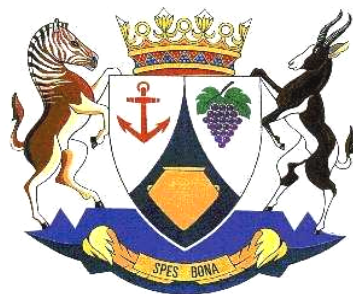


**Provincial Government Western Cape
Provincial Treasury**

ANNUAL REPORT
2009/2010



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Provincial Treasury

ANNUAL REPORT

**Mr Alan Winde
Minister of Finance, Economic Development and Tourism**

REPORT OF THE ACCOUNTING OFFICER OF THE PROVINCIAL TREASURY FOR THE PERIOD 1 APRIL 2009 TO 31 MARCH 2010

It's my honour, in accordance with section 40(1)(d) of the Public Finance Management Act, 1999, the Public Service Act, 1994 and Treasury Regulation 18, to submit the Annual Report of the Provincial Treasury, Western Cape for the period 1 April 2009 to 31 March 2010.

**Dr JC Stegmann
ACCOUNTING OFFICER**

DATE: 31 AUGUST 2010

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Abbreviations

ABET	Adult Basic Education and Training
ACFS	Annual Consolidated Financial Statements
AFR	Asset Finance Reserve
AFS	Annual Financial Statements
AGSA	Auditor-General South Africa
AM	Asset Management
AO	Accounting Officer
APP	Annual Performance Plan
ASB	Accounting Standards Board
BAS	Basic Accounting System
BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
BER	Bureau for Economic Research
BI	Business Intelligence
BIF	Business Insight Folder
CAE	Chief Audit Executive
CFO	Chief Financial Officer
COGTA	Cooperative Governance and Traditional Affairs
DEDAT	Department of Economic Development and Tourism
DG	Director-General
DoRA	Division of Revenue Act
DoTP	Department of the Premier
DPRU	Development Policy Research Unit
DPSA	Department of Public Service and Administration
E-I	Centre for E-Innovation
EPSi	Electronic Purchasing system
ERA	Enterprise Risk Assessor
ERM	Enterprise Risk Management
FFC	Financial Fiscal Commission
FGR&O	Financial Governance Review and Outlook
FIFO	First in first out
FMIP	Financial Management Improvement Programme
GIAMA	Government-wide Immovable Asset Management Act
GAAP	Generally Accepted Accounting Practices

GRAP	Generally Recognised Accounting Practice
HDI	Historically Disadvantaged Individual
HRM	Human Resource Management
IA	Internal Audit
IDIP	Infrastructure Delivery Improvement Plan
IDP	Individual Development Plan
IDP	Integrated Development Plan
IIA	Institute of Internal Auditors
IYM	In-year monitoring
LFF	Line Function Forum
LGFMIIP	Local Government Financial Management Improvement Plan
LG MTEC	Local Government – Medium Term Expenditure Committee
LOGIS	Logistical Information System
MEC	Member of Executive Council
MFMA	Municipal Finance Management Act
MTBPS	Medium Term Budget Policy Statement
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTREF	Medium Term Revenue and Expenditure Framework
NCOP	National Council of Provinces
NGO	Non-governmental Organisation
NT	National Treasury
OSD	Occupational Specific Dispensation
PDF	Project Development Fund
PEAP	Provincial Employee Aids Programme
PER&O	Provincial Economic Review and Outlook
PERSAL	Personnel and Salary Administration System
PFMA	Public Finance Management Act
PG MTEC	Provincial Government – Medium Term Expenditure Committee
PPP	Public Private Partnerships
PPSC	Provincial Programme Steering Committee
PRF	Provincial Revenue Fund
PSCBC	Public Service Commission Bargaining Council
PT	Provincial Treasury
PTAT	Provincial Technical Assistance Team
PTM	Provincial Top Management
QPR	Quarterly Performance Report
REAL	Revenue, Expenditure, Assets, Liabilities
SCM	Supply Chain Management

SCoA	Standard Chart of Accounts
SCOF	Standing Committee on Finance
SCOPA	Standing Committee on Public Accounts
SDBIP	Service Delivery Budget Implementation Plan
SDI	Service Delivery Improvement
SEP-LG	Socio-economic Profiles of Local Government
SETA	Sector Education and Training Authority
SITA	State Information Technology Agency
SMME	Small Medium and Micro Enterprise
SMS	Senior Management Service
SP	Strategic Plan
StatsSA	Statistics South Africa
TCF	Technical Committee on Finance
TMM	Top Management Meeting
VCT	Voluntary Counselling and Testing
WCED	Western Cape Education Department
WCGRB	Western Cape Gambling and Racing Board
WC-MTBPS	Western Cape Medium Term Budget Policy Statement
Wesgro	Western Cape Investment and Trade Promotion Agency

Part 1

General Information

Introduction by Accounting Officer

During the reporting period and noting that Rome wasn't built in a day, four main goals were actively to be pursued by the Provincial Treasury in collaboration with departments and municipalities. They were:

- A credible medium term fiscal framework supported by good underlying analysis, leading to responsive and sustainable budgets promoting shared growth and development;
- Accurate recording of financial transactions together with substantive compliance against financial management norms and standards, high value internal audit services and vesting of enterprise risk management within departments and municipalities;
- Fostering prudent management of the built environment, physical and financial assets, financial systems and liabilities; and
- Improved in -year expenditure and revenue management practices whether in departments, entities or municipalities, refinement of the intergovernmental financial management system, due oversight and the building of appropriate skills and competencies.

With most provincial departments, entities and municipalities operating at a level 2-plus of the 6-scale financial maturity model under development, it has to be recognised that it's quite a journey to reach the higher levels and to do so consistently over time. Currently the target is to attain at least a level 3-plus maturity level across all Western Cape institutions over the next three years.

That said, some success was achieved with all four goals over the past year, variously reflected in a better budget balance, improved audit outcomes and a general improvement over a range of functions as captured in a number of Treasury assessments. These improvements have come about by a great deal of hard work by the respective accounting officers, chief financial officers and other staff.

Underscoring some of these results were the concomitant modernisation initiatives initiated by the Department of the Premier, of which the majority of the results would only be reflected in the new financial year and beyond. Amongst others the actual delivery of both the transversal internal audit and enterprise risk management functions will in future also be housed within this department.

Similarly, we are also indebted to our other sister Department of Local Government and Housing with the improvements reached within the municipal sphere.

So the four above main goals remain and in terms of our planning and internal re-positioning will be continuously pursued to reach, hopefully, improved levels over each consecutive financial year, building on foundations laid over the last couple of years.

Apart from the external goals, internally the Provincial Treasury had several challenges to face, in the main related to personnel management issues, such as staff retention, recruitment of competent individuals, training and interpersonal skills in a diverse and often challenging working environment.

Overall however, the Treasury is in much better position than previous years, having built systematically on past successes and learning from mistakes and omissions. The attrition rate is much lower, length of service has consistently been creeping up, teamwork is improving and therefore also the quality of the output. The international economic downturn no doubt helped, but when due to internal budget pressures, the active drive in recruitment had to be put on the back burner for a while during the last two quarters, the vacancy rate very quickly increased from around 14% over August to November to 20% by end of March 2010.



Dr JC Stegmann
Accounting Officer
Provincial Treasury

Together with internal efficiencies, better performance management and attention to targets set for 2009/10, expenditure levels have been better directed and contained to realistic levels in the 2009/10 financial year, coming very close to a break-even point by the end of the financial year. As was requested from other departments, five downscaling exercises and tight monitoring of a range of items gave rise to a number of efficiencies and better cost awareness amongst staff, which will be taken forward in the new financial year.

In closing, I would also like to take this opportunity to express my sincerest thanks to all Treasury staff for their unfailing commitment towards making a difference over a range of institutions and the many hours spent doing so, in many cases way beyond what would normally be expected. Similarly, our thanks to all our colleagues in departments, entities and municipalities, the actual doer's without whom not much of what was achieved would have been possible. Lastly, our sincere appreciation to MEC Alan Winde, without whose support and leadership, we would have had a torrid time in obtaining all the policy approvals and support from the rest of the Executive.

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

Dr JC Stegmann

ACCOUNTING OFFICER PROVINCIAL TREASURY

DATE: 31 AUGUST 2010

The Ministry

Mr Alan Winde became Minister of Finance, Economic Development and Tourism on 8 May 2009 when the Democratic Alliance took power of the Western Cape in the 2009 national and provincial elections.

Mr Winde had two visits abroad during the financial year representing the Treasury in a visit to Rome during July 2009 and attending the World Travel Market in London during November 2009.



Mr A Winde
**Minister of Finance,
Economic Development
and Tourism**

Bills

The Bills that the Executive Authority submitted to the Western Cape Provincial Parliament during the reporting period of 2009/10 are the following:

- Western Cape Unauthorised Expenditure Bill [B 3-2009] (Act 5 of 2009) for Health - 2006/07 & 2007/08.
- Western Cape Irregular Expenditure Bill [B 4-2009] (Act 6 of 2009) - Irregular PT 2007/08.
- Western Cape Appropriation Bill, 2010 [B 1-2010].
- Western Cape Adjustments Appropriation Bill, 2009 [B 8-2009].
- Western Cape Sixteenth Gambling and Racing Bill, 2009 [B 6-2009].

VISION

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

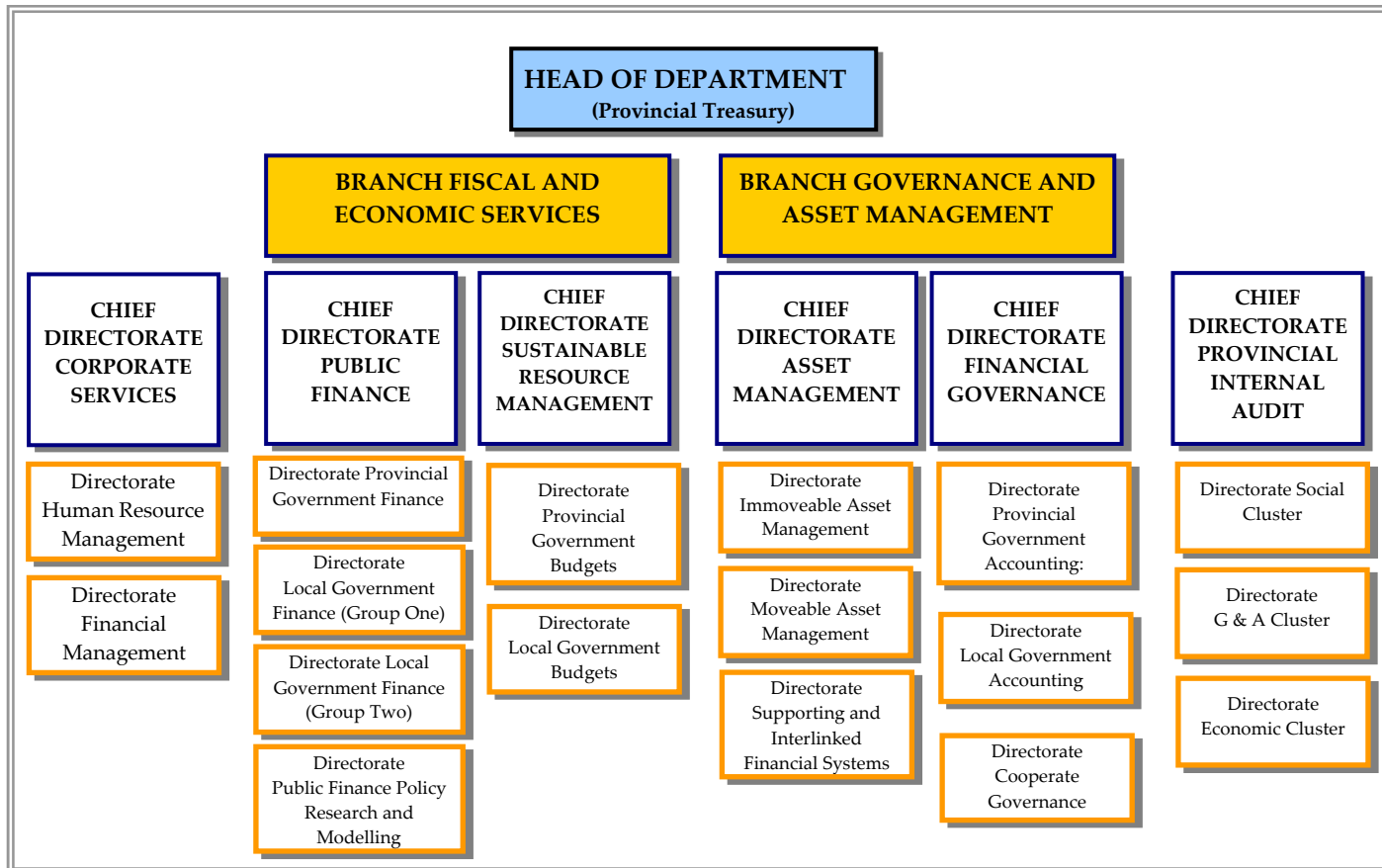
MISSION

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

DEPARTMENTAL ETHOS

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

ORGANISATIONAL STRUCTURE



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

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

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

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

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

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

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

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

To provide for the withdrawal of State moneys from the Western Cape Provincial Revenue Fund, as a direct charge, in accordance with the Constitution of the Republic of South Africa, 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 Act, 1996 (Act 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 Act, 1996 (Act 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 Act, 1996.

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

Part 2

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
134,682	139,757	138,371	1,386
Responsible Minister	Minister of Finance, Economic Development and Tourism		
Administering Department	Provincial Treasury		
Accounting Officer	Head Official Provincial Treasury and Head of Department		

1.2 Aim of the vote

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

1.3 Summary of programmes

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

- **Programme 1: Administration**

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

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

1.4. Key strategic objectives and achievements

1.4.1 Key strategic objectives

The Provincial Treasury set itself the following key strategic objectives, which was published in its Five Year Strategic and Performance Plan 2005/06 – 2009/10 and was tabled in the Provincial Parliament at the end of March 2005. These strategic objectives underwent minor changes in the last two performance plans of the five year cycle that were again tabled in the Provincial Parliament during March 2009 and 2010. During the completion of the fifth Annual Performance Plan 2009/10 – 2011/12, the strategic objectives focused more on improving the key measurable objectives within each programme. A new five year strategic plan was only compiled during the 2009/10 financial year, which will be part of a new election cycle for the period 2010/11 – 2014/15.

Programme 1: Administration

- Effective and efficient office support services to the Executive Authority ensuring full integration with departmental activities and requirements.
- Effective communication in line with the portfolio responsibilities of the Executive Authority.
- Efficient coordination and setting of standards for management support services.
- Effective communication services.
- To attract, acquire and retain a desired employee profile in alignment with the Provincial Treasury business objectives.
- Optimal delivery of human resource administration contributing to the Provincial Treasury maintaining a level 3 plus auditable organisation.
- Promotion and maintenance of a learning organisation in order to produce a competent workforce.
- A transformed culture for the Provincial Treasury by creating an environment of optimum employee performance in relation to the Treasury's strategic objectives.
- Responsive and credible budget composition and delivery.
- Full and accurate reflection of all financial transactions.
- Level 3 auditable supply chain management services.

- Effective internal control measures and risk management.
- Effective auxiliary and specialised support services.

Programme 2: Sustainable Resource Management

- Leadership and administrative support services to ensure the effective delivery and operation of the programme.
- Enhancing provincial and municipal revenue and financing adequacy.
- Socio economic responsive provincial budgets.
- Socio-economic responsive municipal budgets.
- Sustainable and credible provincial budgets.
- Provide policy advice, effective technical and strategic support and a change agent service to provincial departments.
- Sustainable and credible municipal budgets.
- Develop intradepartmental, intraprovincial, interprovincial government co-ordinating structures and systems.
- Provide policy advice, effective technical and strategic support and a change agent service to municipalities.

Programme 3: Asset and Liabilities Management

- Leadership and administrative support services to ensure the effective delivery and operation of the programme.
- A value-based supply chain management and moveable asset management system that facilitates good governance and effectively responds to socio-economic requirements and enhances service delivery.
- Prudent built-environment business principles and processes for effective infrastructure delivery aligned to socio-economic imperatives contributing to optimal utilisation of government immovable assets.
- Cash flow management that maximises investment returns and that matches or exceeds revenue and expenditure flows.
- A professionally implemented and managed secure financial system, responsive to user functionality and information requirements, conforming to changing accounting and good governance requirements.

Programme 4: Financial Governance

- Leadership and administrative support services to ensure the effective delivery and operation of the programme.
- To establish a sound and dynamic financial accounting framework to promote accountability, transparency and good governance.
- Development and implementation of a value-driven good governance system that can deliver in terms of international best practice governance models in partnership with other units in the Treasury.

- To render an effective risk-based internal audit (IA) and consulting service that will contribute towards a well-controlled and efficient service delivery environment.
- To assist the Audit Committees in the discharge of their responsibilities.

1.4.2 Programmes

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

Programme One: Administration

The Provincial Treasury continued with its contribution to the youth of the Western Cape despite budget constraints by offering six internships and 15 bursaries, six to the winners of the Essay Writing Competition and nine to high achieving matriculates and University students. During this period the Department focused on skills development by implementing a training plan for the current and the next three years. This well structured training plan has proven a useful tool in addressing the training needs of the staff.

A further area of focus for the Department was improving the working environment by continuing with interventions and to assess the impact of the training interventions provided. The outcome was positive as the results of the Q12 intervention improved by 1% with regard to management support and professional growth.

The Department succeeded for the fifth financial year to maintain its spending level below 2 per cent and ended with an under spending of 1.0 per cent or R1,386 million on an adjusted voted amount of R139,757. The department for the first time had to operate from a reduced budget base on Goods and Services which meant that it had several scaling down exercises to make ends meet. However, the results were positive and instilled a culture where drastic reductions on inter alia travel and subsistence and strategic sessions ultimately had the effect that sufficient funds were still available to purchase computer equipment on a demand management model during the latter part of the reporting period.

The spending on Compensation of employees was also a challenge as the attrition rate was lower within the department due to the economic downturn in South Africa while several posts were filled during the financial year. Special measures were put in place, such as the freezing of posts that were filled at a later stage. The positive spin off for the department was still that goods and services were not crowded out further as a result of higher than expected expenditure on the compensation of employees.

The planning and roll out of a new five year Strategic Plan and subsequently a new three year Annual Performance Plan placed more pressure on the department, but was well managed in a positive spirit with the guidance of the Head of department and with the participation of the Executive Authority with all senior managers to improve on previous years standards. Together with this more dedicated and structured efforts were also in place to monitor each quarterly performance session that ultimately feeds into this document.

Programme Two: Sustainable Resource Management

The 2009 elections and the subsequent change in government impacted on the programme's planning and outputs and as a consequence also some of its targets. As a result of the early recess of the Provincial Parliament for electioneering purposes, the finalisation of the 2009/10 budget took longer than usual, as the legislative process was initially postponed and then restarted under a new government. The Western Cape Appropriation Act, 2009 (Act 3 of 2009) could thus only be assented to by the Premier on 29 June 2009, whereas in other years, the general rule is that the Main Appropriation Act normally be assented to before the start of a particular financial year. During the 2009/10 year, this programme played a much stronger roll in amongst others, the budget finalisation process, the induction of the new government in respect of financial matters, contributing to the crafting of new provincial strategic objectives for the Province, the execution of a more rigorous 2010/11 MTEF budget process and contributing to the strengthening for Intergovernmental Relations processes within the provincial sphere and across the other two spheres, particularly through the various LGMTEC processes.

The Public Finance component continued with steps initiated during 2009/10 to improve the overall quality of financial management in departments, which amongst others included an improved analysis of the IYM and linkages to the 2009 Adjusted Estimate and 2010 Main Budget. Given the constraint fiscal envelope, this unit conducted in depth analysis per main SCoA item (lowest level and department specific) in addition to analysis and calculations regarding the cost of the occupational specific dispensation (OSD) for doctors and health professional, educators, social workers and engineers; key expenditure drivers e.g. medicine and pharmaceuticals in Health, etc. This unit was also responsible for transversal coordination activities and some of the key activities during the year includes responding to various ad hoc requests to provide urgent information required by the Provincial executive, attending all standing committee discussions during the 2009 Budget round (new parliament), assistance with processes regarding the dissolution of the Western Cape Youth Commission, additional responsibilities flowing from Treasury's Line Function Forum (LFF), etc.

The major challenge of Fiscal Policy Unit remained the recruitment of suitably qualified staff which impacted on the achievement of some of the measurable objectives for 2009/10. Notwithstanding this challenge, the unit was able to provide substantial input to the National Equitable Share Task Team that is tasked with the review of the National fiscal transfer system to Provinces. The input provided was taken up in the national documents (TCF, Budget Council and others) for discussion and provided the basis for discussion on the review of the fiscal transfer system. In particular, with the assistance of the BER, the unit also developed a research document indicating the economic role that Provinces, and in particular the 'economic departments', have to play within the context of the current intergovernmental system. This work will feed into the review of a new fiscal transfer system. On maximising provincial own revenue sources, this unit has commenced with research into a possible new taxation regime in respect of casino exclusivity which will be followed by the required consultation with the gambling industry. In addition, this unit provided inputs into the various MTEC processes, the 2010-2013 MTBPS, the 2009 Adjusted Budget and 2010/11 MTEF Budget processes.

Programme Three: Asset and Liabilities Management

The Directorate Supply Chain Management, not ignoring their ongoing work and participation with all government departments, interacted more with the local government spheres and the many interactive sessions should set the basis for more positive interaction in future years between the Provincial treasury and the local governments. Several new policies were also compiled or are in the process of development in the field of supply chain management with a greater focus on the capacity needs of departments and local authorities.

The Directorate Immoveable Assets successfully conducted assessment reports in the departments of Education, Health and Public Works during the reporting period relating to the medium term budget period, draft infrastructure development matters and the for evaluation of risk log effectiveness reports. The Infrastructure Delivery Improvement Plans (IDIPs) received intensive attention with the Provincial Technical Assistance Team (PTAT).

The development of a practice model for the management of financial assets was fully completed, disseminated and implemented within all the provincial departments. Training workshops were also rolled out to municipalities with regards to cash flow management.

Many new system enhancements were rolled out during the reporting period and the directorate endeavours to answer all their enquiries within 24 hours. Special efforts have been put in place to centralise and streamline system controller functions within all the provincial departments. The directorate interacted and provided assistance to the provincial departments at the end of the financial year to reconcile between the different systems at year end and also assisted with the monitoring of cash flow needs by communicating to them on a daily basis.

Programme Four: Financial Governance

The main purpose of the Accounting Services unit is to ensure the development of accounting practices within local and provincial government that will promote effective and efficient capturing of Revenue, Expenditure, Assets and Liabilities (REAL) movements/accountability and contribute towards attaining level 3 and higher auditable organisations. The unit continued to roll out new accounting reforms and monitored remedial measures instituted to improve the financial management capability of departments, municipalities and entities. Emphasis was placed mainly on addressing weaknesses and transversal matters identified in the reports of the Auditor-General of South Africa. The Financial Governance Review and Outlook 2009, as compiled and published by Accounting Services in January 2010, focussed on the financial management capability of departments and public entities, identifying areas of concern and remedial steps to be taken. Improving toward a higher level of financial management is a gradual process that would require ongoing capacity building in departments, municipalities and entities. The Annual Consolidated Financial Information of the Province, as compiled by Accounting Services, included an expanded management report reflecting on detail analysis of the consolidated financial information of the Province.

As in previous years the responsibility of Norms and Standards included the co-ordinated oversight support function of public entities within the Province. Risk Management was again driven to promote risk management awareness for the audit committees and for departments that implied more involved management of responsibilities within departments.

The Internal Audit became self-sufficient in 2009/10 with almost all the posts on the approved establishment having been filled during this financial year. The service delivery model or internal audit methodology was reviewed in detail, resulting in service delivery being closer aligned to the mandate of Internal Audit in the Province, i.e. to provide assurance on the adequacy and effectiveness of controls in the business processes being audited. To enable the unit to operate more effectively and efficiently, significant time was spent on the development of a competency framework, and rolling out training that would improve the skills of all staff members, in line with the competency requirements.

1.5 Overview of the service delivery environment for 2009/10

The Provincial Treasury interacts mainly with provincial departments and local authorities in terms of its legislative mandates provided in the PFMA and MFMA.

Notwithstanding the budgetary constraints the department did its best to recruit suitable staff and the vacancy rate was reduced to more acceptable levels.

As explained under the progress of programme one above the spending on compensation of employees was also a challenge as the attrition rate was lower within the department due to the economic downturn in South Africa while several posts were filled during the financial year. Special measures were put in place, such as the freezing of posts that were filled at a later stage. The positive spin off for the department was still that goods and services were not crowded out further due as a result of higher than expected expenditure on the compensation of employees.

Overall the restricted budget for the reporting period instilled a culture with all the senior managers to spend at lower levels that can be pulled through to future financial years. This will also have positive results as a culture of prudent spending that has been vested can be carried forward into the new 2010 – 2013 MTEC period.

1.6 Overview of the organisational environment for 2009/10

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

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

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

The benchmarking process with other provinces could not be pursued due to different organisational structures and job evaluation processes of levels 9 and 11 positions were pursued. This process was concluded by the end of March 2009 that was followed by a review of this process that was implemented at the end of April 2010.

Phase 3 Due to the delay of the job evaluation review process as well as budgetary constraints, the Department was unable to proceed with phase 3.

1.7 Strategic overview and key policy developments for the 2009/10 financial year

Five policy development areas that still received special ongoing are:

- 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.

These policy issues will be discussed further under paragraph 2.

1.8 Departmental revenue

The Provincial Treasury's performance in terms of the collection of departmental revenue for the financial year under review 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 2006/07 to 2009/10. 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 2006/07 – 2009/10

Receipts	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Target	2009/10 Actual	Deviation from target	
	R'000	R'000	R'000	R'000	R'000	R'000	%
Tax receipts	275,984	324,591	323,728	293,817	308,373	14,556	4.95
Casino taxes	256,948	301,689	301,100	274,594	284,528	9,934	3.62
Horse racing taxes	19,036	22,902	22,628	19,223	23,845	4,622	24.04
Non-tax receipts	55,547	48,564	54,674	55,003	56,573	1,570	2.85
Interest	54,125	47,128	52,948	53,980	53,982	2	
Other receipts	1,422	1,501	1,726	1,023	2,591	1,568	153.27
Financial transactions in assets and liabilities	9,802	9,072	7,280	48	2,045	1,997	4,160.42
Total departmental receipts	341,333	382,292	385,682	348,868	366,991	18,123	5.19

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

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

Programme 2: Sustainable Resource Management – Own revenue collected by this programme for casino and horseracing taxes were adjusted during 2009 and the surplus funds accrued in this Fund was much higher than was anticipated in accordance with the economic downturn in South Africa.

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

1.9 Departmental payments

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

Table 3: Departmental payments

Programmes	Voted for 2009/10 R'000	Roll-overs and Adjustments R'000	Virement R'000	Total Voted R'000	Actual Expenditure R'000	Variance R'000
1. Administration	36,579	3,252	(472)	39,359	39,359	-
2. Sustainable Resource Management	33,595	2,382	554	36,531	36,531	-
3. Asset and Liabilities Management	27,320	(64)	270	27,526	27,526	-
4. Financial Governance	37,188	(495)	(352)	36,341	34,955	1,386
Total	134,682	5,075	0	139,757	138,371	1,386

Programme 1: Administration (100% actual expenditure)

There are no variances to report on.

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

There are no variances to report on.

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

There are no variances to report on.

Programme 4: Financial Governance (96,19% actual expenditure)

The under spending (3,81%) on this programme can mainly be attributed to the inability to find appropriately skilled personnel, especially where the Provincial Treasury is in direct competition with the private sector.

1.10 Transfer payments

During the year under review transfer payments were only made to the Department of the Premier, the South African Local Government Association and to Households as indicated in Table 4 below. The details of the table are reflected in Part 4, note and annexures 1B, 1C and 1E.

Table 4: Transfer payments

Name of Institution	Amount Transferred R'000	Estimate Expenditure R'000
Non-profit institutions	100	100
Households	314	314
Gifts, donations and sponsorships	5	5
Total	419	419

1.11 Conditional grants and earmarked funds

None.

1.12 Capital investment, maintenance and asset management plans

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

Maintenance

This section is currently not applicable to the Provincial Treasury. However, the consultant that was appointed in 2007/08 carried on with assistance in the completion of minor works in the Wale Street Building where ablution facilities were upgraded and accommodation planning in general. The staffs that were shifted to the Southern Life Building in 2008/09 have settled in the lease building.

Asset Management

The additions in computer equipment and related equipment as stated in Part 4, Disclosure notes 27 and 28 could be justified as follows:

- Additional computer equipment and software was purchased for new employees.
- Concerted efforts were put in place to purchase and replace computer equipment within the department in accordance with a demand management model which, was developed in line with the FIFO method.

The disposal of assets as stated in Part 4, Disclosure note 28 could be justified as follows:

- Machinery and equipment to the value of R1,666 million was disposed of.
- The asset register is automatically updated when new assets are acquired or when redundant items are disposed off. An annual stock take as at 31 March 2010 was completed and reconciled for the 2009/10 financial year.
- Approximately 80% of the Provincial Treasury's assets are in a good state, while the remaining 20% is in a fair condition.
- No facility was closed down or downgraded during the period under review for whatever reason.

2. Programme performance in detail

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

2.1 Programme 1: Administration

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

Sub-programme 1.1	:	Office of the Provincial Minister
Purpose	:	To render secretarial, administrative and office support services.
Measurable Objectives	:	Functioning and good integration of the Ministry with Provincial Treasury; Department of Economic Development and Tourism; Parliamentary Services; and Cabinet Services. Planning and coordination of the Minister's responsibility with regard to events relating to the output of Provincial Treasury. Coordination of events and scheduling of resources to meet the demands of the Minister's diary. Coordination and interaction between Departments and Media Liaison Officer/Service provider. Advocacy of the Ministry's strategies and vision.
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			
Functioning and good integration of the Ministry with Provincial Treasury; Department of Economic Development and Tourism; Parliamentary Services; and Cabinet Services.	Turnaround time on all documents submitted to the office and correspondence addressed to the Minister.	3 working days.	3.67 working days.
Planning and coordination of the Minister's responsibility with regard to events relating to the output of Provincial Treasury.	Tabling of the Budget and the MTBPS.	MTBPS tabled in November and Budget in March.	MTBPS and Budget tabled.
Coordination of events and scheduling of resources to meet the demands of the Minister's diary.	Number of meetings with Provincial Treasury	48	90
	Number of meetings with the Department of Economic Development & Tourism, Wesgro and CTRU.	48	169
Coordination and interaction between Departments and Media Liaison Officer/ Service provider.	Number of engagements with the media.	60	309
Advocacy of the Ministry's strategies and vision.	Number of road shows and imbizos.	36	1

Sub-programme 1.2 : Management Services

Purpose : To render strategic support, coordination and communication service.

Measurable Objectives : Treasury events calendar that smoothes out the work processes throughout the year.

A set of systems and standards that determines both turnaround and quality of responses with respect to incoming communication.

Effective Information Resource Centre.

An integrated communication strategy that utilises the available printed, verbal and e-media effectively.

Sub-programme 1.2	: Management Services
Service delivery achievements	<p>: PT Calendar – The participation of all components in PT has been actively obtained, enabling the smooth flow of work throughout the 2009/10 financial year.</p> <p>The C-Mats document tracking systems has improved the service to external and internal partners and tightened input processing and output reporting, especially where due dates occur.</p> <p>The answering of the Parliamentary Questions have improved notably in the manner responses have been submitted, eliminating pressure to perform corrections and cutting time spent drastically in forwarding replies to PT Executive Authority.</p> <p>A draft Library Policy was compiled for the IRC and was accepted by SMS members and it had since been finalised and is due to be distributed. Successful Library Week and Community of Practice events took place to promote the IRC. The IRC's usage has more than doubled from the third to the fourth quarter as monitored by our newly implemented In-Magic Software program.</p> <p>The PT newsletter received a name, The Treasure Chest. All staff members participated well through nominating names of which The Treasure Chest received the most votes.</p> <p>A successful Essay Writing Bursary Awards Ceremony was held on 2 March 2010, which left a lasting impression on all parties involved.</p> <p>A full restructuring of the Provincial Treasury Websites were completed for easier usability and navigational purposes.</p> <p>The Website Team has attained the required level of transparency through the uploading of awarded bids on a monthly basis.</p> <p>Translation services can now work hand in hand with Provincial Parliament when doing the translation of Appropriation Bill and Western Cape Gambling and Racing Board Bill.</p>
Reasons for achieving targets	: A coordinated approach to work specifics was followed.
Reasons for not achieving targets	: The target in respect of the Treasury Management Meetings (TMM) was not met, this was due to management partaking in many activities such as the LG MTEC and the budget processes.
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
Treasury events calendar that smoothes out the work processes throughout the year.	Refinement of the current Treasury calendar to achieve an even flow of work processes.	Maintain and update accurately.	Maintained and updated. The PT Calendar has been refined and work processes flows evenly.
A set of systems and standards that determines both turnaround and quality of responses with respect to incoming communication.	Develop and implement a set of standards determining turnaround and quality of responses.	Implement systems and standards.	All outputs met as per Performance Indicator.
Effective Information Resource Centre.	Development and implementation of the centre's utilisation.	Develop methods to increase the use.	The output to increase the centre's utilisation has been achieved.
An integrated communication strategy that utilises the available printed, verbal and e-media effectively.	Develop and implement an integrated communications strategy.	Integrated Communications Strategy.	The Communication Strategy has been finalised and implemented.
Sub-programme 1.3 : Corporate Services			
Purpose	:	To provide human resource management and development.	
Measurable Objectives	:	Implement developed mechanisms for attracting, acquiring and retaining the desired employees. Effective and efficient human resource administration. To implement the comprehensive learning and development system. Establish diverse and integrated workforce.	
Service delivery achievements	:	The re-accreditation of Provincial Treasury as a workplace training provider. Accurate and complete reconciliation between PERSAL and the fixed establishment. The development and implementation of a training plan for Provincial Treasury. Implementation of some of the interventions with regard to health and Wellness. The completion of the Q12 survey revealed an improvement of 1% in the areas of management support and professional growth. The successful completion of the Nedbank Essay writing competition where 6 Grade 12 learners were granted bursaries and cash awards by Provincial Treasury and Nedbank.	

Sub-programme 1.3	:	Corporate Services
Reasons for achieving targets	:	<p>Completion of the necessary documentation for re-accreditation and submitting it to the SETA.</p> <p>Regular quality assurance of the fixed establishment and PERSAL.</p> <p>By utilising the HR Development Committee that comprises of Senior Managers to develop the training plan.</p> <p>By continuing to conduct the Q12 survey once a year.</p> <p>By developing, implementing and monitoring a project plan for the Essay Writing Competition.</p>
Reasons for not achieving targets	:	<p>Due to budgetary constraints only 6 interns were employed during the period under review and the Department could only grant 15 external bursaries.</p> <p>The following policies and strategies were drafted in Human Resources, namely; a retention policy that included a career pathing process, learning and development policies, a recruitment policy and an employee health and wellness policy. These could not be implemented due to the modernisation process.</p> <p>Reconfiguration 3 could not be implemented due to budgetary constraints.</p>
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	<p>It has assisted Provincial Treasury in addressing its scarce skill crises by the employment of interns and the granting of external bursaries and in this way has assisted in the retention of staff.</p> <p>Human Resources has also assisted Provincial Treasury in compiling a more structured training plan for the Department to focus more effectively on skills development. It has also assisted the Department in improving the workplace for its employees through conducting the annual Q12 survey.</p>

Programme 1: Administration

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 1.3: Corporate Services			
Implement developed mechanisms for attracting, acquiring and retaining the desired employees.	Increasing the scarce skill recruitment pool with grade 11's and external graduates as external bursars and interns.	20 external bursaries.	15 External Bursaries awarded due to budget constraints.
	Development and implementation of a Retention Policy including succession planning.	41 interns.	Only 6 Internships were offered due to budget constraints.
	Development and implementation of a Retention Policy including succession planning.	Develop and implement a Retention Policy.	Draft retention policy was developed but unable to proceed due to modernisation.

Programme 1: Administration			
Output	Output performance measures/service delivery indicators	Actual performance against target	
Sub-programme 1.3: Corporate Services		Target	Actual
Effective and efficient human resource administration.	Career pathing process developed and implemented.	Develop and implement a process.	Career pathing process developed as part of the retention policy but was unable to proceed due to the modernisation process.
	Finalisation of reconfiguration.	Commence phase 3.	Unable to commence due to budgetary constraints.
	Accurate and complete reconciliation between Persal and fixed establishment.	Maintaining and reconcile quarterly.	Achieved.
To implement the comprehensive learning and development system.	Efficient recruitment and appointment process.	Implementation of the recruitment policy in line with the Talent Management Framework.	Draft recruitment policy developed but unable to proceed due to modernisation.
	Refine and finalise all current and new training and development policies (QMS).	Re-accreditation of PT as workplace training provider by August 2009.	Achieved.
Establish a diverse and integrated workforce.	An effective training programme that takes account of IDPs and the Treasury calendar.	Implementation of training programme by July 2009.	Achieved.
	Impact assessment of cultural and related interventions and further remedial actions.	Identification and implementation of suitable interventions.	Achieved implementing some of the interventions.
	Develop and implement an Employee Wellness Policy and Strategy.	Continued development of Policy and Strategy.	Draft policy developed but unable to proceed due to the modernisation process.

Sub-programme 1.4	:	Financial Management
<hr/>		
Purpose	:	To deliver financial management, advisory services and to make limited provision and maintenance of accommodation needs.
Measurable Objective	:	<p>Efficient and effective planning and budget management.</p> <p>A mechanism and system in place that enables all financial transactions to be correctly captured and properly dealt with.</p> <p>Fully functional, comprehensive and up to date AO SCM system.</p> <p>Fully functional asset management system.</p> <p>Effective risk management system that real time identifies and catalogues risks.</p> <p>Effective internal control mechanism.</p> <p>Fully functional approved filing system for document flow and document control.</p> <p>Responsive and well controlled auxiliary services.</p>
Service delivery achievements	:	<p>The budget was successfully managed during the financial year on several occasions as a result of the pressure to over spend on the compensation of employees and a reduced goods and services base.</p> <p>The creation Performance measurement frameworks for Auxiliary Services and the SCM Unit proved to be a positive contribution for the current year and for the future as detail progress is monitored where daily compliance is of essence.</p> <p>The risks assessments may have started late in the financial year but with the FARMCOs guidance, backlogs were reduced.</p> <p>The midyear asset stock take and the compilation of interim financial statements had the effect that the year end stock take progressed much easier.</p>
Reasons for achieving targets	:	Already discussed under service delivery achievements.
Reasons for not achieving targets	:	The main goals of the directorate were achieved in general.
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 further with better IYM and QPR information gathering that will be used as a basis to compile more informative planning and reporting documents for the future.</p> <p>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	
Sub-programme 1.4: Financial Management		Target	Actual
Efficient and effective planning and budget management.	Delivery of an APP in line with Treasury's business objectives for the year.	APP tabled.	APP and SP tabled.
	A properly costed budget that is attainable.	85% costed budget.	85% costed.
	A monitoring and reporting system in place that tracks expenditure, revenue and service delivery.	Monitoring and reporting system developed.	In process to be developed in 2010/11.
A mechanism and system in place that enables all financial transactions to be correctly captured and properly dealt with.	Fully functional payment system that enables payment within 30 days.	Payment system maintained.	Fully functional.
	Monitoring and assessment system that will allow all accounts to be cleared or dealt with on a quarterly basis.	Monitoring and assessment system developed.	System developed and assessed on monthly basis.
	Unqualified audit report.	Unqualified audit report.	Unqualified audit report with other matters.
Fully functional, comprehensive and up to date AO SCM system.	Update and complete current AO SCM system.	Fully operational system.	Draft AO system compiled.
	Compliance to legislation, prescripts, AO SCM system and delegations.	Full compliance.	Draft delegations and AO system compiled.
Fully functional asset management system.	An up to date Asset Register that balances with LOGIS.	Asset register completed.	Completed and reflected under disclosure notes in the 2009/10 AFS Part 4.
Effective risk management system that real time identifies and catalogues risks.	Annual risk assessment and cataloguing of risks.	17 risk assessments.	Cataloguing of risks was completed at FARMCO.
	Quarterly risk management assessments and feedback.	4 reports.	1 report FARMCO now established.

Programme 1: Administration			
Output	Output performance measures/service delivery indicators	Actual performance against target	
Sub-programme 1.4: Financial Management		Target	Actual
Effective internal control mechanism.	Identification and follow-up on internal and external audits.	20 follow ups.	In progress.
	Identification of gaps in the control system and the initiation of remedial steps.	1 report every 3 months.	In progress.
Fully functional approved filing system for document flow and document control.	Full tracking and location of all documents i.e. hardcopy or e-copy.	Fully functional tracking and location filing system.	Fully functional.
Responsive and well controlled auxiliary services.	Proper fleet control.	Fully operational fleet control.	Fully operational fleet control.
	Well controlled telecommunication system.	Full compliance to updated telephone and data card policies.	Landline policy completed.
	Supportive reprographic and other services.	90% Operational	New model completed with 82% compliance attained.

2.2 Programme 2: Sustainable Resource Management

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

Sub-programme 2.1	:	Programme Support
Purpose	:	To provide management and administrative support to the programme.
Measurable Objectives	:	A well led and coordinated programme that delivers on its objectives with good public governance standards within set timeframes.
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	:	Support services not fully vested yet.

Sub-programme 2.1	:	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 2: Sustainable Resource Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.1: Programme Support			
A well led and coordinated programme that delivers on its objectives with good public governance standards within set timeframes.	Establishment and implementation of a delivery programme for the programme that ties in with the overall PT calendar for the year.	Delivery programme developed and implemented.	Target not met. In progress.
	Establishment of a culture of communication and transparency.	Monthly interactive meetings with staff and support services.	Target not met. In progress.
	Establishment of a culture of service excellence.	2 Internal survey and corrective actions.	No progress.

Sub-programme 2.2	:	Fiscal Policy
Purpose	:	To provide for the effective and efficient development of revenue streams.
Measurable Objectives	:	Review of the National fiscal transfer system to Provinces. Maximising Provincial own revenue sources. Maximising Own Municipal revenue sources. Reviewed collection and forecasting revenue models. Maximising gambling revenue.
Service delivery achievements	:	Participated and provided inputs in the first phase of the review of the national fiscal transfer system to Provinces. Determining the overall financing envelope for the Western Cape's MTEF. Commenced research for the review of the metro casino exclusivity licence gambling tax regime.
Reasons for achieving targets	:	With only 1 post being filled the majority of the urgent work was outsourced to external service providers.
Reasons for not achieving targets	:	Only 1 suitable candidate was appointed in the first quarter of 2009/10. History has shown that the recruitment process for this unit can take longer than the norm, as there is a market shortage for these skills and competencies required.

Sub-programme 2.2	:	Fiscal Policy
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	The understanding of the revenue sources allowed the unit to manage and optimise revenue thereby ensuring that the Provincial Treasury was able to meet expenditure obligations as well as identifying the revenue sources that need further research.

Programme 2: Sustainable Resource Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.2: Fiscal Policy			
Review of the National fiscal transfer system to Provinces.	New revised fiscal transfer system.	Research and input into new provincial fiscal framework.	Research and input into new provincial fiscal framework.
Maximising Provincial own revenue sources.	Research into additional revenue sources for provincial governments.	Refinement and updating of current research initiatives.	Determined overall financing envelope of the Province.
Maximising Own Municipal revenue sources.	Determined revenue base per Municipality.	Database of revenue base per Municipality.	Not finalised due to shortage of capacity.
Reviewed collection and forecasting revenue models.	Efficient collecting and forecasting models, especially in municipalities.	Conceptualising, planning and terms of reference.	Not finalised due to shortage of capacity.
Maximising gambling revenue.	Review of the Metro Casino exclusivity licence gambling tax regime and tax rates.	Legislature approval and implementation.	Commenced with review of the Metro Casino exclusivity licence gambling tax regime.

Sub-programme 2.3	:	Budget Management
Sub-programme 2.3.1:		Provincial Government Budgets
Purpose	:	To promote effective financial resource allocation in provincial departments.
Measurable Objectives	:	Analyse, inform and report on socio economic indicators at provincial government level. Determine provincial priorities and recommend financial resource allocation, which effectively contributes to, accelerated and shared economic growth in the province. Review efficacy of departmental spending and performance.

Sub-programme 2.3	:	Budget Management
Sub-programme 2.3.1:		Provincial Government Budgets
Service delivery achievements	:	<p>The 2009 Provincial Economic Review and Outlook was published in November 2009. The PER&O is in its fifth annual publication and attempted to provide an overall picture of the Western Cape economy.</p> <p>The Medium Term Budget Policy Statement was tabled in November 2009 and provided the policy framework for the Western Cape's 2010 MTEF budget. The main budget was tabled on 2 March 2010 with a focus of achieving better value for money in departmental spending.</p> <p>Quarterly non-financial information for all votes was submitted to NT by the due dates. As part of the effort to more vigorously track performance and to improve performance reporting, assessments of the Quarterly Performance Reports were conducted and were submitted to departments for consideration. Assessments were also undertaken on the departments' draft 2010 Strategic Plans and Annual Performance plans for alignment with the budget and national and provincial policy priorities.</p>
Reasons for achieving targets	:	<p>Detailed planning of the budget process and effective coordination among the different Provincial Treasury components contributed towards the achievement of targets. The commitment and diligence of the staff also played a key role.</p>
Reasons for not achieving targets	:	<p>The timeous tabling of the PER&O at the end of August 2009 was a challenge. After review, it was decided to further refine and re-focus with regards to the Western Cape sectors and sector interventions and performance before publication.</p>
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	<p>The attainment of targets contributed to the promotion of more effective financial resource allocation in provincial departments towards more socio-economic responsive budgets.</p>

Programme 2: Sustainable Resource Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.3: Budget Management			
2.3.1: Provincial Government Budgets			
Analyse, inform and report on socio economic indicators at provincial government level.	Publication of the Annual Provincial Economic Review and Outlook (PER&O).	PER&O 2009 to be published in August 2009.	PER&O draft chapters completed in August/September 2009 and published in November 2009.

Programme 2: Sustainable Resource Management			
Output	Output performance measures/service delivery indicators	Actual performance against target	
Sub-programme 2.3: Budget Management		Target	Actual
2.3.1: Provincial Government Budgets			
	Publication of Economic Reviews.	Publication of two economic reviews.	Two Quarterly Economic Reviews published in concert with the Department of Economic Development and Tourism and an updated economic review published in the Budget Overview of Provincial Expenditure.
Determine provincial priorities and recommend financial resource allocation, which effectively contributes to, accelerated and shared economic growth in the province.	Tabling of a Socio-economic responsive WC-Medium Term Budget Policy Statement and Budget.	Table MTBPS in November and Budget in March.	MTBPS tabled in November and Budget tabled in March.
Review efficacy of departmental spending and performance.	Evaluate Annual Performance Plans, Quarterly Performance Reports and Annual reports in terms of a developed Impact Assessment Framework.	12 Annual Performance Plans. 48 Quarterly Performance Reports. 12 Annual Reports assessed and provide feedback.	12 Annual Performance Plans. 48 Quarterly Performance Reports. 12 Annual Reports assessed and feedback provided.
Sub-programme 2.3 : Budget Management			
Sub-programme 2.3.2: Local Government Budgets			
Purpose	: To promote effective financial resource allocation in municipalities.		
Measurable Objectives	: Analyse, inform and report on socio economic indicators at local government level. Determine the sources, potential and constraints for enhanced growth and development. Review efficacy of municipal spending and performance.		

Sub-programme 2.3	:	Budget Management
Sub-programme 2.3.2:		Local Government Budgets
Service delivery achievements	:	<p>30 LG MTEC assessments were conducted for the 2009/10 MTREF Budgets of municipalities. This was followed up with LG MTEC 3 engagements.</p> <p>For the 2010/11 Medium Term Revenue and Expenditure Framework Budget Cycle of municipalities a new LG MTEC3 Assessments Framework was developed. The revised framework was tabled at the LG MTEC2 meeting in March 2010. The planning for the LG MTEC 3 taking place in 2010/11 commenced.</p> <p>27 out of 30 SDBIPs were received and assessed. Feedback was provided to municipalities through the BIF Team engagements, the service provider doing SDBIP compilation for municipalities.</p> <p>28 out of 30 Annual Reports were received and assessed. Feedback was provided through the LG MTEC 3 Assessments for 2010/11.</p> <p>29 out of 30 Mid-Year reports were received and assessed. Feedback was provided through the LG MTEC 3 Assessments for 2010/11.</p> <p>The Socio-economic profiles for selected district profiles will be published in 2010/11 to be in line with the 2011/12 IDP/MTREF Budget Revision Cycle.</p>
Reasons for achieving targets	:	Vacancies were kept to the minimum and the appointment of a Senior Manager for the unit.
Reasons for not achieving targets	:	Delays in collection and verification of information impacted negatively on finalisation of socio-economic profiles in time to feed into the 2010/11 IDP/MTREF Budget Revisions. Further delays were also caused by accessing supporting and supplementary data from sector departments.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	It ensured budget allocations were aligned with policy priorities.

Programme 2: Sustainable Resource Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.3: Budget Management			
2.3.2: Local Government Budgets			
Analyse, inform and report on socio economic indicators at local government level.	Publication of the Annual Socio Economic Review of Local Government (SEP-LG).	Publish a district SEP-LG for Eden and Cape Winelands in November 2009.	Target not achieved.

Programme 2: Sustainable Resource Management			
Output	Output performance measures/service delivery indicators	Actual performance against target	
Sub-programme 2.3: Budget Management		Target	Actual
2.3.2: Local Government Budgets			
Determine the sources, potential and constraints for enhanced growth and development.	Recommend budget and structural responses and deal with constraints of enhanced growth and development through participation in various IGR forums.	4 Quarterly BIF meetings, LG MTECs and IGR.	4 X Quarterly BIF engagements, 1 x LG MTEC 2 and 30 x LG MTEC 3 engagements.
Review efficacy of municipal spending and performance.	Evaluate IDPs, SDBIP, Mid Year Assessments and Annual reports in terms of a developed Impact Assessment Framework.	30 IDP, SDBIP, Mid Year Assessment and Annual Reports and provide feedback.	30 LG MTEC Assessments were conducted. 27 out of 30 SDBIPs were received and assessed. 28 out of 30 Annual Reports were received and assessed. 29 out of 30 Mid-year Reports were received and assessed.

Sub-programme 2.4.1	: Provincial Government Finance
Purpose	: To ensure efficient budget management in provincial departments.
Measurable Objectives	: Develop effectiveness of in-year expenditure monitoring systems towards attaining a level 3 plus auditable organisation. Policy driven Revenues and Expenditures. Data integrity. Efficiency analysis and intervention on selected expenditure items. Budget is based on previous expenditure and revenue trends that are based on secured funding. Monitoring and oversight over the WCGRB to promote good governance and optimise revenue. Expenditure in line with PFMA and supporting legislation.
Service delivery achievements	: Developed an expenditure trend model to assist in recommendation of budget allocations to address the credibility and sustainability criteria of the budget. As part of the MTEC process a more detailed analysis of certain Goods and services items was undertaken i.e. events promoters, catering, marketing, consultants and communication, to allow for reprioritisation towards key service delivery items.

Sub-programme 2.4.1	:	Provincial Government Finance
Reasons for achieving targets	:	Targets were achieved due to dedication and commitment of all staff even though there were vacancies at the middle management level.
Reasons for not achieving targets	:	Challenges experienced on efficiency analysis are due to the correlation of performance information with the expenditure levels at activity level.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	It ensured budget allocations were scrutinised for credibility and sustainability criteria and that the allocations are aligned with policy priorities.

Programme 2: Sustainable Resource Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.4.1: Provincial Government Finance			
Develop effectiveness of in-year expenditure monitoring systems towards attaining a level 3 plus auditable organisation.	Systematic development and application of a rating instrument that measures efficiency, least cost, financial prudence and fiscal discipline.	Assessment Measurement tool.	Developed model for non-personnel assessment.
	Number of IYM reports and Cabinet submissions.	13 Monthly IYM reports and 4 Cabinet submissions.	13 Monthly IYM reports and 4 Cabinet submissions.
Policy driven Revenues and Expenditures.	Systematic development and application of a rating instrument.	Assessment Measurement tool linked into QPRs.	Combined financial and non-financial reporting at Cabinet report level.
	Number of MTEC assessments.	13 MTEC 1 and 13 MTEC 2 reports.	13 MTEC 1 and 13 MTEC 2 reports.
Data integrity.	Development and roll-out of a methodology to test and improve the integrity of the data.	Rating instrument.	Developed data integrity framework.
Efficiency analysis and intervention on selected expenditure items.	Number of efficiency analysis reports as part of IYM process.	13 quarterly reports.	13 reports as part of MTEC 1 & 2 reports.

Programme 2: Sustainable Resource Management			
Output	Output performance measures/service delivery indicators	Actual performance against target	
Sub-programme 2.4.1: Provincial Government Finance		Target	Actual
Budget is based on previous expenditure and revenue trends that are based on secured funding.	Development of a tool that unambiguously assesses sustainability and credibility.	Assessment tool assessing costing structures and spending to purpose.	Developed model for non-personnel assessment.
Monitoring and oversight over the WCGRB to promote good governance and optimise revenue.	Systematic implementation measurement tool measuring implementation of Gambling Board Act.	Measurement tool assessing implementation and compliance and costing structure.	Framework differentiating legislative responsibility of the Gambling Board.
Expenditure in line with PFMA and supporting legislation.	Systematic implementation measurement tool.	Measurement tool.	3 draft Standard operating procedures.

Sub-programme 2.4.2 : Local Government Finance (Group 1 & 2) & 3

Purpose : To ensure efficient budget management in municipalities and to facilitate local government with financing its service delivery obligations in the group 1 (mainly coastal) and group 2 (mainly non-coastal) municipalities.

Measurable Objectives : Develop effectiveness of in-year expenditure monitoring systems towards attaining a level 3 plus auditable organisation. Policy driven Revenues and Expenditures. Data integrity. Budget assessments testing sustainability and credibility. Budget is based on previous expenditure and revenue trends that are based on secured funding. Efficient coordination of MFMA issues. Expenditure in line with MFMA and supporting legislation.

Sub-programme 2.4.2 & 3	:	Local Government Finance (Group 1 & 2)
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Service delivery achievements	:	<p>Improved compliance with prescribed IYM reporting formats (Appendix B) from 18 to 28 municipalities through various training initiatives and assistance provided to municipalities. However, all 30 municipalities comply with the legislative requirements by submitting financial performance reports for analysis. Improved (new format) monthly IYM Consolidated reports inclusive sign-off sessions, improved presentations by BIF Teams on municipal data. As prescribed by the MFMA, the Monthly Consolidated IYM reports were submitted timeously to National Treasury before or on the legislated due dates. In addition, the consolidated reports were confirmed as a best practice by National Treasury and circulated to all other provincial treasuries for implementation. The quarterly publications on the financial performance of municipalities were published on time and tabled in the provincial legislature. Quarterly Cabinet Submissions on the financial performance and the municipal debt were also submitted to Cabinet.</p> <p>Municipalities were assisted to ensure compliance with MFMA Circular 48, which in turn assisted with the smooth migration to implementing the new Budget and Reporting Regulations, inclusive of budget formats. All 30 municipalities signed a verification certificate confirming compliance with the new regulated budget formats. However, certain municipalities experienced challenges to comply fully with the regulations and formats.</p> <p>To ensure data integrity of financial management information and return forms submitted by municipalities to the Provincial Treasury, municipal managers and chief financial officers had to complete and sign a verification certificate thereby taking responsibility for the accuracy of the information.</p> <p>Undertook a retrospective analysis of the sustainability and credibility of municipal budgets to, amongst others, identify any risks for the implementation of the 2010/11 municipal budgets. Sophisticated the LGMTEC 3 assessment framework from a sustainability and credibility perspective to improve the analysis on the draft municipal budgets. In addition, applied the Funding Compliance Toolkit to determine the sustainability of municipal budgets.</p> <p>As required by the MFMA, all provincial transfers over the MTREF were published timeously and where appropriate these transfers were published per ward. This, in itself, improved the planning and budgeting by municipalities. Furthermore, the entire provincial budget was spatial disaggregated and published. Certain provincial department's budgets were published per ward level from a spatial perspective.</p>
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Reasons for achieving targets	:	<p>Targets were achieved due to consistent improvement and refinement of planning, processes and methodologies to improve the effectiveness and efficiency of the elements. In addition, the dedication and commitment of all staff assisted in achieving these targets.</p>
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Sub-programme 2.4.2 : Local Government Finance (Group 1 & 2)
& 3

Reasons for not achieving targets : With regard to data integrity, a tool could not be developed as municipalities have different financial systems to which the Provincial Treasury does not have access to, to verify the information. However, a verification certificate was developed and implemented which was signed by either the municipal manager or the chief financial officer as a means of improving the data integrity.

The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner : It ensured efficient budget management. Achieving the targets improve the funding and implementation of municipal budgets which in turn improves service delivery by municipalities. It increases effectiveness and efficiencies and reduce wastage.

Programme 2: Sustainable Resource Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.4.2 & 3: Local Government Finance			
Develop effectiveness of in-year expenditure monitoring systems towards attaining a level 3 plus auditable organisation.	Systematic development and application of a rating instrument that measures efficiency, least cost, financial prudence and fiscal discipline.	Assessment Measurement tool.	Monthly individual assessment reports on the financial performance of municipalities including revenue and expenditure performance. 1 Monthly consolidated assessment report on the financial performance of municipalities including revenue and expenditure performance.
	Number of IYM reports and Cabinet submissions.	30 Monthly IYM reports and 4 Cabinet submissions.	30 Monthly, 4 Quarterly publications and 4 Quarterly reports to Cabinet.
Policy driven Revenues and Expenditures.	Systematic development and application of a rating instrument.	Assessment measurement tool linked into LG MTEC processes.	Application of the Funding Compliance Toolkit. Development of a costing guide.

Programme 2: Sustainable Resource Management			
Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.4.2 & 3: Local Government Finance			
Data integrity.	Development and roll-out of a methodology to test and improve the integrity of the data.	A developed methodology.	Application of a verification certificate to confirm the accuracy and the correctness of financial data.
Budget assessments testing sustainability and credibility.	Number of sustainable and credible municipal budget assessments.	30 LG MTEC 3 Assessment reports.	LG MTEC 2: provincial transfers to municipalities. Draft Framework for 2010/11 to assess the sustainability and credibility of municipal budgets. Application of the Funding Compliance Toolkit. Retrospective analysis over three years on the municipal financial performance.
Budget is based on previous expenditure and revenue trends that are based on secured funding.	Development of a tool that unambiguously assesses sustainability and credibility.	Assessment tool assessing costing structures and spending to purpose.	30 assessment report on the sustainability and credibility of municipal budgets.
Efficient coordination of MFMA issues.	System/Mechanism in place that measure the efficacy of coordination activities.	Develop and pilot a MFMA implementation tool-kit.	30 MFMA implementation plans. Intergovernmental to co-ordinate the implementation of the MFMA.
Expenditure in line with MFMA and supporting legislation.	Systematic implementation measurement tool.	Measurement tool.	Developed with National Treasury MFMA Implementation Indicators and a costing Guide which was workshopped and piloted.

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 provide management and administrative support to the programme.
Measurable Objective	:	A well led and coordinated programme that delivers on its objectives with good public governance standards within set timeframes.
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	:	Support services not fully vested yet.
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 Liabilities Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 3.1: Programme Support			
A well led and coordinated programme that delivers on its objectives with good public governance standards within set timeframes.	Establishment and implementation of a delivery programme for the programme that ties in with the overall PT calendar for the year.	Delivery programme developed and implemented.	Target not met. In progress.
	Establishment of a culture of communication and transparency.	Monthly interactive meetings with staff and support services.	Target not met. In progress.
	Establishment of a culture of service excellence.	2 Internal survey and corrective actions.	No progress.

Sub-programme 3.2.1	:	Moveable Asset Management
Purpose	:	To determine policy, to drive, assess and assist departments and municipalities in the attainment of effective and efficient management of moveable assets.
Measurable Objectives	:	<p>A Supply Chain Management system (processes, practice and cycle) capability assessment model that catalogues institutions and indicates appropriate remedial steps and progress over time in terms of best practice requirements.</p> <p>A Moveable Asset Management system capability assessment model that catalogues institutions and indicates appropriate remedial steps and progress over time in terms of best practice requirements.</p> <p>A Supply Chain Management System that promotes socio-economic service delivery.</p> <p>Maintenance of a competent Moveable Asset Unit.</p>
Service delivery achievements	:	<p>Refined capability assessment model and intervention plan developed for the assessment of municipalities and departments.</p> <p>Cataloguing of department and defining intervention plans for SCM and a Retrospective spreadsheet analysis of SCM for 30 Municipalities.</p> <p>5 Bespoke SCM Interventions (3 provincial and 2 municipal).</p> <p>7 SCM Municipal Compliance Assessments.</p> <p>4 Municipal SCM forums and 6 provincial SCM/AM forums.</p> <p>12 Financial Governance reviews for SCM and 12 assessments for moveable asset management for 12 provincial departments.</p> <p>Publication of provincial awards on a monthly basis on PT Website and Publication of all provincial SCM policy and AM policy on PT Website.</p> <p>Development of an SCM Assessment Model that promotes good governance practice for municipalities.</p> <p>12 capacity verification assessments for SCM at provincial departments.</p> <p>4 quarterly procurement statistics reports.</p> <p>Development of a risk assessment framework for assessing departmental AO systems.</p> <p>Review of TP&W AO System, and DeCAS delegations.</p> <p>12 PGMTEC Assessments and 30 LGMTEC Assessments concluded in respect of SCM and Moveable Asset Management.</p> <p>Additional requests from councillors, MECs, premier, DG in respect of SCM issues in the provincial and municipal spheres for the financial year the unit responded to:</p> <p>E- mail queries for municipalities (97)</p> <p>E- mail queries for Departments (119)</p> <p>Formal Opinions to Municipalities (29)</p> <p>Formal Opinions to Departments (13)</p> <p>Opinions to MECs, Forensic Audit, National Hotline and Responses in respect of Supplier Complaints for Depts. (14)</p> <p>Responses in respect of Supplier Complaints for Municipalities (26)</p>

Sub-programme 3.2.1	:	Moveable Asset Management
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Service delivery achievements	:	<p>Develop and implement an assessment model for moveable asset management.</p> <p>12 moveable asset management verification assessments.</p> <p>3 moveable asset management training interventions.</p> <p>4 quarterly Project Risk Log and Dashboard report for Asset Management.</p> <p>Supplier Open Day at Cape Winelands District implemented. +- 300 suppliers attended.</p> <p>Publication of monthly SCM article on PT website to capacitate key stakeholders on government procurement.</p> <p>Developed internal capacitation plan and Internal Development Plan aligned to department's internship programme as well as IDPs of staff. 3 interns successfully recruited into unit and 3 x level 9's have met the requirements and moved to a level 10.</p> <p>Part of the SCM work stream that was developed, finalised and secured Cabinet approval for the modernisation of SCM in the Province.</p>
Reasons for achieving targets	:	<p>Thorough operational planning, timeous action, commitment and co-operation of all relevant role players contributed to the successful achievement of most of the set targets.</p> <p>Rigorous monitoring of the process and a tracking process so that the responses can be effectively managed.</p> <p>One-on-one interventions with departments and municipalities as well as SCM forum meetings were facilitated and arranged to encourage information sharing and cooperative engagements. Creating awareness around policy and SCM requirements through the Publication of SCM Articles, policy and legislation on the PT Website.</p>
Reasons 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. However, a task team was formed with the Department of Economic Development and Tourism (DEDAT) and a supplier open day was facilitated and arranged at the Cape Winelands District to capacitate BEE suppliers in respect of government procurement requirements and opportunities.</p>
The attainment of target contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	<p>Rolling out SCM best practice to departments and municipalities' results in improved SCM and asset management and accountability. Improved transparency on SCM requirements and awarded tenders. Enhancement of departmental, municipal and supplier capacity for SCM and asset management.</p>

Programme 3: Asset and Liabilities Management			
Output	Output performance measures/service delivery indicators	Actual performance against target	
Sub-programme 3.2.1: Moveable Asset Management		Target	Actual
A Supply Chain Management system (processes, practice and cycle) capability assessment model that catalogues institutions and indicates appropriate remedial steps and progress over time in terms of best practice requirements.	Implementation and refinement of a management process and practice capability assessment model throughout the Province.	Refined Capability assessment model and intervention plan.	Finalised assessment model, cataloguing of departments and municipalities and completed intervention plan for financial year which fed into PT transversal Processes like the MTECs and Governance reviews.
		5 interventions.	5 Bespoke SCM interventions completed. (3 for Depts. and 2 for Municipalities).
		7 SCM municipal assessments.	7 municipal SCM compliance assessments completed.
	Redevelopment and implementation of the bespoke and generic Supply Chain processes and systems in Provincial Departments that meet good governance practices.	SCM Assessment Model that promotes good governance practice. 12 assessments.	12 SCM Capacity assessments completed at 12 departments. In addition 12 Capacity assessments for MTEC 1 and 12 Capacity assessments for FGRO completed for SCM and Moveable Asset Management.

Programme 3: Asset and Liabilities Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 3.2.1: Moveable Asset Management			
A Moveable Asset Management system capability assessment model that catalogues institutions and indicates appropriate remedial steps and progress over time in terms of best practice requirements.	Implementation and refinement of a management capability model throughout the Province.	Develop and implement model and do 12 assessments.	12 Moveable Asset Management Verification Assessments completed at 12 provincial departments.
		3 Interventions.	3 Moveable Asset Management training interventions completed.
A Supply Chain Management System that promotes socio-economic development and service delivery.	Develop and implement a BBBEE/SMME supplier development programme in consultation with other stakeholders.	BBBEE/Supplier Development Programme inclusive of policy, legislative and market research.	Supplier Open Day held for 6 municipalities at the Cape Winelands District 300 suppliers attended.
Maintenance of a competent Moveable Asset Unit.	Develop and implement an internal capacitation plan.	Development and implementation of an internal capacitation plan.	Capacitation Plan completed and unit fully capacitated.

Sub-programme 3.2.2 : Immoveable Asset Management

Purpose	: To determine policy, to drive, assess and assist departments and municipalities in the effective and efficient management of immoveable assets and sustainable public private partnership projects.
Measurable Objectives	: Formalisation and inculcation of good business principles and processes into the built-environment delivery system. Promote the infrastructure Delivery Improvement Programme (IDIP)/principles in municipalities. User Asset Management Plans compliant to GIAMA guidelines. Facilitate and promote, support and develop sustainable Mega Projects in the Province. Facilitate and provide developmental technical assistance and support to departments, municipalities and entities on all PPP projects in progress.

Sub-programme 3.2.2	:	Immoveable Asset Management
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Service delivery achievements	:	<p>The promotion of IDIP resulted in three municipalities expressed interest in improving planning of infrastructure projects modules; supply chain modules; project management modules.</p> <p>Eight Effectiveness Reports measuring IDIP in respect of Departments of Education and Health were submitted to National Treasury.</p> <p>Nine Provincial Programme Steering Committee (PPSC) meetings were chaired by Provincial Treasury.</p> <p>Input quarterly (x4) provided to Cabinet in respect of the performance of sector departments on infrastructure budgets.</p> <p>Two site visit reports completed to verify the performance of infrastructure projects.</p> <p>Draft Infrastructure plans of sector departments achieved a national assessment rating of 4 and greater out 5.</p> <p>The unit contributed with the assessments conducted of the municipalities' expenditure that led to successful engagement of the LGMTEC 3 process of 2008/09 to 2009/10.</p> <p>Assisted the Department of Local Government and Housing with the revision of their existing housing and property related policies.</p> <p>An assessment and remedial action model for closed PPP deals was developed and piloted at the Western Cape Rehabilitation Centre. This model composes of six sections i.e. Background and Project Information, Affordability, Risks, Value for Money, Key Performance Indicators and General Information.</p> <p>The Department of Health registered the redevelopment of the Tygerberg Hospital as a PPP cum Mega Project and kick-start funding was solicited from National Treasury's Project Development Facility as well as the Hospital Revitalisation Programme.</p> <p>The work of the high calibre task team, which was appointed to investigate and make recommendations regarding the future of the Chapman's Peak Drive PPP and the agreement, continued and reached an advanced stage towards conclusion.</p>
Reasons for achieving targets	:	<p>The PPP Unit is 100% capacitated and structuring the projects between the four officials and allocating responsibilities has created a firm basis for the performance of the Unit.</p> <p>Extensive consultation with the 3 selected municipalities in order to obtain their buy-in for the IDIP principles.</p> <p>Greater support, oversight and interest by Treasury in the individual projects resulted in the PPP projects improving its quality of information.</p> <p>Intensified engagements and visits took place to provincial departments and municipalities to improve understanding of the PPP process and build capacity within institutions.</p> <p>Assisted departments to access the Project Development Fund (PDF) administered by National PPP unit as well as providing ongoing guidance and technical assistance.</p>

Sub-programme 3.2.2	:	Immoveable Asset Management
Reasons for not achieving targets	:	Provincial Treasury is at the receiving end of the projects and the client departments and municipalities are the drivers of the PPPs hence the Unit's performance is dependent on the performance of the department or municipality concerned. Often this is due to circumstances beyond their control e.g. the ownership of land.
The attainment of target contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	The component assisted in the drive to achieve prudent immoveable asset management.

Programme 3: Asset and Liabilities Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 3.2.2: Immoveable Asset Management			
Formalisation and inculcation of good business principles and processes into the built-environment delivery system.	Infrastructure Planning processes and procedures compliant to Infrastructure Development Improvement Programme (IDIP).	Education: 70% Public works: 70% Health: 60%	IDIP Quarterly effectiveness reports were submitted to NT (Education and Health).
	Infrastructure Expenditure Reports of Education, Public Works and Health are compliant to Division of Revenue Act (DoRA).	100%	100%
Promote the infrastructure Delivery Improvement Programme (IDIP)/ principles in municipalities.	Number of municipalities IDIP programme/principles promoted.	3 municipalities.	The buy-in obtained from 3 municipalities. In the process of drafting tender documentation in conjunction with all 3 municipalities to incorporate technical specifications as per municipal needs.

Programme 3: Asset and Liabilities Management			
Output	Output performance measures/service delivery indicators	Actual performance against target	
Sub-programme 3.2.2: Immoveable Asset Management		Target	Actual
User Asset Management Plans compliant to GIAMA guidelines.	Monitor compliance of Departmental User Asset Management Plans, in terms of GIAMA guidelines, in collaboration with Public Works.	Identification of 3 departments.	6 U-Amps were workshopped, in collaboration with Public Works, with user departments. Two U-Amps (Health and Education) were submitted to NT.
Facilitate and promote, support and develop sustainable Mega Projects in the Province.	In collaboration with Transport& Public Works, develop sustainable Mega Projects in the Province.	2 new projects.	Cabinet approved that the office accommodation in the Central Business District of Cape Town be approached as a PPP cum Mega project. The Re-development of the Tygerberg Hospital was identified and registered as a PPP cum Mega project and funding has been secured to establish the project office.
Facilitate and provide developmental technical assistance and support to departments, municipalities and entities on all PPP projects in progress.	Development and implementation of an assessment and remedial action model.	Model development.	An assessment and remedial action model has been developed, piloted and refined. Engagements between, NT, PT and the pilot site yielded an ideal framework.

Sub-programme 3.3	:	Liabilities Management
Purpose	:	To facilitate the effective and efficient management of liabilities.
Measurable Objectives	:	<p>Relevant policies for effective management of assets and liabilities.</p> <p>A Provincial Revenue Fund performance (inclusive of the Asset Finance Reserve) that maximises returns from investments and cash flow management.</p> <p>A sound loan book in municipalities.</p> <p>Improvement of cash management and reporting by municipalities.</p>
Service delivery achievements	:	<p>A revised Cash Flow Framework for the Provincial Revenue Fund was developed and distributed to all Provincial departments.</p> <p>A payment schedule per department was compiled and made available to all departments to align daily expenditure to available cash.</p> <p>A working capital reserve was established and implemented to provide for the interim funding of unforeseen and unavoidable expenditure.</p> <p>All bank accounts remain cash positive throughout the financial year.</p> <p>Various meetings were arranged with departments to ensure that they stay within their available cash and in doing so within their approved budget.</p> <p>The practice model for the management of financial assets in municipalities were successfully developed and implemented and rolled out to all municipalities. In addition, training was provided on a district level to all municipalities.</p> <p>All training needs of official banking system users were identified and addressed as high priority to ensure skilled and competent users of both the banking and transversal systems.</p> <p>Technical support was provided to all municipalities to assist with the development and implementation of a borrowing framework.</p> <p>30 Municipalities IYM were assessed for credibility/sustainability, despite the limited number of personnel in the unit. Participation by analysts in the BIF teams' structures and direct IYM engagements with municipalities has improved capacity building in the unit.</p>
Reasons for achieving targets	:	<p>Thorough planning, timeous action, commitment and co-operation of all relevant role players contributed to the successful achievement of most of the set targets.</p> <p>Compilation of a monthly comparative report to measure the IYM actual expenditure against actual transfers and comparing it with the budget of departments. This will serve as an early warning system for expenditure control.</p> <p>Engaged the municipalities to review their cash management and investment policies and to again provide them with a best practice cash management and investment framework.</p>
Reasons for not achieving targets	:	Not applicable.

Sub-programme 3.3	:	Liabilities Management
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	The component succeeded in establishing a more effective cash flow management in all provincial departments' and municipalities, as well as in respect of municipal borrowing and investments.

Programme 3: Asset and Liabilities Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 3.3: Liabilities Management			
Relevant policies for effective management of assets and liabilities.	Development of a good practice model for management of financial assets in municipalities that is in compliance with legislative requirements.	Development and distribution by 31 March 2010.	Develop and distributed.
	Competent Financial Asset Management unit internally and promotion of same across the Province.	Development and implementation of an evaluation and capacitation plan.	Achieved.
A Provincial Revenue Fund performance (inclusive of the Asset Finance Reserve) that maximises returns from investments and cash flow management.	Refinement of cash management withdrawals and close link with expenditure commitments and revenue flows in Provincial departments.	Revised cash management model that incorporates latest best practice.	Framework completed and implemented.
A sound loan book in municipalities.	Effective technical, strategic support and training to municipalities where applicable.	30 Municipalities.	A draft assessment module was completed for 30 municipalities, in process of refinement.
Improvement of cash management and reporting by municipalities.	Assessments of the IYM cash flows submitted by municipalities to improve cash flow management and reporting.	30 Municipalities assessed in terms of latest IYM criteria.	30 Municipalities.

Sub-programme 3.4	:	Supporting and Interlinked Financial Systems
Purpose	:	To provide for the oversight and management of existing financial systems and the transition to the Integrated Financial Management System enhancing compliance with the (PFMA) and other relevant legislation.
Measurable Objectives	:	A well documented system with risks mitigated, providing timely and credible information and run by trained staff. A system that adapts to meet changing user requirements, accounting and governance standards.
Service delivery achievements	:	<p>The development and implementation of an evaluation and capacitation plan to evaluate the effectiveness of training interventions.</p> <p>The training gap of all system users (7 000 officials) utilising transversal systems (BAS, PERSAL and LOGIS) was identified and made available to departments to nominate untrained officials as high priority to ensure the more effective and optimal utilisation of the systems.</p> <p>1 524 officials were trained with an 82% pass rate and 180 officials received person-to-person training during the financial year.</p> <p>An integrated training program was developed and implemented, integrating Provincial Treasury training service providers to preset standards.</p> <p>System training presented to officials of regional offices of National departments in the Western Cape.</p> <p>Provided various management and detailed information to all Provincial departments and Provincial Treasury components on a monthly basis (e.g. Auditor-downloads, 30 day payments, disbursement information, entities, etc.).</p> <p>Creation, testing and implementation of a new BAS and PERSAL department for the new established Department of Local Government.</p> <p>In co-operation with Centre for E-Innovation (E-I), SITA and NT, addressed slow response times on BAS, resulting in the implementation of an additional terminal server resulting in the smoothest financial year-end to date.</p> <p>Obtained approval from National Treasury for CapeNature to acquire a Generally Accepted Accounting Practice (GAAP)/ GRAP compliant system.</p> <p>Western Cape Provincial Treasury elected by National Treasury to assist in the testing of LOGIS year-end report and management information tool to be utilised by all National and Provincial departments.</p> <p>In liaison with the Department of the Premier, developed an HR verification tool for the updating and verification of PERSAL data in respect of all 70 000 current employees and the introduction of procedures and processes to ensure the information is updated, maintained and verified on a regular basis.</p>

Sub-programme 3.4	:	Supporting and Interlinked Financial Systems
Service delivery achievements	:	<p>Development of a risk management framework to assess security and veracity of data and a financial operational model that enforces good governance practices.</p> <p>Obtained approval from Cabinet as part of the Modernisation program to provide certain Departmental System Controller functions on behalf of departments to ensure standardise system structures, officials are trained in at least their system profile and implementation of effective user account management.</p> <p>Assisted all departments to timeously submit IRP 5 information to SARS electronically (on EASY FILE FORMAT) to prevent any possible fines for late submissions. In addition, departments were also assisted with the implementation of the Occupational Service Dispensation (OSD).</p> <p>Provide projected funding with regard to annual salary adjustment to be requested from National Treasury.</p> <p>During February and March 2010, Provincial Treasury daily compiled and distributed a status report to departments indicating the variances between approved budget, actual expenditure and available cash to ensure that departmental expenditure is aligned to the departmental receipts (available cash).</p>
Reasons for achieving targets	:	<p>Thorough planning, timeous action, commitment and co-operation of all relevant role-players contributed to the successful achievement of the targets.</p> <p>This directorate is further blessed with experienced, competent, committed and dedicated officials, placing a high priority on excellence in service delivery in accordance with set service delivery standards.</p>
Reasons for not achieving targets	:	Not applicable.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	The unit contributed in vesting proper asset management by further developing financial system management and by building capacity through financial training for all finance staff in the Province.

Programme 3: Asset and Liabilities Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 3.4: Supporting and Interlinked Financial Systems			
A well documented system with risks mitigated, providing timely and credible information and run by trained staff.	The development and implementation of a risk management framework to assess security and veracity of data.	100% completed and implementation by 31 March 2010.	Framework completed. Not implemented.

Programme 3: Asset and Liabilities Management			
Output	Output performance measures/service delivery indicators	Actual performance against target	
Sub-programme 3.4: Supporting and Interlinked Financial Systems		Target	Actual
A well documented system with risks mitigated, providing timely and credible information and run by trained staff.	Development and implementation of a financial operational model that enforces good governance practices.	100% completion and implementation by 31 March 2010.	Framework completed. Not implemented.
	Provision of timely and appropriate data and management information.	Development and phased implementation of a (Business Intelligence) BI tool by 31 March 2010.	Development achieved. Database fully operational.
	A fully operational helpdesk.	Within 24 hours turnaround time on queries received.	Achieved.
	Competent System unit internally and trained users within provincial departments.	Development and implementation of an evaluation and capacitation plan.	Refinement completed and implemented.
A system that adapts to meet changing user requirements, accounting and governance standards.	Timely identification of new system requirements and arrangement for systems adaptation.	Roll out within two weeks after release.	Roll out within two weeks after release.

2.4 Programme 4: Financial Governance

Aim: To enhance performance orientated financial management.

Sub-programme 4.1	: Programme Support
Purpose	: To provide management and administrative support to the programme.
Measurable Objectives	: A well led and coordinated programme that delivers on its objectives with good public governance standards within set timeframes.
Service delivery achievements	: Two General Staff Training Sessions were held for all staff in Financial Governance. The first session dealt with APP and LFF deliverables of each programme. The second session dealt with Root Cause Analysis. Both sessions ended with a culture-related discussion and meal.

Sub-programme 4.1	:	Programme Support
Reasons for achieving targets	:	A coordinated approach to work specifics was followed.
Reasons for not achieving targets	:	Not applicable.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	This sub-programme performs staff functions and it does not directly contribute towards achieving the Provincial Treasury's outcomes.

Programme 4: Financial Governance

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 4.1: Programme Support			
A well led and coordinated programme that delivers on its objectives with good public governance standards within set timeframes.	Establishment and implementation of a delivery programme for the programme that ties in with the overall PT calendar for the year.	Delivery programme developed and implemented.	Achieved.
	Establishment of a culture of communication and transparency.	Monthly interactive meetings with staff and support services.	Achieved.
	Establishment of a culture of service excellence.	2 Internal surveys and corrective actions.	1 Survey completed with corrective actions to be implemented in the new financial year where necessary.

Sub-programme 4.2.1	:	Local Government Accounting
Purpose	:	Ensure the development of accounting practices within Local Government that will promote effective and efficient capturing of REAL movements/accountability and contribute towards attaining level 3 and higher auditable organisations.
Measurable Objectives	:	Full compliance with accounting reforms extracting accountability and transparency. To establish an accounting platform that both measures and promotes good governance.

Sub-programme 4.2.1	:	Local Government Accounting
Service delivery achievements	:	<p>24 municipalities received unqualified audit reports for 2008/09.</p> <p>Facilitated a session between Municipal CFOs, ASB, National Treasury and AGSA on GRAP 17 implementation issues and on improvement of GRAP standards.</p> <p>Attended 22 municipal Audit Steering Committee meetings in support of municipalities during audit.</p> <p>Conducted training on 4 Districts on the development and maintenance of the municipal Audit File and the Audit File Champions were identified by each municipality.</p>
Reasons for achieving targets	:	<p>Efforts were focussed on successfully dealing with high-priority tasks, commitment and cooperation of all the relevant stakeholders.</p> <p>Sessions were arranged with role-players i.e. municipalities ASB, NT and AGSA to address identified problems through forums or training.</p> <p>Better co-ordination of the work flow within Financial Governance was pursued.</p>
Reasons for not achieving targets	:	The delay in the process of finalising the Municipal Accounting Review Working Paper 2008 is due to the extended scope to ensure that municipalities are provided with the relevant and current information.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	Compliance with GRAP standards results in improved financial reporting.

Programme 4: Financial Governance

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 4.2: Accounting Services			
4.2.1 Local Government Accounting			
Full compliance with accounting reforms extracting accountability and transparency.	Latest Accounting policy framework rolled out for accurate and complete implementation by municipalities to improve financial reporting.	23 of the 30 municipalities with unqualified Audit Reports for 2008/09.	24 of the 29 municipalities received Unqualified Audit Reports for 2008/09 financial year.

Programme 4: Financial Governance			
Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 4.2: Accounting Services			
4.2.1 Local Government Accounting			
Full compliance with accounting reforms extracting accountability and transparency.	Latest Accounting policy framework rolled out for accurate and complete implementation by municipal entities to improve financial reporting.	4 of the 5 municipal entities with unqualified Audit Reports for 2008/09.	3 of the 3 Municipal entities received Unqualified Audit Reports for 2008/09 financial year.
To establish an accounting platform that both measures and promotes good governance.	Compile an Accounting Review working paper for municipalities to improve financial management.	31 December 2009	Accounting Review Working Paper for 2007 and 2008 will be printed and distributed in the new financial year.
	Compile a Financial Health Assessment report to feed into the LGMTEC process.	30 April 2009	Completed 30 Financial Health Assessment Reports to feed into LGMTEC process by 30 April 2010.
	Establishment and maintenance of a competent accounting unit internally and promotion of same across municipalities and their entities.	Training on GRAP Standards/ASB Workshops – 31 March 2010.	Training on GRAP Standards and ASB workshop completed internally and across Municipalities by 31 March 2010.
Sub-programme 4.2.2 : Provincial Government Accounting			
Purpose	:	Ensure the development of accounting practices within Provincial Government that will promote effective and efficient capturing of REAL movements/accountability and contribute towards attaining level 3 and higher auditable organisation.	
Measurable Objectives	:	Full compliance with accounting reforms extracting accountability and transparency. To establish an accounting platform that both measures and promotes good governance.	

Sub-programme 4.2.2	:	Provincial Government Accounting
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Service delivery achievements	:	<p>12 out of 13 departments and 11 out of 14 public and trading entities received unqualified audit reports for 2008/09. This reflects an improved audit outcome of public and trading entities from 9 to 11 unqualified audit reports when compared to the previous financial year.</p> <p>The unit continued to roll out new accounting reforms and monitored remedial measures instituted to improve the financial management capability of departments, municipalities and entities.</p> <p>Facilitated training on the seven segments of SCoA, as well as a workshop with departments and National Treasury in order to enhance the understanding of the seven segments of SCoA.</p> <p>Reduced the high balances of commitments and accruals in collaboration with Systems in order to improve on the quality of the disclosure notes and material misstatements.</p> <p>The Financial Governance Review and Outlook 2009 focused on the financial management capability of departments and public entities, identifying areas of concern and remedial steps to be taken.</p> <p>The Annual Consolidated Financial Information of the Province included an expanded analysis on the consolidated information, highlighting transversal trends and additional user information.</p> <p>Conducted and concluded the analysis on the qualification survey on accounting practitioners in the CFO offices. This qualification gap analysis identified a need for a bridging module towards Financial Accounting 3 to prepare officials for accrual accounting.</p> <p>Introduced Interim Financial Statements as at 30 September 2009 for departments and entities in order to improve the integrity and quality of financial reporting which prepared departments and entities for 2009/10 financial statements. Accounting assessments were conducted on the Interim Financial Statements and assessment reports were issued with recommendations to the relevant departments and entities.</p> <p>Introduced integrated training to equip departmental officials in compiling annual financial statements of the required standard.</p>
Reasons for achieving targets	:	<p>Efforts were focused on successfully dealing with high-priority tasks.</p> <p>Sessions were arranged with role-players i.e. departments, entities and AGSA to address identified problems through meetings or training.</p> <p>Better co-ordination of the work flow within Financial Governance was pursued.</p>

Sub-programme 4.2.2	:	Provincial Government Accounting
Reasons for not achieving targets	:	Experienced difficulties in consolidating the Annual Financial Statements due to the differences between the departmental and entities reporting format and the PFMA imperative that requires the ACFS to be finalised by 30 June, which can only be based on unaudited financial statements. Also the audit of the AFS of certain departments was finalised late, which delayed the consolidated AFS. The marginal delay in the process of finalising the FGRO 2009 is due to the processes occurring at the same time i.e. the MTBPS and Adjustments Estimate.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	Improved the financial management capability levels of departments and entities towards level 3+. Improved compliance with accounting standards.

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 4.2: Accounting Services			
4.2.2 Provincial Government Accounting			
Full compliance with accounting reforms extracting accountability and transparency.	Latest Accounting policy framework rolled out for accurate and complete implementation by departments to improve financial reporting.	13 Departments Unqualified Audit Reports for 2008/09.	12 out of 13 departments unqualified audit reports.
	Latest Accounting policy framework rolled out for accurate and complete implementation by entities to improve financial reporting.	14 Entities Unqualified Audit Reports for 2008/09.	11 out of 14 entities unqualified audit reports for 2008/09.
	Compile the ACFS of Provincial Revenue Fund, departments and entities to reflect the consolidated financial performance and position of the Provincial Government.	Tabled 31 October 2009.	2008/09 consolidated information published in January 2010 and distributed.

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 4.2: Accounting Services			
4.2.2 Provincial Government Accounting			
To establish an accounting platform that both measures and promotes good governance.	Compile and publish the Financial Governance Review and Outlook for departments and entities to provide an assessment of financial governance in the Province.	Tabled 30 November 2009.	FGR&O 2009 published in January 2010 and distributed.
	Compile a Financial Health Assessment report to feed into the PGMTEC process.	30 September 2009	30 September 2009
	Establishment and maintenance of a competent accounting unit internally and promotion of same across departments and entities.	31 March 2010	Commenced with external integrated training on annual financial statements and internal training on reporting requirements. Conducted an accounting qualifications survey of officials in the CFOs structures and identified training needs.

Sub-programme 4.3 : Norms and Standards

Purpose : To develop, implement and monitor compliance with corporate governance norms and standards within local and provincial government.

Measurable Objective : An accountability framework to enhance and assess good corporate governance.
Transformed International Best Practice Governance Models for application in the Province to assess and improve corporate governance performance.
A set of governance values that are embedded in the day-to-day operations of government.
Integrated governance improvement processes across Treasury.

Sub-programme 4.3	:	Norms and Standards
Service delivery achievements	:	<p>Assessment criteria for Annual reports reassessed and updated. . Assessed 30 municipal audit reports in respect of findings related to governance and municipal visits were utilised to obtain more information.</p> <p>A Local Government Financial Management Improvement Plan (LGFMIIP) framework was drafted with the objective of full legislative compliance inclusive of all municipal acts and NT regulations.</p>
Reasons for achieving targets	:	The Treasury circulars issued to departments and public entities assisted them to adhere to the requirements of the annual reporting process.
Reasons for not achieving targets	:	The municipalities' annual reports format is different from each other, which make it difficult to compare the different assessments.
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			
An accountability framework to enhance and assess good corporate governance.	Develop and implement an accountability framework to enhance and assess good corporate governance.	Framework developed and completed – 31 March 2010.	Framework Completed.
	Develop a framework that provides transparency and accountability criteria.	Develop framework.	Framework Completed.
	Assess Annual Reports that are compliant to NT guidelines.	8 departments, 6 entities, 15 municipalities.	Completed: Function handed over to Budget Office.
	Oversight of Financial Management Improvement Program in PT, departments, entities and municipalities.	31 March 2010	FMIP report updated.

Programme 4: Financial Government			
Output	Output performance measures/service delivery indicators	Actual performance against target	
Sub-programme 4.3: Norms and Standards		Target	Actual
An accountability framework to enhance and assess good corporate governance.	Ensuring the existence of an appropriate and dynamic provincial financial legislative framework.	100% w.r.t. proposed provincial financial legislation and assess 1 existing legislation for relevance and inconsistency.	100% w.r.t. proposed provincial financial legislation and assess 1 existing legislation for relevance and inconsistency.
	Establishment and maintenance of a competent Corporate Governance unit internally and promotion of competent risk and internal control units across departments and public entities.	17 CG staff trained and ERM interventions in 4 departments and 3 entities.	18 CG staff members trained; ERM intervention in 4 departments and 3 entities.
Transformed International Best Practice Governance Models for application in the Province to assess and improve corporate governance performance.	Identification of applicable international best practice governance models relating to areas of the governance universe and their transformation for use in the Province.	4 areas of governance universe researched.	4 areas of governance universe researched.
	Development of a framework of Norms and Standards to assess and improve the degree of corporate governance delivery performance.	31 March 2010	31 March 2010
A set of governance values that are embedded in the day-to-day operations of government.	Establishment and refinement of a set of governance values and embedding it in the day-to-day operations of government taking into account other initiatives.	4 Departments.	Awareness program implemented in 4 departments.
Integrated governance improvement processes across Treasury.	Development and implementation of a clear framework for integrated governance improvement processes across Treasury.	31 March 2010	Final draft tabled.

Sub-programme 4.4	:	Risk Management
Purpose	:	To develop, implement and monitor compliance with corporate governance norms and standards within local and provincial government.
Measurable Objectives	:	An Enterprise Risk Management framework that allows accurate identification and measurement of risks and the implementation of appropriate mitigating steps. A set of risk management values that are embedded in the day-to-day operations of government.
Service delivery achievements	:	Risk Management Framework workshops were conducted to raise awareness of the National Treasury road shows. Training was also rolled out to Risk Committees. Departmental Chief Risk Officer's (CRO) forum was held on a quarterly basis. Provided input to the ERM Modernisation Blueprint. The Risk Management software was also upgraded to latest version and users successfully migrated. Support in terms of risk assessments was also done in Beaufort West.
Reasons for achieving targets	:	Targets were achieved through prioritisation of work and committed staff.
Reasons for not achieving targets	:	Due to systems problems encountered the transversal risks areas to be identified and allocated to transversal risk owners could not be achieved.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	Departments have approved risk management structures to help minimise risks in the Province and municipalities eagerness to experience the benefits from risk management. Process and control maps completed per department to focus management on risk areas and help with audits.

Programme 4: Financial Governance

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 4.4: Risk Management			
An Enterprise Risk Management framework that allows accurate identification and measurement of risks and the implementation of appropriate mitigating steps.	Development and implementation of effective enterprise risk management steps and procedures across departments, municipalities and entities.	12 departments and 3 entities	12 departments and 2 municipalities

Programme 4: Financial Governance

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 4.4: Risk Management			
An Enterprise Risk Management framework that allows accurate identification and measurement of risks and the implementation of appropriate mitigating steps.	Quarterly risk assessments that comply to ERM norms and standards for the year within departments, municipalities and entities.	12 departments and 3 entities	12 departments and 3 entities
A set of risk management values that are embedded in the day-to-day operations of government.	Establishment of a culture of risk management within the day-to-day operations of government.	12 Departments - 31 March 2010	12 departments – 31 March 2010

Sub-programme 4.5 : Provincial Internal Audit

Purpose	: Work performed to evaluate the effectiveness of risk management control and governance processes in departments and to assist municipalities and public entities in the development and implementation of effective internal audit functions.
Measurable Objectives	: Develop and implement internal audit plans which are aligned to the organisational risks, needs and objectives. Sustain and enhance capacity within the shared audit service. Promote and maintain effective client relationships. Achieve compliance to IIA standards throughout the Province. Integrate assurance efforts to optimise resource utilisation and impact. Provide internal audit advisory services to local government and public entities. Provide effective and efficient secretariat service to provincial audit committees. Facilitate capacity building within audit committees.

Sub-programme 4.5	:	Provincial Internal Audit
Service delivery achievements	:	<p>The internal audit methodology enabled the alignment of the internal audit plans to the objectives and risks of the departments, and drives the assessment of the adequacy and effectiveness of controls in the business processes being audited.</p> <p>A competency framework was developed that was used during the development of personal development plans and during the recruitment and appointment process.</p> <p>Quarterly audit committee meetings were held where progress relating to Internal Audit, Risk Management, In-Year-Monitoring and Quarterly Performance Reporting were discussed and relevant topics presented. Furthermore the Auditor-General's audit plans were reviewed, the Internal Audit plans were approved and the Final Audited Financial Statements were reviewed by the audit committees.</p>
Reasons for achieving targets	:	A focused approach to set the minimum standards in terms of methodology and required competencies.
Reasons for not achieving targets	:	<p>The coming-together of a huge in-house team identified that certain technical principles had not been instilled in all teams and this had a significant impact on the progress in delivery of the operational internal audit plans as more time had to be spent on developmental requirements (i.e. on the job training, close supervision and guidance) than anticipated.</p> <p>Senior management spent more time on the engagement levels of projects.</p>
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	<p>Assurance on the adequacy and effectiveness of controls.</p> <p>Achievement of overall departmental objectives by addressing risks that could prevent achievement of objectives.</p>

Programme 4: Financial Governance

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 4.5: Provincial Internal Audit			
Develop and implement internal audit plans which are aligned to the organisational risks, needs and objectives.	Developing a mechanism that allows for the interrogation and cataloguing of the risks informing the IA Plans.	Updated Internal Audit methodology containing mechanism.	Completed.
Develop and implement internal audit plans which are aligned to the organisational risks, needs and objectives.	Internal audit plans consisting of high-risk auditable areas that will enhance efficiency and value for money.	80% of available audit hours allocated to high risk areas.	93% of available audit hours allocated to high-risk areas.

Programme 4: Financial Governance			
Output	Output performance measures/service delivery indicators	Actual performance against target	
Sub-programme 4.5: Provincial Internal Audit		Target	Actual
	Approved plans by audit committees and bought into by management.	13 votes and 7 Public Entities.	13 votes and 6 entities approved.
	Reports issued in line with an approved quarterly project plan.	95% completed.	22% final reports issued.
	Percentage of critical and significant recommendations implemented.	50% of critical and significant findings implemented.	Limited follow-up audits performed - results still to be reported to management and audit committees.
	Quarterly progress reports to audit committees.	4 progress reports.	4 quarterly progress reports.
Sustain and enhance capacity within the shared audit service.	Continuous development through training interventions in accordance with IA training plan.	Minimum of 40 hours of technical IA training per person for the year.	75% of staff achieved or exceeded the 40 hours technical training.
	Continuous performance management.	100% Sign off of Performance Agreements and Bi-annual reviews.	100% performance reviews and performance agreements completed and in process with final ratings.
Promote and maintain effective client relationships.	A client relationship management strategy.	30 April 2009	Framework for Client Relationship Management Strategy approved by the Chief Audit Executive (CAE). Development of strategy is 80% completed.
Achieve compliance to IIA standards throughout the Province.	An approved internal audit quality assurance programme for all departments and selected entities.	Approved programme.	Completed (included in methodology).

Programme 4: Financial Governance			
Output	Output performance measures/service delivery indicators	Actual performance against target	
Sub-programme 4.5: Provincial Internal Audit		Target	Actual
Integrate assurance efforts to optimise resource utilisation and impact.	Quarterly interventions/ interactions with assurance providers that redirects audit plans and other interventions for synergistic impact.	4	1
Provide internal audit advisory services to local government and public entities.	Quarterly contact sessions.	4	2
	Response time to address requests received.	10 business days.	Response times generally achieved.
Provide effective and efficient secretariat service to provincial audit committees.	Number of audit committee meetings effectively convened.	4 meetings per audit committee.	Social Cluster = 9. G&A Cluster = 9. Economic Cluster = 9. Provincial Shared = 3.
Facilitate capacity building within audit committees.	Training interventions with audit committee members.	2 training interventions with audit committee members.	3 training interventions.

Part 3

Report of the Provincial Government Western Cape Provincial Treasury (Vote 3) Audit Committee Report for the financial year ending 31 March 2010

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2010.

Audit Committee Members and Attendance

In terms of Cabinet Resolution 55/2007, Provincial Treasury is served by the Governance & Administration Cluster Audit Committee. The Audit Committee consists of the members listed below and should meet at least 4 times per annum as per its approved terms of reference. During the current year 8 meetings were held.

Name of Member	Meetings Attended
Mr P Jones (Chairperson) (Contract expired 31 December 2009)	7
Mr Z Hoosain	8
Mr A Amod (Chairperson since 1 January 2010)	8
Mr R Kingwill (Contract expired 31 December 2009)	8
Dr R Lalu (Contract expired 31 December 2009)	8
Ms J Gunther (Contract commenced 1 January 2010)	N/A*
Mr A Seymour (Contract commenced 1 January 2010)	N/A*
Mr K Larkin (Contract commenced 1 January 2010)	N/A*

Apologies were tendered and accepted for meetings not attended. A quorum of members was present at all meetings.

*No meetings were scheduled during this period.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from **section 38(1)(a) of the PFMA and Treasury Regulation 3.1.**

The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Enterprise-Wide Risk Management (ERM) and Internal Control

In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with assurance that the internal controls are adequate and effective. This is achieved by a risk-based Internal Audit Plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective action. From the reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the Management Report of the Auditor-General South Africa, no material deficiencies in the system of internal control were noted. Although the system of internal control applied by the Department is adequate, improvement is required within the general IT control environment.

The Department has made some progress in respect of Enterprise Risk Management and our recommendations were reported to the Accounting Officer. The Audit Committee is monitoring progress on a quarterly basis.

Information Technology

The Audit Committee previously reported on the growing crisis of IT within the Provincial Government and the limited progress that has been made towards implementation of the turn-around strategy to address the IT-related risks facing the Province. Until the turn-around strategy to improve the governance of IT has been fully implemented, the risks facing the department will not be mitigated to an acceptable level.

The Audit Committee has been informed that IT Services have received priority consideration at Cabinet Level for the implementation of the IT Services Blueprint.

The quality of In-Year Management and Quarterly Reports submitted in terms of the PFMA and the Division of Revenue Act

The Audit Committee is satisfied with the content and quality of quarterly reports prepared and issued by the Accounting Officer of the Department during the year under review.

Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the Auditor-General and the Accounting Officer;
- reviewed the Auditor-General's Management Report and management's response;
- reviewed the Department's processes for compliance with legal and regulatory provisions; and
- reviewed significant adjustments resulting from the audit.

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

Internal Audit

In the year under review, the Shared Internal Audit Unit experienced challenges relating to capacity and change management which impacted on its ability to achieve its plan. The Audit Committee acknowledged these challenges and in conjunction with the Accounting Officer agreed to a revised Internal Audit Plan. The Audit Committee will continue to monitor progress to ensure that Internal Audit adds value to the Department and achieves optimal performance.

Auditor-General South Africa

The Audit Committee has met with the Auditor-General South Africa to ensure that there are no unresolved issues that emanated from the regulatory audit. Corrective actions on the detailed findings emanating from the current regulatory audit will be monitored by the Audit Committee on a quarterly basis.

Appreciation

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



Mr A Amod

Chairperson of the Governance and Administration Cluster Audit Committee

Date: 12 August 2010

Part 4

Annual Financial Statements for the year ended 31 March 2010

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010**

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**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2010**

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

1. General review of the state of financial affairs

- The following external and internal challenges faced the Provincial Treasury during 2009/10:
 - Strengthening of links between departments and local authorities and between governance efforts and socio-economic needs within society.
 - Stabilising and further building the Provincial Treasury team by improving hard and soft skills of all levels of staff in the different components.
 - Means and ways to further improve management's skills in respect of recruitment, retention, career and succession planning.
 - Improving cohesion and synergy between provincial departments, the different spheres of government, private sector and civil society.
 - Constantly assisting our clients to attain higher levels of achievements.

- Review and challenges experienced in the 2009/10 financial year

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 due to be incorporated into the Quarterly Performance Management reporting system over the next five years. All of these together is aimed at improving 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 internal audit component had to defer intended internal audits in the Province

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2010**

to roll out new methodologies in the review year. The focus of Audit Committees was improved to focus on the key financial governance 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 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 following major projects were undertaken during the year:
 - Provincial Treasury instituted the 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.
 - 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.
 - Refined the reconfiguration of the establishment and work methods to improve synergy and efficacy, with the expected beneficial results over the medium to long term for the Provincial Treasury received further attention for the second consecutive year.
 - 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.

- Spending trends

The Provincial Treasury stayed within the desired requirement of two per cent expenditure limit of its adjusted budget for the fifth consecutive year. The Department received R134,936 million in the main estimates and increased its budget with a further R5,075 million in the Adjustments. An under spending of 1 per cent or R1,386 million was surrendered to the Provincial Revenue Fund.

Budget decisions

The implementation of the 2009/10 Budget coupled to the tighter fiscal envelope created a whole new mindset for managers to monitor their expenditure. This resulted in five scaling down exercises where expenditure on goods and services were curtailed drastically. Furthermore the freezing of posts and cutting back on spending on more non-core service delivery items resulted in efficiency savings on goods and services and the reduction in spending on lower priorities that will be taken up in more detail in Part 2 of this document. The scaling down exercises instilled a culture of prudent spending within all sub programmes whereby managers should benefit in future years to stay within their limited allocations in future years.

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The third phase 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 Treasury 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. Service rendered by the department

The powers and functions of the Provincial Treasury are mainly determined by the Public Finance Management Act, 1999 (PFMA) and the Municipal Finance Management Act, 2003 (MFMA). All original powers of the Western Cape Provincial Treasury are vested in the Minister of Finance, Economic Development and Tourism in terms of chapter 3 of the PFMA, 1999. In terms of section 20 of this Act, powers are delegated to the Head Official of the Provincial Treasury and certain of his duly appointed senior managers. Similar provisions apply in the case of the MFMA, 2003.

2.1 Tariff policy

Betting and Gambling

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

Functional Financial Training

The Provincial Treasury annually approves tariffs payable for functional financial training rendered to officials from national government departments. These tariffs are calculated as direct expenditure with a 40 per cent surcharge to cater for overhead costs. All costs pertaining to training provided to the provincial departments are provided for under the Vote of the Provincial Treasury. These tariffs are usually revised annually and for a reporting period.

2.2 Free Services

All services rendered by the Provincial Treasury, except those in paragraph 2.1, are rendered to other departments mainly in terms of the PFMA, or to municipalities as per the MFMA, as referred to above. The Provincial Treasury rendered no free services for the reporting period that would have yielded significant revenue.

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2.3 Inventories

Two types of inventories are generated by LOGIS, namely, an inventory of store items and one of moveable assets. Inventory items are included in the major assets in Notes 28 and 29 of these Statements. Stationery to the value of ± R234 837 was available in the stationery store as at 31 March 2010. The stationery was recorded on a first in, first out (FIFO) basis.

3. Capacity constraints

Limited experience within the working environment in previous years and during the reporting period remained a challenge. However, this has improved together with a reduction in the attrition rate over the reporting period. The medium term competency framework designed and developed during the previous reporting period, should also assist in further raising the proficiency and professionalism within the Provincial Treasury.

As in the past the appointment of interns again proved to be successful as some of the interns were later taken up in permanent positions.

Due to budget constraints, several posts were frozen during the latter stages of the reporting period. This was an essential exercise to make ends meet as the budget was under immense pressure and expenditure levels were already curtailed early in the 2009/10 financial year.

4. Utilisation of donor funds

The Provincial Treasury received no donations during the reporting period but made donations to selected schools during March 2010 as part of a budget exercise that was jointly driven by the Western Cape Education Department and the Provincial Banker. This drive gave recognition to the selected best performing secondary schools from disadvantaged areas, which had, despite their difficult circumstances, above average academic results in mathematics, economics and in accounting in Grade 12.

5. Trading entities and public entities

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

On 31 March 2009 and 31 March 2010 the MEC gave approval for the WCGRB to retain portions of surplus funds for the 2008/09 and 2009/10 financial years. This resulted that amounts of R885 000 and R1,343 million for the respective financial years still needs to be refunded to this department. These amounts are included in Note 22 of the annual financial statements reflected on page 114.

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**REPORT OF THE ACCOUNTING OFFICER
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6. Organisations to whom transfer payments have been made

The transfers made by the Provincial Treasury to non profit organisations and to households are respectively reflected in Annexures 1B and 1C on page 122 and 123 of these Statements.

Public private partnerships (PPP)

Treasury acts as a facilitator and monitoring agent for PPP projects within the Province. Both departments and municipalities are to some extent reluctant to register new projects, due to the high cost of feasibility studies and intensive preparatory work required. Treasury was involved in reviewing the Chapman's Peak drive. Treasury assisted and advised departments and municipalities on various potential PPP projects.

7. Corporate governance arrangements

The Department has had a fraud prevention policy since the beginning of 2008 and a Fraud and Risk Committee was operative during the reporting period. Operational risk assessments were performed in most directorates and a risk report was compiled and submitted to AGSA and the Internal Audit Component. More attention was given to improving financial corporate governance and risk management, the former via a range of different structure and approaches, and the latter via the Fraud and Risk Committee.

8. Discontinued activities/activities to be discontinued

No specific activities were discontinued during the 2009/10 financial year. However, due to the Modernisation process that is in progress, the Internal Audit Component will be shifted to the department of the Premier (DotP) on 1 April 2010 and the Human Resources component will follow suit later in 2010/11. Furthermore, the policy component of risk management that was managed under the CFO will also be shifted to DotP on 1 April 2010.

9. New proposed activities

For the future, current activities will be deepened with some re-arranging of functions to achieve better depth and impact across both the local and provincial government spheres. These changes are both in response and in anticipation of new challenges to focus the Provincial Government over the foreseeable future.

10. Asset management

The SCM Unit of the Department has completed its fourth consecutive stocktaking before the end of 31 March 2010 and the assets will be finally reconciled for the second year round with the electronic barcoded Qwix system. A midyear asset count that was undertaken during November 2009 will assist the department to reconcile its assets at an earlier stage after the reporting period. Both major and minor assets are reflected in Note 28 from pages 117 to 119 of these statements.

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11. Events after the reporting Period

Events after the reporting date are reflected in disclosure note 27 of these statements.

As requested by the Provincial Treasury, it is confirmed that the department made no contributions towards any FIFA World Cup events.

Performance information

Over the reporting period a much greater emphasis was placed on the formulation of the 2009 and 2010 Annual Performance Plans and monitoring and evaluation against the 2009/10 targets. Quarterly progress meetings with individual Programme Managers and their senior managers were instituted, chaired by the Accounting Officer to assess both the quality and substance of the performance reporting. Where necessary, progress reports were rewritten and edited with the intention of writing up progress in a rolling fashion. Progress and challenges are therefore carried over from quarter to quarter. The intention is to further refine this approach in the 2009/10 financial year.

12. SCOPA resolutions

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

Backgrounds and concerns that were raised by SCOPA their Report of 25 March 2010 were as follows:

Background and SCOPA concerns	Recommendations	Progress
<p>During the take-on by Provincial Treasury of department 70 balances contained in the annual financial statements of other departments, an amount of R10,6 million was duplicated in the annual financial statements of the Provincial Treasury for 2007-08. To prevent the corresponding figures in the annual financial statements from being materially misstated, the corresponding figures had to be corrected. Furthermore, the financial statements submitted for audit were also subjected to a material amendment resulting from the audit.</p>	<p>Adequate management review processes should be implemented to ensure that misstatements and omissions are detected before submission of the financial statements for audit.</p>	<p>Management implemented the following review processes to aid with the detection of misstatements and omissions before financial statements are submitted for audit purposes:</p> <ul style="list-style-type: none"> • Provincial Treasury implemented the compilation of interim financial statements as at 30 September each year. • These interim statements are submitted to Internal Audit for reviewing whether the department's risk mitigation measures in terms of systems of internal control, policies and strategic intervention projects, are adequate, effective and efficient. More intense audit procedures will be performed in future.

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Background and SCOPA concerns	Recommendations	Progress
		<ul style="list-style-type: none"> • The report from Internal Audit, based on the interim financial statements, is used as a precautionary measure to compile and check the final financial statements at year end. • Controls whereby working papers, supporting amounts included in the financial statements, are checked, verified and signed off before final inclusion in the financial statements and submission to the auditors.
<p>Some indicators and objective under immovable asset management were not measurable in identifying the required performance. Targets are set as percentages without clarifying or quantifying which steps and/or phase of the indicators would result in compliance with the specific target. Management could make inaccurate statements about the achievement of targets if they are not specific and measurable.</p>	<p>A well defined process should be in place which states how each different phase in the IDIP should be measured. There should be set guidelines and procedures which state what needs to be in place for each phase of the IDIP and how each phase will be evaluated in reaching conclusions on the entire IDIP project.</p>	<p>The above concerns are noted by the Immoveable Asset Management and subsequently the following have been put in place:</p> <ul style="list-style-type: none"> • Targets have now been quantified into performance measures whereby service delivery indicators were set out; • Activities and/or steps towards the phased roll-out of the Infrastructure Delivery Improvement Programme (IDIP) have been outlined through the Operational Plan of the Directorate; and • Performance indicators and annual targets for 2010/11 have been quantified into output performance measures.

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Background and SCOPA concerns	Recommendations	Progress
		It should be noted that the full implementation of Infrastructure Delivery Improvement Programme (IDIP) in sector departments of Education, Health and Transport and Public Works is at the advanced stage and requires compliance assessment and monitoring the effectiveness of the Improvement Tool. On the other hand, a phased roll-out to municipalities is a pilot programme to the only 3 selected municipalities which in turn have much more steps or activities to be performed at this stage.
Sufficient appropriate evidence in relation to the reported performance information of the third quarter's review session and the minutes of the first session of the Annual Performance Plan held in October 2008 could not be obtained, as the relevant source documentation could not be provided for audit purposes.	The Department should implement measures to ensure that performance information can be traced back to the source data or documentation to ensure a favourable audit outcome and to avoid unnecessary audit time and additional audit cost.	Since the oversight took place, measures have been put in place whereby the source documents are printed once they are completed and filed at Registry for record purposes. These documents are then backed up onto more than one computer.

Background and SCOPA concerns regarding certain transversal matters	Recommendations regarding transversal matters	Progress regarding transversal matters
The committee expressed its concern regarding the material misstatements that were not discovered in their normal review and internal control processes.	a) The committee recommends that departments move towards the production of quarterly and even bi-monthly financial statements, as this would not only alleviate the pressures at year-end, but will even further contribute towards financial statements that are accurate and complete.	a) The department noted the concern and will discuss the feasibility of the recommendations with the Provincial Treasury and the Internal Audit within the Department of the Premier for the next reporting period for 2010/11.

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**REPORT OF THE ACCOUNTING OFFICER
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Background and SCOPA concerns regarding certain transversal matters	Recommendations regarding transversal matters	Progress regarding transversal matters
	b) The departments are also encouraged to include the Internal Audit Committee's findings on financial statements into its risk assessments, which will also assist in the development of meaningful audit programmes to address the risks involved.	b) The inclusion of the Internal Audit Committee's findings will be discussed at the next FARMCO for consideration to include them as risks for the department in 2010/11.

Background and SCOPA concerns regarding certain transversal matters	Recommendations regarding transversal matters	Progress regarding transversal matters
The committee noticed with serious concern the audit findings regarding the reporting of performance information and the seriousness of the state of such reporting in some instances. Furthermore it noted with great concern that the situation did not appear to improve since the previous year which can impact on the effectiveness of service delivery and that this unsatisfactory situation cannot be tolerated.	<p>a) The department must develop a turn-around strategy indicating in clear terms the actions envisaged to address the current unsatisfactory situation to move towards a clean audit report on the reporting of performance information. These plans must also be submitted to the committee in order to be informed of the progress made in this regard.</p> <p>b) The department is also encouraged to include the above areas of concern in its risk assessments which will also assist in the development of audit programmes to address the risks involved in this regard.</p>	<p>a) The department intends to develop and include clear actions to improve its quality of performance information and discuss such progress at its quarterly evaluation meetings for 2010/11.</p> <p>b) The inclusion of the Standing Committee's recommendations will be discussed at the next FARMCO for consideration to include them as risks for the department in 2010/11 reporting period.</p>

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2010**

13. Prior year modification to audit report

The correction of department 70 balances were addressed under the SCOPA resolutions in paragraph 12 above.

14. Other

As reported a year ago the old unauthorised expenditure amounting to R10,639 million reflected in the Statement of Financial Position in the 2008/09 reporting period has been cleared per journal. An Act was passed by the National Parliament and promulgated by the Former President of South Africa on 21 April 2009 to clear the old Departmental balances that emanated from previous structures (department 70 account) some 16 years ago. The transactions were cleared in both the books of the National and the Western Cape Provincial Treasury during 2009/10 as agreed with AGSA and all other relevant parties involved.

Approval

The Annual Financial Statements set out on pages 86 to 129 have been approved by the Accounting Officer.



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

DATE: 28 JULY 2010

**WESTERN CAPE PROVINCE
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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2010**

**REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL
PARLIAMENT ON THE FINANCIAL STATEMENTS OF VOTE No. 3: WESTERN CAPE
PROVINCIAL TREASURY FOR THE YEAR ENDED 31 MARCH 2010**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Western Cape Provincial Treasury, which comprise the appropriation statement, the statement of financial position as at 31 March 2010, and the statement of financial performance and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 86 to 120.

Accounting Officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999)(PFMA) and the Division of Revenue Act of South Africa, 2009 (Act No. 12 of 2009)(DoRA). 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; and making accounting estimates that are reasonable in the circumstances.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 and section 4 of the Public Audit Act of South Africa, 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 International Standards on Auditing and *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation

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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2010**

and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Provincial Treasury as at 31 March 2010, and its financial performance and its cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the PFMA and DoRA.

Emphasis of matter

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

Basis of accounting

9. The department's policy is to prepare financial statements on the modified cash basis of accounting, described in accounting policy note 1.1 to the financial statements.

Additional matters

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

Unaudited supplementary information

11. The supplementary information set out on pages 121 to 129 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12. In terms of the PAA and *General notice 1570 of 2009*, issued in *Government Gazette No. 32758 of 27 November 2009* I include below my findings on the report on predetermined objectives, compliance with the PFMA and DoRA and financial management (internal control).

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**REPORT OF THE AUDITOR-GENERAL
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Findings

Predetermined objectives

13. No matters to report.

Compliance with laws and regulations

14. No matters to report.

Internal control

15. I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives and compliance with the PFMA and DoRA, but not for the purposes of expressing an opinion on the effectiveness of internal control. The matters reported are limited to the deficiencies identified during the audit.

16. No matters to report.

Auditor - General

Cape Town

31 July 2010



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

**WESTERN CAPE PROVINCE
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**APPROPRIATION STATEMENT
for the year ended 31 March 2010**

Appropriation per programme									
Programmes	2009/10							2008/09	
	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	37,490	(142)	(461)	36,887	36,887	-	100.0	37,492	37,492
Transfers and subsidies	330	-	(11)	319	319	-	100.0	108	108
Payment for capital assets	2,011	142	-	2,153	2,153	-	100.0	2,541	2,541
2. Sustainable Resource Management									
Current payment	35,977	(100)	554	36,431	36,431	-	100.0	21,296	21,296
Transfers and subsidies	-	100	-	100	100	-	100.0	50	50
Payment for capital assets	-	-	-	-	-	-	-	-	-
3. Asset and Liabilities Management									
Current payment	27,106	150	270	27,526	27,526	-	100.0	22,348	22,348
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	150	(150)	-	-	-	-	-	-	-
4. Financial Governance									
Current payment	36,693	(953)	(352)	35,388	34,002	1,386	96.1	37,951	37,006
Transfers and subsidies	-	-	-	-	-	-	-	109	109
Payment for capital assets	-	953	-	953	953	-	100.0	-	-
Total	139,757	-	-	139,757	138,371	1,386	99.0	121,895	120,950
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				18,123				20,863	
Actual amounts per Statement of Financial Performance (Total Revenue)				157,880				142,758	
Actual amounts per Statement of Financial Performance Expenditure					138,371				120,950

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
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**APPROPRIATION STATEMENT
for the year ended 31 March 2010**

Appropriation per Economic classification									
Economic classification	2009/10							2008/09	
	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	95,931	(1,128)	(352)	94,451	93,902	549	99.4	72,180	71,482
Goods and services	41,272	(57)	363	41,578	40,741	837	98.0	46,870	46,623
Financial transactions in assets and liabilities	63	140	-	203	203	-	100.0	37	37
Transfers & subsidies									
Provinces & municipalities	-	-	-	-	-	-	-	80	80
Non-profit institutions	-	100	-	100	100	-	100.0	50	50
Households	330	-	(11)	319	319	-	100.0	137	137
Payment for capital assets									
Machinery & equipment	2,161	(8)	-	2,153	2,153	-	100.0	2,541	2,541
Software & other intangible assets	-	953	-	953	953	-	100.0	-	-
Total	139,757	-	-	139,757	138,371	1,386	99.0	121,895	120,950

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**APPROPRIATION STATEMENT
for the year ended 31 March 2010**

**Detail per programme 1 – Administration
for the year ended 31 March 2010**

Details per Sub-Programme	2009/10							2008/09	
	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	4,384	26	-	4,410	4,410	-	100.0	3,586	3,586
Transfers and subsidies	-	-	-	-	-	-	-	9	9
Payment for capital assets	-	-	-	-	-	-	-	-	-
1.2 Management Services									
Current payment	3,341	(63)	-	3,278	3,278	-	100.0	2,576	2,576
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
1.3 Corporate Services									
Current payment	11,853	(634)	(461)	10,758	10,758	-	100.0	13,577	13,577
Transfers and subsidies	330	-	(11)	319	319	-	100.0	99	99
Payment for capital assets	-	-	-	-	-	-	-	-	-
1.4 Financial Management									
Current payment	17,912	529	-	18,441	18,441	-	100.0	17,753	17,753
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	2,011	142	-	2,153	2,153	-	100.0	2,541	2,541
Total	39,831	-	(472)	39,359	39,359	-	100.0	40,141	40,141

Programme 1 Per Economic classification	2009/10							2008/09	
	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	21 685	(165)	-	21 520	21 520	-	100.0	17 626	17 626
Goods and services	15 787	(162)	(461)	15 164	15 164	-	100.0	19 829	19 829
Financial transactions in assets and liabilities	18	185	-	203	203	-	100.0	37	37
Transfers & subsidies									
Provinces & municipalities	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	330	-	(11)	319	319	-	100.0	108	108
Payment for capital assets									
Machinery & equipment	2 011	142	-	2 153	2 153	-	100.0	2 541	2 541
Software & other intangible assets	-	-	-	-	-	-	-	-	-
Total	39 831	-	(472)	39 359	39 359	-	100.0	40 141	40 141

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2010**

**Detail per programme 2 – Sustainable Resource Management
for the year ended 31 March 2010**

Details per sub-programme	2009/10							2008/09	
	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									
Current payment	2,638	(199)	-	2,439	2,439	-	100.0	1,605	1,605
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
2.2 Fiscal Policy									
Current payment	3,072	1,614	554	5,240	5,240	-	100.0	662	662
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
2.3 Budget Management									
Current payment	11,155	(1,251)	-	9,904	9,904	-	100.0	8,974	8,974
Transfers and subsidies	-	100	-	100	100	-	100.0	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
2.4 Public Finance									
Current payment	19,112	(264)	-	18,848	18,848	-	100.0	10,055	10,055
Transfers and subsidies	-	-	-	-	-	-	-	50	50
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	35 977	-	554	36 531	36 531	-	100.0	21,346	21,346

Programme 2 Per Economic classification	2009/10							2008/09	
	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	22,478	(769)	-	21,709	21,709	-	100.0	17,153	17,153
Goods and services	13,454	714	554	14,722	14,722	-	100.0	4,143	4,143
Financial transactions in assets and liabilities	45	(45)	-	-	-	-	-	-	-
Transfers & subsidies									
Provinces & municipalities	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	100	-	100	100	-	100.0	50	50
Households	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Machinery & equipment	-	-	-	-	-	-	-	-	-
Software & other intangible assets	-	-	-	-	-	-	-	-	-
Total	35,977	-	554	36,531	36,531	-	100.0	21,346	21,346

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2010**

**Detail per programme 3 – Asset and Liabilities Management
for the year ended 31 March 2010**

Details per sub-programme	2009/10							2008/09	
	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	1,332	(99)	-	1,233	1,233	-	100.0	840	840
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
3.2 Asset Management									
Current payment	11,536	(116)	-	11,420	11,420	-	100.0	8,622	8,622
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
3.3 Liabilities Management									
Current payment	2,378	(65)	-	2,313	2,313	-	100.0	1,652	1,652
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
3.4 Supporting and Interlinked Financial Systems									
Current payment	11,860	430	270	12,560	12,560	-	100.0	11,234	11,234
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	150	(150)	-	-	-	-	-	-	-
Total	27,256	-	270	27,526	27,526	-	100.0	22,348	22,348

Programme 3 Per Economic classification	2009/10							2008/09	
	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	21,330	(194)	-	21,136	21,136	-	100.0	16,270	16,270
Goods and services	5,776	344	270	6,390	6,390	-	100.0	6,078	6,078
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Transfers & subsidies									
Provinces & municipalities	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payment for capital assets									
Machinery & equipment	150	(150)	-	-	-	-	-	-	-
Software & other intangible assets	-	-	-	-	-	-	-	-	-
Total	27,256	-	270	27,526	27,526	-	100.0	22,348	22,348

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2010**

**Detail per programme 4 – Financial Governance
for the year ended 31 March 2010**

Details per sub-programme	2009/10							2008/09	
	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	1,663	114	-	1,777	1,777	-	100.0	1,581	1,581
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
4.2 Accounting Services									
Current payment	7,645	(353)	-	7,292	7,292	-	100.0	5,272	5,272
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	-	-	-	-	-	-	-	-
4.3 Norms and Standards									
Current payment	4,653	11	-	4,664	4,664	-	100.0	3,543	3,417
Transfers and subsidies	-	-	-	-	-	-	-	9	9
Payment for capital assets	-	-	-	-	-	-	-	-	-
4.4 Risk Management									
Current payment	2,867	(725)	(352)	1,790	1,768	22	98.8	2,469	2,196
Transfers and subsidies	-	-	-	-	-	-	-	80	80
Payment for capital assets	-	953	-	953	953	-	100.0	-	-
4.5 Provincial Internal Audit									
Current payment	19,865	-	-	19,865	18,501	1,364	93.1	25,086	24,540
Transfers and subsidies	-	-	-	-	-	-	-	20	20
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	36,693	-	(352)	36,341	34,955	1,386	96.2	38,060	37,115

Programme 4 Per Economic classification	2009/10							2008/09	
	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	30,438	-	(352)	30,086	29,537	549	98.2	21,131	20,433
Goods and services	6,255	(953)	-	5,302	4,465	837	84.2	16,820	16,573
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	-	-
Transfers & subsidies									
Provinces & municipalities	-	-	-	-	-	-	-	80	80
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	29	29
Payment for capital assets									
Machinery & equipment	-	-	-	-	-	-	-	-	-
Software & other intangible assets	-	953	-	953	953	-	100.0	-	-
Total	36,693	-	(352)	36,341	34,955	1,386	100.0	38,060	37,115

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2010**

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

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

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

Details 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:

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

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

4.1 Per programme

Per programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	R'000
Administration	39,359	39,359	-	0.0
Sustainable Resource Management	36,531	36,531	-	0.0
Assets and Liabilities Management	27,526	27,526	-	0.0
Financial Governance	36,341	34,955	1,386	3.8

The underspending is due to projects that were identified and not fully completed.

4.2 Per economic classification

Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Current expenditure				
Compensation of employees	94,451	93,902	549	0.6
Goods and services	41,578	40,741	837	2.0
Financial transactions in assets and liabilities	203	203	-	-
Transfers and subsidies				
Provinces and municipalities	-	-	-	-
Non-profit institutions	100	100	-	0.0
Households	319	319	-	0.0
Payments for capital assets				
Machinery and equipment	2,153	2,153	-	0.0
Software and other intangible assets	953	953	-	0.0

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2010**

	Note	2009/10 R'000	2008/09 R'000
REVENUE			
Annual appropriation	1	139,757	121,895
Departmental revenue	2	18,123	20,863
TOTAL REVENUE		157,880	142,758
EXPENDITURE			
Current expenditure			
Compensation of employees	3	93,902	71,482
Goods and services	4	40,741	46,623
Financial transactions in assets and liabilities	5	203	37
Total current expenditure		134,846	118,142
Transfers and subsidies		419	267
Transfers and subsidies	6	419	267
Expenditure for capital assets			
Tangible capital assets	7	2,153	2,541
Software and other intangible assets	7	953	-
Total expenditure for capital assets		3,106	2,541
TOTAL EXPENDITURE		138,371	120,950
SURPLUS FOR THE YEAR		19,509	21,808
Reconciliation of Net Surplus for the year			
Voted Funds	11	1,386	945
Departmental revenue	12	18,123	20,863
SURPLUS FOR THE YEAR		19,509	21,808

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

STATEMENT OF FINANCIAL POSITION
as at 31 March 2010

	Note	2009/10 R'000	2008/09 R'000
ASSETS			
Current Assets		1,711	2,847
Cash and cash equivalents	8	1,554	2,372
Prepayments and advances	9	-	12
Receivables	10	157	463
TOTAL ASSETS		1,711	2,847
LIABILITIES			
Current Liabilities		1,711	2,847
Voted funds to be surrendered to the Revenue Fund	11	1,386	945
Departmental revenue to be surrendered to the Revenue Fund	12	194	257
Bank overdraft	13	112	-
Payables	14	19	1,645
TOTAL LIABILITIES		1,711	2,847
NET ASSETS		-	-

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**CASH FLOW STATEMENT
for the year ended 31 March 2010**

	Note	2009/10 R'000	2008/09 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		506,748	507,577
Annual appropriated funds received	1.1	139,757	121,895
Departmental revenue received	2	366,991	385,682
Net decrease in working capital		(1,308)	541
Surrendered to Revenue Fund		(367,999)	(387,129)
Current payments		(134,846)	(118,142)
Transfers and subsidies paid		(419)	(267)
Net cash flow available from operating activities	15	2,176	2,580
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(3,106)	(2,541)
Net cash flows from investing activities		(3,106)	(2,541)
Net (decrease) in cash and cash equivalents		(930)	39
Cash and cash equivalents at beginning of period		2,372	2,333
Cash and cash equivalents at end of period	16	1,442	2,372

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2010**

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 12 of 2009.

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 comprise of departmental allocations as well as direct charges against revenue fund (i.e. statutory appropriations).

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2010**

The total appropriated funds received during the year are presented in the Statement of Financial Performance.

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Any amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised as a payable in the Statement of Financial Position.

2.2 Departmental revenue

All departmental revenue is recognised in the Statement of Financial Performance when received and is subsequently paid into the Provincial Revenue Fund, unless stated otherwise.

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

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

3. Expenditure

3.1 Compensation of employees

3.1.1 Short-term employee benefits

The cost of short-term employee benefits are expensed in the Statement of Financial Performance when final authorisation for payment is effected on the system (by no later than 31 March each year).

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 must not be recognised in the Statement of Financial Performance or Position.

3.1.2 Post retirement benefits

Employer contribution (i.e. social contributions) are expensed in the Statement of Financial Performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

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

Social contributions (such as medical benefits) made by the department for certain of its employees are classified as transfers to households in the Statement of Financial Performance.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2010**

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).

Long-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements.

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

3.3 Financial transactions in assets and liabilities

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

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

3.4 Transfers and subsidies

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

3.5 Unauthorised expenditure

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

Unauthorised expenditure approved with funding is recognised in the Statement of Financial Position when the unauthorised expenditure is approved and the related funds are received.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2010**

Where the amount is approved without funding it is recognised as expenditure in the Statement of Financial Performance on the date of approval.

3.6 Fruitless and wasteful expenditure

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

3.7 Irregular expenditure

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

4. Assets

4.1 Cash and cash equivalents

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

Bank overdrafts are shown separately on the face of the Statement of Financial Position.

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

4.2 Other financial assets

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

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the Statement of Financial Position when the payments are made and where the goods and services have not been received at year end.

Prepayments and advances outstanding at the end of the year are carried in the Statement of Financial Position at cost.

4.4 Receivables

Receivables included in the Statement of Financial Position arise from cash payments made that are recoverable from another party or from the sale of goods/rendering of services.

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2010**

4.5 Capital assets

4.5.1 Movable assets

Initial recognition

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

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

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the Statement of Financial Performance as "expenditure for capital asset" and is capitalised in the asset register of the department on completion of the project.

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

5. Liabilities

5.1 Payables

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

5.2 Contingent liabilities

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

5.3 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.

5.4 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 PROVINCE
PROVINCIAL TREASURY
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**ACCOUNTING POLICIES
for the year ended 31 March 2010**

5.5 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.

5.6 Lease commitments

Finance lease

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

Operating lease

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

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 2010**

1. Annual Appropriation**1.1 Annual Appropriation**

Programmes	Final Appropriation 2009/10 R'000	Actual Funds Received 2009/10 R'000	Funds not requested/ not received 2009/10 R'000	Appropriation Received 2008/09 R'000
ADMINISTRATION	39,359	39,359	-	40,141
SUSTAINABLE RESOURCE MANAGEMENT	36,531	36,531	-	21,346
ASSET AND LIABILITIES MANAGEMENT	27,526	27,526	-	22,348
FINANCIAL GOVERNANCE	36,341	36,341	-	38,060
Total	139,757	139,757	-	121,895

2. Departmental Revenue

	Note	2009/10 R'000	2008/09 R'000
Tax revenue		308,373	323,728
Sales of goods and services other than capital assets	2.1	1,445	1,346
Fines, penalties and forfeits	2.2	1,146	380
Interest, dividends and rent on land	2.3	53,982	52,948
Financial transactions in assets and liabilities	2.4	2,045	7,280
Total revenue collected		366,991	385,682
Less: Own revenue included in appropriation	12	(348,868)	(364,819)
Departmental revenue collected		18,123	20,863

2.1 Sales of goods and services other than capital assets

	2	2009/10 R'000	2008/09 R'000
Sales of goods and services produced by the department		1,445	1,345
Administrative fees		1,406	1,301
Other sales		39	44
Sales of scrap, waste and other used current goods		-	1
Total		1,445	1,346

2.2 Fines, penalties and forfeits

	2	2009/10 R'000	2008/09 R'000
Fines		2	5
Penalties		1,144	375
Total		1,146	380

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	Note	2009/10 R'000	2008/09 R'000
2.3 Interest, dividends and rent on land	2		
Interest		53,982	52,948
Total		53,982	52,948
2.4 Financial transactions in assets and liabilities	3		
Other Receipts including Recoverable Revenue		2,045	7,280
Total		2,045	7,280
3. Compensation of employees			
3.1 Salaries and wages			
Basic salary		64,702	48,823
Performance award		1,096	1,117
Service Based		333	139
Compensative/circumstantial		1,647	1,927
Periodic payments		11	19
Other non-pensionable allowances		14,165	10,528
Total		81,954	62,553
3.2 Social Contributions			
Employer contributions			
Pension		8,359	6,191
Medical		3,580	2,730
Bargaining council		9	8
Total		11,948	8,929
Total compensation of employees		93,902	71,482
Average number of employees		286	261

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

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	Note	2009/10 R'000	2008/09 R'000
4. Goods and services			
Administrative fees		90	56
Advertising		953	3,638
Assets less than R5,000	4.1	419	772
Bursaries (employees)		484	361
Catering		368	642
Communication		1,831	1,699
Computer services	4.2	2,454	1,780
Consultants, contractors and agency/outsourced services	4.3	12,644	23,509
Entertainment		134	86
Audit cost – external	4.4	10,066	2,875
Inventory	4.5	3,189	2,790
Operating leases		291	334
Owned and leasehold property expenditure	4.6	1,572	217
Transport provided as part of the departmental activities		2	13
Travel and subsistence	4.7	4,151	4,815
Venues and facilities		420	926
Training and staff development		1,369	1,402
Other operating expenditure	4.8	304	708
Total		40,741	46,623
4.1 Assets less than R5,000	4		
Tangible assets		419	772
Machinery and equipment		419	772
Total		419	772
4.2 Computer services	4		
SITA computer services		104	316
External computer service providers		2,350	1,464
Total		2,454	1,780
4.3 Consultants, contractors and agency/outsourced services	4		
Business and advisory services		12,088	14,495
Legal costs		-	50
Contractors		438	680
Agency and support/outsourced services		118	8,284
Total		12,644	23,509

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	Note	2009/10 R'000	2008/09 R'000
4.4 Audit cost – external	4		
Regularity audits		4,196	2,752
Performance audits		5,870	123
Total		10,066	2,875
4.5 Inventory	4		
Learning and teaching support material		17	44
Food and food supplies		84	56
Other consumable materials		57	24
Maintenance material		18	-
Stationery and printing		3,012	2,666
Medical supplies		1	-
Total		3,189	2,790
4.6 Owned and leasehold property expenditure	4		
Property management fees		-	217
Property maintenance and repairs		1,572	-
Total		1,572	217
4.7 Travel and subsistence	4		
Local		4,083	4,629
Foreign		68	186
Total		4,151	4,815
4.8 Other operating expenditure	4		
Professional bodies, membership and subscription fees		100	56
Resettlement costs		123	618
Other		81	34
Total		304	708
5. Financial Transactions in Assets and Liabilities			
Material losses through criminal conduct		182	26
Theft	5.4	151	26
Other material losses	5.1	31	-
Other material losses written off	5.2	3	1
Debts written off	5.3	18	10
Total		203	37

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	Note	2009/10 R'000	2008/09 R'000
5.1 Other material losses	5		
Nature of other material losses			
Incident	Disciplinary Steps taken/ Criminal proceedings		
Loss of Projector	None	31	-
Total		31	-
5.2 Other material losses written off	5		
Nature of losses			
Damage to labelling machine		-	1
Damages to hired vehicle		3	-
Total		3	1
5.3 Debts written off	5		
Nature of debts written off			
Irrecoverable telephone debts		-	10
Data card debt written off		18	-
Total		18	10
5.4 Details of theft	5		
Nature of theft			
Stolen Laptop		11	25
Stolen cellphone		-	1
Stolen sim and data card		4	-
Theft of computer equipment		136	-
Total		151	26
5.5 Assets written off			
Nature of write-off			
Stolen laptop		11	25
Stolen cellphone		-	1
Loss of Projector		31	-
Theft of computer equipment		136	-
Total		178	26

Note: The assets written off in the 2008/09 financial year were not removed from the asset register in 2008/09 but in the 2009/10 financial year.

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	Note	2009/10 R'000	2008/09 R'000
6. Transfers and Subsidies			
Provinces and municipalities	Annexure 1A	-	80
Non-profit institutions	Annexure 1B	100	50
Households	Annexure 1C	314	137
Gifts, donations and sponsorships made	Annexure 1E	5	-
Total		419	267
7. Expenditure for capital assets			
Tangible assets		2,153	2,541
Machinery and equipment	28	2,153	2,541
Software and other intangible assets		953	-
Computer software	29	953	-
Total		3,106	2,541

7.1 Analysis of funds utilised to acquire capital assets - 2009/10

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	2,153	-	2,153
Machinery and equipment	2,153	-	2,153
Software and other intangible assets	953	-	953
Computer software	953	-	953
Total	3,106	-	3106

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7.2 Analysis of funds utilised to acquire capital assets - 2008/09

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	2,541	-	2,541
Machinery and equipment	2,541	-	2,541
Total	2,541	-	2,541

	Note	2009/10 R'000	2008/09 R'000
8. Cash and Cash Equivalents			
Consolidated Paymaster General Account		-	178
Cash on hand		3	-
Cash with commercial banks (Local)		1,551	2,194
Total		1,554	2,372
9. Prepayments and Advances			
Travel and subsistence		-	12
Total		-	12

10. Receivables

	Note	2009/10			Total R'000	2008/09 R'000
		Less than one year R'000	One to three years R'000	Older than three years R'000		
Claims recoverable	10.1 Annex 2	23	-	-	23	391
Recoverable expenditure	10.2	47	5	19	71	27
Staff debt	10.3	48	4	(2)	50	24
Other debtors	10.4	-	10	3	13	21
Total		118	19	20	157	463

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	Note	2009/10 R'000	2008/09 R'000
10.1 Claims recoverable	10		
National departments		4	71
Provincial departments		19	320
Total		23	391
10.2 Recoverable expenditure (disallowance accounts)	10		
Disallowance miscellaneous		33	27
Disall: Damages & Losses: CA		9	-
Tax debts		4	-
Income tax		25	-
Total		71	27
10.3 Staff debt	10		
Debt receivable interest		(2)	-
Bursary debt		21	9
Tax		-	1
Theft of laptop		4	11
Data card		3	1
Housing bond		2	2
Salary debts		21	-
Pension		1	-
Total		50	24
10.4 Other debtors	10		
Debt receivable income		(41)	(41)
Debt receivable interest		-	(1)
Ex - Employees			
- Tax		3	10
- Salary		51	50
- Housing		-	1
- Library		-	1
- Telephone and Library		-	1
Total		13	21

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	Note	2009/10 R'000	2008/09 R'000
11. Voted Funds to be Surrendered to the Revenue Fund			
Opening balance		945	1,428
Transfer from statement of financial performance		1,386	945
Paid during the year		(945)	(1,428)
Closing balance		1,386	945
12. Departmental revenue to be surrendered to the Revenue Fund			
Opening balance		257	276
Transfer from Statement of Financial Performance		18,123	20,863
Own revenue included in appropriation		348,868	364,819
Paid during the year		(367,054)	(385,701)
Closing balance		194	257
13. Bank Overdraft			
Overdraft with commercial banks (Local)		112	-
Total		112	-
14. Payables - current			
Clearing accounts	14.1	-	1,579
Other payables	14.2	19	66
Total		19	1,645
14.1 Clearing accounts	14		
Department 70 Control accounts		-	1,579
Total		-	1,579
14.2 Other payables	14		
Private telephone account		19	30
SARS		-	22
Kromme Rhee		-	11
Pension fund		-	3
Total		19	66

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	Note	2009/10 R'000	2008/09 R'000
15. Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		19,509	21,808
Add back non cash/cash movements not deemed operating activities		(17,333)	(19,228)
(Increase)/decrease in receivables – current		306	643
(Increase)/decrease in prepayments and advances		12	(9)
Increase/(decrease) in payables – current		(1,626)	(93)
Expenditure on capital assets		3,106	2,541
Surrenders to Revenue Fund		(367,999)	(387,129)
Other non-cash items		348,868	364,819
Net cash flow generated by operating activities		2,176	2,580
16. Reconciliation of cash and cash equivalents for cash flow			
Consolidated Paymaster General account		(112)	178
Cash on hand		3	-
Cash with commercial banks (Local)		1,551	2,194
Total		1,442	2,372

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	Note	2009/10 R'000	2008/09 R'000		
17. Contingent liabilities					
Liable to	Nature				
Claims against the department	Annex 3	1,236	-		
Other departments (interdepartmental unconfirmed balances)	Annex 4	117	184		
Total		1,353	184		
18. Commitments					
Current expenditure					
Approved and contracted		3,906	2,951		
Approved but not yet contracted		3	-		
		3,909	2,951		
Capital Expenditure (including transfers)					
Approved and contracted		199	86		
		199	86		
Total Commitments		4,108	3,037		
19. Accruals					
Listed by economic classification		30 Days	30+ Days	Total	Total
Goods and services		162	756	918	2,676
Machinery and equipment		21	62	83	15
Total		183	818	1,001	2,691
Listed by programme level					
Administration				862	1,636
Sustainable Resource Management				3	173
Assets and Liabilities Management				108	673
Financial Governance				28	209
Total				1,001	2,691
Confirmed balances with departments	Annexure 4			-	58
Confirmed balances with other government entities	Annexure 4			-	22
Total				-	80

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	Note	2009/10 R'000	2008/09 R'000
20. Employee benefits			
Leave entitlement		1,610	1,814
Leave entitlement: Credits		417	229
Service bonus (Thirteenth cheque)		2,554	1,976
Performance awards		1,636	1,462
Capped leave commitments		5,257	4,808
Total		11,474	10,289

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

21. Lease Commitments

	Land R'000	Buildings & other fixed structures R'000	Machinery and equipment R'000	Total R'000
Finance leases expenditure				
2009/10				
Not later than 1 year	-	-	256	256
Later than 1 year and not later than 5 years	-	-	117	117
Later than five years	-	-	-	-
Total lease commitments	-	-	373	373
Total present value of lease liabilities	-	-	373	373
2008/09				
Not later than 1 year	-	-	219	219
Later than 1 year and not later than 5 years	-	-	331	331
Total lease commitments	-	-	550	550
Total present value of lease liabilities	-	-	550	550

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	Note	2009/10 R'000	2008/09 R'000
22. Receivables for departmental revenue			
Tax revenue		24,868	24,401
Fines, penalties and forfeits		18	34
Interest, dividends and rent on land		53	37
Financial transactions in assets and liabilities		2,228	885
Total		27,167	25,357
22.1 Analysis of receivables for departmental revenue			
Opening balance		25,357	36,332
Less: Amounts received		(24,472)	(35,447)
Add: Amounts recognised		26,282	24,472
Closing balance		27,167	25,357

Due to a change in the accounting policy of the Western Cape Gambling and Racing Board an amount of R885 000 had to be added to the comparative figures in 2009/10.

23. Irregular expenditure

23.1 Reconciliation of irregular expenditure

Opening balance	250	-
Add: Irregular expenditure - relating to prior year	-	250
Add: Irregular expenditure - relating to current year	44	-
Less: Amounts condoned	(294)	-
Irregular expenditure awaiting condonation	-	250

Analysis of awaiting condonation per age classification

Prior years	-	250
Total	-	250

2009/10

R'000

23.2 Details of irregular expenditure - current year

Incident	Disciplinary steps taken/criminal proceedings	
Normal procurement procedures were not followed to contract service provider	Finance Instruction to be issued and letters of admonishment to be sent to managers.	44
Total		44

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			2009/10 R'000
23.3 Details of irregular expenditure condoned			
Incident	Condoned by (condoning authority)		
Normal procurement procedures were not followed to contract service provider	Accounting Officer		44
Donation made to Youth Commission	Provincial Gazette no 6 of 2009		250
			294
	Note	2009/10 R'000	2008/09 R'000
24. Fruitless and wasteful expenditure			
24.1 Reconciliation of fruitless and wasteful expenditure			
Opening balance		-	-
Fruitless and wasteful expenditure – relating to prior year		30	-
Fruitless and wasteful expenditure – relating to current year		-	-
Less: Amounts condoned		(18)	-
Less: Amounts transferred to receivables for recovery		(12)	-
Fruitless and wasteful expenditure awaiting condonement		-	-
			2009/10 R'000
24.2 Analysis of Current Year's Fruitless and wasteful expenditure			
Incident	Disciplinary steps taken/criminal proceedings		
The official incurred excessive expenditure in data card usage	The official is currently paying the amount of R12 000.00 back to the department, which was not condoned.		30
TOTAL			30

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25. Related party transactions

No related party transactions were identified for the reporting period and a Finance Instruction will be distributed during 2010/11 to institute measures regarding the control of related parties.

The Provincial Treasury occupies a building owned by the Department of Transport and Public Works free of charge. The Directorate Internal Audit of the Provincial Treasury occupied the 6th floor of the Southern Life Building which was lease by Property Management of the Department of Transport and Public Works and to whom Provincial Treasury had to refund rent paid to the lessor until 31 March 2010.

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.

	No. of Individuals	2009/10 R'000	2008/09 R'000
26. Key management personnel			
Political office bearers	1	1,336	1,227
Level 15 to 16	4	4,409	2,838
Level 14 (including CFO)	4	3,170	2,628
Total		8,915	6,693

Note: Two MECs' were in office during the reporting period with Mr G Strachan being at the department during April 2009 and MEC A Winde commencing duty from May 2009.

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

27. Non-adjusting events after reporting date

The components Internal Audit and HRM were shifted during 2010/11 to Department of the Premier. The shifts did not affect any accrued amounts as it only took place on 1 April 2010. For the main estimates the funds of the two components were provided on the vote of the Provincial Treasury. Reconciled shifts will be taken up in the Adjustment Estimates during 2010. Performance bonuses for 2009/10 in both components will be funded from the vote of the Provincial Treasury in 2010/11.

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28. Moveable Tangible Capital Assets

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2010**

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	245	-	-	-	245
Heritage assets	245	-	-	-	245
MACHINERY AND EQUIPMENT	10,008	158	2,180	1,666	10,680
Transport assets	-	-	-	-	-
Computer equipment	8,364	32	1,645	1,591	8,450
Furniture and office equipment	648	81	328	9	1,048
Other machinery and equipment	996	45	207	66	1,182
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	10,253	158	2,180	1,666	10,925

Additions

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2010**

	Cash	Non-cash	(Capital work- in-progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	1,998	200	-	(18)	2,180
Transport assets	-	-	-	-	-
Computer equipment	1,776	-	-	(131)	1,645
Furniture and office equipment	215	-	-	113	328
Other machinery and equipment	7	200	-	-	207
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	1,998	200	-	(18)	2,180

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Disposals

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2010**

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash received Actual R'000
HERITAGE ASSETS				
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT		1,666	1,666	
Transport assets	-	-	-	-
Computer equipment	-	1,591	1,591	-
Furniture and office equipment	-	9	9	-
Other machinery and equipment	-	66	66	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	1,666	1,666	-

Movement for 2008/09

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

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
HERITAGE ASSETS	245	-	-	245
Heritage assets	245	-	-	245
MACHINERY AND EQUIPMENT	7,996	2,541	529	10,008
Transport assets	-	420	420	-
Computer equipment	6,636	1,831	103	8,364
Furniture and office equipment	564	84	-	648
Other machinery and equipment	796	206	6	996
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	8,241	2,541	529	10,253

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Minor assets**MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2010**

	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Minor Assets	-	96	5,686	-	5,782
TOTAL	-	96	5,686	-	5,782
Number of minor assets at cost	-	43	4,911	-	4,954
TOTAL NUMBER OF MINOR ASSETS	-	43	4,911	-	4,954

MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2009

	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Minor Assets	-	87	6,074	-	6,161
TOTAL	-	87	6,074	-	6,161
Number of minor assets	-	40	4,730	-	4,770
TOTAL	-	40	4,730	-	4,770

29. Intangible Capital Assets**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010**

	Opening balance R'000	Current year adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
COMPUTER SOFTWARE	418	-	953	-	1,371
TOTAL INTANGIBLE CAPITAL ASSETS	418	-	953	-	1,371

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Additions**ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010**

	Cash R'000	Non-cash R'000	(Development work-in- progress current costs) R'000	Received current, not paid (Paid current year, received prior year R'000	Total R'000
COMPUTER SOFTWARE	953	-	-	-	953
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	953	-	-	-	953

Movement for 2008/09**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2009**

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

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

NAME OF PROVINCE/ GRANT	GRANT ALLOCATION				TRANSFER		SPENT			2008/2009
	Amount	Roll Overs	Other Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by department	Amount spent by department	% of available funds spent by dept	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Department of the Premier	-	-	-	-	-	-	-	-	-	80
	-	-	-	-	-	-	-	-	-	80

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1B
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2008/2009
	Adjusted appropriation Act	Roll Overs	Adjustments	Total available	Actual Transfer	% of Available funds	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
South African Local Government Association	-	-	-	-	-		50
Livingstone High School	5	-	-	5	5	100.00%	-
Immaculata High School	5	-	-	5	5	100.00%	-
Intlanganiso High School	5	-	-	5	5	100.00%	-
Inkwenkezi High School	5	-	-	5	5	100.00%	-
Hector Pietersen High School	20	-	-	20	20	100.00%	-
South Peninsula High School	60	-	-	60	60	100.00%	-
Total	100	-	-	100	100		50

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

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2008/2009
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Leave gratuity	-	-	-	-	-		38
Bursaries	328	-	-	328	312	95.12%	99
Injury on duty - Lindenberg G	2	-	-	2	2	100.00%	-
Total	330	-	-	330	314		137

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010**

**ANNEXURE 1D
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2009/10	2008/09
		R'000	R'000
Received in cash			
ABSA	Sponsorship of Education and Municipalities	-	20
Subtotal		<u>-</u>	<u>20</u>
Received in kind			
Grant Thornton & Turner Townsend	Cost of International speakers and flights	-	20
Subtotal		<u>-</u>	<u>20</u>
Total		<u>-</u>	<u>40</u>

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010**

ANNEXURE 1E

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

NATURE OF GIFT, DONATION OR SPONSORSHIP	2009/10	2008/09
	R'000	R'000
Paid in cash		
Contribution towards Prize monies	5	-
Total	5	-

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010**

**ANNEXURE 2
CLAIMS RECOVERABLE**

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Department of Social Development	-	18	-	-	-	18
National Department of Labour	-	42	3	-	3	42
Department of Cultural Affairs and Sport	-	11	-	-	-	11
Provincial Treasury Eastern Cape	-	17	-	-	-	17
Department of National Treasury	-	29	-	-	-	29
Western Cape Education Department	-	-	-	274	-	274
Department of Health	-	-	14	-	14	-
Department of Premier	-	-	5	-	5	-
National Department of Water and Environmental Affairs	1	-	-	-	1	-
Total	1	117	22	274	23	391

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010**

**ANNEXURE 3
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2010**

Nature of liability	Opening balance 1 April 2009	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2010
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Khulani Personnel Group	1,236				1,236
Total	<u>1,236</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,236</u>

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010**

**ANNEXURE 4
INTER-GOVERNMENT PAYABLES**

Government entity	Confirmed balance		Unconfirmed balance		Total	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
South African Police Services	-	1	-	-	-	1
Provincial Parliament	-	57	-	-	-	57
Department of the Premier	-	-	1	3	1	3
Total	-	58	1	3	1	61
OTHER GOVERNMENT ENTITY						
Current						
SARS	-	22	-	-	-	22
PALAMA	-	-	-	57	-	57
Government Motor Transport	-	-	116	124	116	124
Total	-	22	116	181	116	203

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2010**

**ANNEXURE 5
INVENTORY**

INVENTORY	Note	Quantity	2009/10 R'000
Inventory			
Opening balance		5,228	109
Add: Additions/Purchases - Cash		37,608	1,773
(Less): Issues		(34,213)	(1,647)
Closing balance		<u><u>8,623</u></u>	<u><u>235</u></u>

Part 5

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				
Effective and efficient office support services to the Executive ensuring full integration with departmental activities and requirements.	Public Office of the Premier Department of the Premier Cabinet Secretariat Provincial Legislature Department of Economic Development and Tourism Provincial Treasury Provincial Ministers National Ministers Tourism Organisations City of Cape Town Public Entities Special Purpose Vehicles (SPVs) Diplomats Politicians Business and Business Organisations Labour organisations and Civil Society Local radio, television and print media	Other Provincial Ministers Other National Ministers Other National Departments Other Provincial departments Parastatals International Organisations Municipalities	A 3 day turn-around time on all documents submitted to the office and correspondence addressed to the Minister. Tabling of the MTBPS in November and Budget in March. Weekly meetings with Provincial Treasury. Weekly meetings with Department of Economic Development and Tourism.	Achieved standard in 85% of cases. Achieved this standard 100%. Achieved this standard 80%. Achieved this standard 85%.
Effective communication in line with the portfolio responsibilities of the Executive Authority.		International radio, television and print media.	Issue of media statements/ press releases/ alerts within 24 hours of an event. Respond to all media queries within time-frame provided.	Achieved this standard in 90% of cases. Achieved this standard in 100% of cases.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
			Respond to all media requests for telephonic, personal and live interviews.	Achieved his standard in 100% of cases.
Sub-programme 1.2: Management Services				
Ensure the rendering of secretarial, administrative and office support services.	Minister Provincial Treasury Other Departments Directorates	Other Provinces Ministries 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.
A well functioning and coordinated institution that delivers on its responsibilities.	Minister Provincial Treasury Other Departments Directorates	Other Provinces Ministries Other National Ministries National departments Provincial departments Municipalities	No service delivery achievements of note can be registered.	This sub-programme performs staff functions and it does not directly contribute towards achieving the PT outcomes.
The coordination of processes and measures to support service delivery by the organisation.	Minister Provincial Treasury Other Departments Directorates	Other Provinces Ministries 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				
Attract, acquire and retain employees.	Provincial Treasury Directorates Minister SETA Universities Technicons	Provincial Departments DPSA	Allocation of 20 External Bursaries. Appointment of 41 Interns. Develop and implement a Retention Policy and Career Pathing Process.	Only 15 external bursaries awarded due to budget constraints. Only 6 internships offered due to budget constraints. Draft retention policy and career pathing process developed but unable to proceed due to the modernisation process.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Attract, acquire and retain employees.	Provincial Treasury Directorates Minister SETA Universities Technicons	Provincial Departments DPSA	Allocation of 20 External Bursaries. Appointment of 41 Interns. Develop and implement a Retention Policy and Career Pathing Process.	Only 15 external bursaries awarded due to budget constraints. Only 6 internships offered due to budget constraints. Draft retention policy and career pathing process developed but unable to proceed due to the modernisation process.
HR Administration	Provincial Treasury Directorates Minister	Provincial Departments DPSA	Commence Phase 3 of the reconfiguration process. Conciliation between the fixed establishment and PERSAL. Develop and implement a Recruitment Policy.	Unable to commence due to budgetary constraints. Achieved. Draft recruitment policy developed but unable to proceed due to the modernisation process.
Promotion and Maintenance of a learning organisation.	Provincial Treasury Directorates SETA Provincial Departments	DPSA	Re-Accreditation of Provincial Treasury as a training service provider. Implementation of a training programme.	Achieved. Achieved.
Transform the culture of Provincial Treasury.	Provincial Treasury Directorates	Provincial Departments DPSA	Identification and implementation of suitable interventions. Develop and implement an Employee Wellness Policy and strategy.	Achieved implementing some of the interventions. Draft policy developed but unable to proceed due to the modernisation process.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Sub-programme 1.4: Financial Management				
Sound budget management to remain within prescribed budget.	Provincial Treasury Directorates	Provincial departments	Ensure no greater than 1% variance between actual expenditure and approved budget.	A variance of below 1.5% was achieved for this period.
Ensure proper financial accounting services to pre-determined standards.	Provincial Treasury Directorates	Provincial departments	Unqualified Auditor-General report.	Financial Accounting has improved the management of debtors and ledger accounts. Suspense accounts are being cleared on a monthly basis.
Efficient and effective supply chain management in line with predetermined standards.	Provincial Treasury Directorates	Provincial departments	Full compliance to efficiency criteria developed by the Treasury.	The Supply Chain Management Unit complied well with the efficiency developed.
Improve Provincial Treasury's risk profile	Provincial Treasury Directorates	Provincial departments	Full compliance to efficiency criteria developed by the Treasury.	Performed risk assessments of various directorates within Treasury. Performed follow-up inspections of Internal audit as well as Auditor-General findings.
PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT				
Sub-programme 2.2: Fiscal Policy				
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.	11.3% nominal growth in Transfers received from National between 2009/10 adjusted appropriation and 2010/11 main appropriation.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Sub-programme 2.3.1: Provincial Government Budget Management				
1. Socio-economic responsive budgets.	Provincial and National departments Accounting officers, Chief Financial Officers, Strategic Planning managers and line managers where applicable	Other provincial treasuries	Publication of the Annual Provincial Economic Review and Outlook (PER&O) and acceptance by the Executive and Provincial Parliament.	PER&O 2009 was accepted by the Executive and tabled on 24 November 2009.
1.1 Analyse inform and report on socio economic indicators at provincial government level.	Provincial Treasury directorates			
1.2 Determine provincial priorities and recommend financial resource allocation, which effectively contributes to, accelerated and shared economic growth in the province.	Budget Committee Provincial Cabinet		Publication of Economic Reviews on a quarterly basis. Timely Tabling and acceptance of a Socio-economic responsive WC-Medium Term Budget Policy Statement and Budget by the Executive and Provincial Parliament.	Economic reviews published in association with Department of Economic Development and Tourism and updated economic information provided in the WC-MTBPS and Budget Overview of Provincial Expenditure. WC-MTBPS 2010-2013 was produced and accepted by the Executive and tabled on 26 November 2009. Final departmental allocations were accepted by the Executive and the Western Cape Budget 2010 was tabled on 2 March 2010.
1.3 Review efficacy of departmental spending and performance.			Improvements in performance information of provincial departments through evaluating Annual Performance Plans, Quarterly Performance Reports and Annual reports.	12 Annual Performance Plans assessed 48 Quarterly Performance Reports assessed 12 Annual Reports assessed

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Sub-programme 2.3.2: Local Government Budget Management				
1. Socio-economic responsive budgets.	Departments Cabinet Secretariat Provincial Legislature Provincial & National Treasury Provincial Ministers Public Sector NGOs Civil Society Municipalities	National Ministers Departments Business Organisations Labour Organisations Other Provinces Ministries National departments Other Municipalities		
1.1 Analyse, inform and report on socio economic indicators at local government level.			Publication of the Socio-Economic Profiles (SEP-LGs) for two Districts.	Prepared Draft SEP-LGs for two pilot districts - Eden and Cape Winelands.
1.2 Determine the sources, potential and constraints for enhanced growth and development.				
1.3 Review efficacy of departmental spending and performance.			Reviews conducted on draft budget of each municipality and comments provided to municipalities via LG MTEC 3 process. Assessment of 2009/10 SDBIPs. Mid-year reports and 2008/09 Annual Reports in order to track and compare the past performance levels with current performance levels.	30 Assessments were completed during the LG MTEC 3 process and communicated to municipalities. This was followed up with LG MTEC 3 engagements. The assessments of both the SDBIPs and Annual Reports were completed and feedback was provided. The assessment was further used to assess the extent to which the past and current performance supports or undermines the responsiveness of the IDP and budget. This was incorporated into LG MTEC.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Sub-programme 2.4.1 Provincial Government Finance				
Reporting and assessment of expenditure (actual and forecasts).	Provincial Departments CFOs National Treasury Provincial Cabinet	Budget Committee StatsSA SCOF FFC	Timely quality Expenditure reports. Spending patterns within defined limits.	Expenditure and trend analysis reports were produced. Provincial unspent funds below 2% norm.
Proposing allocations and compile annual adjustments budget.	Provincial and National departments	Provincial departments' directorates	Acceptance by the Executive and Provincial Parliament.	Adjustments Budget accepted by the Executive and tabled on 20 November 2009.
Publication of allocations from provincial departments to schools and hospitals.	Provincial departments National Treasury Provincial Cabinet SCOF SCOPA Provincial Ministers of Finance CFO Forum	Budget Forum FFC Other Provinces	Ensure the publication of allocations by provincial departments to schools and hospitals in main budget, as well as in the adjusted budget.	Successful gazetting of allocations to schools and hospitals on a continuous basis.
Sub-programme 2.5.2 Local Government Finance				
Develop effectiveness of in-year expenditure monitoring systems towards attaining a level 3 plus auditable organisation.	National Treasury Municipalities Provincial Cabinet	Audit Committee SCOF FFC	Improved in-year revenue and expenditure management.	Improved compliance with prescribed IYM reporting formats (Appendix B) from 18 to 28 municipalities through various training initiatives and assistance provided to municipalities. Improved (new format) monthly IYM Consolidated reports inclusive sign-off sessions, improved presentations by BIF Teams on municipal data. As prescribed by the MFMA, the Monthly Consolidated IYM reports were submitted timeously to National Treasury before or on the legislated due dates.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
				<p>4 Gazetted expenditure reports were submitted to Cabinet and tabled in Provincial Parliament. Quarterly Cabinet Submissions on the financial performance and the municipal debt were also submitted to Cabinet.</p>
<p>Policy driven Revenues and Exp./Budget assessments testing sustainability and credibility/Budget is based on previous expenditure and revenue trends that are based on secured funding.</p>	<p>National Treasury Municipalities Department of Local Government Department of the Premier</p> <p>COGTA and other National Departments</p>	<p>National Minister of Finance National Minister of Co-operative Governance and Traditional Affairs (COGTA).</p> <p>Other PTs, Stats SA, Financial Institutions, Rating agencies Provincial and National Portfolio Committees</p> <p>NCOP</p>	<p>Sustainable and credible municipal budgets.</p>	<p>Undertook a retrospective analysis of the sustainability and credibility of municipal budgets to, amongst others, identify any risks for the implementation of the 2010/11 municipal budgets.</p> <p>Sophisticated the LG MTEC 3 assessment framework from a sustainability and credibility perspective to improve the analysis on the draft municipal budgets.</p> <p>In addition, applied the Funding Compliance Toolkit to determine the sustainability of municipal budgets.</p> <p>As required by the MFMA, all provincial transfers over the MTREF were published timeously and where appropriate these transfers were published per ward. This, in itself, improved the planning and budgeting by municipalities. Furthermore, the entire provincial budget was spatial disaggregated and published. Certain provincial department's budgets were published per ward level from a spatial perspective.</p>

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Data integrity.	Municipalities National Treasury Provincial Cabinet	Audit committees SCOF	Improved data integrity.	To ensure data integrity of financial management information and return forms submitted by municipalities to the Provincial Treasury, municipal managers and chief financial officers had to complete and sign a verification certificate thereby taking responsibility for the accuracy of the information.

PROGRAMME 3: ASSET AND LIABILITIES MANAGEMENT

Sub-programme 3.2.1: Moveable Asset Management

A Supply Chain Management system (processes, practice and cycle) capability assessment model that catalogues institutions and indicates appropriate remedial steps and progress overtime in terms of best practice requirements.	Provincial Departments, and departmental institutions Municipalities Supplier community MECs Councillors	Liaison Committees Forums NGOs Service providers	Implementation and refinement of a management process and practice capability assessment model throughout the Province. Re-development and implementation of a Supply Chain cycle assessment model that links feeds in good governance practices.	<ul style="list-style-type: none"> ▪ Refined capability assessment model and intervention plan developed for the assessment of municipalities and departments. ▪ Cataloguing of department and defining intervention plans for SCM. ▪ Retrospective spreadsheet analysis of SCM for 30 Municipalities. ▪ 5 Bespoke SCM Interventions (3 provincial and 2 municipal). ▪ 7 SCM Municipal Compliance Assessments. ▪ 4 Municipal SCM forums and 6 provincial SCM/AM forums.
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Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
				<ul style="list-style-type: none"> ▪ 12 Financial Governance reviews for SCM and 12 assessments for moveable asset management for 12 provincial departments. ▪ Publication of provincial awards on a monthly basis on PT Website. ▪ Publication of all provincial SCM policy and AM policy on PT Website. ▪ Development of an SCM Assessment Model that promotes good governance practice for municipalities. ▪ 12 capacity verification assessments for SCM at provincial departments. ▪ 4 quarterly procurement statistics reports. ▪ Development of a risk assessment framework for assessing departmental AO systems. ▪ Review of TP&W AO System. ▪ Review of DeCAS delegations. ▪ 12 MTEC and 30 LG MTEC reports.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
				<ul style="list-style-type: none"> ▪ Additional requests from councillors, MECs, Premier, DG iro SCM issues in the provincial and municipal spheres for the fin year the unit responded to : <ul style="list-style-type: none"> - E- mail queries for municipalities (97). - E- mail queries for Depts. (119). - Formal Opinions to Municipalities (29). - Formal Opinions to Depts. (13). - Opinions to MECS, Forensic Audit, National Hotline and Responses iro Supplier Complaints for Depts. (14). - Opinions to Councillors, Mayors, Nat Hotline iro Municipalities. - Responses iro Supplier Complaints for Municipalities (26).

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
<p>Moveable Asset Management system capability assessment model that catalogues institutions and indicates appropriate remedial steps and progress overtime in terms of best practice requirements.</p>	<p>Provincial Departments, and departmental institutions</p>	<p>Liaison Committees Forums NGOs Service providers</p>	<p>Implementation and refinement of a management capability assessment model throughout the Province.</p>	<ul style="list-style-type: none"> ▪ Develop and implement an assessment model for moveable asset management. ▪ 12 moveable asset management assessments. ▪ 3 moveable asset management training interventions. ▪ 4 quarterly Project Risk Log and Dashboard report for AM.
<p>A Supply Chain Management system that promotes socio-economic development and service delivery.</p>	<p>Provincial Departments, Provincial Public entities and departmental institutions Municipalities and municipal entities Supplier community MECs Councillors</p>	<p>Provincial Departments, Provincial Public entities and departmental institutions Municipalities and municipal entities Supplier community MECs Councillors</p>	<p>Develop and implement a BBBEE/SMME supplier development programme in consultation with other stakeholders.</p>	<p>Supplier Open Day at Cape Winelands District implemented. ± 300 suppliers attended.</p> <ul style="list-style-type: none"> ▪ Publication of monthly SCM article on PT website to capacitate key stakeholders on government procurement. ▪ Developed internal capacitation plan.
<p>Maintenance of a competent Moveable Asset Unit.</p>	<p>Provincial Departments, Provincial Public entities and departmental institutions Municipalities and municipal entities Supplier community MECs Councillors</p>	<p>Provincial Departments, Provincial Public entities and departmental institutions Municipalities and municipal entities Supplier community MECs Councillors</p>	<p>Develop and implement an internal capacitation plan.</p>	<ul style="list-style-type: none"> ▪ Internal Development Plan aligned to department's internship programme as well as IDPs of staff. ▪ 3 interns successfully recruited into unit and 3 x level 9's have met the requirements and moved to a level 10.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Sub-programme 3.3: Liabilities Management				
Note: The liabilities unit was not functional during 2009/10.				
Sub-programme 3.3.1 Financial Asset Management				
Ensure effective control and management of the Provincial Revenue Fund.	13 Votes 1 Provincial Banker 6 Investment Bankers	Public entities Donor agencies National Departments	Improve the performance of the Provincial Revenue Fund to maximise returns from investments.	100%
Render effective technical strategic support and training to Provincial departments and local governments.	13 Votes 1 Provincial Banker 30 Municipalities	Public entities Donor agencies National Departments	To assess, monitor and advise municipalities to achieve optimum cash and investment management objectives in compliance with the MFMA.	100%
Sub-programme 3.4: Supporting and Interlinked Financial Systems				
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.	13 Provincial departments with 7 000 financial system users.	13 Provincial departments with 7 000 financial system users.	Manage the systems on a daily basis to 7 000 users from all departments across the Province with a 98% uptime and a 10 second screen refresh rate.	100%
Render effective technical, strategic support and training to departments.	13 Provincial departments with 7 000 financial system users.	13 Provincial departments with 7 000 financial system users.	Capacitate 20% of target group per annum from all departments across the Province to be fully skilled system users. Accessibility to a fully operational helpdesk for 9 hours per day.	100%

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
PROGRAMME 4: FINANCIAL GOVERNANCE				
Sub-programme 4.2.1: Local Government Accounting				
Latest Accounting Policy Framework rolled out for accurate and complete implementation by municipalities to improve financial reporting.	Municipal CFOs, Accounting Officers Authorities Financial Managers	SCOF SCOPA Audit Committees	Unqualified Audit Reports	24 out of 29 Municipalities Unqualified Audit Reports.
Compile Financial Health Assessment Report to feed into the LG MTEC process.	Municipal CFOs Accounting Officers Accounting Authorities Financial Managers Municipal Council	SCOF SCOPA Audit Committees Provincial Legislature	LGMTEC Report	Distributed and Municipal Engagement.
Sub-programme 4.2.2: Provincial Government Accounting				
Latest accounting policy framework rolled out for accurate and complete annual financial reporting.		SCOF SCOPA Audit Committees	Unqualified audit reports	12 of out 13 departments unqualified audit reports. 11 out of 14 entities unqualified audit reports.
Compile an assessment of the financial governance in the Province.	CFOs Accounting Officers Accounting Authorities Financial managers	SCOF SCOPA Audit Committees Provincial Legislature National Treasury	Financial Governance Review & Outlook 2008.	Published and distributed.
Consolidate the Annual Financial Statements of the Province.	CFOs Accounting Officers Accounting Authorities Financial managers National Treasury	SCOF SCOPA Audit Committees Provincial Legislature	Annual Consolidated Financial Information 2008/09.	Published and distributed.
Compile a Financial Health Assessment report to feed into the PGMTEC process.	CFOs Accounting Officers Accounting Authorities Financial managers	SCOF SCOPA Audit Committees Provincial Legislature	Financial Health Assessments of departments and entities.	26 assessments.
Establish and maintain of a competent accounting unit internally and promotion of same across departments and entities.	CFOs Accounting Officers Accounting Authorities Financial managers	SCOF SCOPA Audit Committees Provincial Legislature	Training on financial statements and guidelines.	10 training sessions.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Sub-programme 4.3: Norms and Standards				
Monitoring of existing financial management norms and standards in departments, municipalities and public entities to assess compliance thereof.	AOs CFOs Provincial Treasury Directorates Public Entities Municipal Managers Municipal CFOs National Treasury	SCOF SCOPA	Number of departments and entities assessed quarterly Number of municipalities assessed quarterly	12 Departments 13 Entities 28 Municipalities
Sub-programme 4.4: Risk Management				
To develop and facilitate the implementation of effective enterprise risk management (ERM) and corporate governance capacity within the Provincial Government.	Provincial Departments Municipalities	National Departments Other provinces	To facilitate the establishment of enterprise risk management and corporate governance in the Provincial Government.	ERM capacity built within departments. ERM framework rolled out. Governance framework rolled out.
Sub-programme 4.5: Internal Audit				
To render an effective risk-based internal audit service.	Provincial Departments, including Accounting Officers and other senior management team members Provincial Public Entities Audit Committees	National Departments Municipalities SCOPA SCOF	Internal audit plans based on critical risks of the relevant department.	A risk-based internal audit service was provided to all provincial departments and selected public entities.

Table 1.2: Consultation arrangements with customers

Type of arrangement	Actual customers	Potential customers	Actual achievements
Budget Management: Local Government			
CFO Forum meeting	Municipalities and departments	CFOs of Municipalities, Municipal Managers	Effective consultation.
Quarterly BIF team visits	Municipalities and Departments (LGH & DotP)	STATS SA	Expand BIF team municipal intelligence with the view of improving budget assessments and support.
LG MTEC engagements	PT, LGH, Dot P, CFOs, Municipal Managers, Mayors and Officials of Municipalities	Municipalities, National Treasury, MEC,	Assessment and feedback of Municipal Budgets.

Type of arrangement	Actual customers	Potential customers	Actual achievements
<p>Budget Management: Provincial Government</p> <p>Stakeholder consultation for PER&O</p> <p>CFO Forum meetings/National Treasury</p> <p>Formal and informal meetings (including provincial MTECs)</p>	<p>Western Cape Education Department (WCED)</p> <p>Health</p> <p>Economic Development and Tourism</p> <p>Social Development</p> <p>WESGRO</p> <p>Department of Agriculture</p> <p>Provincial Departments and National Treasury</p> <p>Provincial Departments and Public Entities</p>	<p>Department of Premier Local Government</p> <p>City of Cape Town, universities research departments</p> <p>Inter Provincial liaison, Auditor General, SCOPA</p> <p>NGOs, research groups, other provincial treasuries</p>	<p>Collaborative arrangement to co-author chapters for the 2009 PER&O.</p> <p>Forums utilised effectively.</p> <p>Effective consultation regarding budget plans and non financial performance.</p>
<p>Moveable Asset Management</p> <p>Movable Asset Management – SCM Office (PT)</p> <p>SCM/Asset Management Forums</p>	<p>National Treasury</p> <p>Provincial Departments</p> <p>Municipalities</p> <p>SCOPA</p> <p>SCOF</p> <p>Provincial Departments</p> <p>Municipalities</p>	<p>Cabinet</p> <p>Other Provinces</p> <p>National Treasury</p> <p>Other Provinces</p>	<p>Established and operational.</p> <p>Improved SCM Practices, information sharing and benchmarking best practices.</p>
<p>Financial Asset Management</p> <p>Training sessions</p> <p>Financial briefing forums</p> <p>CFO (Municipal) forums</p> <p>Local Government forums (LG MTEC)</p>	<p>12 Provincial Departments and the Provincial Parliament</p> <p>12 Provincial Departments and the Provincial Parliament</p> <p>Provincial Banker</p> <p>Investments/ Financial Institutions</p> <p>30 Municipalities</p>	<p>Public Entities</p> <p>Donor agencies</p> <p>Public Entities</p> <p>Donor agencies</p>	<p>100%</p> <p>100%</p> <p>100%</p>

Type of arrangement	Actual customers	Potential customers	Actual achievements
Supporting and Interlinked Financial Systems			
System forums	13 Provincial departments and the Provincial Parliament	13 Provincial departments and the Provincial Parliament	100%
Help desk	24 hour turnaround time achieved		
Local Government Accounting			
Municipal CFO Forums meetings	Municipalities	Auditor General of South Africa Accounting Standards Board National Treasury	4 Municipal CFO Forums Meetings
	30 Municipalities	National Treasury Municipal Executive Council Provincial Legislature	30 Municipalities assessed
LG MTEC Engagements	30 Municipalities	National Treasury Accounting Standards Board Provincial Treasury (Internally)	1 ASB Workshop 1 GRAP Training 3 AFS Training
Training Sessions: ASB Workshop GRAP Training AFS Training	30 Municipalities	National Treasury	2 sessions per Municipality
Bi-lateral meetings	Provincial Treasury Auditor General of South Africa	Municipalities	4 Meetings
Auditor General Forum	9 Provincial Treasuries	9 Provincial Treasuries	4 Meetings
MFMA Joint Meeting	30 Municipalities	National Treasury	22 Meetings
Municipal Audit Steering Committee Meetings			
Accounting: Provincial Government			
CFO Forum meetings	Provincial Departments and Entities	Donor Agencies Auditor-General SA Accounting Standards Board National Treasury	5 (Provincial Departments and Entities)
Financial Accountant's Forum	Departments	Public Entities Auditor-General	10 meetings
Auditor-General Forum	Provincial Treasury Auditor-General SA	Departments Entities	6 meetings

Type of arrangement	Actual customers	Potential customers	Actual achievements
Training sessions: AFS workshops SCoA workshops	13 Departments 13 Entities	ASB National Treasury Provincial Treasury (internal)	2 AFS Workshops 1 SCoA Workshop
Bi-lateral meeting	13 Departments 13 Entities	National Treasury	60 formal meetings with department and entities.
Norms and Standards			
Public Entities CFO Forum	14 Entities	Municipal Entities	4 Meetings
Risk Management			
Chief Risk Officers Forum	Provincial Departments	Municipalities	10 Meetings
National Risk Management Forum	National Treasury	Other Provinces	Transversal ERM issues raised and addressed.
Internal Audit			
Monthly progress meetings	Accounting Officers, Chief Financial Officers	Other Senior Management team members	As per agreement, either every month or every second month.
Quarterly Audit Committee meetings	Audit Committee members, Provincial Departments	Municipalities Public Entities	Audit committee meetings held as per annual program, at least on a quarterly basis.
Chief Audit Executive forum	National Treasury Other Provinces		Quarterly attendance.

Table 1.3: Service delivery access strategy

Access strategy	Actual achievements
Budget Management: Local Government	
Wider distribution of outputs	Information accessible electronically on www.capegateway.gov.za Outputs distributed to stakeholders
Budget Management: Provincial Government	
Electronic distribution via email, intranet and internet	Information distributed via email and information placed on intranet and Cape Gateway.
Physical distribution	PER&O and budget documentation circulated to key stakeholders.
Provincial MTEC engagements	PG MTEC 1 held in September/October and PG MTEC 2 held in January.
Assessments of Budget and Planning processes	Assessments communicated to departments with responses from departments and public entities.
Individual and BIF team visits	Individual and BIF team visits to departments and public entities.
Issuing Circulars and guidelines	Four budget circulars issued and guidelines for budget, APP and QPR.
Reporting and Feedback Process	Regular reporting and feedback process on departmental non-financial performance information.
Correspondence	Correspondence with customers via email and letters.

Access strategy	Actual achievements
Moveable Asset Management Supplier Database Non Compliance Mechanism Bespoke SCM and AM Training Interventions Assist and guide departments and municipalities	Population of database with verified suppliers (32 835). Implementation of corrective measures, issuing of practice notes, Provincial Treasury Instructions and Procedural Manuals. 9 interventions in total held for the financial year. 298 requests attended to by the unit.
Financial Asset Management Daily interaction with Provincial Departments to ascertain cash flow requirements Helpdesk/ User support Joint meetings with Official Banker and departments CFO (Municipal) forums Local Government forums	Departmental bank accounts cash positive on a daily basis. 100% accessibility to departments, Provincial Parliament and municipalities. 4 meetings were held. 100% achieved.
Supporting and Interlinked Financial Systems BAS remedy tool PERSAL System Change Control System LOGIS System Change Control System	Information disseminated. Information disseminated. Information disseminated.
Local Government Accounting Non Compliance Mechanism Help Desk Service provided on accounting matters	Implementation of corrective measures, issuing of National Treasury AFS Tools. 100% accessible to Municipalities.
Provincial Government Accounting Helpdesk service provided on accounting matters	100% accessible to departments and entities.
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.

Table 1.4: Service delivery information tool

Types of information tool	Actual achievements
Budget Management: Provincial Government Feedback and Input into departmental strategic and annual performance plans Input to Departmental Budgets Non-Financial Quarterly Performance Report PER&O MTBPS Budget Overview Presentations of research findings Communication strategy	Feedback to all Departments PG MTEC 1 and PG MTEC 2 Assessments Quarterly Assessment Reports for Provincial Departments Document produced and disseminated Economic and policy (per department) inputs Economic and policy/expenditure (per department) inputs provided Presentations were made to Provincial Top Management (PTM) meeting, Provincial Cabinet and Budget Committee Budget and Policy documents communicated to various role players

Types of information tool	Actual achievements
Budget Management: Local Government Service Delivery and Budget Implementation Plan (SDBIP) Mid-year Assessment Report Annual Reports	30 Municipal SDBIP assessment reports completed 30 Municipal Mid-year assessment reports completed 30 Annual Report assessments completed
Moveable Asset Management PT Database Electronic Purchasing System Provincial and Municipal In-year Monitoring Reports Western Cape Supplier Database	Updated regularly 46 721 Quotations advertised Monthly and quarterly reporting 32 835 suppliers registered
Financial Asset Management National Treasury website Provincial Treasury database Official Banker's system	100% accessible
Supporting and Interlinked Financial Systems Help desk CFO Forum Accounting Forum	
Local Government Accounting National Treasury Website Provincial Treasury Database ASB Website	100% accessible 100% accessible 100% accessible
Provincial Government Accounting National Treasury Website Provincial Treasury Website ASB website	100% accessible 100% accessible 100% accessible
Norms and Standards PT database Provincial and Municipal In-year Monitoring (IYM) reports	Updated regularly Monthly and quarterly reporting
Risk Management ERA Risk Management System	Updated regularly

Table 1.5: Complaints mechanism

Budget Management: Provincial Local Government CFO forum Feedback at PG MTEC engagements and visits to departments and entities
Budget Management: Local Government Municipal CFO Forum LGMEC engagements IYM/ BIF team visitations to municipalities On-going consultation with municipalities

Moveable Asset Management

Implementation of a complaints register

40 complaints logged and dealt with (26 Municipal and 14 Provincial)

Financial Asset Management

Municipal CFO forums

LGMTEC Engagements

IYM/ BIF visitations to municipalities

Quarterly Official Banker's meetings

Helpdesk

Supporting and Interlinked Financial Systems**Provincial Government Accounting**

Available through the CFO and FA Fora and ongoing consultation

Bi-lateral engagements with departments and entities

Norms and Standards

Available through the various CFO Fora and ongoing consultation

Risk Management

Chief Risk Officers Forum

ERA helpdesk

2. Expenditure

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

Table 2.1: Personnel costs by Programme

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)	Employment
Programme 1 - Administration	39,359	21,520	1,369	1,926	54.68	299	72
Programme 2 - Sustainable Resource Management	36,531	21,709	0	4,980	59.43	356	61
Programme 3 - Asset and Liabilities Management	27,526	21,136	0	3,755	76.79	315	67
Programme 4 - Financial Governance	34,955	29,537	0	1,536	84.50	295	100
Total	138,371	93,902	1,369	12,197	67.86	313	300

Table 2.2: Personnel costs by Salary band

Salary Bands	Personnel Expenditure (R'000)	Percentage of Total Personnel Cost	Number of Employees	Average Personnel Cost per Employee (R' 000)
Lower skilled (Levels 1-2)	170	0.18	2	85
Skilled (Levels 3-5)	2,710	2.88	23	118
Highly skilled production (Levels 6-8)	17,159	18.27	80	214
Highly skilled supervision (Levels 9-12)	56,286	59.92	172	327
Senior management (Levels 13-16)	16,278	17.33	22	740
Minister	1,336	1.42	1	1,336
Total	93,939	100	300	313

Note: The discrepancy in personnel expenditure by programme (Table 2.1) and personnel expenditure by salary band (Table 2.2), amounting to R37 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 Aid by Programme

Programme	Salaries	Salaries as % of Personnel Cost	Overtime	Overtime as % of Personnel Cost	HOA	HOA as % of Personnel Cost	Medical Ass.	Medical Ass. as % of Personnel Cost
Programme 1 - Administration	14 373 644	15.30	179 078	0.19	295 500	0.31	878 824	0.94
Programme 2 - Sustainable Resource Management	16 204 903	17.25	249 811	0.27	202 991	0.22	755 933	0.80
Programme 3 - Asset and Liabilities Management	16 380 744	17.44	8 204	0.01	282 997	0.30	1 004 967	1.07
Programme 4 - Financial Governance	22 215 582	23.65	0	0.00	385 729	0.41	948 193	1.01
TOTAL	69 174 873	73.64	437 093	0.47	1 167 217	1.24	3 587 917	3.82

Table 2.4: Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary bands	Salaries	Salaries as % of Personnel Cost	Overtime	Overtime as % of Personnel Cost	HOA	HOA as % of Personnel Cost	Medical Ass.	Medical Ass. as % of Personnel Cost
Lower skilled (Levels 1-2)	120 715	0.13	0	0.00	12 000	0.01	17 356	0.02
Skilled (Levels 3-5)	1 917 919	2.04	54 945	0.06	100 500	0.11	286 512	0.30
Highly skilled production (Levels 6-8)	12 470 960	13.28	140 592	0.15	359 500	0.38	837 778	0.89
Highly skilled supervision (Levels 9-12)	44 026 369	46.87	241 556	0.26	680 217	0.72	2 155 966	2.30
Senior management (Levels 13-16)	9 956 594	10.60	0	0.00	15 000	0.02	268 720	0.29
Minister	682 316	0.73	0	0.00	0	0.00	21 585	0.02
TOTAL	69 174 873	73.64	437 093	0.47	1 167 217	1.24	3 587 917	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 2010

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate %	Number of Posts Filled Additional to the Establishment
Programme 1 - Administration	87	72	17	0
Programme 2 - Sustainable Resource Management	87	61	30	0
Programme 3 - Asset and Liabilities Management	81	67	17	0
Programme 4 - Financial Governance	119	100	16	1
Total	374	300	20	1

Table 3.2: Employment and Vacancies by Salary Band at 31 March 2010

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	0	0
Skilled (Levels 3-5), Permanent	28	23	18	0
Highly skilled production (Levels 6-8), Permanent	98	80	18	0
Highly skilled supervision (Levels 9-12), Permanent	218	172	21	1
Senior management (Levels 13-16), Permanent	27	22	19	0
Minister	1	1	0	0
Total	374	300	20	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 supernumerary. This employee's situation is currently being dealt with.

Table 3.3: Employment and vacancies by critical occupation, 31 March 2010

Critical Occupation	Number of Posts	Number of Posts Filled	Vacancy Rate %	Number of Posts Filled Additional to the Establishment
Economist	22	13	41	0
Expenditure Analyst	25	19	24	0
Financial Analyst	12	10	17	0
Procurement Specialist	17	14	18	0
State Account Senior	1	0	100	0
System Controller	29	21	28	0
Total	106	77	27	0

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 2009 to 31 March 2010

Salary Band	Number of Posts	Number of Jobs Evaluated	% of Posts Evaluated	Number of Posts Upgraded	% of Upgraded Posts Evaluated	Number of Posts Downgraded	% of Downgraded Posts Evaluated
Lower skilled (Levels 1-2)	2	0	0	0	0	0	0
Skilled (Levels 3-5)	28	2	8	2	100	0	0
Highly skilled production (Levels 6-8)	98	3	3	3	100	0	0
Highly skilled supervision (Levels 9-12)	218	24	11	8	33	0	0
Senior Management Service Band A	18	0	0	0	0	0	0
Senior Management Service Band B	6	0	0	0	0	0	0
Senior Management Service Band C	2	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Minister	1	0	0	0	0	0	0
Total	374	29	8	13	44.8	0	0

Table 4.2: Profile of employees whose positions were upgraded due to their posts being upgraded 1 April 2009 to 31 March 2010

Beneficiaries	African	Asian	Coloured	White	Total
Female	3	0	1	4	8
Male	1	0	2	2	5
Total	4	0	3	6	13
Employees with a Disability	0	0	0	0	0

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 exceed the grade determined by Job Evaluation 1 April 2009 to 31 March 2010

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
Female	0	0	0	N/A	0
Male	0	0	0	N/A	0
Total	0	0	0	N/A	0
Percentage of Total Employment					
TOTAL NUMBER OF EMPLOYEES WHOSE SALARIES EXCEED THE LEVEL DETERMINED BY JOB EVALUATION IN 2009/2010					

Table 4.4: Profile of employees whose salary level exceeded the grade determined by job evaluation 1 April 2009 to 31 March 2010

Beneficiaries	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a Disability	0	0	0	0	0
TOTAL NUMBER OF EMPLOYEES WHOSE SALARIES EXCEED THE GRADES DETERMINED BY JOB EVALUATION IN 2009/2010					0

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 1 April 2009 to 31 March 2010

Salary Band	Employment at beginning of period	Appointments	Transfers into the Department	Appointments and transfers into the Department	Terminations	Transfers out of the department	Terminations and transfers out of the department	Turnover Rate %
Lower skilled (Levels 1-2), Permanent	5	0	0	0	0	0	0	0
Skilled (Levels 3-5), Permanent	64	3	0	3	3	1	4	6
Highly skilled production (Levels 6-8), Permanent	16	26	6	32	18	7	12	75
Highly skilled supervision (Levels 9-12), Permanent	178	21	9	30	7	12	19	11

Salary Band	Employment at beginning of period	Appointments	Transfers into the Department	Appointments and transfers into the Department	Terminations	Transfers out of the department	Terminations and transfers out of the department	Turnover Rate %
Senior Management Service Band A, Permanent	11	4	0	4	2	0	1	9
Senior Management Service Band B, Permanent	3	0	1	1	0	0	2	67
Senior Management Service Band C, Permanent	2	0	0	0	0	0	0	0
Senior Management Service Band D, Permanent	1	0	0	0	0	0	0	0
Minister	1	0	0	0	1	0	1	100
Total	281	54	16	70	31	20	38	14

Table 5.2: Annual Turnover Rates by Critical Occupation for period 1 April 2009 to 31 March 2010

Occupation	Number of employees per occupation	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate %
Economist	10	3	0	0
Expenditure Analyst	27	2	3	11
Financial Analyst	10	4	3	30
Procurement Specialist	9	4	1	11
State Account Senior	1	1	0	0
System Controller	22	0	0	0
Total	79	14	7	9

Table 5.3: Reasons why staff is leaving the department

Termination Type	Number of Terminations and Transfers (all personnel)	Percentage of Total Resignations
Transfer to other PS Dept	20	53
Resignation of Position	22	32
Conversion - Appointment	0	0
Deceased	0	0
Contract Expiry	8	13
Dismissal	1	7
Grand Total	51	100
Total number of employees who left as a % of the total employment	18	

Table 5.4: Promotions by Critical Occupation

Occupation	Employees as at 1 April 2009	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Economist	10	2	20	2	20
Expenditure Analyst	27	0	0	18	67
Financial Analyst	10	4	40	4	40
Procurement Specialist	9	1	11	1	11
State Account Senior	1	0	0	1	100
System Controller	22	0	0	14	64
Grand Total	79	7	9	40	51

Table 5.5: Promotions by Salary Band

Salary Band	Employees as at 1 April 2009	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Lower skilled (level 1-2)	5	0	0	2	40
Skilled (level 3-5)	64	0	0	13	20
Highly Skilled production (level 6-8)	16	3	19	27	169
Highly Skilled supervision (level 9-12)	178	11	6	67	38
Senior Management (level 13-16)	17	2	12	8	47
Minister	1	0	0	0	0
Total	281	16	6	117	42

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 (incl. Employees with disabilities) per Occupational Category (SASCO) at 31 March 2010

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers (Includes MEC)	2	5	2	5	1	2	0	2	19
Professionals	37	47	1	18	36	54	3	12	208
Technicians and Associate Professionals	1	4	0	1	2	5	0	1	14
Clerks	8	7	0	1	8	26	0	4	54
Plant and machine operators and assemblers	0	2	0	0	0	0	0	0	2
Labourers and Related Workers	0	1	0	0	0	2	0	0	3
Total	48	66	3	25	47	89	3	19	300
Disabilities	0	0	0	1	0	1	0	1	3

Table 6.2: Total number of Employees (incl. Employees with disabilities) per Occupational Bands at 31 March 2010

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (includes MEC)	0	1	0	2	0	0	0	1	4
Senior Management	2	5	2	3	1	4	1	1	19
Professionally qualified and experienced specialists and mid-management	30	43	1	18	25	45	1	9	172
Skilled technical and academically qualified workers, junior management, supervisors, foremen	10	11	0	2	18	35	1	6	83
Semi-skilled and discretionary decision making	6	6	0	0	3	3	0	2	20
Unskilled and defined decision making	0	0	0	0	0	2	0	0	2
Total	48	66	3	25	47	89	3	19	300

Table 6.3: Recruitment for the period 1 April 2009 to 31 March 2010

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	1	0	0	0	1	0	1	4
Professionally qualified and experienced specialists and mid-management	6	4	0	0	2	7	0	2	21
Skilled technical and academically qualified workers, junior management, supervisors, foremen	7	1	0	0	11	7	0	0	26
Semi-skilled and discretionary decision making	1	1	0	0	0	1	0	0	3
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	15	7	0	0	13	16	0	3	54
Disabilities	0	0	0	0	0	0	0	0	0

Table 6.4: Promotions for the period 1 April 2009 to 31 March 2010

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	1	0	0	0	0	1
Senior Management,	0	0	0	0	0	1	0	0	1
Professionally qualified and experienced specialists and mid-management,	3	4	1	0	3	0	0	0	11
Skilled technical and academically qualified workers, junior management, supervisors, foremen,	0	1	0	0	0	2	0	0	3
Semi-skilled and discretionary decision making,	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	3	5	1	1	3	3	0	0	16
Disabilities	0	0	0	0	0	0	0	0	0

Table 6.5: Terminations for the period 1 April 2009 to 31 March 2010

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management,	0	0	0	1	0	0	0	0	1
Senior Management,	0	2	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management,	1	1	0	0	1	4	0	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen,	3	3	0	0	7	5	0	0	18
Semi-skilled and discretionary decision making,	0	2	0	0	1	0	0	0	3
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	4	8	0	1	9	9	0	0	31
Disabilities	0	0	0	0	0	0	0	0	0

Table 6.6: Disciplinary Action for the period 1 April 2009 to 31 March 2010

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	1	1		1					3

Table 6.7: Skills development for period 1 April 2009 to 31 March 2010

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	2	4	2	5	1	3	0	1	18
Professionals	31	44	1	18	27	46	3	8	178
Technicians and Associate Professionals	2	4	0	1	2	7	0	0	16
Clerks	8	11	0	1	10	25	0	9	64
Plant and Machine Operators and Assemblers	0	2	0	0	0	0	0	0	2
Elementary Occupations	0	1	0	0	0	2	0	0	3
Total	43	66	3	25	40	83	3	18	281
Employees with disabilities	0	0	0	1	1	1	0	1	4

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 2009 to 31 March 2010

Race, gender and disability	Beneficiary Profile			Cost (R'000)	
	Number of Beneficiaries	Total Employment 31 March 2009	Percentage of Total within group	Cost (R'000)	Average Cost per Employee (R'000)
African	16	83	19	175	10.95
Male	3	43	7	42	14.07
Female	13	40	33	133	10.23
Asian	3	6	50	47	15.75
Male	1	3	33	20	19.90
Female	2	3	67	27	13.67
Coloured	58	149	39	572	9.86
Male	23	66	35	255	11.07
Female	35	83	42	317	9.06
White	25	43	58	382	15.28
Male	14	25	56	260	18.56
Female	11	18	61	122	11.11
Total	102	281	36	1 176	11.53

Table 7.2: Performance Rewards by Salary Band for Personnel below Senior Management Service 1 April 2009 to 31 March 2010

Salary Band	Beneficiary Profile			Cost		
	Number of Beneficiaries	Number of employees	Percentage of Total within salary band	Total Cost (R'000)	Average Cost per Employee (R'000)	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	2	5	40	6	2.78	0
Skilled (Levels 3-5)	6	64	9	27	4.46	0
Highly skilled production (Levels 6-8)	25	11	227	226	9.06	0
Highly skilled supervision (Levels 9-12)	61	180	34	704	11.55	0
Total	94	260	36	963	10.25	0

Table 7.3: Performance Rewards by Critical Occupation 1 April 2009 to 31 March 2010

Critical Occupations	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of employees	Percentage of Total within Occupation	Total Cost (R'000)	Average Cost per Employee (R'000)
Economist	7	13	54	94	13.48
Expenditure Analyst	5	19	26	46	9.23
Financial Analyst	2	10	20	20	9.84
Procurement Specialist	5	14	6	41	8.24
State Account Senior	1	0	0	5	0.00
System Controller	9	21	43	81	8.96
Total	29	77	38	287	9.91

Table 7.4: Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service 1 April 2009 to 31 March 2010

Salary Band	Beneficiary Profile			Cost (R'000)	Average Cost per Beneficiary (R'000)	Total cost as a % of the total Personnel Cost SMS (R'000)
	Number of Beneficiaries	Total Employment	Percentage of Total Employment			
Band A	6	11	55	115	19	0.1
Band B	1	3	33	23	23	0.0
Band C	0	2	0	0	0	0.0
Band D	1	1	100	75	0	0.1
Minister	0	1	0	0	0	0.0
Total	8	18	44	213	27	1.5

8. Foreign Workers

Table 8.1: Foreign Workers by Salary Band

Salary Band	1 April 2009		31 March 2010		Change	
	Number	% of total	Number	% of total	Number	% change
Highly skilled supervision (Levels 9-12)	1	100	1	100	0	0
Total	1	100	1	100	0	0

Table 8.2: Foreign Workers by Major Occupation

Major Occupation	1 April 2009		31 March 2010		Change	
	Number	% of total	Number	% of total	Number	% change
Finance & Economic	1	100	1	100	0	0
Total	1	100	1	100	0	0

9. Leave utilisation for the period 1 January 2009 to 31 December 2009

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 for period 1 January 2009 to 31 December 2009

Salary Band	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)	10	90	2	1	5	4
Skilled (Levels 3-5)	172	65	22	8	8	1,263
Highly skilled production (Levels 6-8)	544	67	81	28	7	23,953
Highly skilled supervision (Levels 9-12)	1 249	72	164	58	8	186,450
Senior management (Levels 13-16)	103	83	16	6	6	2,685
Total	2 078	71	285	100	7	214,355

Table 9.2: Disability Leave (Temporary and Permanent) for period 1 January 2009 to 31 December 2009

Salary Band	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)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	7	0	1	25	7	3
Highly skilled supervision (Levels 9-12)	47	100	2	50	24	70
Senior management (Levels 13-16)	8	0	1	25	8	11
Total	62	100	4	100	16	85

Table 9.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2 000, 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 for period 1 January 2009 to 31 December 2009

Salary Band	Total Days Taken	Average per Employee	Employment as at 31 December 2009
Lower skilled (Levels 1-2)	70	35	2
Skilled (Levels 3-5)	547	23	24
Highly skilled production (Levels 6-8)	1 762	19	93
Highly skilled supervision (Levels 9-12)	4 020	21	187
Senior management (Levels 13-16)	471	20	23
Total	6 870	21	329

Table 9.4: Capped Leave for period 1 January 2009 to 31 December 2009

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2009	Number of Employees utilising capped leave	Total number of capped leave available at 31 December 2009	Number of Employees as at 31 December 2009
Lower skilled (Levels 1-2)	21	10.50	4	1	7	2
Skilled (Levels 3-5)	14	0.64	14	2	297	22
Highly skilled production (Levels 6-8)	39	0.44	8	5	725	88
Highly skilled supervision (Levels 9-12)	55	0.32	18	10	3 165	172
Senior management (Levels 13-16)	0	0.00	38	0	868	23
TOTAL	129	0.42	16	18	5 062	307

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

Table 9.5: Leave Payouts for period 1 April 2009 to 31 March 2010

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R'000)
Leave payout for 2009/2010 due to non-utilisation of leave for the previous year	0	0	0
Current leave payouts on termination of service for 2009/2010	220	14	16
TOTAL	220	14	16

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 and 2 Practitioners. All interventions pertaining to staff health and wellness, i.e. employee wellness programme, HIV and AIDS, etc is 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, A Pick, P Piedt, A Bastiaanse, N Oliphant and J Radebe.

Question	Yes	No	Details, if yes
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.			Employee Representatives
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.			P Wiese (PAWUSA), S Hendricks and R Mienie (PSA), L Botshobana, U Balabala and S Manuel (NEHAWU)
7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	√		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.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	√		Effective use is being made of the Employee Assistance Programme to minimise discrimination and stigmatisation in the workplace. In addition to this, LifeLine, an NGO that focuses on the psycho-social effects of HIV to the infected and affected has been brought on board as an additional recourse to address challenges of Stigma that HIV carries and to also offer counselling for those infected and affected.
		√	The Provincial Employee Aids Programme (PEAP) Annual Report 2009/10 release by the Department of Health, reveal that 7.5% of Provincial Treasury employees took part in the Voluntary Counselling and Testing (VCT) programme and a total of 53% of all staff was reached during the various HIV interventions held in the department.
		√	A cultural survey, the Q12 Survey was undertaken in Provincial Treasury during the 4 th quarter, of which 75% of the targeted population (Provincial Treasury employees) responded. The monitoring that has thus far been undertaken is the rate at which the condom dispensers are being replenished. During the reporting period, 1 April 09 – 31 March 2010, 2700 male condoms were removed from the dispensers.

11. Labour Relations

Table 11.1: Collective Agreements for period 1 April 2009 to 31 March 2010

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 Discipline Hearings Finalised for period 1 April 2009 to 31 March 2010

Outcomes of disciplinary hearings	Number	% of total
Written warning	0	0
Final written warning	1	100
Suspension	0	0
Total	1	100

Table 11.3: Types of Misconduct Addressed and Disciplinary Hearings for period 1 April 2009 to 31 March 2010

Type of misconduct	Number	% of total
Absent from work without reason or permission	1	33
Willfully or negligently mismanages finances	0	0
Contravenes any code of conduct of the state	1	33
Fails to comply with or contravenes an act	1	33
Under the influence of intoxicating substance	0	0
Total	3	100

Table 11.4: Grievances Lodged for period 1 April 2009 to 31 March 2010

Number of grievances addressed	Number	% of total
Resolved	4	100
Not resolved	0	0
Total	4	100

Table 11.5: Disputes Lodged for period 1 April 2009 to 31 March 2010

Number of disputes addressed	Number	% of total
Upheld	2	67
Dismissed	0	
Lodged (Pending)	1	33
Total	3	100

Table 11.6: Strike Actions for period 1 April 2009 to 31 March 2010

Strike Actions	
Total number of person working days lost	0
Total cost of working days lost	0
Amount recovered as a result of no work no pay	0

Table 11.7: Precautionary Suspensions for period 1 April 2009 to 31 March 2010

Precautionary Suspensions	
Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost (R'000) of suspensions	0

12. Skills Development

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

Table 12.1: Training Needs identified

Occupational Categories	Gender	Number of employees as at 1 April 2009	Training needs identified at start of reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training (ABET)	
Legislators, senior officials and managers	Female	5		1		6
	Male	13		3		16
Professionals	Female	84		67		151
	Male	94		69		163
Technicians and associate professionals	Female	9		1		10
	Male	7		1		8
Clerks	Female	44	11	22		77
	Male	20	6	12		38
Elementary occupations	Female	2		2		4
	Male	1		1	1	3
Plant and machine operators and assemblers	Female	0		0		0
	Male	2		2	1	5
Gender sub totals	Female	144	11	93	0	248
	Male	137	6	88	2	233
Total		281	17	181	2	481

Table 12.2: Training Provided

Occupational Categories	Gender	Number of employees as at 1 April 2009	Training provided within the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training (ABET)	
Legislators, senior officials and managers	Female	5		3		8
	Male	13		6		19
Professionals	Female	84		73		157
	Male	94		89		183
Technicians and associate professionals	Female	9		0		9
	Male	7		1		8
Clerks	Female	44	11	35		90
	Male	20	6	16		42
Elementary occupations	Female	2		1		3
	Male	1		1	1	3

Occupational Categories	Gender	Number of employees as at 1 April 2009	Training provided within the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training (ABET)	
Plant and machine operators and assemblers	Female	0		0		0
	Male	2		2	1	5
Gender sub totals	Female	144	11	112	0	267
	Male	137	6	115	2	260
Total		281	17	227	2	527

13. Injury on duty

The following table provides basic information on injury on duty.

Table 13.1: Injury on Duty

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

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 (R'000)
Human Resource Management			
Consultancy services in respect of applications for short and long period temporarily incapacity leave and ill-health	Various staff of consulting company	1 004	110
Employment Assistance Program	Various staff of consulting company	823	264
Advertising and HR value adding services	Various staff of respective consulting companies	730	706
Financial Management			
Various categories of skills transfer including all other consultation rendered (Makana)	Various staff of consulting company	1 368	850
Accommodation projects	1	365	500
Budget Management: Provincial			
Economic research Development Policy Research Unit (DPRU)	Various staff of tertiary institution	730	625
Budget Management: Local Government			
Annual Easy Data Internet Subscriptions	N/A	365	48

Project Title	Total number of consultants that worked on the project	Duration: Workdays	Contract value in (R'000)
Fiscal Policy			
Economic Research (BER)	Various staff of tertiary institution	730	5,000
Moveable Asset Management			
EPSi and Database Systems	1	365	1,271
Supporting and Interlinked Financial Systems			
PERSAL Support	3	720	2,217
Vulindlela	1	214	497
Business Intelligence Tool	1	215	550
Accounting Services			
PriceWaterhouseCoopers	1	2	10
Risk Management			
Software Version Update and related training	3	365	682
Internal Audit			
Provision of a Learnership program for 20 learners for a period of two years	Various staff of training institution	730	362

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			
Consultancy services in respect of applications for short and long period temporarily incapacity leave and ill-health	Transversal contracts	Transversal contracts	Transversal contracts
Employment Assistance Program	51%	49%	1
Advertising and HR value adding services	Transversal contracts	Transversal contracts	Transversal contracts
Financial Management			
Various categories of skills transfer including all other consultation rendered (Makana)	100%	100%	75
Accommodation projects	0	0	0
Budget Management: Provincial			
Economic Research (DPRU)	N/A	N/A	N/A
Budget Management: Local Government			
Annual Easy Data Internet Subscriptions	0	0	0
Fiscal Policy			
Economic Research (BER)	N/A	N/A	N/A
Moveable Asset Management			
Electronic Purchasing System (EPSi) and Database Systems	0	0	0

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	35.01%	42%	
PERSAL			
Vulindlela	100%	100%	3
Business Intelligence Tool	100%	100%	1
Economic Analysis			
Risk Management			
Software Version Update and related training	0	0	0
Internal Audit :			
Provision of a Learnership program for 20 learners for a period of two years	0	0	0

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	-	-	-