

# Vote 3

## Provincial Treasury

	2010/11 To be appropriated	2011/12	2012/13
<b>MTEF allocations</b>	<b>R160 470 000</b>	<b>R171 731 000</b>	<b>R182 140 000</b>
Responsible MEC	Provincial Minister of Finance, Economic Development and Tourism		
Administering Department	Provincial Treasury		
Accounting Officer	Head Official: Provincial Treasury		

### 1. Overview

#### Core functions and responsibilities

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

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

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

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

#### Vision

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

#### Mission

To obtain financial supportive means and through sound governance practices, foster optimal utilisation of resources.

#### Main services

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

Proper recording of all financial transactions, promoting substantive compliance with financial management norms and standards.

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

## **Demands and changes in service**

The global economic meltdown of 2009 resulted in South Africa experiencing its first recession of the new millennium of which the recovery for South Africa is expected to be moderated in 2010. Coupled to this was the collection of fewer taxes, which has put pressure on South Africa's revenue budget with an expected national government budget deficit of 7.6 per cent for 2009/10. This has resulted in less revenue being available to the Province and therefore a tighter fiscal envelope being available for spending. Even though the Provincial Treasury also had to economise, resulting on a cap having to be placed on employment and cutting back on spending that is non-core, it remains committed to improve on the successes and challenges of the past. Therefore improving the credibility of the medium term fiscal framework and the scope of practical socio-economic impact analysis, coupled to refined expenditure management, will remain the department's highest priorities. Also the responsibility to improve the state's fiscal and service delivery performance will continue unabated with provincial treasuries having to play a key role in this respect in partnership with the National Treasury and the Departments of the Premier and Local Government.

The challenge for the Provincial Treasury and the Province remains the fight against poverty and unemployment, as well as increasing access to quality social and economic services amidst the tighter fiscal envelope. To this end, the 10 strategic objectives of the Provincial Government will contribute to this, but will require synergies within and across departments to achieve more for less.

## **Acts, rules and regulations**

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 employment conditions for the Treasury staff.

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

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

### **Employment Equity Act, 1998 (Act 55 of 1998)**

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

### **Executives' Members Ethics Act (Act 82 of 1998)**

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

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

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

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

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

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

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

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

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

**Labour Relations Act, 1995 (Act 66 of 1995)**

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

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

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.

**Public Audit Act, 2004 (Act 25 of 2004)**

To provide assistance to the Auditor-General's Office in the recovering of outstanding audit fees, to intervene on matters arising from audit reports and to provide for matters connected therewith.

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

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

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

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

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

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

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

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

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

To regulate financial management in the Treasury to ensure that all revenue, expenditure, assets and liabilities of the Treasury are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in the Treasury and to provide for matters connected therewith. In addition, it describes 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) as amended**

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

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

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

**Skills Development Act, 1998 (Act 97 of 1998)**

To provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African 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.

**Taxation Laws Amendment Act (Act 32 of 1999)**

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

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

To provide for the withdrawal of State moneys from the Western Cape Provincial Revenue Fund, as a direct charge, in accordance with the Constitution of the Republic of South Africa, 1996, the Constitution of the Western Cape, 1997 (Act 1 of 1998) and the Public Finance Management Act, 1999 (Act 1 of 1999), and 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 Provincial Legislature when necessary in meeting their financial responsibilities as set out in legislation.

## **Budget decisions**

The implementation of the 2009 Budget coupled to the tighter fiscal envelope created a whole new mindset for managers to monitor their expenditure. There was the freezing of posts and cutting back on spending on non-core service delivery items that resulted in efficiency savings and the reduction in spending on lower priorities. This has provided a better and clearer bar for the 2010 Budget. The allocation for the strengthening of MFMA posts in 2010 will enhance capacity and service delivery to local government.

The second and third phases of the reconfiguration changes must still be completed in liaison with the Organisation and Development unit in the Department of the Premier. The additional costs and roll out of the third phase will have to be catered for in future budgets, if approved by the Executive.

The modernisation process of the Department of the Premier will result in shifting of funds away from the department for the Human Resource, Internal Audit and Enterprise Risk Management functions in the 2010 Adjustments Budget. These will all form part of the new intended Corporate Services branch in the Department of the Premier.

## 2. Review 2009/10

The 2009/10 financial year was a very challenging one but also a catalyst towards looking seriously at value for money spending and to realise efficiency gains in light of the tight fiscal envelope being experienced. The vacancy rate was reduced to around 15 per cent mid way through 2009/10 but the freezing of posts exercise realised a vacancy rate of around 18 per cent at the end of 2009/10. However, the attrition rate was lower for 2009/10 due to improved recruitment and retention, but no doubt also to job market stagnation due to the recession. Notwithstanding these, the service delivery of the department had to be maintained and in many cases lifted to a higher standard to accommodate all the needs of the different role players.

The Provincial Treasury instituted the Line Function Forum (LFF) that aims to raise the standard of general financial administration within the Province for mainly accounting, financial systems, movable and immovable assets, revenue and expenditure, compensation of employees considerations and better management over goods and services expenditures. These are monitored via a delivery planning system or dashboard over the next five years. All of these together will improve the financial governance of the departments towards raising it to a level 3+ according to the financial capability model.

Notwithstanding the LFF projects, the various components continued to deliver their normal outputs. The Provincial Economic Review and Outlook 2009 and the Medium Term Budget Policy Statement (MTBPS) 2010 – 2013, respectively, sketched the enormous socio-economic challenges and the proposed associated response thereto under the current economic situation. Furthermore, interaction at a Provincial and Local Government level via the MTEC processes delivered promising results and further fostered closer alignment between planning, budgeting and implementation as well as improved financial management needed in the different spheres. The Asset Management component provided policy direction to departments and municipalities while better management of financial systems were facilitated. The Financial Governance programme focussed on better external audit outcomes, establishing accounting standards board forums and to improve GRAP/GAMAP standards within departments and municipalities through workshops and other interventions. The internal audit component delivered intended internal audits in the Province in line with new methodologies rolled out in the review year. The focus of Audit Committees was broadened to focus on transversal issues.

The Department received additional funding in the Adjustments Estimate for performance audits conducted by the AGSA at selected departments, specifically on consultants. Furthermore for the research to be undertaken by BER regarding new revenue generating streams and to deal with specific scenarios that could arise from the expiry of the current exclusivity fees awarded to casino operators. These endeavours will continue over the MTEF of 2010/11 to 2012/13.

The quarterly monitoring and control process within the department has taken the reporting of the outputs in the APP further, and has become a joint effort of all senior managers under the guidance of the head of the department. The Strategic Plan and Annual Performance Plan were done in new formats, as was required by the National Treasury, but also responded to the new strategic goals of the Provincial Government.

## 3. Outlook for 2010/11

The quarterly monitoring and control process within the department will be further enhanced by having operational plans in place that will provide a better indication on how outputs are achieved against milestones and timelines. Furthermore these will be linked to the IYM process so that the budget related documents will in future create a more realistic picture of what is being attained within the department, linking it to the expenditure items so as to realise a more credible and responsive budget, linked to the Annual Performance Plan (APP).

As in the past, the Provincial Treasury will stay committed to promote substantive compliance to standards applicable to financial transactions, asset and supply chain management, across both the provincial and municipal spheres. Further details on how the department intends achieving its strategic goals over the next 5 years have been taken up in the Strategic Plan (SP) for 2010/11 – 2014/15 and the APP for 2010/11 – 2012/13.

The Provincial Treasury will continue to drive value for money initiatives, as well as the shifting of resources from non-core to the core operations. These initiatives should contribute to the reprioritisation of government resources to maintain or even increase expenditures on key priorities in spite of the tighter fiscal envelope.

## 4. Receipts and financing

### Summary of receipts

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

**Table 4.1 Summary of receipts**

Receipts R'000	Outcome			Main appro- priation 2009/10	Adjusted appro- priation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
<b>Treasury funding</b>										
Equitable share	( 8 441 )	( 15 916 )	( 13 480 )	18 326	18 326	18 326	<b>44 114</b>	140.72	55 375	65 784
Financing	(49 033)				5 075	5 075		( 100.00)		
Asset Finance Reserve	(49 033)									
Revenue retention					5 075	5 075		( 100.00)		
Own receipts - Provincial Treasury (allocated to other votes)	(149 923)	(251 252)	(251 252)	(272 512)	(232 512)	(232 512)	<b>(233 041)</b>	0.23	(233 041)	(233 041)
<b>Departmental receipts</b>										
Tax receipts	275 984	324 591	323 728	333 817	293 817	293 817	<b>294 346</b>	0.18	294 346	294 346
Sales of goods and services other than capital assets	1 207	1 297	1 346	1 022	1 022	1 022	<b>1 022</b>		1 022	1 022
Transfers received		65		1	1	1	<b>1</b>		1	1
Fines, penalties and forfeits	215	139	380							
Interest, dividends and rent on land	54 125	47 128	52 948	53 980	53 980	53 980	<b>53 980</b>		53 980	53 980
Financial transactions in assets and liabilities	9 802	9 072	7 280	48	48	48	<b>48</b>		48	48
<b>Total departmental receipts</b>	<b>341 333</b>	<b>382 292</b>	<b>385 682</b>	<b>388 868</b>	<b>348 868</b>	<b>348 868</b>	<b>349 397</b>	0.15	<b>349 397</b>	<b>349 397</b>
<b>Total receipts</b>	<b>133 936</b>	<b>115 124</b>	<b>120 950</b>	<b>134 682</b>	<b>139 757</b>	<b>139 757</b>	<b>160 470</b>	14.82	<b>171 731</b>	<b>182 140</b>

#### Summary of receipts:

Total receipts increase by R20.713 million or 14.8 per cent from R139.757 million in 2009/10 to R160.470 million in 2010/11.

#### Treasury funding of which:

Equitable share amounts to R44.114 million in 2010/11 and over the MTEF it is R55.375 million in 2011/12 and R65.784 million in 2012/13.

Financing from Provincial Treasury funding of R233.041 million in 2010/11 and over the MTEF amount is allocated to the Department of the Premier.

**Details of Departmental receipts:**

Total departmental own receipts increased by R0.529 million or 0.2 per cent from R348.868 million in 2009/10 to R349.397 million in 2010/11. The main sources of income are in respect of tax receipts and interest, dividends and rent on land.

Tax receipts, of which casino taxes and horseracing are the main contributors, increase by R0.529 million or 0.2 per cent from R293.817 million in 2009/10 to R294.346 million in 2010/11. The increase in tax receipts over the MTEF shows no growth due to the slowdown in the economy and therefore a conservative approach was taken in budgeting for casino tax revenues until such time the economic situation will improve.

Interest, dividends and rent on land, of which interest is the main contributor remains constant at R53.980 million from 2009/10 to 2010/11 and over the MTEF period.

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

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

**Table 4.2 Summary of donor funding - None****5. Payment summary****Key assumptions**

Year-on-year adjustments for salary increases are based on the National Treasury assumption that wage agreements will result in salary increases of 7.3 per cent for 2010/11, 7.5 per cent per cent for 2011/12 and 7 per cent for 2012/13, inclusive of the 2 per cent provision for pay progression in each financial year. Adjustments for the majority of the non-personnel expenditure items classified under Goods and services and Payments for capital assets are based on the assumption that the CPI will be 6.4 per cent for 2010/11, 5.9 per cent for 2011/12 and 5.7 per cent for 2012/13.

**National and provincial priorities**

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

**Programme summary**

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

**Table 5.1 Summary of payments and estimates**

Programme R'000	Outcome			Main appro- priation 2009/10	Adjusted appro- priation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
1. Administration <sup>a</sup>	28 724	33 447	40 141	36 579	39 831	40 004	39 390	( 1.53)	42 216	44 006
2. Sustainable Resource Management	21 332	21 540	21 346	33 595	35 977	35 864	47 263	31.78	50 608	53 943
3. Asset and Liabilities Management	51 537	21 707	22 348	27 320	27 256	27 125	33 125	22.12	35 575	37 955
4. Financial Governance	32 343	38 430	37 115	37 188	36 693	36 764	40 692	10.68	43 332	46 236
<b>Total payments and estimates</b>	133 936	115 124	120 950	134 682	139 757	139 757	160 470	14.82	171 731	182 140

<sup>a</sup> MEC total remuneration package: R1 420 489 with effect from 1 April 2009.

## Summary by economic classification

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

Economic classification R'000	Outcome			Main appro- priation 2009/10	Adjusted appro- priation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
<b>Current payments</b>	130 083	112 659	118 105	133 492	137 204	136 999	157 840	15.21	168 946	179 196
Compensation of employees	52 919	60 231	71 482	100 579	95 929	95 287	111 309	16.81	119 391	127 605
Goods and services	77 164	52 428	46 623	32 913	41 275	41 712	46 531	11.55	49 555	51 591
<b>Transfers and subsidies to Provinces and municipalities</b>	392	1 414	267	330	330	335	430	28.36	455	481
Departmental agencies and accounts	29		80							
Non-profit institutions	1	252								
Households	362	1 162	137	330	330	335	430	28.36	455	481
<b>Payments for capital assets</b>	2 684	1 030	2 541	860	2 160	2 360	2 200	( 6.78)	2 330	2 463
Machinery and equipment	2 279	1 030	2 541	860	2 160	2 360	2 200	( 6.78)	2 330	2 463
Software and other intangible assets	405									
<b>Payments for financial assets</b>	777	21	37		63	63		( 100.00)		
<b>Total economic classification</b>	133 936	115 124	120 950	134 682	139 757	139 757	160 470	14.82	171 731	182 140



## Transfers to public entities

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

Western Cape Gambling and Racing Board - None

## Transfers to other entities

### Table 5.4 Summary of departmental transfers to other entities - None

## Transfers to local government

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

## Departmental Public-Private Partnership (PPP) projects

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

## 6. Programme description

### Programme 1: Administration

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

#### Analysis per sub-programme:

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

assist the member of the Executive Council with the assigned functions of the executive

##### Sub-programme 1.2: Management Services

assist the HOD with the functions assigned by the MEC

##### Sub-programme 1.3: Corporate Services

provide human capital management, development and transformation services

##### Sub-programme 1.4: Financial Management

effective financial management of the department up to a level 3+ financial capability rating and the provision of limited accommodation requirements and support services

to make limited provision for maintenance and accommodation needs

#### Strategic objectives as per Annual Performance Plan:

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

provide secretarial and administrative services to the Ministry

render communication services to the Ministry

assist with strategic management and support to the Ministry

##### Sub-programme 1.2: Management Services

build competencies and enhance and maintain strategic support services

effective communication and event co-ordination within Treasury

**Sub-programme 1.3: Corporate Services**

the Modernisation Programme, which is in an advanced stage, proposes the shift of the Human Resources (excluding the Departments of Health and Education), Internal Audit and Enterprise Risk Management functions to a shared Corporate Services within the Department of the Premier from 1 April 2010. Therefore the strategic objectives and performance indicators relating to these functions are only reflected in the Strategic and Annual Performance Plans of the Department of the Premier. The financial implications of the function shift will be finalised during the 2010/11 Adjusted Estimates process once all of the administrative issues are finalised

**Sub-programme 1.4: Financial Management**

responsive and credible budget composition and delivery for the department

full and accurate reflection of all financial transactions of the department

level 3 auditable supply chain management services for Treasury

effective internal control measures and risk mitigation

provide effective auxiliary and specialised support services to the department

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

Sub-programme R'000	Outcome			Main appro- piation 2009/10	Adjusted appro- piation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
1. Office of the Minister <sup>a</sup>	2 774	3 312	3 595	3 411	4 384	4 465	4 896	9.65	5 253	5 612
2. Management Services	2 029	2 566	2 576	3 440	3 341	3 341	5 287	58.25	5 652	6 006
3. Corporate Services	8 928	13 371	13 676	13 547	12 183	12 149	7 758	(36.14)	8 303	8 856
4. Financial Management	14 993	14 198	20 294	16 181	19 923	20 049	21 449	6.98	23 008	23 532
<b>Total payments and estimates</b>	<b>28 724</b>	<b>33 447</b>	<b>40 141</b>	<b>36 579</b>	<b>39 831</b>	<b>40 004</b>	<b>39 390</b>	<b>(1.53)</b>	<b>42 216</b>	<b>44 006</b>

<sup>a</sup> MEC total remuneration package: R1 420 489 with effect from 1 April 2009.

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

Economic classification R'000	Outcome			Main appro- piation 2009/10	Adjusted appro- piation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
<b>Current payments</b>	26 189	31 680	37 455	35 389	37 473	37 441	<b>36 760</b>	( 1.82)	39 431	41 062
Compensation of employees	13 098	15 132	17 626	21 330	21 684	21 693	<b>21 980</b>	1.32	23 599	25 217
Goods and services	13 091	16 548	19 829	14 059	15 789	15 748	<b>14 780</b>	( 6.15)	15 832	15 845
<b>Transfers and subsidies to</b>	143	799	108	330	330	335	<b>430</b>	28.36	455	481
Provinces and municipalities	8									
Departmental agencies and accounts		250								
Households	135	549	108	330	330	335	<b>430</b>	28.36	455	481
<b>Payments for capital assets</b>	1 615	947	2 541	860	2 010	2 210	<b>2 200</b>	( 0.45)	2 330	2 463
Machinery and equipment	1 615	947	2 541	860	2 010	2 210	<b>2 200</b>	( 0.45)	2 330	2 463
<b>Payments for financial assets</b>	777	21	37		18	18		( 100.00)		
<b>Total economic classification</b>	<b>28 724</b>	<b>33 447</b>	<b>40 141</b>	<b>36 579</b>	<b>39 831</b>	<b>40 004</b>	<b>39 390</b>	( 1.53)	<b>42 216</b>	<b>44 006</b>

**Details of transfers and subsidies:**

Economic classification R'000	Outcome			Main appro- piation 2009/10	Adjusted appro- piation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
<b>Transfers and subsidies to (Current)</b>	143	549	108	330	330	335	<b>430</b>	28.36	455	481
Provinces and municipalities	8									
Municipalities	8									
Municipalities <i>of which</i>	8									
Regional services council levies	8									
Households	135	549	108	330	330	335	<b>430</b>	28.36	455	481
Other transfers to households	135	549	108	330	330	335	<b>430</b>	28.36	455	481
<b>Transfers and subsidies to (Capital)</b>		250								
Departmental agencies and accounts		250								
Entities receiving transfers		250								
Western Cape Provincial Youth		250								

## **Expenditure trends analysis**

The increase of R11.280 million from R28.724 million in 2006/07 to R40.004 million in 2009/10 (revised estimate) equates to an annual average increase in nominal terms of 11.7 per cent. This is due to the rise in compensation of employee costs relating to the bolstering of the CFO office and that of the Minister and HoD to improve the overall financial and strategic management of the department, as well as predetermined IT technology refresh according to a demand management tool (also to be applied over the new MTEF). The annual average nominal growth of only 3.2 per cent from the revised estimate figure of R40.004 million in 2009/10 to the 2012/13 figure of R44.006 million is due to the decentralisation of the training, bursary and audit costs to the other programmes.

The changes over time in goods and services of only R1.689 million from R13.091 million in 2006/07 to R14.780 million in 2009/10 is due to a variety of policy choices, ultimately resulting in placing greater responsibility with the programmes for staff development and those costs that can be directly attributed to the running of the programme of which examples of the former are bursaries and training costs and of the latter are printing, audit, travel and accommodation costs.

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

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

### **Analysis per sub-programme:**

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

provide management and administrative support to the programme

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

provide for the effective and efficient development of revenue streams

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

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

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

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

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

provide for local government economic analysis and advice that informs fiscal policy and the budget allocation decisions

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

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

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

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

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

provide oversight of the Western Cape Gambling and Racing Board

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

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

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

**Policy developments:**

Policy developments that will receive attention are:

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

Inform resource allocations that increasingly respond to socio-economic imperatives through the assessment of budget and policy plans. Also the focus will be on initiatives to improve performance information and reporting in provincial departments and public entities, and the monitoring of their budget implementation and performance.

Improve the responsiveness of municipal budgets to address socio-economic imperatives through evaluation and advice on the appropriateness of these.

Improving the credibility and sustainability of departmental budget's through the promotion of efficient budget implementation by them.

Improve the interface between municipal budgets and in-year monitoring by identifying the gaps in the interface and implementing remedial steps relating to revenue- and expenditure management by municipalities.

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

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

The split of the Chief directorate: Public Finance into separate chief directorates for departments and municipalities will result in each one being better focussed on PFMA and MFMA issues.

The creation of an additional directorate that will focus exclusively on data and information management initiatives that would support the overall data analysis functions of the department.

The shifting of the Fiscal Policy unit to the Chief directorate: Public Policy Services to better enable the required research and synergy with the current directorates in this Chief directorate.

Considering the option to relocate the directorates: Immovable Asset Management and Liabilities Management from Programme 3 under the Sub-programme: Public Finance.

**Strategic objectives as per Annual Performance Plan:****Sub-programme 2.1: Programme support**

build competencies and enhance and maintain the delivery of the programme

**Sub-programme 2.2: Fiscal Policy**

full utilisation of all potential revenue sources available to provincial and local governments

mechanisms for revenue collections in provincial and local governments that are optimum inclusive of cash management arrangements

**Sub-programme 2.3: Budget Management*****Provincial Government Budgets***

evaluate the responsiveness of budgets within provincial departments and entities

conduct economic analysis to inform provincial planning and budgeting processes

***Local Government Budgets***

evaluate the responsiveness and implementation of the budget

**Sub-programme 2.4: Public Finance*****Provincial Government Finance***

evaluate the credibility and sustainability of the budget

monitor the implementation of the budget in terms of x-efficiency, financial prudence and fiscal discipline

develop and capacitate departments and entities through the implementation of standards, knowledge sharing and training (internally and externally)

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

evaluate the credibility and monitor the implementation of the budget

develop the functional ability of municipalities through the implementation of standards, knowledge sharing and training (internally and externally)

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

Sub-programme R'000	Outcome			Main appro- priation 2009/10	Adjusted appro- priation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
1. Programme Support	1 742	1 475	1 605	2 878	2 638	2 473	3 247	31.30	3 452	3 679
2. Fiscal Policy	1 163	230	662	1 813	3 072	2 954	3 895	31.86	4 159	4 413
3. Budget Management	9 746	10 478	8 974	12 372	11 155	11 224	13 582	26.65	14 684	15 757
Provincial Government Budgets				8 537	7 305	7 374	8 154	10.58	8 733	9 310
Local Government Budgets				3 835	3 850	3 850	5 428	40.99	5 951	6 447
4. Public Finance	8 681	9 357	10 105	16 532	19 112	19 213	26 539	38.13	28 313	30 094
Provincial Government Finance	4 553	3 432	3 157	5 336	10 262	10 363	14 062	35.69	14 964	15 881
Local Government Finance: Group 1	4 128	5 925	6 948	6 431	4 756	4 756	7 402	55.63	7 899	8 403
Local Government Finance: Group 2				4 765	4 094	4 094	5 075	23.96	5 450	5 810
<b>Total payments and estimates</b>	<b>21 332</b>	<b>21 540</b>	<b>21 346</b>	<b>33 595</b>	<b>35 977</b>	<b>35 864</b>	<b>47 263</b>	<b>31.78</b>	<b>50 608</b>	<b>53 943</b>

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

Economic classification R'000	Outcome			Main appro- priation 2009/10	Adjusted appro- priation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
<b>Current payments</b>	21 069	21 478	21 296	33 595	35 932	35 819	47 263	31.95	50 608	53 943
Compensation of employees	14 931	16 544	17 153	25 854	22 478	21 987	28 234	28.41	30 357	32 437
Goods and services	6 138	4 934	4 143	7 741	13 454	13 832	19 029	37.57	20 251	21 506
<b>Transfers and subsidies to</b>	7		50							
Provinces and municipalities	7									
Non-profit institutions			50							
<b>Payments for capital assets</b>	256	62								
Machinery and equipment	219	62								
Software and other intangible assets	37									
<b>Payments for financial assets</b>					45	45		( 100.00)		
<b>Total economic classification</b>	<b>21 332</b>	<b>21 540</b>	<b>21 346</b>	<b>33 595</b>	<b>35 977</b>	<b>35 864</b>	<b>47 263</b>	<b>31.78</b>	<b>50 608</b>	<b>53 943</b>

**Details of transfers and subsidies:**

Economic classification R'000	Outcome			Main appro- priation 2009/10	Adjusted appro- priation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
Transfers and subsidies to (Current)	7		50							
Provinces and municipalities	7									
Municipalities	7									
Municipalities	7									
of which										
Regional services council levies	8									
Non-profit institutions			50							

**Expenditure trends analysis**

Since 2005/06 no transfers have been made to the Western Cape Gambling and Racing Board due to them becoming self-sufficient as well as over the 2010/11 MTEF period. Over the period of 2006/07 to 2009/10 (revised estimate) the programme increased from a base of R21.332 million to R35.864 million indicating an average nominal growth of 18.9 per cent per annum. This increase is due to the increased responsibilities relating to the implementation of the MFMA. From 2009/10 and over the new MTEF period the allocations will increase from a base of R35.864 million in 2009/10 (revised estimate) to R53.943 million in 2012/13 with an average annual nominal growth of 14.6 per cent. This increase is due to the additional funding received for the transversal performance audits being conducted by the AGSA across a number of provincial departments and the initiatives aimed at increasing provincial revenue starting with gambling taxes and a for a step up in the review of the national fiscal transfer system to provinces.

**Programme 3: Asset and Liabilities Management**

**Purpose:** To provide policy direction and to facilitate the effective and efficient management of financial systems, physical and financial assets, public private partnerships and liabilities within the provincial and municipal spheres.

**Analysis per sub-programme:****Sub-programme 3.1: Programme Support**

provide management and administrative support

**Sub-programme 3.2: Asset Management****Moveable Asset Management (Provincial Government and Local Government)**

enhance departmental and municipal capacity and performance to a level 3+ financial capability for supply chain (SCM) and moveable asset management

**Immoveable Asset Management**

increase the level of infrastructure delivery to a level 3+ financial capability rating (departments of Education, Health, Transport and Public Works and selected municipalities) and the sound management of PPP projects.

**Sub-programme 3.3: Liabilities Management**

monitor and evaluate cash flow and investment management so that it is sustainable and credible and will enhance service delivery and improve liquidity in departments and municipalities

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

management, utilisation and implementation of financial systems to achieve a level 3+ financial capability rating within provincial departments and selected entities

## **Policy developments:**

Policy developments that will receive attention are:

In terms of the PFMA and the MFMA, engage provincial departments, entities and municipalities on the implementation and enforcement of SCM requirements as well as conducting compliance / capacity assessments.

Assessing infrastructure budgets and plans, the monitoring and enhancement of the infrastructure spending performance and provide infrastructure delivery business improvement processes in designated departments and municipalities. The Public Private Partnership unit will continue to advise, assist and monitor PPP projects in both municipalities and departments.

Cater for the anticipated rollout by National Treasury of the first two modules (asset and procurement management) of the Integrated Financial Management Solutions (IFMS).

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

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

The monitoring and the assessment capabilities of the sub-directorate Movable Asset Management: Local Government is envisaged to be upgraded to a directorate where the duties of the unit will enhance the quality of the procurement processes of the municipalities.

An additional 4 posts were created in the Supporting and Interlinked Financial Systems directorate for the institution of transversal financial system access control in the Provincial Treasury after taking over the system controller function of these systems from the departments as from 1 April 2010.

Management is considering the option to relocate the Immoveable Asset Management and Liabilities Management units to Programme 2 under the Sub-programme: Public Finance.

## **Strategic objectives as per Annual Performance Plan:**

### **Sub-programme 3.1: Programme Support**

build competencies and enhance and maintain the delivery of the programme

### **Sub-programme 3.2: Asset Management**

#### ***Moveable Asset Management: Provincial Government***

determine policy to drive, assess and assist departments in the attainment of building capacity, ensuring integrity of data, enforcing transparency and accountability, balancing commercial imperatives with social responsibility and addressing economies of scale and value for money for supply chain and moveable assets

#### ***Moveable Asset Management: Local Government***

determine policy to drive, assess and assist municipalities in the attainment of building capacity, ensuring integrity of data, enforcing transparency and accountability for supply chain and moveable assets

#### ***Immoveable Asset Management***

entrenching built-environment business principles and processes for effective infrastructure delivery that is aligned and contributes to optimal utilisation of government immovable assets

### **Sub-programme 3.3: Liabilities Management**

cash Flow management improvement of provincial departments to achieve a level 3+ financial management capability

monitoring and evaluation of cash flow and investment management that is sustainable and credible to enhance service delivery and improve liquidity in municipalities

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

financial system management improvement to achieve a level 3+ financial management capability



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

Sub-programme R'000	Outcome			Main appro- priation 2009/10	Adjusted appro- priation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
1. Programme Support	898	961	840	1 846	1 332	1 332	2 350	76.43	2 521	2 694
2. Asset Management	7 582	7 542	8 622	11 115	11 536	11 535	14 609	26.65	15 648	16 702
Moveable Asset Management: Provincial Government	4 923	4 746	5 223	6 689	7 090	7 090	8 379	18.18	8 973	9 573
Moveable Asset Management: Local Government							1		1	1
Immoveable Asset Management	2 659	2 796	3 399	4 426	4 446	4 445	6 229	40.13	6 674	7 128
3. Liabilities Management	1 048	1 465	1 652	2 154	2 378	2 389	2 327	(2.60)	2 595	2 774
4. Supporting and Interlinked Financial Systems	42 009	11 739	11 234	12 205	12 010	11 869	13 839	16.60	14 811	15 785
<b>Total payments and estimates</b>	<b>51 537</b>	<b>21 707</b>	<b>22 348</b>	<b>27 320</b>	<b>27 256</b>	<b>27 125</b>	<b>33 125</b>	<b>22.12</b>	<b>35 575</b>	<b>37 955</b>

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

Economic classification R'000	Outcome			Main appro- priation 2009/10	Adjusted appro- priation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
<b>Current payments</b>	51 048	21 081	22 348	27 320	27 106	26 975	33 125	22.80	35 575	37 955
Compensation of employees	13 018	15 034	16 270	22 515	21 330	21 251	26 010	22.39	28 041	29 991
Goods and services	38 030	6 047	6 078	4 805	5 776	5 724	7 115	24.30	7 534	7 964
<b>Transfers and subsidies to</b>	235	615								
Provinces and municipalities	7									
Departmental agencies and accounts	1	2								
Households	227	613								
<b>Payments for capital assets</b>	254	11			150	150		( 100.00)		
Machinery and equipment	254	11			150	150		( 100.00)		
<b>Total economic classification</b>	<b>51 537</b>	<b>21 707</b>	<b>22 348</b>	<b>27 320</b>	<b>27 256</b>	<b>27 125</b>	<b>33 125</b>	<b>22.12</b>	<b>35 575</b>	<b>37 955</b>

**Details of transfers and subsidies:**

Economic classification R'000	Outcome			Main appro- priation 2009/10	Adjusted appro- priation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2006/07	2007/08	2008/09				2010/11	2009/10	2011/12	2012/13
Transfers and subsidies to (Current)	235	615								
Provinces and municipalities	7									
Municipalities	7									
Municipalities of which	7									
Regional services council levies	6									
Departmental agencies and accounts	1	2								
Entities receiving transfers	1	2								
Other	1	2								
Households	227	613								
Other transfers to households	227	613								

**Expenditure trends analysis**

The decrease of R24.412 million from R51.537 million in 2006/07 to R27.125 million in 2009/10 (revised estimate) is due to the decentralisation of SITA costs to provincial departments. This equates to an annual average decrease in nominal terms of 19.3 per cent. The annual average nominal growth of 11.9 per cent from the revised estimate figure of R27.125 million in 2009/10 to the 2012/13 figure of R37.995 million is due to the strengthening of the monitoring and evaluation of municipal infrastructure and supply chain management as well as the institution of transversal financial system access control.

The increase in goods and services of 24.3 per cent from R5.724 million in 2009/10 (revised estimate) to R7.115 million in 2010/11 and over the MTEF, is due to the bridging funding for the continuation of the Infrastructure Delivery Improvement Programme (IDIP), the development and implementation of a business intelligence tool that runs on top of the financial systems and enhancements to the Provincial electronic purchasing system (EPSI) and its supplier database.

**Programme 4: Financial Governance**

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

**Analysis per sub-programme:****Sub-programme 4.1: Programme Support**

provide management and administrative support to the programme

**Sub-programme 4.2: Accounting Services****Local Government Accounting**

improve the standards of accounting and financial reporting within municipalities and allied entities to a level 3+ financial capability rating

**Provincial Government Accounting**

improve the standards of accounting and financial reporting within departments and entities to a level 3+ financial capability rating

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

enable departments and municipalities to achieve a general level 3+ financial management capability over the next 5 years

**Sub-programme 4.4: Provincial Internal Audit**

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

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

**Policy developments:**

Policy developments that will receive attention are:

The rollout of the latest GRAP standards to all municipalities to complete their financial statements in terms of its full requirements.

Ensuring the full and timely capturing of financial transactions and associated financial improvements to prevent irregularities and material financial misstatements within departments and entities.

The development, implementation and enforcement of a generic set of corporate governance norms and standards for departments, municipalities and entities that is responsive to and compliant with the relevant financial legislative framework.

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

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

The Chief Directorate: Financial Governance will undergo a rebasing exercise to better integrate the activities related to norms and standards within corporate governance, as well as to enhance accounting services' support to departments and municipalities.

Further changes are expected in 2010/11 with the intended relocation of the Internal Audit unit in the Department of the Premier as part of their Modernisation Programme, with commensurate budget shifts occurring in the Adjusted Estimates of 2010/11.

**Strategic objectives as per Annual Performance Plan:****Sub-programme 4.1: Programme Support**

build competencies and enhance and maintain the delivery of the programme

**Sub-programme 4.2: Accounting Services*****Local Government Accounting***

improving the financial accounting and reporting of municipalities and municipal entities to a financial maturity capability of level 3 by 2015

***Provincial Government Accounting***

raising the standard of accounting and financial reporting of departments and entities to a financial maturity capability of level 3+

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

assess, develop, monitor financial norms and standards and, where necessary, enforce compliance by departments, municipalities and entities towards attaining a level 3+ in terms of the Financial Maturity Capability (FMC) model by 2015

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

the Modernisation Programme, which is in an advanced stage, proposes the shift of the Human Resources (excluding the Departments of Health and Education), Internal Audit and Enterprise Risk Management functions to a shared Corporate Services within the Department of the Premier from 1 April 2010. Therefore the strategic objectives and performance indicators relating to these functions are only reflected in the Strategic and Annual Performance Plans of the Department of the Premier. The financial implications of the function shift will be finalised during the 2010/11 Adjusted Estimates process once all of the administrative issues are finalised

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

Sub-programme R'000	Outcome			Main appro- piation 2009/10	Adjusted appro- piation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
1. Programme Support	1 169	1 037	1 581	1 308	1 664	1 746	2 309	32.25	2 180	2 303
2. Accounting Services	3 735	3 806	5 272	7 407	7 645	7 688	8 717	13.38	9 337	9 959
Provincial Government Accounting				4 181	4 628	4 729	4 856	2.69	5 203	5 551
Local Government Accounting				3 226	3 017	2 959	3 861	30.48	4 134	4 408
3. Norms and Standards	3 118	3 551	3 426	5 489	4 653	4 657	7 379	58.45	7 914	8 457
4. Risk Management	2 926	2 091	2 276	2 445	2 866	2 813		(100.00)		
5. Provincial Internal Audit	21 395	27 945	24 560	20 539	19 865	19 860	22 287	12.22	23 901	25 517
Sub-programme Support				6 989	4 957	5 021	4 319	(13.98)	4 602	4 898
G&A Cluster				4 466	5 219	5 248	5 823	10.96	6 254	6 682
Economic Cluster				5 421	6 034	5 940	7 491	26.11	8 045	8 594
Social Cluster				3 663	3 655	3 651	4 654	27.47	5 000	5 343
<b>Total payments and estimates</b>	<b>32 343</b>	<b>38 430</b>	<b>37 115</b>	<b>37 188</b>	<b>36 693</b>	<b>36 764</b>	<b>40 692</b>	<b>10.68</b>	<b>43 332</b>	<b>46 236</b>

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

Economic classification R'000	Outcome			Main appro- piation 2009/10	Adjusted appro- piation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
<b>Current payments</b>	<b>31 777</b>	<b>38 420</b>	<b>37 006</b>	<b>37 188</b>	<b>36 693</b>	<b>36 764</b>	<b>40 692</b>	<b>10.68</b>	<b>43 332</b>	<b>46 236</b>
Compensation of employees	11 872	13 521	20 433	30 880	30 437	30 356	35 085	15.58	37 394	39 960
Goods and services	19 905	24 899	16 573	6 308	6 256	6 408	5 607	( 12.50)	5 938	6 276
<b>Transfers and subsidies to</b>	<b>7</b>	<b></b>	<b>109</b>							
Provinces and municipalities	7		80							
Households			29							
<b>Payments for capital assets</b>	<b>559</b>	<b>10</b>								
Machinery and equipment	191	10								
Software and other intangible assets	368									
<b>Total economic classification</b>	<b>32 343</b>	<b>38 430</b>	<b>37 115</b>	<b>37 188</b>	<b>36 693</b>	<b>36 764</b>	<b>40 692</b>	<b>10.68</b>	<b>43 332</b>	<b>46 236</b>

**Details of transfers and subsidies:**

Economic classification R'000	Outcome			Main appro- piation 2009/10	Adjusted appro- piation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
<b>Transfers and subsidies to (Current)</b>	7		109							
Provinces and municipalities	7		80							
Municipalities	7		80							
Municipalities of which	7		80							
Regional services council levies	7									
Households			29							
Other transfers to households			29							

**Expenditure trends analysis**

The average annual increase of 4.4 per cent from R32,343 million in 2006/07 to R36,764 million in 2009/10 (revised estimate) is due to the expansion of the internal audit function. Similarly, the changes in economic classification from goods and services to compensation of employees from 2008/09 to 2009/10 and thereafter is the result of the phasing out of the previously co-sourced internal audit function where the contract with the external consortium came to an end in December 2008 and the subsequent internal build-up of the Internal Audit unit. The average annual increase is 7.9 per cent from the revised estimate figure of R36.764 million in 2009/10 to R46.236 million in 2012/13, is due to the emphasis being put on the promotion of financial governance in departments and municipalities and the stabilisation of the internal audit function.

**7. Other programme information****Personnel numbers and costs****Table 7.1 Personnel numbers and costs**

Programme R'000	As at 31 March 2007	As at 31 March 2008	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013
1. Administration	68	78	78	77	78	78	78
2. Sustainable Resource Management	62	64	64	71	78	78	78
3. Asset and Liabilities Management	62	68	68	66	81	81	81
4. Financial Governance	54	65	65	91	118	118	118
<b>Total personnel numbers</b>	246	275	275	305	355	355	355
Total personnel cost (R'000)	52 919	60 231	71 482	95 287	111 309	119 391	127 605
Unit cost (R'000)	215	219	255	319	314	336	359

**Table 7.2 Departmental personnel number and cost**

Description	Outcome			Main appropriation 2009/10	Adjusted appropriation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
<b>Total for department</b>										
Personnel numbers (head count)	246	275	280	342	299	305	355	18.73	355	355
Personnel cost (R'000)	52 919	60 231	71 482	100 579	95 929	95 287	111 309	16.81	119 391	127 605
<i>of which</i>										
<b>Human resources component</b>										
Personnel numbers (head count)	24	32	28	38	28	24	23	(4.17)	23	23
Personnel cost (R'000)	4 275	4 429	5 240	6 427	6 524	6 289	5 978	(4.95)	6 419	6 863
Head count as % of total for department	9.76	11.64	10.00	8.19	9.36	8.03	6.48		6.48	6.48
Personnel cost as % of total for department	8.08	7.35	7.33	6.39	6.80	6.60	5.37		5.38	5.38
<b>Finance component</b>										
Personnel numbers (head count)	38	28	36	35	34	32	39	21.88	39	39
Personnel cost (R'000)	4 987	4 848	6 084	7 670	7 261	7 168	8 347	16.45	8 954	9 566
Head count as % of total for department	15.45	10.18	8.64	11.15	11.37	11.80	10.99		10.99	10.99
Personnel cost as % of total for department	9.42	8.05	8.51	7.63	7.57	7.52	7.50		7.50	7.50
<b>Full time workers</b>										
Personnel numbers (head count)	240	269	272	336	292	292	351	20.21	351	351
Personnel cost (R'000)	51 524	59 099	69 811	98 727	93 910	93 182	109 319	17.32	117 252	125 316
Head count as % of total for department	97.56	97.82	98.15	98.25	97.66	97.40	98.87		98.87	98.87
Personnel cost as % of total for department	97.36	98.12	97.66	98.16	97.90	97.79	98.21		98.21	98.21
<b>Part-time workers</b>										
Personnel numbers (head count)										
Personnel cost (R'000)										
Head count as % of total for department										
Personnel cost as % of total for department										
<b>Contract workers</b>										
Personnel numbers (head count)	6	6	8	6	7	7	4	(42.86)	4	4
Personnel cost (R'000)	1 395	1 132	1 671	1 852	2 019	2 105	1 990	(5.46)	2 139	2 289
Head count as % of total for department	2.44	2.18	1.85	1.75	2.34	2.62	1.13		1.13	1.13
Personnel cost as % of total for department	2.64	1.88	2.34	1.84	2.10	2.21	1.79		1.79	1.79

## Training

**Table 7.3 Payments on training**

Programme R'000	Outcome			Main appro- priation 2009/10	Adjusted appro- priation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
1. Administration	998	950	3 569	4 272	3 616	3 574	790	(77.90)	837	884
<i>of which</i>										
Payments on tuition	998	950	1 762	1 940	2 020	2 020	335	(83.42)	355	375
Other			1 807	2 332	1 596	1 554	455	(70.72)	482	509
2. Sustainable Resource Management							531		563	596
Payments on tuition							444		470	497
Other							87		93	99
3. Asset and Liabilities Management							499		530	560
<i>of which</i>										
Payments on tuition							396		420	443
Other							103		110	117
4. Asset and Liabilities			52	101	660	674	927	37.54	987	1 047
<i>of which</i>										
Payments on tuition					195	195	535	174.36	567	599
Other			52	101	465	479	392	(18.16)	420	448
<b>Total payments on training</b>	<b>998</b>	<b>950</b>	<b>3 621</b>	<b>4 373</b>	<b>4 276</b>	<b>4 248</b>	<b>2 747</b>	<b>(35.33)</b>	<b>2 917</b>	<b>3 088</b>

**Table 7.4 Information on training**

Description	Outcome			Main appropriation 2009/10	Adjusted appropriation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	2006/07	2007/08	2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
Number of staff	246	275	280	342	299	299	355	18.73	355	355
Number of personnel trained	246	241	350	350	115	115	200	73.91	200	200
<i>of which</i>										
Male	124	97	170	170	51	51	100	96.08	100	100
Female	122	144	180	180	64	64	100	56.25	100	100
Number of training opportunities	166	166	389	367	277	277	306	10.47	306	306
<i>of which</i>										
Tertiary	62	85	93	62	71	71	69	(2.82 )	69	69
Workshops	29	182	134	140	25	25	45	80.00	45	45
Seminars	27	13	13	15	3	3	22	633.33	22	22
Other	25	46	149	150	178	178	170	(4.49 )	170	170
Number of bursaries offered	91	121	30	105	16	16	21	31.25	21	21
Number of interns appointed	12	21	39	41	15	15	18	20.00	18	18
Number of learnerships appointed	10	10	17	60	17	17		(100.00 )		
Number of days spent on training	620	680	177	96	11	11	120	990.91	120	120

**Reconciliation of structural changes****Table 7.5 Reconciliation of structural changes**

Programme for 2009/10			Programme for 2010/11		
Programme R'000	2010/11 Equivalent		Programme R'000	Pro-gramme	Sub-pro-gramme
	Pro-gramme	Sub-pro-gramme			
<b>4. Financial Governance</b>	<b>7 359</b>		<b>4. Financial Governance</b>	<b>7 359</b>	
Norms and Standards		4 562	Norms and Standards		7 359
Risk Management		2 797			
	<b>7 359</b>			<b>7 359</b>	



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Table B.1 Specification of receipts

Receipts R'000	Outcome			Main appro- prium 2009/10	Adjusted appro- prium 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate		2010/11	2011/12
<b>Tax receipts</b> (Casino and LGM taxes)	275 984	324 591	323 728	333 817	293 817	293 817	<b>294 346</b>	0.18	294 346	294 346
Casino and LGM taxes	256 616	301 689	301 100	314 594	274 594	274 594	<b>275 123</b>	0.19	275 123	275 123
Horseracing taxes	19 368	22 902	22 628	19 223	19 223	19 223	<b>19 223</b>		19 223	19 223
<b>Sales of goods and services other than capital assets</b>	1 207	1 297	1 346	1 022	1 022	1 022	<b>1 022</b>		1 022	1 022
Sales of goods and services produced by department (excluding capital assets)	1 207	1 297	1 345	1 021	1 021	1 021	<b>1 021</b>		1 021	1 021
Administrative fees	1 207	1 285	1 301	1 009	1 009	1 009	<b>1 009</b>		1 009	1 009
Licences or permits	1 207	1 285	1 301	1 008	1 008	1 008	<b>1 008</b>		1 008	1 008
Request for information				1	1	1	<b>1</b>		1	1
Other sales		12	44	12	12	12	<b>12</b>		12	12
<i>of which</i>										
Commission on insurance		12	44	12	12	12	<b>12</b>		12	12
Sales of scrap, waste, arms and other used current goods (excluding capital assets)			1	1	1	1	<b>1</b>		1	1
<b>Transfers received from</b>		65		1	1	1	<b>1</b>		1	1
Public corporations and private enterprises		65								
Households and non-profit institutions				1	1	1	<b>1</b>		1	1
<b>Fines, penalties and forfeits</b>	215	139	380							
<b>Interest, dividends and rent on land</b>	54 125	47 128	52 948	53 980	53 980	53 980	<b>53 980</b>		53 980	53 980
Interest	54 125	47 128	52 948	53 980	53 980	53 980	<b>53 980</b>		53 980	53 980
<b>Financial transactions in assets and liabilities</b>	9 802	9 072	7 280	48	48	48	<b>48</b>		48	48
Recovery of previous year's expenditure	1	29	165	36	36	36	<b>36</b>		36	36
Staff debt	98			12	12	12	<b>12</b>		12	12
Cash surpluses	9 703	9 043	7 115							
<b>Total departmental receipts</b>	<b>341 333</b>	<b>382 292</b>	<b>385 682</b>	<b>388 868</b>	<b>348 868</b>	<b>348 868</b>	<b>349 397</b>	0.15	349 397	349 397

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

Economic classification R'000	Outcome			Main appro- piation 2009/10	Adjusted appro- piation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
<b>Current payments</b>	130 083	112 659	118 105	133 492	137 204	136 999	157 840	15.21	168 946	179 196
Compensation of employees	52 919	60 231	71 482	100 579	95 929	95 287	111 309	16.81	119 391	127 605
Salaries and wages	46 148	52 712	62 553	87 891	83 761	83 203	97 172	16.79	104 178	111 320
Social contributions	6 771	7 519	8 929	12 688	12 168	12 084	14 137	16.99	15 213	16 285
Goods and services	77 164	52 428	46 623	32 913	41 275	41 712	46 531	11.55	49 555	51 591
<i>of which</i>										
Administrative fees	118	87	57	60	62	82	85	3.66	90	95
Advertising	3 188	4 629	3 640	2 000	1 453	1 501	2 060	37.24	2 182	2 306
Assets <R5 000	750	318	762	270	914	991	1 096	10.60	1 276	1 203
Audit cost: External	1 954	2 451	2 875	2 600	9 785	9 773	11 669	19.40	12 359	13 064
Bursaries (employees)	385	321	361	440	520	520	511	(1.73)	541	573
Catering: Departmental activities	433	542	642	416	434	453	403	(11.04)	427	451
Communication	1 319	1 248	1 698	1 092	1 929	1 936	2 033	5.01	2 151	2 274
Computer services	31 026	471	1 781	2 220	3 648	3 594	2 807	(21.90)	2 973	2 991
Cons/prof: Business and advisory services	28 465	25 360	14 495	12 475	9 885	9 847	13 511	37.21	14 308	15 124
Cons/prof: Legal cost	15	238	50							
Contractors	435	343	680	1 019	816	833	694	(16.69)	735	777
Agency and support/ outsourced services	846	8 202	8 284	100	21	21		(100.00)		
Entertainment	71	75	86	208	202	189	197	4.23	207	219
Inventory: Food and food supplies	34	47	56	57	73	77	56	(27.27)	59	63
Inventory: Other consumables		11	23	16	87	90	28	(68.89)	30	31
Inventory: Stationery and printing	2 019	1 806	2 665	2 324	2 870	3 365	3 202	(4.84)	3 492	3 790
Lease payments	512	385	334	500	404	292	300	2.74	318	336
Owned and leasehold property expenditure			217	500	500	500	959	91.80	1 012	560
Transport provided departmental activity			13	10	10	11		(100.00)		
Travel and subsistence	3 737	4 067	4 818	3 908	4 927	4 918	5 036	2.40	5 399	5 624
Training and staff development	476	828	1 402	1 500	1 702	1 701	1 200	(29.45)	1 271	1 343
Operating expenditure	968	259	717	643	479	440	524	19.09	555	587
Venues and facilities	413	740	922	555	441	465	60	(87.10)	64	68
Library material			45		113	113	100	(11.50)	106	112
<b>Transfers and subsidies to</b>	392	1 414	267	330	330	335	430	28.36	455	481
Provinces and municipalities	29		80							
Municipalities	29		80							
Municipalities	29		80							
<i>of which</i>										
Regional services council levies	29									
Departmental agencies and accounts	1	252								
Entities receiving transfers	1	252								
Western Cape Provincial Youth Commission		250								
Other	1	2								
Non-profit institutions			50							
Households	362	1 162	137	330	330	335	430	28.36	455	481
Other transfers to households	362	1 162	137	330	330	335	430	28.36	455	481
<b>Payments for capital assets</b>	2 684	1 030	2 541	860	2 160	2 360	2 200	(6.78)	2 330	2 463
Machinery and equipment	2 279	1 030	2 541	860	2 160	2 360	2 200	(6.78)	2 330	2 463
Transport equipment					13	13		(100.00)		
Other machinery and equipment	2 279	1 030	2 541	860	2 147	2 347	2 200	(6.26)	2 330	2 463
Software and other intangible assets	405									
<b>Payments for financial assets</b>	777	21	37		63	63		(100.00)		
<b>Total economic classification</b>	133 936	115 124	120 950	134 682	139 757	139 757	160 470	14.82	171 731	182 140

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

Economic classification R'000	Outcome			Main appro- priation 2009/10	Adjusted appro- priation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2006/07	2007/08	2008/09				2010/11	2009/10	2011/12	2012/13
<b>Current payments</b>	26 189	31 680	37 455	35 389	37 473	37 441	<b>36 760</b>	(1.82)	39 431	41 062
Compensation of employees	13 098	15 132	17 626	21 330	21 684	21 693	<b>21 980</b>	1.32	23 599	25 217
Salaries and wages	11 477	13 408	15 497	18 606	19 091	19 070	<b>19 175</b>	0.55	20 581	21 994
Social contributions	1 621	1 724	2 129	2 724	2 593	2 623	<b>2 805</b>	6.94	3 018	3 223
Goods and services	13 091	16 548	19 829	14 059	15 789	15 748	<b>14 780</b>	(6.15)	15 832	15 845
<i>of which</i>										
Administrative fees	82	77	57	60	62	82	<b>85</b>	3.66	90	95
Advertising	1 960	3 710	2 860	1 150	677	748	<b>1 060</b>	41.71	1 123	1 187
Assets <R5 000	510	178	762	270	914	991	<b>1 096</b>	10.60	1 276	1 203
Audit cost: External	1 954	2 451	2 586	2 000	2 443	2 412	<b>2 609</b>	8.17	2 764	2 921
Bursaries (employees)	385	321	361	440	520	520	<b>100</b>	(80.77)	106	112
Catering: Departmental activities	131	245	213	155	165	156	<b>100</b>	(35.90)	106	112
Communication	1 266	1 195	1 654	995	1 836	1 842	<b>1 911</b>	3.75	2 024	2 141
Computer services	5	353	1 121	590	947	943	<b>834</b>	(11.56)	883	783
Cons/prof: Business and advisory services	1 053	84	150	2 564	1 754	1 734	<b>1 461</b>	(15.74)	1 547	1 635
Cons/prof: Legal cost	15	238								
Contractors	187	246	382	482	571	570	<b>413</b>	(27.54)	437	462
Agency and support/ outsourced services	846	3 149	2 877	100	1	1		(100.00)		
Entertainment	42	39	53	75	75	75	<b>67</b>	(10.67)	71	75
Inventory: Food and food supplies	11	16	17	20	20	20	<b>16</b>	(20.00)	17	18
Inventory: Other consumables		11	23	16	87	90	<b>28</b>	(68.89)	30	31
Inventory: Stationery and printing	1 607	1 264	2 030	583	716	804	<b>823</b>	2.36	872	921
Lease payments	512	379	334	500	404	292	<b>300</b>	2.74	318	336
Owned and leasehold property expenditure			217	500	500	500	<b>959</b>	91.80	1 012	560
Transport provided departmental activity			7			1		(100.00)		
Travel and subsistence	1 113	1 487	1 724	1 517	1 983	1 906	<b>2 143</b>	12.43	2 335	2 385
Training and staff development	476	779	1 402	1 500	1 507	1 506	<b>235</b>	(84.40)	249	263
Operating expenditure	805	217	665	542	394	340	<b>440</b>	29.41	466	493
Venues and facilities	131	109	289		100	102		(100.00)		
Library material			45		113	113	<b>100</b>	(11.50)	106	112
<b>Transfers and subsidies to</b>	143	799	108	330	330	335	<b>430</b>	28.36	455	481
Provinces and municipalities	8									
Municipalities	8									
Municipalities	8									
<i>of which</i>										
Regional services council levies	8									
Departmental agencies and accounts		250								
Provide list of entities receiving transfers		250								
Western Cape Provincial Youth		250								
Households	135	549	108	330	330	335	<b>430</b>	28.36	455	481
Other transfers to households	135	549	108	330	330	335	<b>430</b>	28.36	455	481
<b>Payments for capital assets</b>	1 615	947	2 541	860	2 010	2 210	<b>2 200</b>	(0.45)	2 330	2 463
Machinery and equipment	1 615	947	2 541	860	2 010	2 210	<b>2 200</b>	(0.45)	2 330	2 463
Transport equipment					13	13		(100.00)		
Other machinery and equipment	1 615	947	2 541	860	1 997	2 197	<b>2 200</b>	0.14	2 330	2 463
<b>Payments for financial assets</b>	777	21	37		18	18		(100.00)		
<b>Total economic classification</b>	28 724	33 447	40 141	36 579	39 831	40 004	<b>39 390</b>	(1.53)	42 216	44 006

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

Economic classification R'000	Outcome			Main appropriation 2009/10	Adjusted appropriation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
<b>Current payments</b>	21 069	21 478	21 296	33 595	35 932	35 819	<b>47 263</b>	31.95	50 608	53 943
Compensation of employees	14 931	16 544	17 153	25 854	22 478	21 987	<b>28 234</b>	28.41	30 357	32 437
Salaries and wages	13 139	14 505	15 054	22 783	19 755	19 330	<b>24 933</b>	28.99	26 796	28 621
Social contributions	1 792	2 039	2 099	3 071	2 723	2 657	<b>3 301</b>	24.24	3 561	3 816
Goods and services	6 138	4 934	4 143	7 741	13 454	13 832	<b>19 029</b>	37.57	20 251	21 506
<i>of which</i>										
Administrative fees	3	3								
Advertising	1 225	844	778	850	776	753	<b>1 000</b>	32.80	1 059	1 119
Assets <R5 000	137	79								
Audit cost: External			289	600	6 557	6 577	<b>8 300</b>	26.20	8 790	9 291
Bursaries (employees)							<b>133</b>		141	149
Catering: Departmental activities	193	165	295	126	128	124	<b>119</b>	(4.03)	126	133
Communication	18	24	15	38	36	36	<b>58</b>	61.11	60	63
Computer services	41									
Cons/prof: Business and advisory services	2 826	1 989		3 331	2 966	3 021	<b>6 250</b>	106.89	6 619	6 996
Cons/prof: Legal cost			36							
Contractors	146	13	87	196	56	79	<b>82</b>	3.80	87	92
Agency and support/ outsourced services			542							
Entertainment	12	13	14	68	68	60	<b>66</b>	10.00	69	73
Inventory: Food and food supplies	4	7	11	14	16	17	<b>16</b>	(5.88)	17	18
Inventory: Stationery and printing	144	211	246	1 181	1 352	1 639	<b>1 358</b>	(17.14)	1 539	1 727
Travel and subsistence	1 201	1 099	1 448	997	1 325	1 352	<b>1 305</b>	(3.48)	1 382	1 462
Training and staff development							<b>312</b>		330	349
Venues and facilities	188	487	382	340	174	174	<b>30</b>	(82.76)	32	34
<b>Transfers and subsidies to</b>	7		50							
Provinces and municipalities	7									
Municipalities	7									
Municipalities	7									
<i>of which</i>										
Regional services council levies			8							
Non-profit institutions			50							
<b>Payments for capital assets</b>	256	62								
Machinery and equipment	219	62								
Other machinery and equipment	219	62								
Software and other intangible assets	37									
<b>Payments for financial assets</b>					45	45		(100.00)		
<b>Total economic classification</b>	21 332	21 540	21 346	33 595	35 977	35 864	<b>47 263</b>	31.78	50 608	53 943

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

Economic classification R'000	Outcome			Main appro- piation 2009/10	Adjusted appro- piation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2006/07	2007/08	2008/09				2010/11	2009/10	2011/12	2012/13
<b>Current payments</b>	51 048	21 081	22 348	27 320	27 106	26 975	33 125	22.80	35 575	37 955
Compensation of employees	13 018	15 034	16 270	22 515	21 330	21 251	26 010	22.39	28 041	29 991
Salaries and wages	11 212	12 912	14 010	19 412	18 341	18 250	22 369	22.57	24 129	25 799
Social contributions	1 806	2 122	2 260	3 103	2 989	3 001	3 641	21.33	3 912	4 192
Goods and services	38 030	6 047	6 078	4 805	5 776	5 724	7 115	24.30	7 534	7 964
<i>of which</i>										
Administrative fees	8	7								
Advertising	3	6	2							
Assets <R5 000	63	6								
Audit cost: External					310	309	187	(39.48)	198	210
Bursaries (employees)							118		125	133
Catering: Departmental activities	49	47	54	34	56	59	70	18.64	74	78
Communication	17	17	17	19	19	21	22	4.76	23	24
Computer services	30 527	9		1 200	1 271	1 221	1 500	22.85	1 589	1 679
Cons/prof: Business and advisory services	6 205		51	2 500	2 980	2 881	3 800	31.90	4 024	4 254
Contractors	61	59	70	161	89	95	81	(14.74)	86	91
Agency and support/outsourced services		4 590	4 773		20	20		(100.00)		
Entertainment	7	9	8	24	22	20	24	20.00	25	27
Inventory: Food and food supplies	8	9	10	9	14	17	8	(52.94)	8	9
Inventory: Stationery and printing	154	176	188	144	210	227	256	12.78	271	286
Lease payments		6								
Travel and subsistence	880	1 009	841	704	760	811	771	(4.93)	816	862
Training and staff development							278		295	311
Venues and facilities	48	97	64	10	25	43		(100.00)		
<b>Transfers and subsidies to</b>	235	615								
Provinces and municipalities	7									
Municipalities	7									
Municipalities	7									
Regional services council levies	6									
Departmental agencies and accounts	1	2								
Entities receiving transfers	1	2								
Other	1	2								
Households	227	613								
Other transfers to households	227	613								
<b>Payments for capital assets</b>	254	11			150	150		(100.00)		
Buildings								(100.00)		
Machinery and equipment	254	11			150	150		(100.00)		
Other machinery and equipment	254	11			150	150		(100.00)		
<b>Total economic classification</b>	51 537	21 707	22 348	27 320	27 256	27 125	33 125	22.12	35 575	37 955

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

Economic classification R'000	Outcome			Medium-term estimate						
	Audited 2006/07	Audited 2007/08	Audited 2008/09	Main appro- piation 2009/10	Adjusted appro- piation 2009/10	Revised estimate 2009/10	% Change from Revised estimate			
							2010/11	2009/10	2011/12	2012/13
<b>Current payments</b>	31 777	38 420	37 006	37 188	36 693	36 764	<b>40 692</b>	10.68	43 332	46 236
Compensation of employees	11 872	13 521	20 433	30 880	30 437	30 356	<b>35 085</b>	15.58	37 394	39 960
Salaries and wages	10 320	11 887	17 992	27 090	26 574	26 553	<b>30 695</b>	15.60	32 672	34 906
Social contributions	1 552	1 634	2 441	3 790	3 863	3 803	<b>4 390</b>	15.44	4 722	5 054
Goods and services	19 905	24 899	16 573	6 308	6 256	6 408	<b>5 607</b>	(12.50)	5 938	6 276
<i>of which</i>										
Administrative fees	25									
Advertising		69								
Assets <R5 000	40	55								
Audit cost: External					475	475	<b>573</b>	20.63	607	642
Bursaries (employees)							<b>160</b>		169	179
Catering: Departmental activities	60	85	80	101	85	114	<b>114</b>		121	128
Communication	18	12	12	40	38	37	<b>42</b>	13.51	44	46
Computer services	453	109	660	430	1 430	1 430	<b>473</b>	(66.92)	501	529
Cons/prof: Business and advisory services	18 381	23 287	14 294	4 080	2 185	2 211	<b>2 000</b>	(9.54)	2 118	2 239
Cons/prof: Legal cost			14							
Contractors	41	25	141	180	100	89	<b>118</b>	32.58	125	132
Agency and support/ outsourced services		463	92							
Entertainment	10	14	11	41	37	34	<b>40</b>	17.65	42	44
Inventory: Food and food supplies	11	15	18	14	23	23	<b>16</b>	(30.43)	17	18
Inventory: Stationery and printing	114	155	201	416	592	695	<b>765</b>	10.07	810	856
Transport provided departmental activity			6	10	10	10		(100.00)		
Travel and subsistence	543	472	805	690	859	849	<b>817</b>	(3.77)	866	915
Training and staff development		49			195	195	<b>375</b>	92.31	397	420
Operating expenditure	163	42	52	101	85	100	<b>84</b>	(16.00)	89	94
Venues and facilities	46	47	187	205	142	146	<b>30</b>	(79.45)	32	34
<b>Transfers and subsidies to</b>	7		109							
Provinces and municipalities	7		80							
Municipalities	7		80							
Municipalities	7		80							
<i>of which</i>										
Regional services council levies	7									
Households			29							
Other transfers to households			29							
<b>Payments for capital assets</b>	559	10								
Machinery and equipment	191	10								
Other machinery and equipment	191	10								
Software and other intangible assets	368									
<b>Total economic classification</b>	<b>32 343</b>	<b>38 430</b>	<b>37 115</b>	<b>37 188</b>	<b>36 693</b>	<b>36 764</b>	<b>40 692</b>	10.68	43 332	46 236

## Annexure B to Vote 3

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

R'000	Outcome			Estimated outcome 2009/10	Medium-term estimate		
	Audited 2006/07	Audited 2007/08	Audited 2008/09		2010/11	2011/12	2012/13
<b>Revenue</b>							
<b>Non-tax revenue</b>	28 538	30 291	33 063	31 237	31 368	40 900	42 850
Sale of goods and services other than capital assets	27 345	28 502	31 148	30 186	30 268	39 900	41 850
<i>Of which:</i>							
Admin fees	27 345	28 502	31 148	30 186	30 268	39 900	41 850
Other non-tax revenue	1 193	1 789	1 915	1 051	1 100	1 000	1 000
<b>Transfers received</b>	634			4 901	8 000		
<b>Total revenue</b>	29 172	30 291	33 063	36 138	39 368	40 900	42 850
<b>Expenses</b>							
<b>Current expense</b>	20 036	22 884	27 769	28 040	38 164	39 392	41 778
Compensation of employees	11 910	15 105	16 629	18 614	23 455	25 273	27 159
Goods and services	7 307	6 915	10 081	8 364	14 023	13 433	13 933
Depreciation	819	864	1 059	1 062	686	686	686
<b>Transfers and subsidies</b>	183	316	393	392	440	385	390
<b>Total expenses</b>	20 219	23 200	28 162	28 432	38 604	39 777	42 168
<b>Surplus/(Deficit)</b>	8 953	7 091	4 901	7 706	764	1 123	682
<b>Cash flow summary</b>							
Adjust surplus/(deficit) for accrual transactions	( 329)	( 555)	( 456)	( 586)	( 662)	( 662)	( 662)
Adjustments for:							
Depreciation	753	874	1 060	686	686	686	686
Interest	( 1 066)	( 1 422)	( 1 301)	( 1 272)	( 1 348)	( 1 348)	( 1 348)
Net (profit)/loss on disposal of fixed assets	( 16)	( 7)	( 215)				
<b>Operating surplus/ (deficit) before changes in working capital</b>	8 624	6 536	4 445	7 120	102	461	20
Changes in working capital	1 223	288	1 694	926	( 465)	( 465)	( 465)
(Decrease)/increase in accounts payable	351	832	2 326	1 116	( 930)	( 930)	( 930)
Decrease/(increase) in accounts receivable	598	( 257)	( 610)	( 65)	465	465	465
Decrease/(increase) in inventory	( 38)	17	( 22)				
(Decrease)/increase in provisions	312	( 304)		( 125)			
<b>Cash flow from operating activities</b>	9 847	6 824	6 139	8 046	( 363)	( 4)	( 445)
<b>Cash flow from investing activities</b>	469	( 494)	961	807	883	883	883
Acquisition of Assets	( 618)	( 1 923)	( 582)	( 465)	( 465)	( 465)	( 465)
Other flows from Investing Activities	1 087	1 429	1 543	1 272	1 348	1 348	1 348
<b>Cash flow from financing activities</b>	( 8 769)	( 8 719)	( 6 893)	( 621)	1 932	1 932	1 932
<b>Net increase/decrease) in cash and cash equivalents</b>	1 547	( 2 389)	207	8 232	2 452	2 811	2 370
<b>Balance Sheet Data</b>							
<b>Carrying Value of Assets</b>	1 956	3 006	2 403	2 048	1 760	1 710	1 660
<b>Investments</b>				5 000			
<b>Cash and Cash Equivalents</b>	14 746	12 354	12 562	16 752	10 003	10 003	10 003
<b>Receivables and Prepayments</b>	608	848	1 591	382	830	830	830
<b>Total Assets</b>	17 310	16 208	16 556	24 182	12 593	12 543	12 493
<b>Capital &amp; Reserves</b>	10 117	885	633	8 339	1 564	1 923	1 482
<b>Trade and Other Payables</b>	1 699	9 622	8 513	8 555	4 029	3 620	4 011
<b>Provisions</b>	969	665					
<b>Managed Funds</b>	4 525	5 036	7 410	7 288	7 000	7 000	7 000
<b>Total Equity and Liabilities</b>	17 310	16 208	16 556	24 182	12 593	12 543	12 493

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

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

Municipalities R'000	Outcome			Main appro- piation 2009/10	Adjusted appro- piation 2009/10	Revised estimate 2009/10	Medium-term estimate			
	Audited 2006/07	Audited 2007/08	Audited 2008/09				% Change from Revised estimate			2010/11
<b>Cape Town Metro</b>	133 936	115 124	120 950	134 682	139 757	139 757	<b>160 470</b>	14.82	171 731	182 140
<b>Total provincial expenditure by district and local municipality</b>	133 936	115 124	120 950	134 682	139 757	139 757	<b>160 470</b>	14.82	171 731	182 140

Note: Projects disaggregated per district.