiscal Policy: Local Government				
To assess viability of municipal revenue budgets	NT, PT, Metro, Mun, District Mun, Local Municipalities, Dept of Local Government and Housing, DPLG, other National and Provincial Departments	National Minister, Provincial, SALGA, Other PT's, Stats SA, Financial Institutions, Rating Agency, Provincial and National Portfolio Committees NCOP	Detailed analysis of the sustainability of revenue budgets	30 reports
Analyse and optimize local government own revenue base	NT, PT, Metro, Mun, District Mun, Local Municipalities, Dept of Local Government and Housing, DPLG, other National and Provincial Departments	National Minister, Provincial, SALGA, Other PTs, Stats SA, Financial Institutions, Rating Agency, Provincial and National Portfolio Committees NCOP	Qualitative research into local government own revenue sources in Western Cape	Initial research undertaken to assess the optimizing of own revenue
Analyze and optimize local government debtors	NT, PT, Metro, Mun, District Mun, Local Municipalities, Dept of Local Government and Housing, DPLG, other National and Provincial Departments	National Minister, Provincial, SALGA, Other PTs, Stats SA, Financial Institutions, Rating Agency, Provincial and National Portfolio Committees NCOP	Debt Database including debt age analysis and capital redemption	Monthly assessments
Analyse and provide advice on municipal long term debt	NT, PT, Metro, Mun, District Mun, Local Municipalities, Dept of Local Government and Housing, DPLG, other National and Provincial Departments	National Minister, Provincial, SALGA, Other PTs, Stats SA, Financial Institutions, Rating Agency, Provincial and National Portfolio Committees NCOP	Assess and provide comments on municipal borrowing together with a database for ratio analysis	Qualitative comments on borrowing proposals

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Analyze and provide policy advice with regard to tariffs, debt and credit control and property rates	NT, PT, Metro, Mun, District Mun, Local Municipalities, Dept of Local Government and Housing, DPLG, other National and Provincial Departments	National Minister, Provincial, SALGA, Other PTs, Stats SA, Financial Institutions, Rating Agency, Provincial and National Portfolio Committees NCOP	Assessment of municipal budgets and financial performance	Monthly, quarterly, annual assessment
Advise on local government financial issues	Provincial Minister of Finance Municipalities, Other Provinces, National Treasury, Provincial Departments	SCOF SCOPA	Provision of sound advice on ad hoc municipal financial matters	Timeous response to issues as it arised.

Sub-programme 2.5: Budget Management

To coordinate and guide the process to determine provincial priorities and recommend financial resource allocation, which effectively contributes to accelerated and shared economic growth in the province.	Provincial and National departments and municipalities	Provincial Departments and Municipalities: Accounting Officers, Chief Financial Officers and Line managers where applicable.	Acceptance of provincial Medium-term Budget Policy Statement (WC-MTBPS) and Departmental allocations for Budget 2008 by the Executive and tabling of WC-MTBPS and Budget 2008 in the Provincial Parliament.	WC-MTBPS 2008-2011 was produced and accepted by the Executive and tabled during November 2007. Final departmental allocations were accepted by the Executive and the Western Cape Budget 2008 was tabled on 4 March 2008.
Promote overall strategic goal of PT to understand local government and line departments' core business, functions, and progress.			Business Insight Folder (BIF) system utilized for provincial MTEC processes. Submission of non-financial quarterly IYM reports to NT on deadline (July; Oct; Jan; April).	Bilateral MTEC 1 and 2 engagements with provincial departments, respectively took place in September 2007 and January 2008. The non financial quarterly was received, assessed and the reports were timeously submitted to National Treasury.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
<p>Improve alignment between provincial priorities and local government IDPs and improve quality and transparency of local government budgets.</p>			<p>Consultation increased between Provincial Treasury, provincial departments and municipalities via MTEC engagements, municipal visits and other initiatives.</p> <p>Reviews conducted on draft budget of each municipality against completed budget evaluation checklist and comments provided to municipalities via LGMTEC 3 process (April).</p>	<p>LG engagements took place as follows: LG MTEC 3: April/May 2007. LG MTEC 1: October 2007. LG MTEC 2: March 2008.</p> <p>30 Assessments were done during the LGMTEC 3 process and were communicated to municipalities.</p>
<p>Enhance the implementation and impact of local government budgets and IDPs to improve service delivery and address the socio economic needs of the community.</p>			<p>Assessments of 2007/08 SDBIPs.</p>	<p>PT had a support intervention on 24 July 2007 to raise awareness of and had three municipalities presented good practice examples. 27 Assessments of 2007/08 SDBIPs were distributed to municipalities.</p>

Sub-programme 2.7 & 2.8: Provincial Government Finance and Local Government Finance

<p>Controlled and assessed expenditure (actual and forecasts).</p>	<p>Provincial departments CFOs National Treasury Provincial Cabinet Budget Committee</p>	<p>Audit Committees Budget Committee SSA SCOF FFC</p>	<p>Timely quality expenditure reports. Spending patterns within defined limits.</p>	<p>Expenditure and trend analysis reports were produced. Provincial spending below 2% norm</p>
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Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Proposing allocations and compile annual adjustments budget.	Provincial and National departments	Provincial departments' directorates	Acceptance by the Executive and Provincial Parliament.	Adjustments Budget accepted by the Executive and tabled on 22 November 2005.
Fulfilment of the Provincial Treasury responsibilities of the Local Government Municipal Finance Management Act, 2003 (Act No 56 of 2003).	National and Provincial Ministers of Finance Provincial departments Directorates within Provincial Treasury National Treasury Municipalities SCOF Provincial Parliament Auditor-General CFO Forum	Budget Forum FFC Other Provinces Provincial Advisory Forum Provincial Advisory Forum Technical Committee SALGA	Comply with National Treasury Legislation and Regulations	Compliance with prescribe and relevant Legislation.
Develop frameworks for transfer of functions between local and provincial spheres of government	Provincial departments Municipalities SALGA National Treasury SCOF SCOPA	Budget Forum FFC Other Provinces	Alignment and optimal placement of functions between the spheres of government.	Research and consolidation reports completed. Department of Local Government and Housing to finalize the framework. Provided assistance with the finalization of research papers.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Publication and managing of allocations from provincial departments to municipalities	Provincial departments Municipalities National Treasury Provincial Cabinet SCOF SCOPA National and Provincial Ministers of Finance PAFTECH CFO Forum	Budget Forum FFC Other Provinces	Ensure that the publication of allocations by provincial departments to municipalities by 14 April 2008 in main budget, as well as in the adjusted budget in November 2008. Ad hoc gazetting of additional allocations from provincial departments to municipalities.	<u>LGMTEC 2 engagements with municipalities</u> Publication of allocations included in the 2008/09 WGPG Budget and allocations booklet. Successful gazetting of allocations to municipalities on a continuous basis.
Facilitating and managing of managerial and co-ordinating intergovernmental structures.	Provincial departments Municipalities National Treasury Other Provinces	Budget Forum FFC Other Provinces	Establishing coordinating structures to ensure the smooth implementation of the MFMA.	Municipal Chief Financial Officer's Forum is operational. A fully functioning MFMA Implementation Unit. MFMA Subcommittee Debt Management Task Team
Advise on local government financial issues.	Provincial Minister of Finance Municipalities Other Provinces, National Treasury, Provincial Departments	SCOF SCOPA	Provision of sound advice on ad hoc municipal financial matters.	Timeous response to issues as it arised.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
PROGRAMME 3: Asset and Liabilities Management				
Sub-programme 3.2: Financial Asset Management				
The Effective Management and Control of the Provincial Revenue Fund	13 Votes 1 Provincial Banker 6 Investment Bankers	Public Entities Donor Agencies National Departments	To daily manage & control the Provincial Revenue Fund for all the departments in the Province.	100%
Provision of technical user support & capacity building to staff in the relevant departments	13 Votes 1 Provincial Banker	Public Entities	Daily communication & personal interaction with departments & Provincial Banker in the Province to ensure effective Cash & Risk Management	100%
Management of the Corporation for Public Deposits Account(CPD) in terms of the Inter-Governmental Cash Co-ordinating Agreement (IGCC)	2 National Departments (National Treasury & South African Reserve Bank)		As Per the Payment Schedule ensuring the transfer of Equitable Share & Conditional Grants to the Provincial Exchequer Account.	100%
Ensuring effective & efficient Cash Management in Local Government in the Province in compliance with PFMA, MFMA and Treasury Regulations.	30 Municipalities	Public Entities Financial Institutions	To regularly assess, monitor & advise municipalities to achieve optimum Cash Management objectives in compliance with the MFMA	100 %

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Sub-programme 3.3: Moveable Asset Management				
<p>To ensure that departments / municipalities embrace SCM as a strategic directive that delivers continual cost and value improvements resulting in effective future planning, mitigation of risk in SCM, leveraged buying power and a smoother acquisition process</p>	<p>Provincial Departments, Provincial Public entities and departmental institutions Municipalities and municipal entities Businesses / Suppliers</p>	<p>Liaison Committees Forums NGOs</p>	<p>A modernised and practical supply chain management system to promote economic development and improve efficiency.</p> <p>Co-ordinate or facilitate SCM training / re-training of officials in provincial departments and municipalities.</p>	<p>Provincial Treasury Instructions, Chapter 10 and 16A, Provincial Policy and practice Notes issued. Participated in the Small Business Week. Business Case for a Proposed Paper Transversal contract issued for comment from provincial departments.</p> <p>6 training sessions conducted in which 127 Provincial departmental officials trained: Bid committee training = 87 officials trained Contract Management training = 40 managers trained</p> <p>2 compliance intervention training sessions were conducted (Overstrand and Beaufort West Municipalities) in which 78 officials were trained.</p> <p>6 training sessions conducted (2 x bid committees; 2 x SCM operational and 2 x contract management) in which a 121 municipal officials were trained.</p>

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
			Promote asset management reform strategy through project dashboard assessments.	12 project Dashboard Reports completed in 12 Provincial Departments and Asset Management Guidelines issued
Ensure the strategic use of available technological tools to improve knowledge base and operations	Provincial Departments, Provincial Public entities and departmental institutions Municipalities and municipal entities	Liaison Committees Forums NGOs Service providers	Timeous qualitative and quantitative procurement data.	12 Provincial Procurement Reports completed.
Development of a balanced, centre led SCM system that maximises departmental wide leverage	Provincial Departments, Provincial Public entities and departmental institutions Municipalities and municipal entities	Liaison Committees Forums NGOs Service providers	Compliance to Prescripts in provincial departments and municipalities	12 SCM compliance assessments completed at provincial departmental sites 12 Value for money SCM assessments completed at provincial departmental sites 5 SCM compliance Assessments completed at municipalities.
Sub-programme 3.4: Immoveable Asset Management				
Promote PPP projects in departments and municipalities to obtain value for money	Provincial departments Public entities Municipalities	Private Sector	Value for Money Affordability Appropriate risk transfer	Seminars, engagements and training held with departments and municipalities
Sub-programme 3.5: Liabilities Management				
Note: The liabilities unit was not functional during 2007/8.				
Sub-programme 3.6: Supporting and Interlinked Financial Systems				
Implement and manage Financial Systems	7000 Financial System users	7000 Financial System users	Manage the systems on a daily basis to 7000 users from all Departments across the Province	100%

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Ensure stability and accessibility of existing financial systems	7000 Financial System users	7000 Financial System users	98% uptime and a 10second screen refresh rate	100%
Capacitate system users	7000 Financial System users	7000 Financial System users	Capacitate 20% of target group per annum from all departments across the Province to be fully skilled system users	100%

PROGRAMME 4: Financial Governance

Sub-programme 4.2: Accounting Services

Rendering administrative support services to ensure the effective operational management of the unit.	Provincial Treasury All other customers indicated by the various directorates within Financial Governance.	Provincial Treasury All other customers indicated by the various directorates within Financial Governance.	Accounting policy and practices rolled out to Departments, Entities and Municipalities in terms of the Public Finance Management Act, Municipal Management Act and Treasury Regulations.	Accounting policies and practices rolled out as per standard of service to all Departments, Entities and Municipalities.
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Sub-programme 4.3: Norms and Standards

Monitor existing financial management norms and standards in departments and public entities to assess compliance thereof.	AOs CFOs Provincial Treasury Directorate Public Entities	SCOF SCOPA	Number of departments and entities assessed quarterly.	12 departments 13 entities
Monitor existing financial management norms and standards in municipalities to assess compliance thereof	Provincial Treasury Directorates Municipalities	SCOF SCOPA	Number of municipalities assessed quarterly.	20/24 municipalities

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Annual review of existing provincial financial legislation to keep it relevant and appropriate and co-ordination of inputs into proposed amendments of National Financial Legislation	AOs CFOs Provincial Treasury Directorates Municipalities Public Entities	SCOF SCOPA	Number of legislation reviewed and/or commented on.	Reviewed 3 existing provincial financial laws and further input into PFMA amendments
Sub-programme 4.4: Risk Management				
To develop and facilitate the implementation of effective enterprise risk management (ERM) and corporate governance capacity within Provincial Government	Provincial Treasury Departments	National Departments Municipalities Other Provinces	To facilitate the establishment of enterprise risk management and corporate governance in the Provincial Government	All departments with approved structures. ERM framework adopted by Cabinet. Corporate Governance Framework adopted by PTM
Sub-programme 4.5: Internal Audit				
To render an effective risk based internal audit (IA) service.	AOs, CFOs, Auditor General, Forensic Investigative Unit, Audit Committees	National Departments, SCOF, SCOPA	To render an effective risk based internal audit service to all provincial departments	The Provincial Internal Audit service was rendered by a central co-sourced Internal Audit Function. A risk based Internal Audit service was provided to all provincial departments.

Table 1.2: Consultation arrangements with customers

Type of arrangement	Actual customers	Potential customers	Actual achievements
Office of the Minister			
Budget Speeches	Tourism	Provincial Ministers	100%
	Provincial Treasury	MPLs, Head of department, CFO	100%
		Mayor and Municipal Managers and Businesses	
Public Finance			
CFO Forum meetings	Provincial departments		Forums utilized effectively
MFMA Subcommittee	Municipalities		Fully functional committee
Debt Management Task Team	Treasury Directorates Provincial Departments Municipalities		Fully functional Task Teams
Formal and informal meetings	Provincial departments Municipalities		Effective consultation regarding spending issues
Quarterly Cabinet reports	Cabinet		Complied
MFMA implementation unit	Municipalities National Treasury Provincial departments SCOF, SCOPA	Cabinet Other Provinces	Established and operational.
Economic Analysis			
Customers comments solicited before publication of results	4 provincial departments	To be included in the next cycle	30 per cent consulted.
Financial Asset Management			
Training Sessions	12 Provincial Departments and the Provincial Parliament	Public Entities	100%
Financial Briefing Forums	12 Provincial Departments and the Provincial Parliament Provincial Banker Investment/Financial Institutions	Donor Agencies	100%
CFO (Municipal) Forums Local Government Forums LGMTEC)	30 Municipalities	Public Entities Donor Agencies	100%
Moveable Asset Management			
Movable Asset Management – SCM Office (PT)	National Treasury Provincial Departments Municipalities SCOPA SCOF	Cabinet Other Provinces	Established and operational

Type of arrangement	Actual customers	Potential customers	Actual achievements
SCM/Asset Management Forums	Provincial Departments Municipalities	National Treasury Other Provinces	Improved SCM Practices, information sharing and benchmarking best practices
Supporting and Interlinked Financial Systems System forums	12 Provincial Departments and the Provincial Parliament	13 Provincial Departments	100%
Accounting Services CFO Forum meetings	Provincial Departments Municipalities	Public Entities Donor Agencies Auditor-General	6 meetings annually
Financial Accountant's Forum	Departments	Public Entities Auditor-General	12 meetings annually
Formal and Informal meetings	Provincial Departments Entities Municipalities		Effective consultation regarding spending issues
Training Sessions	13 Provincial Departments 14 Entities 30 Municipalities		2 sessions
Accounting workshops and Bi-lateral meeting	13 Departments 30 Municipalities	National Treasury	12 sessions
Norms and Standards Provincial Treasury Forum	9 Provincial Treasuries	9 Provincial Treasuries	Improve Financial Governance within the Provincial Sphere
Risk Management Chief Risk Officers Forum	PGWC Departments	Municipalities	ERM issues identified and addressed
National Risk Management Forum	National Treasury	Other Provinces	Transversal ERM issues raised and addressed.
Internal Audit To render an effective risk based internal audit (IA) service	AOs, CFOs, Auditor General, Forensic Investigative Unit, Audit Committees	National Departments, SCOF, SCOPA	To render an effective risk based internal audit service to all provincial departments
Chief Audit Executive's forum	National Treasury	Other Provinces	Transversal audit issues raised and resolved

Type of arrangement	Actual customers	Potential customers	Actual achievements
Audit Committee meetings	Audit Committees	Audit Committees	Progress in execution of internal audit plans and reporting critical issues to the audit committees
Departmental Project Team Meetings	AOs and CFOs	AOs and CFOs	Monthly progress in terms of the execution of the internal audit plans

Table 1.3: Service delivery access strategy

Access strategy	Actual achievements
Office of the Minister	
Joint meetings with relevant departments to the event	Wide media cover
Co-ordinate and document event with or for Minister's final approval	MPLs and departments attendance
	Business and Public attendance
Moveable Asset Management	
Supplier Database	Population of database with verified suppliers 18 540
Non Compliance Mechanism	Implementation of corrective measures, issuing of practice notes, Provincial Treasury Instructions and Procedural Manuals
Supporting and Interlinked Financial Systems	
Help Desk	6 786 calls logged and solved
Accounting Services	
Helpdesk service provided	95% enquiries involved
Norms and Standards	
Non Compliance Mechanism	Implementation of corrective measures, issuing of practice notes, Provincial Treasury Instructions and Procedural Manuals
Risk Management	
Helpdesk function: ERA	All requests attended to
Economic Analysis	
Wider distributions of research results	Presentations and distribution of publications made to extensive stakeholders in addition to access to information via cape gateway.

Table 1.4: Service delivery information tool

Types of information tool	Actual achievements
Office of the Minister	
Media : Radio and Newspaper	Media: how many people it reached. Both Radio and print
Invitations and Actual Speech	Actual acceptance of speech by government
Public Finance	
Provincial and municipal In-year Monitoring (IYM) reports	Monthly and quarterly
Database of spending trends	Updated regularly
Financial Asset Management	
BAS (Basic Accounting System)	100% Transactions processed successfully
IGCC (Inter-Governmental Cash Co-ordinating System) with South African Reserve Bank.	100% Transactions processed successfully
Provincial Banking System (Nedbank business)	100% Transactions processed successfully
Moveable Asset Management	
PT Database	Updated regularly
Electronic Purchasing System	53 523 Quotations completed
Provincial and Municipal In-year Monitoring Reports	Monthly and quarterly reporting
Western Cape Supplier Database	18 540 suppliers registered
Supporting and Interlinked Financial Systems	
BAS Remedy tool	Information disseminated
PERSAL SCC System	Information disseminated
LOGIS SCC System	Information disseminated
Accounting Services	
National Treasury Website	100% accessible
Provincial Treasury Database	100% accessible
Risk Management	
ERA Risk Management System	Updated regularly

Table 1.5: Complaints mechanism

Office of the Minister
Overbooked
Parking for guests
People do not RSVP on time
Lack of staff participation
Financial Asset Management
Financial Briefing Forums
CFO (Municipal) Forums
Local Government Forums (LGMTEC)
Provincial Banker Help desk
BAS Help desk
SARB Help desk (IGCC)
Moveable Asset Management
Work in Progress. Instructions from National Treasury to hold in abeyance pending the finalisation of the National Grievance Mechanism Policy.
Supporting and Interlinked Financial Systems
Help desk
CFO Forum
Accounting forum
Accounting Services
Available through the financial governance and helpdesk facility

2. Expenditure

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

Table 2.1: Personnel costs by programme, 2007/08

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as percent of Total Expenditure	Average Personnel Cost per Employee (R'000)
Programme 1 - Administration	33 444	15 130	779	3 303	45.24	213
Programme 2 - Sustainable Resource Management	21 539	16 544	-	1 996	76.81	301
Programme 3 - Asset and Liabilities Management	21 712	15 034	-	4 649	69.24	246
Programme 4 - Financial Governance	38 429	13 522	49	23 775	35.19	199
Total	115 124	60 230	828	33 723	52.32	236

Table 2.2: Personnel costs by salary band, 2007/08

Salary Bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	129	0.21	65
Skilled (Levels 3-5)	3 205	5.23	94
Highly skilled production (Levels 6-8)	8 910	14.55	144
Highly skilled supervision (Levels 9-12)	38 251	62.47	267
Senior management (Levels 13-16)	9 837	16.07	757
Minister	896	1.46	896
TOTAL	61 227	100.00	240

Note: The discrepancy in personnel expenditure by programme (Table 2.1) and personnel expenditure by salary band (Table 2.2), amounting to R997 000 can be contributed to accumulated differences between the Basic Accounting System (BAS) and the Personnel Salary System (PERSAL). Please note that the (BAS) figures of Table 2.1 have been verified by the Provincial Auditor and is reflected in the Financial Statements in part 3 of this document. The latter is regarded as the correct amount.

Table 2.3: Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2007/08

Programme	Salaries		Overtime		Home Owners Allowance (HOA)		Medical Assistance	
	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Ass. as % of Personnel Cost
1. Administration	10 220 521	16.69	166 616	0.27	142 675	0.23	573 098	0.94
2. Sustainable Resource Management	11 695 434	19.10	196 664	0.32	133 882	0.22	562 958	0.92
3. Asset and Liabilities Management	10 845 204	17.71	2 627	0.00	177 394	0.29	715 741	1.17
4. Financial Governance	9 731 211	15.89	3 617	0.01	97 381	0.16	489 620	0.80
Total	42 492 370	69.40	369 524	0.60	551 332	0.90	2 341 417	3.82

Table 2.4: Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary band, 2007/08

Salary band	Salaries		Overtime		Home Owners Allowance (HOA)		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)	87 772	0.14	-	-	11 229	0.02	6 140	0.01
Skilled (Levels 3-5)	2 109 058	3.44	32 158	0.05	52 374	0.09	236 096	0.39
Highly skilled production (Levels 6-8)	7 008 429	11.45	114 581	0.19	106 434	0.17	404 889	0.66
Highly skilled supervision (Levels 9-12)	27 607 499	45.09	222 786	0.36	381 295	0.62	1 469 044	2.40
Senior management (Levels 13-16)	5 617 756	9.18	-	0.00	-	0.00	207 262	0.34
Minister	61 857	0.10	-	0.00	-	0.00	17 987	0.03
TOTAL	42 492 370	69.40	369 524	0.60	551 332	0.90	2 341 417	3.82

3. Employment and Vacancies

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

Table 3.1: Employment and vacancies by programme, 31 March 2008

Programme	Number of posts	Number of posts filled	Vacancy Rate %	Number of posts filled additional to the establishment
1. Administration	87	72	17	-
2. Sustainable Resource Management	87	57	34	-
3. Asset and Liabilities Management	79	59	25	-
4. Financial Governance	132	66	50	1
TOTAL	385	254	34	1

Table 3.2: Employment and vacancies by salary bands, 31 March 2008

Salary band	Number of posts	Number of posts filled	Vacancy Rate %	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2), Permanent	2	2	-	-
Skilled (Levels 3-5), Permanent	43	34	21	-
Highly skilled production (Levels 6-8), Permanent	96	62	35	-
Highly skilled supervision (Levels 9-12), Permanent	214	142	34	1
Senior management (Levels 13-16), Permanent	29	13	55	-
Minister	1	1	-	-
Total	385	254	34	1

Note: The additional post to the establishment shown in Tables 3.1 and 3.2 is created to accommodate an employee who was declared supernumary. This employee's situation is currently being dealt with.

Table 3.3: Employment and vacancies by critical occupation, 31 March 2008

Critical Occupation	Number of posts	Number of posts filled	Vacancy Rate %	Number of posts filled additional to the establishment
Economist	24	13	46	-
Expenditure Analyst	21	7	67	-
Financial Analyst	14	11	21	-
Procurement Specialist	13	10	23	-
State Accountant Senior	1	1	0	-
System Controller	26	24	8	-
Total	99	66	33	-

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

4. Job Evaluation

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

Table 4.1: Job Evaluation, 1 April 2007 to 31 March 2008

Salary band	Number of posts	Number of Jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	2	-	-	-	-	-	-
Skilled (Levels 3-5)	43	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	96	12	13	12	100	-	-
Highly skilled supervision (Levels 9-12)	214	1	1	1	100	-	-
Senior Management Service Band A	20	3	15	-	-	-	-
Senior Management Service Band B	6	-	-	-	-	-	-
Senior Management Service Band C	2	-	-	-	-	-	-
Senior Management Service Band D	1	-	-	-	-	-	-
Premier	1	-	-	-	-	-	-
Total	385	16	4	13	81	-	-

Table 4.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2007 to 31 March 2008

Beneficiaries	African	Asian	Coloured	White	Total
Female	1	-	10	1	12
Male	-	-	1	-	1
Total	1	-	11	1	13
Employees with a disability	-	-	-	-	-

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

Table 4.3: Employees whose salary level exceeded the grade determined by job evaluation, 1 April 2006 to 31 March 2008 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Female	-	-	-	N/A
Male	-	-	-	N/A
Total	-	-	-	N/A
TOTAL NUMBER OF EMPLOYEES WHOSE SALARIES EXCEED THE LEVEL DETERMINED BY JOB EVALUATION IN 2007/2008				-
Percentage of total employment				-

Table 4.4: Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2006 to 31 March 2008 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-
Employees with a disability	-	-	-	-	-
Total number of employees whose salaries exceed the grades determined by job evaluation in 2007/08					-

5. Employment Changes

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

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

Table 5.1: Annual turnover rates by salary band for the period 1 April 2007 to 31 March 2008

Salary band	Number of employees per band as on 1 April 2007	Appointments and transfers into the Department	Terminations and transfers out of the department	Turnover Rate %
Lower skilled (Levels 1-2), Permanent	2	-	-	-
Skilled (Levels 3-5), Permanent	36	19	18	50
Highly skilled production (Levels 6-8), Permanent	45	47	27	60
Highly skilled supervision (Levels 9-12), Permanent	145	33	40	28
Senior Management Service Band A, Permanent	11	3	6	55
Senior Management Service Band B, Permanent	4	-	1	25
Senior Management Service Band C, Permanent	-	-	-	-
Senior Management Service Band B, Permanent	1	-	-	-
Minister	1	-	-	-
Total	245	102	92	38

Table 5.2: Annual turnover rates by critical occupation for the period 1 April 2007 to 31 March 2008

Occupation	Number of employees per occupation as on 1 April 2007	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate %
Economist	13	1	7	54
Expenditure Analyst	7	4	-	-
Financial Analyst	11	-	-	-
Procurement Specialist	10	5	-	-
State Accountant Senior	1	-	1	100
System Controller	24	3	2	8
Total	66	13	10	15

Table 5.3: Reasons why staff are leaving Treasury

Termination Type	Number	% of total
Transfer to other PSDept	34	37
Resignating of Position	28	30
Conversion - Appointment	4	11
Deceased	1	-
Contract Expiry	22	24
Employee Initiated Severance Packages	3	8
Grand Total	92	100
Total number of employees who left as a % of the total employment		38

Table 5.4: Promotions by critical occupation

Occupation	Employees as at 1 April 2007	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Economist	13	2	15	1	8
Expenditure Analyst	7	1	14	4	57
Financial Analyst	11	-	-	11	100
Procurement Specialist	10	1	10	4	40
State Accountant Senior	1	-	-	1	100
System Controller	24	-	-	11	46
Total	66	4	6	32	48

Table 5.5: Promotions by salary band

Salary band	Employees as at 1 April 2007	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (level 1-2)	2	-	-	3	150
Skilled (level 3-5)	36	4	11	19	53
Highly Skilled production (level 6-8)	45	13	29	24	53
Highly Skilled supervision (level 9-12)	145	22	15	63	43
Senior Management (level 13-16)	16	1	6	10	63
Minister	1	-	-	-	-
Total	245	40	16	119	49

6. Employment Equity

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

Table 6.1: Total number of employees in each of the following occupational categories as on 31 March 2008

Occupational Categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers (includes MEC)	-	5	2	4	-	2	1	-	14
Professionals	28	36	-	20	19	32	1	6	142
Technicians and Associate Professionals	6	13	-	1	16	15	1	4	56
Clerks	4	5	-	1	8	15	-	6	39
Plant and machine operators and assemblers	-	1	-	-	-	-	-	-	1
Labourers and Related Workers	-	1	-	-	-	2	-	-	3
Total	38	61	2	26	43	66	3	16	255
Employees with disabilities	-	-	-	1	-	-	-	1	2

Table 6.2: Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2008

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (includes MEC)	-	-	-	1	-	1	-	-	2
Senior Management	-	5	2	3	-	1	1	-	12
Professionally qualified and experienced specialists and mid-management	28	36	-	20	19	32	1	6	142
Skilled technical and academically qualified workers, junior management, supervisors, foremen	6	13	-	1	16	15	1	4	56
Semi-skilled and discretionary decision making	4	5	-	1	8	15	-	6	39
Unskilled and defined decision making	-	2	-	-	-	2	-	-	4
Total	38	61	2	26	43	66	3	16	255

Table 6.3: Recruitment for the period 1 April 2007 to 31 March 2008

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	1	-	-	-	1	-	-	2
Professionally qualified and experienced specialists and mid-management	7	7	-	-	9	3	-	-	26
Skilled technical and academically qualified workers, junior management, supervisors, foremen	4	9	-	-	14	10	1	2	40
Semi-skilled and discretionary decision making	7	-	-	-	4	3	-	-	14
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	18	17	-	-	27	17	1	2	82
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 6.4: Promotions for the period 1 April 2007 to 31 March 2008

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	1	-	1
Professionally qualified and experienced specialists and mid-management	5	9	-	-	4	4	-	-	22
Skilled technical and academically qualified workers, junior management, supervisors, foremen	2	4	-	-	-	6	1	-	13
Semi-skilled and discretionary decision making	2	1	-	-	-	1	-	-	4
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	9	14	-	-	4	11	2	-	40
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 6.5: Terminations for the period 1 April 2007 to 31 March 2008

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	1	-	-	-	-	2	-	1	4
Professionally qualified and experienced specialists and mid-management	4	5	-	-	5	5	-	3	22
Skilled technical and academically qualified workers, junior management, supervisors, foremen	1	3	-	2	3	3	-	4	16
Semi-skilled and discretionary decision making	6	-	-	-	5	5	-	-	16
Unskilled and defined decision making	-	-	-	-	-	-	-	-	-
Total	12	8	-	2	13	15	-	8	58
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 6.6: Disciplinary action for the period 1 April 2007 to 31 March 2008

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	-	-	-	2	-	-	-	1	3

Table 6.7: Skills development for the period 1 April 2007 to 31 March 2008

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	-	5	2	4	-	2	-	-	13
Professionals	28	37	-	20	26	36	3	7	157
Technicians and Associate Professionals	2	4	-	1	1	4	-	-	12
Clerks	8	12	-	1	16	22	-	9	68
Plant and Machine Operators and Assemblers	-	1	-	-	2	-	-	-	3
Elementary Occupations	-	-	-	-	-	2	-	-	2
Total	38	59	2	26	45	66	3	16	255
Employees with disabilities	-	-	-	1	-	-	-	1	2

7. Performance Rewards

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

Table 7.1: Performance Rewards by race, gender and disability, 1 April 2007 to 31 March 2008

Race, gender and disability	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2007	% of total within group	Cost (R'000)	Average cost per employee (R'000)
African	18	81	22	74	6
Male	7	38	18	40	6
Female	11	43	26	34	7
Asian	1	5	20	14	12
Male	-	2	-	14	-
Female	1	3	33	-	-
Coloured	45	127	35	290	6
Male	21	61	34	129	6
Female	24	66	36	161	7
White	31	42	74	1 771	9
Male	15	26	58	1 657	11
Female	16	16	100	114	7
Total	95	255	37	2 149	7

Table 7.2: Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2007 to 31 March 2008

Salary Bands	Beneficiary Profile			Cost		
	Number of Beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee (R'000)	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	3	2	150	129	43	0
Skilled (Levels 3-5)	16	36	44	3 205	200	5
Highly skilled production (Levels 6-8)	25	45	56	8 910	356	15
Highly skilled supervision (Levels 9-12)	51	145	35	38 251	750	64
Total	95	228	42	50 494	532	84

Table 7.3: Performance Rewards by critical occupations, 1 April 2007 to 31 March 2008

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee (R'000)
Economist	5	13	39	68	14
Expenditure Analyst	1	7	14	23	23
Financial Analyst	4	11	36	18	5
Procurement Specialist	3	10	30	18	6
State Accountant Senior	1	1	100	9	9
System Controller	6	24	25	41	7
Total	20	66	30	177	9

Table 7.4: Performance related rewards (cash bonus), by salary band, for Senior Management Service

Salary Bands	Beneficiary Profile			Total Cost (R'000)	Average cost per employee (R'000)	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands			
Band A	5	9	56	123	25	2.0
Band B	2	3	67	59	30	1.0
Band C	-	-	-	-	-	0.0
Band D	-	1	-	-	-	0.0
Minister	-	1	-	-	-	0.0
Total	7	14	50	182	26	1.5

8. Foreign Workers

Table 8.1: Foreign Workers, 1 April 2007 to 31 March 2008, by salary band

Salary Band	1 April 2007		31 March 2008		Change	
	Number	% of total	Number	% of total	Number	% of change
Highly skilled supervision (Levels 9-12)	1	100	1	100	-	-
Total	1	100	1	100	-	-

Table 8.2: Foreign Workers, 1 April 2007 to 31 March 2008, by major occupation

Major Occupation	1 April 2007		31 March 2008		Change	
	Number	% of total	Number	% of total	Number	% of change
Financial and Related Professionals	1	100	1	100	-	-
Total	1	100	1	100	-	-

9. Leave utilisation for the period 1 January 2007 to 31 December 2007

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 9.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided.

Table 9.1: Sick leave, 1 April 2007 to 31 March 2008

Salary Bands	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	28	68	2	1	14	10
Skilled (Levels 3-5)	292	74	32	13	9	2 404
Highly skilled production (Levels 6-8)	635	83	64	26	10	16 726
Highly skilled supervision (Levels 9-12)	750	70	139	56	5	76 534
Senior management (Levels 13-16)	42	81	11	4	4	589
Total	1 747	75	248	100	7	96 263

Table 9.2: Disability leave (temporary and permanent), 1 April 2007 to 31 March 2008

Salary Bands	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	161	100	1	100	161	326
Highly skilled supervision (Levels 9-12)	-	-	-	-	-	-
Senior management (Levels 13-16)	-	-	-	-	-	-
Total	161	100	1	100	161	326

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

Table 9.3: Annual Leave, 1 January 2007 to 31 December 2007

Salary Bands	Total days taken	Average days per employee
Lower skilled (Levels 1-2)	51	26
Skilled (Levels 3-5)	636	21
Highly skilled production (Levels 6-8)	1 190	26
Highly skilled supervision (Levels 9-12)	3 187	23
Senior management (Levels 13-16)	324	20
Total	5 388	23

Table 9.4: Capped leave, 1 January 2007 to 31 December 2007

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2007
Lower skilled (Levels 1-2)	-	-	12
Skilled (Levels 3-5)	10	0.32	32
Highly skilled production (Levels 6-8)	23	0.51	35
Highly skilled supervision (Levels 9-12)	57	0.41	21
Senior management (Levels 13-16)	-	0.00	55
Total	90	0.39	28

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

Table 9.5: Leave payouts for the period 1 April 2007 to 31 March 2008

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee (R'000)
Leave payout for 2007/2008 due to non- utilisation of leave for the previous year	14 042	2	7 021
Current leave payouts on termination of service for 2007/2008	142 835	16	8 927
Total	156 877	18	8 715

10. HIV/Aids & Health Promotion Programmes

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

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
The environment in the Provincial Treasury is for the most part administrative and does not place employees at risk of contracting HIV and related diseases.	Employees are regularly informed about universal precautions as precautionary measure to occupational injuries that may result in blood spillage.

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	√		Ms Pauline Piedt: Senior Manager: HRM is the SMS member designated to deal with HIV and AIDS in PT.
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		All Health and Wellness programmes are dealt with at HRM under the sub-directorate: Transformation, the component comprises of six staff members, 1 MMS member, 1 Assistant Manager and 4 Practitioners. All interventions pertaining to staff health and wellness, i.e. employee wellness programme, HIV and AIDS, etc are paid from one central budget dedicated for this purpose.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	√		Provincial Treasury has procured the services from an outsourced service provider. The services include the following: <ul style="list-style-type: none"> • Counselling Services • Life Management Services • Management referral
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	√		The Institutional Management and Labour Committee (IMLC) has been established amongst others, in the Department. The IMLC comprises of Employer Representatives: A Reddy, A Phillips, G Paulse, P Piedt, K Langenhoven, and Employee Representatives: P Wiese (PAWUSA), C Anthony and R Mienie (PSA), F Masibi and W Yamile (NEHAWU)
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	√		Policies regarding employment have been reviewed on a transversal basis, submitted to the Bargaining Council and adopted in the Department. In addition, the Department has also adopted the Transversal Framework Workplace Policy and Programme for the management of HIV and AIDS.

Question	Yes	No	Details, if yes
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	√		Effective use is being made of the Employee Assistance Programme to minimize discrimination and stigmatization in the workplace.
7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	√		In 2007-2008 financial year 5% of Provincial Treasury employees took part in the VCT programme.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/ indicators.	√		No formal surveys and evaluations have been conducted to date. A BRM audit is however scheduled to be conducted during the third quarter of 2008. The only monitoring that has thus far been undertaken is the rate at which the condom dispensers are being replenished. Provincial Treasury has a total number of 120 males. For the period 01 April 07 – 31 March 08 approximately 2500 condoms were removed from the dispensers.

11. Labour Relations

Table 11.1: Collective agreements, 1 April 2007 to 31 March 2008

Subject Matter	Date
None	None

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

Table 11.2: Misconduct and disciplinary hearings finalised, 1 April 2007 to 31 March 2008

Outcomes of disciplinary hearings	Number	% of total
Written warning	4	67
Final written warning	2	33
TOTAL	6	100

Table 11.3: Types of misconduct addressed at disciplinary hearings for period 1 April 2007 to 31 March 2008

Type of misconduct	Number	% of total
Absent from work without reason or permission	4	57
Wilfully or negligently mismanges finances	-	-
Contravenes any code of conduct for stat	-	-
Fails to comply with or contravenes an a	3	43
Under the influence of intoxicating substance	-	-
Total	7	100

Table 11.4: Grievances lodged for the period 1 April 2007 to 31 March 2008

Number of grievances addressed	Number	% of total
Resolved	1	100
Not resolved	-	-
Total	1	100

Table 11.5: Disputes lodged with Councils for the period 1 April 2007 to 31 March 2008

Number of disputes addressed	Number	% of total
Upheld	-	-
Dismissed	-	-
Lodged (Pending)	1	100
Total	1	100

Table 11.6: Strike actions for the period 1 April 2007 to 31 March 2008

Strike Actions	Number
Total number of person working days lost	12.00
Total cost of working days lost	R2 113.18
Amount recovered as a result of no work no pay	R2 113.18

Table 11.7: Precautionary suspensions for the period 1 April 2007 to 31 March 2008

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

12. Skills Development

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

Table 12.1: Training needs identified 1 April 2007 to 31 March 2008

Occupational Categories	Gender	Number of employees as at 1 April 2007	Training needs identified at start of reporting period			
			Leamer-ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	5	-	-	-	-
	Male	10	-	3	-	3
Professionals	Female	65	1	29	-	30
	Male	84	-	44	-	44
Technicians and associate professionals	Female	7	-	7	-	7
	Male	11	-	11	-	11
Clerks	Female	44	-	26	-	26
	Male	14	1	12	-	13
Elementary occupations	Female	2	-	-	1	1
	Male	1	-	-	1	1
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	2	-	-	1	-
Sub-total	Female	123	1	62	1	64
	Male	122	1	70	2	72
Total		245	2	132	3	136

Table 12.2: Training provided 1 April 2007 to 31 March 2008

Occupational Categories	Gender	Number of employees as at 1 April 2007	Training needs identified at start of reporting period			
			Learner-ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	2	-	1	-	1
	Male	11	-	2	-	2
Professionals	Female	72	1	79	-	80
	Male	84	-	77	-	77
Technicians and associate professionals	Female	5	-	12	-	12
	Male	6	-	12	-	12
Clerks	Female	47	-	27	-	27
	Male	21	1	65	-	66
Elementary occupations	Female	2	-	-	1	1
	Male	1	-	-	1	1
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	2	-	-	1	1
Sub-total	Female	128	1	119	1	121
	Male	125	1	156	2	159
Total		253	2	275	3	280

13. Injury on duty

The following table provides basic information on injury on duty.

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

Nature of injury on duty	Number	% of total
None	-	-
Total	-	-

14. Utilisation of Consultants

Table 14.1: Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Workdays	Contract value in Rand
Human Resource Management			
Executive Coaching	5	80	473 840.00
Talent Management Framework	3	120	794 200.00
Cultural Intervention	2	120	300 350.00
Employee Assistance Programme	1	120	94 917.00
Value Chain Alignment	3	120	684 000.00

Project Title	Total number of consultants that worked on the project	Duration: Workdays	Contract value in Rand
Financial Management	1		
Revising the annual Performance Plan (Afrec)			82 432.80
Conduct annual stock take (Makana)	11		262 176.16
Maintenance assets (Makana)	1		238 323.84
Assistance in registry (Makana)	2		420 769.73
Economic Analysis			
PERO&O 2007	5	30	165 788.00
SEP-LG 2007	5	60	471 487.00
Moveable Asset Management			
EPSi and Database Systems	1	365	117 524.92
Supporting and Interlinked Financial Systems			
VULINDLELA	1	239	629 441.00
PERSAL	5	876	2 166 896.00
Accounting Services			
Municipality Accounting Review	1	7	56 120.80
GAMAP/GRAP Training	1	3	87 324.00
Risk Management			
Corporate Governance	1	5	35 000.00
Internal Audit			
PAWCFIN 03/2003 Risk Assessment and Internal Audit service	Utilised various staff members of the 6 member firms of the Sihluma Sonke Consortium	240	22 889 000.00

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

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Human Resource Management			
Executive Coaching	100%	100%	1
Talent Management Framework	30.1%	90%	2
Cultural Intervention	50%	50%	1
Employee Assistance Programme	51%	49%	1
Value Chain Alignment	100%	100%	3

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Supporting and Interlinked Financial Systems VULINDLELA	100	100	1
PERSAL	25	29	5
Economic Analysis PERO&O 2007	N/A	0	0
SEP-LG 2007	N/A	100	5
Risk Management Corporate Governance	1	5	R35 000
Internal Audit :			
Ernst & Young	24.5%	34	25
Gcabashe Inc	100%	100	12
NYZ Afripeak	100%	100	12
Ramathe Inc	100%	100	10
SAB&T Inc	88%	83	30
PricewaterhouseCoopers	22%	16.7	19

Table 14.3: Report on consultant appointments using Donor funds

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

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

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