



Provincial Government Western Cape

Provincial Treasury

ANNUAL REPORT

2010/2011

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PROVINCIAL TREASURY

Annual Report

2010/11

Mr A Winde

Minister of Finance, Economic Development and Tourism

I have the honour of submitting the Annual Report of the Provincial Treasury for the period
1 April 2010 to 31 March 2011.

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

.....
DR JC STEGMANN
ACCOUNTING OFFICER

DATE: 31 August 2011

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Abbreviations

ACFS	Annual Consolidated Financial Statements
AFR	Asset Finance Reserve
AFS	Annual Financial Statements
AGSA	Auditor-General South Africa
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
BIF	Business Insight Folder
BTO	Budget and Treasury Office
CAE	Chief Audit Executive
CFO	Chief Financial Officer
COGTA	Cooperative Governance and Traditional Affairs
CRU	Corporate Services Relations Unit
CSC	Corporate Services Centre
CTRU	Cape Town Routes Unlimited
DEDAT	Department of Economic Development and Tourism
DDG	Deputy Director-General
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
EAP	Employee Assistance Programme
E-I	Centre for E-Innovation
EPSi	Electronic Purchasing system
ERM	Enterprise Risk Management
EWP	Employee Well-being Programme
FARMCO	Fraud and Risk Management Committee
FGR&O	Financial Governance Review and Outlook
FIFO	First in first out
FMC	Financial Maturity Capability
FMIP	Financial Management Improvement Programme

GIAMA	Government-wide Immoveable Asset Management Act
GAAP	Generally Accepted Accounting Practices
GRAP	Generally Recognised Accounting Practice
GMT	Government Motor Transport
HDI	Historically Disadvantaged Individual
HRM	Human Resource Management
IA	Internal Audit
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure Delivery Management System
IDP	Individual Development Plan
IDP	Integrated Development Plan
IFMS	Intergraded Financial Management Solutions
IIA	Institute of Internal Auditors
IYM	In-year monitoring
LFF	Line Function Forum
LGFMIP	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
NTR	National Treasury Regulations
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
PPPs	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
PTI	Provincial Treasury Instructions
PTM	Provincial Top Management
QETMM	Quarterly Extended Treasury Management Meeting
QPR	Quarterly Performance Report
REAL	Revenue, Expenditure, Assets, Liabilities
ROI	Return on Investment
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
SOP	Standard Operating Procedure
SP	Strategic Plan
StatsSA	Statistics South Africa
TCF	Technical Committee on Finance
TMM	Top Management Meeting
U-AMP	User Asset Management Plans
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

1. GENERAL INFORMATION

1.1 Vision, Mission and Values

Vision

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

Mission

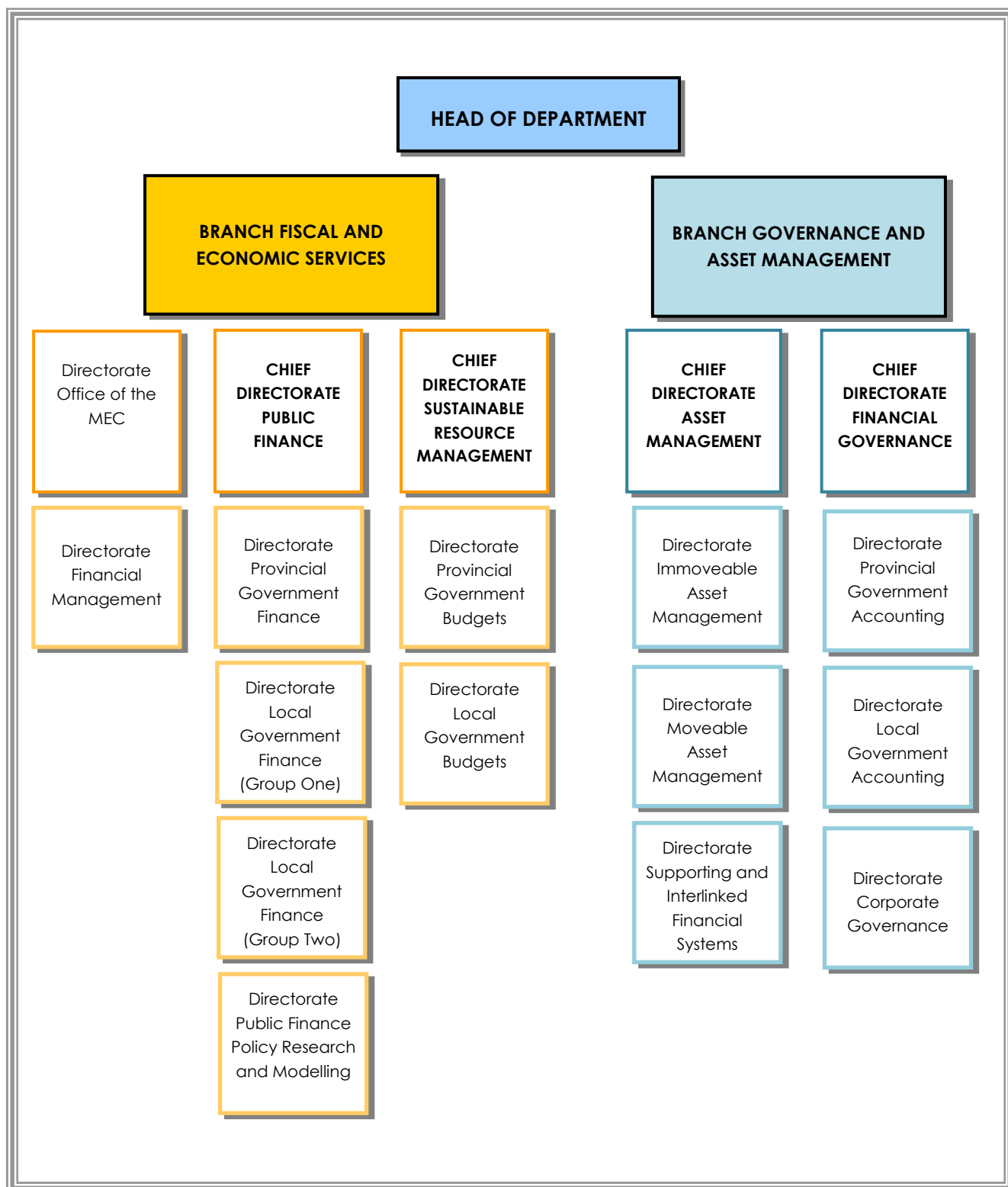
To obtain financial supportive means and foster the optimal utilisation of resources by means of sound governance practices.

Values

The Provincial Treasury cherishes the following values:

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

1.2 Organisational Structure



1.3 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 for regulatory prescripts, in addition to the Public Service Act, 1994 and the Public Service Regulations, 2001, regarding the employment conditions for public servants.

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

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

Employment Equity Act, 1998 (Act 55 of 1998)

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

Executives' Members Ethics Act (Act 82 of 1998)

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

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

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

Government Immoveable Asset Management Act, 2007 (Act 19 of 2007)

To provide a uniform framework for the management of immoveable assets that are held or used by provincial (in this case) departments and to ensure the optimal coordination of the use of such immoveable assets within the context of the departmental service delivery objectives.

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

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

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

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

Labour Relations Act, 1995 (Act 66 of 1995)

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

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

To regulate financial management in the local sphere of government; to require that all revenue, expenditure, assets and liabilities of municipalities and municipal entities are managed economically, efficiently and effectively; to determine the responsibilities of persons entrusted with municipal borrowing; to make provision for the handling of financial emergencies in municipalities; and to provide for matters connected therewith, apart from assigning certain powers, responsibilities and functions to Treasuries in this respect.

Occupational Health and Safety Act, 1993 (Act 85 of 1993)

To provide for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery; the protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of person at work; to establish an advisory council for occupational health and safety; and to provide for matters connected therewith.

Public Audit Act, 2004 (Act 25 of 2004)

To provide assistance to the Auditor-General's Office in the recovering of outstanding audit fees, to appropriately respond or intervene (as the case may be) on matters arising from audit reports and to provide for matters connected therewith.

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

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

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

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

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

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

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

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

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

To regulate financial management in the Treasury to ensure that all revenue, expenditure, assets and liabilities are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management within the Treasury and to provide for matters connected therewith. In addition, it describes the powers and functions of Treasuries and to direct their responsibilities with respect to other departments and public entities.

Public Service Act, 1994 (Act 103 of 1994) as amended

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

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

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

Skills Development Act, 1998 (Act 97 of 1998)

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

Skills Development Levy Act, 1999 (Act 9 of 1999)

To provide for the imposition of a skills development levy; and for matters connected therewith.

Taxation Laws Amendment Act (Act 32 of 1999)

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

Western Cape Adjustments Appropriation Act, 2010 (Act 9 of 2010)

To appropriate adjusted amounts of money from the Provincial Revenue Fund for the requirements of the Province of the Western Cape in respect of the financial year ending 31 March 2011; to amend the Western Cape Appropriation Act, 2010 in respect of certain grants; and to provide for matters connected therewith.

Western Cape Appropriation Act, 2010 (Act 1 of 2010)

To provide for the appropriation of money from the Provincial Revenue Fund for the requirements of the Province of the Western Cape in the 2010/11 financial year; and to provide for matters incidental thereto.

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

To provide for the withdrawal of State moneys from the Western Cape Provincial Revenue Fund, as a direct charge, in accordance with the Constitution of the Republic of South Africa, 1999 (Act 108 of 1996) as amended, 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 Provincial Legislature when necessary in meeting their financial responsibilities as set out in legislation.

Western Cape Procurement Act (Business Interest of Employees), 2010 (Act 2010)

The aim of the Act is to restrict the business interest of employees of the Provincial Government and of Provincial Public Entities as well as members of the controlling bodies of such entities conducting business with the Provincial Government and provincial public entities and to provide for the disclosure of such interest and any other incidental matters relating to the disclosure.

1.4 Entities Reporting to the Minister

The following entity reports to the Minister of Finance, Economic Development and Tourism:

Name of entity	Legislation	Nature of Business
Western Cape Gambling and Racing Board	Western Cape Gambling and Racing Act, 1996 (Act 4 of 1996)	To control and regulate gambling and racing within the Province of the Western Cape

1.5 Minister's Statement

Mr Alan Winde is the Minister for Finance, Economic Development and Tourism since 8 May 2009.

The following public entities fall under his control:

- Western Cape Gambling and Racing Board
- Cape Town Routes Unlimited (CTRU)
- Western Cape Investment and Trade Promotion Agency (WESGRO)

The Bills submitted by the Executive Authority during the 2010/11 reporting period are the following:

- Western Cape Adjustments Appropriation Act, 2010 (Act 9 of 2010)
- Western Cape Liquor Amendment Act, 2010 (Act 10 of 2010)
- Western Cape Procurement (Business Interest of Employees) Act, 2010 (Act 8 of 2010)
- Western Cape Unauthorised Expenditure Act, 2010 (Act 2 of 2010)
- Western Cape Appropriation Act, 2011 (Act 1 of 2011)

The following visits abroad were undertaken by Minister Winde during the period under review:

Place	Date	Purpose
London	14 -17 October 2010	To showcase Cape Town and the Western Cape as an investment opportunity at the launch of the "Africa Business Centre" of Ernst and Young's office in London. The trip was paid for by the Department of Economic Development and Tourism.
London	16 – 19 November 2010	Study visit to the London Development Agency. The trip was paid for by the Department of Economic Development and Tourism.
Royal Kingdom of Saudi Arabia and the United Arab Emirates	9 - 16 December 2010	To promote trade and investment opportunities into the Western Cape and to engage the Saudi and Emirates' political leadership on matters related to bilateral co-operation, especially in the area of trade and investment.

1.6 Accounting Officer's Overview

As in all prior years, much of what has occupied Provincial Treasury had its foundations and origins in what came before. There was an ongoing attention to a range of matters both within departments and municipalities. These included in the main a closer attention to what is called the trail of transactions through the financial system towards improving the integrity of data and getting a better idea of possible internal control deficiencies.

The latter endeavour found expression in particular within the supply chain management field, where the pursuit of excellence within the context of the so termed virtuous cycle, covering all related transactions from the demand planning through to the disposal phase, have been intensified, with most departments having been fully assessed and necessary improvements determined or advised on. This led to a number of engagements with the National Treasury to both close detected gaps within the current suite of transversal systems and to renew the Province's often expressed desire, i.e. to be allowed to be one of the prototype implementers of the proposed replacement modules.

A range of improvements have thus been made to the LOGIS component of the current financial set of systems, due to be rolled out in the new financial year. As yet no clear date has been set for the prototype roll-out of the requested procurement and asset management modules within the Western Cape. This together with a range of external audit and own Treasury findings, would necessitate other initiatives to improve the set of system capabilities potentially available.

Associated with the former were enhanced efforts to improve the standards of financial reporting and the reduction in material misstatements of annual financial reports. Amongst others, individual department assessments and follow-ups, together with two interim financial statements, one at mid-year and another at the three-quarter stage of the past financial year, all contributed to a much better result. Some challenges were however experienced with the interpretation of the required financial reporting standards, with specific examples related to government motor vehicles and library inventory requirements.

The government motor vehicle conundrum did unfortunately require late amendments to the financial statements of departments, being symptomatic of some fluidity around both accounting and more generally financial management standards set variously by the Accounting Standards Board and the National Treasury. This has subsequently been taken up with both the latter and the Auditor-General, stressing upfront clarity, practicality and consistency of preferably agreed to standards.

The experience of the last financial year has highlighted the necessity for a regularity and prescriptive governance framework that by any measure could be deemed of adequate consistency, application, appropriateness and completeness. In addition, commensurate efficient, effective and vigilant internal control systems at the various levels of governance and administration are required in many instances. This will receive greater attention in the new financial year.

On the fiscal side, good progress was made with improving financial expenditure, cash flow and revenue reporting, especially on the Municipal Finance Management Act (MFMA) side where major improvements resulted from data integrity enhancements.

Similarly, from an ultimate delivery perspective and final provincial expenditure numbers, the Province did well coming in at just above 1% of overall budgeted expenditure with most targets reportedly attained by different departments. However, at the time of the provincial year-end, municipalities were significantly lagging behind on especially capital expenditure, i.e. just over 40% with 3/4's of the financial year gone.

Much work went into getting the composition of budgets right, whether on the provincial or municipal side, with the ultimate objective of attaining an optimum degree of credibility, sustainability and responsiveness. A satisfactory degree of success was achieved with the provincial budget for the new financial year tabled in March of the reporting year, although actual proof will only be found in its execution during the new financial year.

Some doubt was expressed in the Provincial Treasury's Annual Performance Plan for the year under review, whether the initial capacity constraints would prove to be a limiting factor. Although in some isolated instances it did prove to be so, both as regards to sheer numbers of employees or simply the degree of work load or its complexity that had to be dealt with, mostly it wasn't a factor with most units capably rising to the challenges.

It also gives me pleasure to report that not only was the vacancy rate reduced from around 20% to 10% over the course of the year, but in like vein the average age of our employees has been creeping up from 36.15 to 37.61 years, as well as overall length of service from 8.87 to 10.37 years, which taken together with high levels of dedication has added immeasurably to the depth of expertise within the Provincial Treasury.

In closing, I would thus like to express my sincere appreciation for all the hard working and diligent staff of the Provincial Treasury, my very professional and skilled management team and the unstinting support of our MEC, Alan Winde. This has made what sometimes seemed the impossible, possible.



.....

(DR) JC STEGMANN
ACCOUNTING OFFICER

DATE: 31 August 2011

2. INFORMATION ON PREDETERMINED OBJECTIVES

2.1 Overall Performance

2.1.1 Voted Funds

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

Table 2.1 Voted Funds: Provincial Treasury

Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	Under Expenditure R'000
160,470	131,504	127,500	4,004
Responsible Minister Administering Department Accounting Officer	Minister of Finance, Economic Development and Tourism Provincial Treasury Head Official Provincial Treasury and Head of Department		

2.1.2 Aim of vote

The main aim of the Provincial Treasury is to obtain financial supportive means and through sound governance practices, foster optimal utilisation of resources.

2.1.3 Summary of Programmes

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

- **Programme 1: Administration**

Give strategic direction and to provide quality financial and other support services to the Minister and the Head of Department.

- **Programme 2: Sustainable Resource Management**

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

- **Programme 3: Assets and Liabilities**

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

- **Programme 4: Financial Governance**

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

2.1.4 Key strategic objectives achievements

Key strategic objectives

The Provincial Treasury set itself the following key strategic objectives, which was published in its Five Year Strategic and Performance Plan 2010/11 – 2014/15 and was tabled in the Provincial Parliament at the end of March 2010. During the completion of the first Annual Performance Plan 2010/11 – 2012/13, the strategic objectives focused more on developing the key objectives within each programme. The key strategic objectives for 2010/11 are listed per programme below:

Programme 1: Administration

- Provide secretarial and administrative services to the Ministry.
- Render communication services to the Ministry.
- Assist with strategic management and support to the Ministry.
- Build competencies and enhance and maintain strategic support services.
- Effective communication and event co-ordination within Treasury.
- Responsive and credible budget composition and delivery for the department.
- Full and accurate reflection of all financial transactions of the department.
- Level 3 auditable supply chain management services.
- Effective internal control measures and risk mitigation.
- Provide effective auxiliary and specialised support services.

Programme 2: Sustainable Resource Management

- Build competencies and enhance and maintain the delivery of the programme.
- Full utilisation of all potential revenue sources available to provincial and local governments.
- Mechanisms for revenue collections in provincial and local governments that are optimum inclusive of cash management arrangements.
- Evaluate the responsiveness of budgets within provincial departments and entities.
- Conduct economic analysis to inform provincial planning and budgeting processes.
- Evaluate the responsiveness and implementation of the budget.
- Evaluate the credibility and sustainability of the budget.

- Monitor the implementation of the budget in terms of x-efficiency, financial prudence and fiscal discipline.
- Develop and capacitate departments and entities through the implementation of standards, knowledge sharing and training (internally and externally).
- Evaluate the credibility and monitor the implementation of the budget.
- Develop the functional ability of municipalities through the implementation of standards, knowledge sharing and training (internally and externally).

Programme 3: Asset and Liabilities Management

- Build competencies and enhance and maintain the delivery of the programme.
- Determine policy to drive, assess and assist departments in the attainment of building capacity, ensuring integrity of data, enforcing transparency and accountability, balancing commercial imperatives with social responsibility and addressing economies of scale and value for money for supply chain and moveable assets.
- Determine policy to drive, assess and assist municipalities in the attainment of building capacity, ensuring integrity of data, enforcing transparency and accountability for supply chain and moveable assets.
- Entrenching built-environment business principles and processes for effective infrastructure delivery that is aligned and contributes to optimal utilisation of government immovable assets.
- Cash Flow management improvement of provincial departments to achieve a level 3+ financial management capability.
- Monitoring and evaluation of cash flow and investment management that is sustainable and credible to enhance service delivery and improve liquidity in municipalities.
- Financial system management improvement to achieve a level 3+ financial management capability.

Programme 4: Financial Governance

- Build competencies and enhance and maintain the delivery of the programme.
- Improving the financial accounting and reporting of municipalities and municipal entities to a financial maturity capability of level 3+ by 2015.
- Raising the standard of accounting and financial reporting of departments and entities to a financial maturity capability of level 3+.
- Assess, develop, monitor financial norms and standards and, where necessary, enforce compliance by departments, municipalities and entities towards attaining a level 3+ in terms of the Financial Maturity Capability (FMC) model.

Programmes

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

Programme 1: Administration

It was the second year in the last ten years that the Provincial Treasury received a clean Audit report with no other matters for the reporting period 2009/10. The previous clean Audit Report with no other matters was received for 2006/07.

More dedicated efforts were put in place by Financial Management to address the strategic risk that the SCM services delivery had to improve. Demand management procurement that was started in October 2009 was taken further and two rounds of pro-active efforts were put in place to assist the managers to update their assets and request their inventory based on needs that were identified and costed for the future. This new proactive approach was evaluated by an In-Year Monitoring (IYM) Committee, consisting of the AO and two Deputy-Director Generals (DDGs) before the goods were approved for the department.

The shift of the Enterprise Risk Unit to the Department of the Premier also brought new challenges to the department, as a new Risk Secretariat was created to ensure that strategic and operational risks were managed by the Fraud and Risk Management Committee (FARMCO). This committee was able to ensure that most of the risk activates were attained and risks were identified, validated and a risk register was compiled and submitted to Enterprise Risk management (ERM) vested in the DotP.

Programme 2: Sustainable Resource Management

A key area of focus for the Provincial Government Budget Management unit was on improving responsiveness of the provincial budget to address socio-economic imperatives. The Provincial Economic Review and Outlook 2010 (PER&O) was published in November 2010. The PER&O provided a review of the recent economic performance and outlook of the global, national and Western Cape economy, the Western Cape sector context and development as well as recent labour market trends. The annual PER&O provided the economic backdrop for the annual Western Cape Medium Term Budget Policy Statement (WC-MTBPS). The 2011 - 2014 WC-MTBPS also produced in November highlighted the medium term objectives and outcomes provincial government wishes to achieve. This policy statement also provides the basis from which revenue and expenditure policies for the next three years are derived and contains the government's spending priorities.

The draft provincial budgets and plans were assessed in terms of compliance as well as responsiveness and quality. The findings of the assessments were discussed at the Medium Term Expenditure Committee (MTEC) meetings with provincial departments. These meetings provided a good platform for the preparation and improvement of the provincial plans and budgets. During the 2010/11 financial year Budget Management monitored and evaluated the progress of the implementation of departments' performance. Progress in terms of the implementation of Annual Performance Plans was reported quarterly to the Provincial Cabinet. The unit also coordinated and published the 2011 Overview of Provincial Revenue and Expenditure which summarises the 2011 Estimates of Provincial Revenue and Expenditure. The key policy thrusts that underpin the Western Cape Provincial Government's

2011 Medium Term Expenditure Framework (MTEF) allocations support the economic, governance and social sector priorities of the Province and country as a whole.

Some of the main achievements for Local Government Budget Management for 2010/11 are as follows:

- 30 municipal budgets assessed for responsiveness;
- Produced socio-economic profiles for 5 districts and City of Cape Town;
- Service Delivery and Budget Implementation Plans assessed for 30 Municipalities;
- Mid-year Report assessed for 30 municipalities;
- Annual reports assessed for 28 municipalities (excluding Oudtshoorn and Swellendam); and
- Training interventions on:
 - Service Delivery and Budget Implementation Plans.
 - Management and Reporting of Performance Management Information.

The Provincial Government Finance sub-programme has compiled the Adjusted Budget for the 2010/11 financial year and the 2011 Estimates of Provincial Revenue and Expenditure. In both instances the sub-programme has evaluated both the credibility and sustainability of the budgets. The unit has also monitored and reported on the implementation of the 2010/11 budget to enhance fiscal discipline, financial prudence and efficiency of spend.

Some of the key achievements by Local Government Finance unit for period 2010/11 are:

- Development of the Credibility criteria used to assess municipal budgets.
- 30 Annual Draft Municipal Budgets assessed against the predetermined credibility and sustainability criteria inclusive of the Assessment Budgets against the Budget Reporting Regulations.
- 30 monthly IYM's completed in terms of a refined IYM framework and submitted to the municipalities and consolidated inputs into the detailed monthly report with quarterly reporting to Provincial Cabinet and Provincial Parliament.
- Facilitated Metro and District Debt payments between provincial government departments and metro and non-metro municipalities.
- Engaged in intergovernmental Joint Working Group sessions between Provincial Treasury and Department of Local Government as well as quarterly Chief Financial Officer (CFO) forums with municipalities where new financial management reforms were discussed.
- Published and gazette main and adjusted provincial allocations to municipalities.
- Successfully managed to respond to the drought situation in the Eden and Central Karoo regions through hands-on and swift support to the affected municipalities.

The Public Finance Policy Research & Modelling unit participated and provided inputs into National Treasury processes to review the fiscal transfer system to Provinces. The unit also determined the overall financing envelope for the Western Cape's MTEF. The unit completed initial research into the review of the metro casino exclusivity licence and the gambling tax regime and drafted proposed legislative amendments. Improved oversight functions of the Western Cape Gambling and Racing Board (WCGRB) have also been performed.

Programme 3: Asset and Liabilities Management

A key focus of the Programme was to review its current business process model from a financial governance perspective that will provide an enabling environment for better monitoring and evaluation as well as instill conformance to policy and prescripts.

The following key achievements were attained by the Programme:

- Review of the current SCM and asset management policy regime for provincial departments;
- Redefined, revised and implemented a new assessment methodology for provincial departments that focused on the SCM Virtuous Cycle that speaks to complete cycle of SCM;
- Integrated this assessment model in the last quarter of the financial year to the assessment of municipalities;
- Concluded 12 Financial Capability Model assessment ratings for the Financial Governance Review and Outlook and 15 Financial Capability Model assessment ratings for municipalities;
- Implementation of a helpdesk framework for municipalities and provincial departments to manage the high influx of queries;
- Conducted 2 supplier open days;
- Quarterly SCM and asset management data information reports concluded for provincial departments and municipalities;
- Quarterly SCM forums held for both municipalities and provincial departments to develop SCM and moveable asset management capacity and information sharing of best practices;
- Implemented and incorporated and integrated training approach with the Directorate: Financial Interlinked Systems;
- The Western Cape's Infrastructure Delivery Management System (WC IDMS) for Health, Education and Public Works was compiled;
- 1 823 core system users appropriately trained in accordance with their system profiles;
- The development and integration of all five (5) PT training providers to preset standards;

- Provision of certain system controller functions to all Provincial departments/institutions to predetermined criteria; and
- Benchmarking of national procurement/financial management systems at Petro SA; SAPS; Kungwini and Mbombela municipalities.

Programme 4: Financial Governance

During the reporting period the Programme:

- 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. This contributed towards the achievement of outstanding (unqualified) audit outcomes by all departments and public entities.
- It is also notable that all municipalities in the Western Cape have converted to the GRAP reporting framework and maintained the overall level of audit outcomes, as compared to the previous financial year.

The Financial Governance Review and Outlook 2010 (Working Paper), as compiled by Accounting Services was circulated to departments and entities in December 2010. It focused on the assessment of the financial management capability of departments and public entities, identifying financial management areas for improvement and remedial steps to be implemented towards achieving a financial management capability rating of level 3+. The Annual Consolidated Financial Information of the Province, as compiled by Accounting Services, included a comprehensive management report with a detailed analysis of the consolidated financial position of the Province.

Capacity building guidance provided to municipalities in terms of the Municipal Finance Management Internship Programme as well as the Municipal Regulations on Minimum Competency Levels. Assisted in the Western Cape Procurement Act adoption and coordinated the drafting of its regulations. Provided risk management and internal audit support to municipalities. In order to ensure appropriate responses to departmental audit outcomes the unit also drove the provincial Financial Management Improvement Programme. The unit also coordinated the provincial committee dealing with Operation Clean Audit for municipalities.

2.1.5 Overview of the service delivery environment for 2010/11

Due to the need for elevating the level of transparency and similarly as regards compliance to SCM policy and prescripts, and control over spending processes, the Provincial Treasury undertook to analyse current supply chain processes, identify weaknesses and identify remedial steps to improve transparency, accountability and value for money within the supply chain management system.

An environmental scanning and assessment methodology was utilised, based on the following:

A review of the legislative and policy requirements for SCM. This process addressed the policy and legislative requirements, issues of accountability, mandates of provincial departments in terms of the Accounting Officer's responsibilities and enforcement.

A review of provincial SCM compliance: more detailed assessments in all departments were undertaken by the Provincial Treasury, utilising a methodology that tested SCM compliance to departmental Accounting Officers' Systems and Provincial Treasury Instructions; National Treasury Regulations, National and Provincial circulars and practice notes. It included random sampling of source documents; questionnaire analysis; interviews with departmental SCM officials and a retrospective analysis from 2007/08. Recommendations were made to each accounting officer on how to systematically remedy the issues raised in the relevant assessment report so as to take the department to the desired level (3+) financial maturity capability for SCM.

In taking the Modernisation SCM Blueprint further it was noted that the intensive compliance assessment process undertaken by the Provincial Treasury over the last couple of financial years, focused strategically on the institutionalisation of SCM, the demand management process, acquisition management and contract management procedures. It also drew greater focus on departmental SCM processes and, created the impetus for accounting officers and their delegated officials to operate with a higher level of care than in previous financial years.

The same gradual trend of improvements was similarly reflected in the Auditor-General's reports over the same period. This prompted the development of a more sophisticated and comprehensive assessment model that addressed the full cycle of supply chain management. This included demand management; acquisition management; logistics management; moveable assets management; disposal management; SCM performance management and risk management; with the Institutionalisation of SCM at its very core. The key focus of this assessment methodology was not only on compliance but also SCM capacity and capability as a whole which now has been termed the SCM Virtuous Cycle. This assessment methodology was tested and piloted at the City of Cape Town.

It must be noted further that this holistic view of SCM will cascade into all ancillary areas for best practice supply chain management, inclusive of accounting and expenditure management improvements, SCM prescriptive refinements, systems enhancements and training requirements. This forms the core of the Red Flag team's range of initiatives.

The assessment methodology highlighted above drew further attention to the practice of SCM within departments and the need to define standard SCM requirements that would enforce uniformity in the application of SCM procedures. This emphasised the need for standards or proxy indicators for SCM as a whole that would cover:

- Guiding principles for SCM structures;
- Mandatory Provincial SCM requirements that ensures good governance practices; accountability and transparency;

- Enhancement of departmental skill and capacity to give effect to SCM requirements; and
- Integrated financial management systems that affords better data integrity in respect of SCM reporting requirements and ensures transparency and accountability.

A similar process was followed in respect of municipalities with the SCM Virtuous Cycle assessment methodology being phased-in during the 4th quarter of the financial year.

The unit's achievements that would draw a direct correlation in respect of service delivery include:

- Implementation of the SCM helpdesk rendered in total the successful management of 191 queries in respect of both the provincial and municipal spheres;
- 2 supplier open days, to which 550 suppliers attended in total;
- An integrated training approach with the Directorate Supporting and Interlinked Financial Systems to holistically deal with the supply chain management (SCM) capacitation for provincial departments;
- All provincial departments and four municipalities being assessed in terms of the Virtuous Cycle Assessment methodology and eleven municipalities being assessed in terms of SCM compliance;
- Publication of provincial awards made on a monthly basis on the Provincial Treasury website;
- Quarterly SCM forum meetings at both the municipal and provincial spheres; and
- The identification of the training gaps/needs of transversal system users utilising transversal systems were identified and made available to departments to nominate untrained officials as high priority, ensuring the more effective and optimal utilisation of the systems and data integrity.

The Accounting Services Directorate in Provincial Treasury is a key link between National Treasury and departments, entities and municipalities. The accounting environment in the public sector is evolving and new accounting reforms are introduced annually by the Accounting Standards Board via National Treasury. For the year under review the directorate held workshops, provided helpdesk assistance, conducted training and held regular bi-lateral engagements with departments, entities and municipalities to ensure effective implementation of the reforms.

Services are provided to 30 Municipalities, 4 Municipal Entities, 13 Departments and 13 Entities.

The challenges experienced include inadequacies of accounting systems to support accrual-based accounting, as well as capacity to implement accrual accounting and related GRAP standards.

The Corporate Governance Directorate in Provincial Treasury is a key link between National Treasury and provincial departments, public entities, municipalities and municipal entities.

The assurance environment is constantly being strengthened through the introduction of various best practice standards to which public institutions must conform. This directorate has been instrumental in providing support to provincial departments, public entities, municipalities and municipal entities through the provision of workshops, conducted training and regular bi-lateral engagements. Services are provided to 30 municipalities, 4 municipal entities, 13 departments and 13 entities.

2.1.6 Overview of the organisational environment for 2010/11

The department was successful with the transfer of the Internal Audit Function and HRM functions to the Department of the Premier. The Audit Component moved at the end of April 2010 and the Human Resource Management (HRM) function during the months of July to November 2010. This also had an effect on the number of staff of department decreasing from 374 to 277 posts at the end of 2010/11 reporting period.

During the shift of the HRM staff to the Corporate Services Centre (CSC) in the Department of the Premier five officials were taken up under the Head of the Department in the new Corporate Services Relations Unit or (CRU). The CRU's main function is to support the CSC and fulfill functions that cannot be centralised and act as a support function to the latter. These shifts also had the effect that it reduced the base of the main budget with 18 per cent from R160,470 million to R131,504 million. Included in the R28,966 million reduction was R4 million that was surrendered to the Revenue Fund in the Adjusted Estimates for services that were scaled down in 2010/11 as external and other factors prevented the Treasury to attain all its goals.

Unfortunately the department was not able to limit its expenditure within the two per cent legislative requirements prescribed by the PFMA. An under spending of 3 per cent was attained. This was a result of lower than expected filling of posts due to many different reasons, *inter alia* the centralisation of posts that was now managed by the new CSC and the fact that senior posts within the department were advertised several times before suitable candidates were found. In some cases the posts could not be filled in the reporting period. A second contributor was the National Treasury that reduced provincial visits that also had a reduction in the actual costs of travelling and related expenditure within the department.

Management took a decision after consultation with the Department of Local Government not to roll-out the Infrastructure Delivery Improvement Programme (IDIP) to the 3 selected municipalities as a pilot, but rather to focus on the infrastructure delivery of the provincial departments. During the financial year under review the significant challenges faced the unit in respect of the revision and review of its business process model that although resulted in placing tremendous pressure on the unit to deliver. This was however necessary to improve and enhance efficiency gains within the unit.

The Local Government Accounting unit was without a senior manager for most of the financial year. However, the impact on the deliverables was minimised due to the sharing of responsibilities within the unit. The internal environment of the Local Government Accounting unit was subject to Reconfiguration Phase 3 whereby an additional Deputy Director and 4 additional Accounting Practitioners are being considered to improve its capacity.

2.1.7 Key policy developments and legislative changes

The publication of the annual Western Cape Provincial Economic Review and Outlook (PER&O) allowed for an informed interpretation of development in the Province, including the identification of constraints to development and the most appropriate avenues of escalating job-creating growth and the interventions required to facilitate faster growth. The 2010 publication of the PER&O has provided the backdrop for the annual Western Cape Medium Term Budget Policy Statement and represents a potentially strong link with the intention/plans of the Western Cape Government. One of these plans is to facilitate an environment conducive to growing the economy and sharing the benefits of growth among a wide spectrum of citizens. One of the focal areas of the PER&O is also to understanding the labour market, with rising unemployment, particularly for young people, as one of the single biggest risks to the Province's goal of inclusive economic growth and integrated development. The PER&O also provides a greater understanding of the trends, patterns and developments within the Western Cape economic sectors, and specifically of how these are linked to the labour market's performance in the WC economy.

The annual publication of the Socio Economic Profiles for Local Government (SEPLG) dovetails the Provincial Economic Review and Outlook. It provides economic information at the regional level, broken down by economic sector and contribution to the Gross Domestic Product of the Region (GDPR). The publication of 30 Municipal SEPLG's considers key service delivery means such as access to education, health services, grants, etc. It also builds on observations from the Local Government Medium Term Expenditure Committee meetings as it relates to access to water, sanitation, sewerage, refuse removal and other infrastructure services as delivered by municipalities.

Proposed amendments to the Western Cape Gambling and Racing Act, Act 4 of 1996 and Regulations to accommodate amongst others the casino exclusivity of have been completed and are in a process of translation into Xhosa before the embarking on the required public participation process before the promulgation of the proposed legislative changes.

The evolving accounting environment and the applicable accounting policy frameworks of the National Treasury Office of the Accountant General and the Accounting Standards Board created certain vexing problems for the Department. Ostensibly so, with the fluidity that prevailed in the interpretation and application of the accounting standards related to, inter alia the treatment of government motor vehicle expenditure in terms of operating leases and library books in terms of minor assets. This required late amendments to the Annual Financial Statements after extensive consultation with the Auditor-General of South Africa and the National Treasury Office of the Accountant General during the audit process.

This would in future require upfront agreement with the Auditor-General of South Africa and the National Treasury Office of the Accountant General on evolving accounting reporting requirements in order to bring stability and consistency in the manner in which such issues are dealt with by the department.

It was agreed at a meeting with AGSA and the Premier on the 26 July 2011, in which the Province committed to revise and strengthen our own set of prescripts and control measures for supply chain management, which includes the Business Interests of Employees Act and its supporting regulations and concomitant refinements to both our own and National Treasury's practice notes and instructions and re-issuing them as Provincial Treasury Instructions. These initiatives include modification of the current SBD forms (SBD 4, 8 and 9) so that suppliers are only required to complete one consolidated form. Additionally, a revision of our current supplier database is in process that will be utilised by the Province as a management tool and a repository of supplier information and certification that meets and honours the intention of regulatory requirements. This will assist in not only reinforcing internal control measures already in place, but ensure its robustness.

2.1.8 Departmental revenue, expenditure, and other specific topics

Collection of 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 2.2 below depicts the departmental own revenue collected by the Provincial Treasury for the period 2007/08 to 2010/11. 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 2.2 Departmental revenue collected for period 2007/08 – 2010/11

Receipts	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Target	2010/11 Actual	% deviation from target
Tax receipts	324,591	323,728	308,373	294,346	322,644	9.61
Casino taxes	301,689	301,100	284,528	275,123	296,313	7.70
Horse racing taxes	22,902	22,628	23,845	19,223	26,331	36.98
Non-tax receipts	48,564	54,674	56,573	56,601	56,352	(0.43)
Interest	47,128	52,948	53,982	54,714	53,986	(1.33)
Other receipts	1,501	1,726	2,591	1,887	2,366	25.38
Financial transactions in assets and liabilities	9,072	7,280	2,045	2,582	2,615	1.28
Total departmental receipts	382,292	385,682	366,991	353,529	381,611	7.94

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 2010 and the surplus funds accrued in this Fund was much higher than was anticipated.

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.

2.1.9 Departmental payments

This section deals with Provincial Treasury's performance in terms of departmental payments for the financial year under review. Table 2.3 depicts departmental payments made by the Provincial Treasury and more specifically the variance between total voted funds and actual expenditure.

Table 2.3 Departmental payments

Receipts	Voted for 2010/11 R'000	Roll-overs and Adjustments R'000	Virements R'000	Total Voted R'000	Actual Expenditure R'000	Variance R'000
1. Administration	39,390	(4,094)	-619	34,677	33,214	1,463
2. Sustainable Resource Management	47,263	(5,555)	619	42,327	42,327	0
3. Asset and Liabilities Management	33,125	1,779	0	34,904	33,710	1,194
4. Financial Governance	40,692	(21,096)	0	19,596	18,249	1,347
Total	160,470	(28,966)	0	131,504	127,500	4,004

Programme 1: Administration (95.8% actual expenditure)

The under expenditure is mainly due to, the results of the reconfiguration and the non-delivering of an invoice from Government Motor Transport (GMT) for the purchase of three motor vehicles.

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

There are no variances to report on.

Programme 3: Asset and Liabilities Management (96.6% actual expenditure)

The under expenditure is mainly due to the non-filing of a Chief Director and System Controller positions.

Programme 4: Financial Governance (93.1% actual expenditure)

The under spending (6.9%) on this programme can mainly be attributed to the inability to find appropriately skilled personnel at senior management level.

2.1.10 Transfer payments (if applicable)

During the year under review transfer payments were only made to the Non-profit institutions and to Households as indicated in Table 2.4 below. The details of the table are reflected in Part 3, note and Annexures 1A and 1B.

Table 2.4 Transfer payments

Name of Institution	Amount Transferred R`000	Estimate Expenditure R`000
Non-profit institutions	100	100
Households	634	634
Gifts, donations and sponsorships made	2	2
Total	736	736

2.1.11 Conditional grants and earmarked funds

None.

2.1.12 Capital investment, maintenance and asset management plan**Asset Management**

The additions in computer equipment and related equipment as stated in Part 3, Disclosure notes 27 and 28 could be justified as follows:

- Additional computer equipment was purchased for new employees and replaced for existing employees if equipment was older than three years.
- Concerted efforts were put in place to purchase and replace computer equipment within the department in accordance with the demand management model which, was developed in line with the FIFO method.
- The disposal of assets as stated in Part 3, Disclosure note 27 could be justified as follows:
 - Machinery and equipment to the value of R3,360 million was disposed of during the reporting period.
 - The asset register is automatically updated when new assets are acquired or when redundant items are disposed of. An annual stock take as at 31 March 2011 was completed and reconciled for the 2010/11 financial year with a variance of R27 000.
 - Approximately 85 per cent of the Provincial Treasury's assets are in a good state, while the remaining 15 per cent is in a fair condition. The two demand management processes that were instituted in October 2010 and March 2011 within the department had a positive effect on the replacement of computer equipment.

- No facility was closed down or downgraded during the period under review for whatever reason.

2.2 Programme Performance

The activities of the Provincial Treasury are organised in the following programmes:

Programme 1: Administration

Programme 2: Sustainable Resource Management

Programme 3: Asset and Liabilities Management

Programme 4: Financial Governance

2.2.1 Programme 1: Administration

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

Strategic Objectives:

Service Delivery Objectives and Indicators:

Sub-programme 1.1: Office of the Minister				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Provide secretarial and administrative services to the Ministry.	Effective and efficient management of correspondence.	Develop and implement a set of standards.	Developed and implemented a set of standards.	None
	Effective management of the programme of the Minister.	Develop and implement a set of standards.	Developed and implemented a set of standards.	None
Render communication services to the Ministry.	Effective communication and media liaison services.	Develop and implement communication plan, including ways of fostering relationships with media.	Implemented monthly communication plan.	None
Assist with strategic management and support to the Ministry.	Effective strategic engagements with the Provincial Treasury, the Department of Economic Development and relevant public entities and the monitoring of performance.	Develop and implement set of standards for strategic engagements.	Developed and implemented set of standards for strategic engagements.	None
	Effective management of parliamentary questions.	Develop and implement a set of standards for the response to parliamentary questions.	Developed and implemented a set of standards for the response to parliamentary questions.	None

Sub-programme 1.2: Management Services				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Build competencies and enhance and maintain strategic support services.	Co-ordinate and maintain correspondence for the department.	Review and maintain systems and standards.	Reviewed and maintained systems and standards.	None
	Programme management, i.e. co-ordination of the PT calendar and HOD's diary as well as website, library and language services.	Maintain and updated accurately.	Maintained and updated accurately.	None
		70% users satisfaction with library services.	58% user satisfaction with library services achieved.	Capacity constraints hamper continuous innovation.
		80% of PT documents accurately translated.	99% of PT documents accurately translated.	None
		Accurately updated the Cape Gateway and Intranet site.	Accurately updated the Cape Gateway and Intranet site.	None
	Development of an operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of delivery.	Develop and maintain operational plan.	Developed and maintained the operational plan.	None
	Composition and implementation of a bespoke development plan for each staff member in line with competency requirements for each unit.	Training plan in place to raise competency levels of staff.	Training plan has been put in place and rolled-out to raise the competency levels of staff.	None
Effective communication and event co-ordination within Treasury.	Internal Communication which includes events co-ordination.	Implement and maintain communication strategy.	Implemented and maintained the communications strategy and improve services.	The Communication Services Survey results will be available in the 2011/12 financial year.
	Strategic engagements which includes Treasury Management Meeting and Quarterly Extended Treasury Management Meeting.	Develop a monitoring tool to measure the effectiveness of the meetings.	The management of TMM and QETMM meetings were performed effectively and efficiently. Manually tool was developed.	Tool could not be used as IT advised that it will take up too much space on the server.

Sub-programme 1.3: Corporate Services

The Modernisation Programme, which is in an advanced stage, proposes a shift of the Human Resource (excluding the Departments of Health and Education), Internal Audit and Enterprise Risk Management functions to a shared Corporate Services within the Department of the Premier with effect from 1 April 2010.

Sub-programme 1.4: Financial Management				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Responsive and credible budget composition and delivery for the department.	APP and QPR at level 3 + reporting standards.	APP tabled with the Main Budget in line with PT dashboard at level 3.	APP tabled with the Main Budget in line with PT dashboard at level 3.	None
		QPR for each quarter supported by narratives at level 3.	4 QPR's with supporting narratives were submitted.	None
	Fully costed budget with minimum shifts between the main and adjustments budget and is aligned to the APP.	90% costed budget.	Target not achieved.	Costing measures to be developed during the 2011/12 financial year.
		12 IYM reports supported by narratives at level 3+.	12 IYM reports with supporting narratives were submitted.	None
		Variance between main and adjustment estimates less than 2%.	Target not achieved.	The final variance was much higher in November 2010 due to IA and HRM shifts. R4 million was surrendered to the PRF during the adjustment estimates process.
	Compilation and coordination of the Annual Report.	Draft Annual Report by 15 June and final by 31 August at level 3.	Draft Annual Report was submitted by 31 May 2010 and the final before the end of August 2010.	None
Full and accurate reflection of all financial transactions of the department.	Fully functional payment system to predetermined standards.	Review, refine and implement updated payment system.	Reviewed, refined and implemented an updated payment system.	None
	Clearance of ledger accounts to predetermined standards.	Review, refine and implement.	Reviewed, refined and implemented.	None
	Compile Annual Financial Statements (AFS) to predetermined standards.	Unqualified audit report on AFS with no material misstatements and other matters as well as the mid-year report.	Unqualified audit report on AFS with no material misstatements and other matters as well as the mid-year report.	None
Level 3 auditable supply chain management services.	Demand and acquisition management to predetermined standards.	Refine, amend and implement to meet Treasury requirements.	Refined, amended and implemented to meet Treasury requirements.	None
	Logistics management to predetermined standards.	Full compliance to meet treasury requirements.	Fully complied to meet treasury requirements.	None

Sub-programme 1.4: Financial Management				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
	Disposal management to predetermined standards.	Develop and implement a disposal plan linked to demand management requirements.	Developed and implemented a disposal plan linked to demand management requirements.	Two other matters appeared in Audit report.
Effective internal control measures and risk mitigation.	Remedy audit findings and apply appropriate risk mitigation.	4 reports listing the findings, action plans and progress made.	4 reports listing the findings, action plans and progress made.	None
Provide effective auxiliary and specialised support services.	General support services to predetermined standards.	90% compliance.	80% compliance.	Criteria measures were not met

2.2.2 Programme 2: Sustainable Resource Management

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

Strategic Objectives:

Service Delivery Objectives and Indicators:

Sub-programme 2.1: Programme Support				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Build competencies and enhance and maintain the delivery of the programme.	Co-ordinate and maintain the correspondence for the programme in line with set standards.	Develop and implement a set of standards.	Most of the SOPs were finalised, however due to time constraints a few still needs to be completed.	Head of Office was appointed half way through the year and putting procedures and processes in place is a time consuming activity.
	Establishment of a culture of communication and transparency.	Implement PT communication strategy by means of regular staff meetings.	Regular staff meetings were held where the importance of verbal and written communication were reiterated.	None
	Development of an operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of delivery.	Develop and maintain operational plan.	The operational plan was finalised.	None

PART 2: INFORMATION ON PREDETERMINED OBJECTIVES

Sub-programme 2.1: Programme Support				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Build competencies and enhance and maintain the delivery of the programme. <i>(Continued)</i>	Composition and implementation of a bespoke development plan for each staff member in line with competency requirements for each unit.	Training plan in place to raise competency levels of staff.	Training plans were finalised.	None

Sub-programme 2.2: Fiscal Policy				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Full utilisation of all potential revenue sources available to provincial and local governments.	A revised fiscal transfer system for provinces and local government.	Research, input and testing of new provincial fiscal framework.	Research, input and testing of new provincial fiscal framework.	None
	Research into new additional own revenue sources for provincial governments.	Refine and update current research initiatives (fuel levy, bed levy, tourism departure tax) and submission of one new tax proposal to NT i.t.o. the PTRPA.	No new tax proposals have been submitted, update of fuel levy, bed and tourism departure tax not completed.	Staff capacity constraints within the unit. Focus for this year has been on capacitating the unit with competent staff and skills development.
Mechanisms for revenue collections in provincial and local governments that are optimum inclusive of cash management arrangements.	Review of the casino exclusivity tax regime and associated tax rates.	Refine and conclude research and implement the new tax regime inclusive of approval by the Legislature.	Research has been concluded and legislative amendments drafted.	None
	Assessment on the utilisation of all potential revenue sources within local government and support.	Assess and hands-on support that includes the development of a revenue enhancement strategy and the utilisation of all potential revenue sources.	Preliminary research conducted and tariff database developed for selected municipalities.	None

Sub-programme 2.3.1: Provincial Government Budgets				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Evaluate the responsiveness of budgets within provincial departments and entities.	Development of an assessment framework.	Develop and implement assessment framework.	Developed and implemented assessment framework.	None
Conduct economic analysis to inform provincial planning and budgeting processes.	Publication of the Provincial Economic Review and Outlook (PER&O).	PER&O 2010 to be published by November 2010.	PER&O 2010 published in November 2010.	None

Sub-programme 2.3.1: Provincial Government Budgets				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Conduct economic analysis to inform provincial planning and budgeting processes. <i>Continued)</i>	Annual Performance Plans and budget alignment assessments.	14 Annual Performance Plans of departments and public entities assessed for alignment with budget.	14 Annual Performance Plans of departments and public entities assessed for alignment with budget.	None
Conduct economic analysis to inform provincial planning and budgeting processes.	Evaluation of the implementation of budget against set targets.	56 Quarterly Performance Reports assessed and responses provided.	56 Quarterly Performance Reports assessed and responses provided.	None
		14 Annual Reports and applicable entities assessed and responses provided.	14 Annual Reports and applicable entities assessed and responses provided.	None

Sub-programme 2.3.2: Local Government Budgets				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Evaluate the responsiveness and implementation of the budget.	Review of efficacy in municipal prioritisation, spending and performance.	Assess municipal budgets for responsiveness against new set of criteria.	Assess municipal budgets for responsiveness against new set of criteria.	None
	Publication of the Socio Economic Review of Local Government (SEP-LG) for selected district municipalities.	Update SEP-LG for Eden and Cape Winelands and publish SEP-LG for 2 additional districts.	Update SEP-LG for Eden and Cape Winelands and publish SEP-LG for 4 additional regions.	None
	Evaluate the implementation of municipal budgets against set targets.	Quarterly, bi-annual and annual reporting on the implementation of municipal budgets against set targets.	Quarterly, bi-annual and annual reporting on the implementation of municipal budgets against set targets.	None

Sub-programme 2.4.1: Provincial Government Finance				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Evaluate the credibility and sustainability of the budget.	Number of sustainable and credible provincial budget assessments to ensure that it complies with the regulatory framework and is adequately funded.	28 PGMTEC assessment reports based on former trends.	28 PGMTEC assessment reports based on former trends.	None
Monitor the implementation of the budget in terms of x-efficiency, financial prudence and fiscal discipline.	Number of IYM reports and the reporting thereof to the Provincial Cabinet in order to enhance x-efficiency, financial prudence and fiscal discipline in departments.	14 Monthly IYM reports and 4 Cabinet submissions assessing fiscal discipline and x-efficiency on selected items.	14 Monthly IYM reports and 4 Cabinet submissions assessing fiscal discipline and x-efficiency on selected items.	None
Develop and capacitate departments and entities through the implementation of standards, knowledge sharing and training (internally and externally).	Number of budget implementation standard operating procedures.	4 budget implementation standard operating procedures.	4 budget implementation standard operating procedures.	None
	Assessment tool measuring the implementation of the WCGRB Act to promote good governance and optimising revenue.	Assessment tool measuring compliance and implementation.	Assessment tool measuring compliance and implementation was achieved.	None

Sub-programme 2.4.2: Local Government Finance (Groups 1 & 2)				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Evaluate the credibility and monitor the implementation of the budget.	Municipal budgets assessed for sustainability, credibility and allocative efficiency.	30 LG MTEC 3 budget assessment reports assessed against the pre-established criteria and the development of the revised criteria for 2010/11.	30 LG MTEC municipal budgets assessed against the prescribed criteria.	None
	IYM reports assessed for x-efficiency, financial prudence and fiscal discipline.	Assess 30 monthly IYM reports and submit 4 quarterly reports to Cabinet.	30 monthly IYM reports assessed. 4 quarterly reports submitted to Cabinet.	None

Sub-programme 2.4.2: Local Government Finance (Groups 1 & 2)				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Develop the functional ability of municipalities through the implementation of standards, knowledge sharing and training (internally and externally).	Roll-out of the 16 MFMA implementation priorities.	Revenue and expenditure in line with MFMA and related policies as per the measurement tool.	Revenue and expenditure items were in line with MFMA and related policies as per the measurement tool.	None

2.2.3 Programme 3: Asset and Liabilities Management

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

Strategic Objectives:

Service Delivery Objectives and Indicators:

Sub-programme 3.1: Programme Support				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Build competencies and enhance and maintain the delivery of the programme.	Co-ordinate and maintain the correspondence for the programme in line with set standards.	Develop and implement a set of standards.	Most of the SOPs were finalised, however due to time constraints a few needs to be completed.	The layout of the administrative support services was re-aligned and thus there was a delay in finalising the SOPs.
	Establishment of a culture of communication and transparency.	Implement PT communication strategy by means of regular staff meetings.	Regular branch and staff meetings were held to keep managers and staff informed on latest developments.	None
	Development of an operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of delivery.	Develop and maintain operational plan.	Operational plans were developed and finalised.	None
	Composition and implementation of a bespoke development plan for each staff member in line with competency requirements for each unit.	Training plan in place to raise competency levels of staff.	Training plans were implemented, and all training needs were met.	None

Sub-programme 3.2.1: Moveable Asset Management: Provincial Government				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Determine policy to drive, assess and assist departments in the attainment of building capacity, ensuring integrity of data, enforcing transparency and accountability, balancing commercial imperatives with social responsibility and addressing economies of scale and value for money for supply chain and moveable assets.	Developing capacity for SCM and Moveable Assets within departments to operate at a level 3+ financial capability.	Develop and implement a SCM helpdesk to deal with SCM opinions, assistance and guidance.	Helpdesk implemented. Report issued on implementation and query handling. 88 Queries attended to for the year. Register of queries kept.	None
Determine policy to drive, assess and assist departments in the attainment of building capacity, ensuring integrity of data, enforcing transparency and accountability, balancing commercial imperatives with social responsibility and addressing economies of scale and value for money for supply chain and moveable assets.	Developing capacity for SCM and Moveable Assets within departments to operate at a level 3+ financial capability.	13 SCM capacity assessments.	Developed Virtuous Cycle Framework, process map and assessment tool. Conducted in-house training to capacitate officials. 12 SCM Virtuous Cycle assessments concluded inclusive of asset management. (This included 1 consolidated assessment concluded for Local govts. and Human Settlements as SCM unit is shared). 12 SCM Financial Governance Review and Outlook reports concluded for SCM and 12 for asset management. Assessment of Racing and Gambling Board in respect irregular expenditure for SCM.	Review and refinement of APP to respond to PSO 12 and modernisation of SCM resulted in the re-definition of the indicator, requiring the unit to focus on the full cycle of SCM (Institutionalisation; Demand, Acquisition; Logistics; asset Management and SCM Performance). Project aligned with RED FLAG SCM.

Sub-programme 3.2.1: Moveable Asset Management: Provincial Government				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Determine policy to drive, assess and assist departments in the attainment of building capacity, ensuring integrity of data, enforcing transparency and accountability, balancing commercial imperatives with social responsibility and addressing economies of scale and value for money for supply chain and moveable assets.	Developing capacity for SCM and Moveable Assets within departments to operate at a level 3+ financial capability.	5 bespoke SCM training Interventions.	APP REDEFINED: Integrated Training Manual Completed. Training Interventions concluded for: Demand Management, NT Procurement Contract Information, SCM performance, Appointment of Consultants, 2 Asset management training and 1 x Epsi training. Epsi training also included at 4 pilot sites on EPSI improvements. Quarterly SCM forum meetings held with departments to inculcate sharing of knowledge and develop SCM capacity.	Review and refinement of APP to respond to PSO 12 and modernisation of SCM resulted in the re-definition of the indicator, requiring the unit to focus on an integrated training initiation that responded to the virtuous cycle of SCM. The training methodology and requirements had to be accordingly revised. Project aligned with RED FLAG SCM.
		Monthly publication of SCM article on PT website to create SCM awareness.	Monthly publication of SCM article on PT website to create SCM awareness.	None
		4 quarterly risk log & dashboard reports for Moveable Asset Management.	4 risk log and dashboard reports concluded for asset management.	None
		3 Moveable Asset Management training interventions.	APP REDEFINED: Integrated Training Manual Completed. Training Interventions concluded for: Demand Management, NT Procurement Contract Information, SCM performance, Appointment of Consultants, 2 Asset management training and 1 x Epsi training. Epsi training also included at 4 pilot sites on EPSI improvements.	Review and refinement of APP to respond to PSO 12 and modernisation of SCM resulted in the re-definition of the indicator, requiring the unit to focus on an integrated training initiation that responded to the virtuous cycle of SCM. The training methodology and requirements had to be accordingly revised. Project aligned with RED FLAG SCM.

Sub-programme 3.2.1: Moveable Asset Management: Provincial Government				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Determine policy to drive, assess and assist departments in the attainment of building capacity, ensuring integrity of data, enforcing transparency and accountability, balancing commercial imperatives with social responsibility and addressing economies of scale and value for money for supply chain and moveable assets.	Developing capacity for SCM and Moveable Assets within departments to operate at a level 3+ financial capability.	3 Moveable Asset Management training interventions.	Quarterly SCM forum meetings held with departments to inculcate sharing of knowledge and develop SCM capacity.	None
	Enforcing good governance practices and thereby ensuring integrity of data, transparent systems and accountability for SCM and Moveable Asset Management.	Develop and implement an E-capturing tool for bids awarded by departments.	Integration of national and provincial tool completed and implemented. Implemented further provincial requirements in terms of reporting of bid advertisements and appointment letters.	None
		Monthly publication of awarded provincial bids on the PT website.	Monthly publication of awarded provincial bids on the PT website.	None
		Refine and align the Province's supplier database to current policy and legislative requirements for SCM.	Finalised project plan. Issued Circular 53 in respect of SCM systems and database improvements. Project Aligned with RED FLAG improvements. Benchmarked National procurement/ financial management systems at Petro SA, SAPS, Kungwini and Mbombela municipalities.	Review and refinement of APP to respond to PS 12 and modernisation of SCM resulted in the re-definition of the indicator, requiring the unit to focus on the full cycle of SCM and review the provincial requirements from a policy and SCM systems perspective. This focused on the development of prescribed mandatory SCM requirements and systems enhancements in the absence of the implementation of the IFMS.
		Refine the current EPSi to ensure credible reporting and efficiency gains.	Same as above.	Same as above.

Sub-programme 3.2.1: Moveable Asset Management: Provincial Government				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Determine policy to drive, assess and assist departments in the attainment of building capacity, ensuring integrity of data, enforcing transparency and accountability, balancing commercial imperatives with social responsibility and addressing economies of scale and value for money for supply chain and moveable assets.	Enforcing good governance practices and thereby ensuring integrity of data, transparent systems and accountability for SCM and Moveable Asset Management.	13 Departmental EPSi and Supplier Database interventions.	APP REDEFINED: Integrated Training Manual Completed. Training Interventions concluded for: Demand Management, NT Procurement Contract Information, SCM performance, Appointment of Consultants, 2 Asset Management and I x Epsi training sessions. Epsi training also included at 4 pilot sites on EPSI improvements. Quarterly SCM forum meetings held with departments to inculcate sharing of knowledge and develop SCM capacity.	Review and refinement of APP to respond to PSO 12 and modernisation of SCM resulted in the re-definition of the indicator, requiring the unit to focus on an integrated training initiation that responded to the virtuous cycle of SCM. The training methodology and requirements had to be accordingly revised. Project aligned with RED FLAG SCM.
		4 Quarterly Procurement Statistics reports.	4 Quarterly reports completed.	None
		Generic AO System implemented and identification of departmental bespoke requirements.	Draft AOS concluded. Draft SCM NTR/PTIs completed and submitted to management for perusal. Meeting/discussion with internal stakeholders set for 31/12/2011. Alignment of PTI versions of the Provincial Treasury and the control group in progress. Feedback and progress report provided on an on-going basis to the Steercom; CFO forum; PTM and DG; MEC and Premier.	Review and refinement of APP to respond to PSO 12 and modernisation of SCM resulted in the re-definition of the indicator, requiring the unit to focus on an integrated training initiation that responded to the virtuous cycle of SCM. The training methodology and requirements had to be accordingly revised. Project aligned with RED FLAG SCM.

Sub-programme 3.2.1: Moveable Asset Management: Provincial Government				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Determine policy to drive, assess and assist departments in the attainment of building capacity, ensuring integrity of data, enforcing transparency and accountability, balancing commercial imperatives with social responsibility and addressing economies of scale and value for money for supply chain and moveable assets.	Enforcing good governance practices and thereby ensuring integrity of data, transparent systems and accountability for SCM and Moveable Asset Management.	Generic AO System Implemented and identification of departmental bespoke requirements.	<p>City report finalised.</p> <p>Discussed/ workshop compliance and benchmark report findings with City management.</p> <p>Catalogued key findings and Gap analysis over 3 years for all departments.</p> <p>Initiated amendment and provided comment to NT on the evaluation of functionality within the point scoring system to mitigate against litigation risks.</p> <p>Comments and write-up to delegations framework for modernisation work stream.</p>	None
		4 Policy assessments against generic framework and bespoke requirements.	None	<p>Review and refinement of APP to respond to PSO 12 and modernisation of SCM resulted in the re-definition of the indicator, requiring the unit to focus on an integrated training initiation that responded to the virtuous cycle of SCM.</p> <p>The training methodology and requirements had to be accordingly revised.</p> <p>Project aligned with RED FLAG SCM.</p>

Sub-programme 3.2.1: Moveable Asset Management: Provincial Government				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Determine policy to drive, assess and assist departments in the attainment of building capacity, ensuring integrity of data, enforcing transparency and accountability, balancing commercial imperatives with social responsibility and addressing economies of scale and value for money for supply chain and moveable assets.	Enforcing good governance practices and thereby ensuring integrity of data, transparent systems and accountability for SCM and Moveable Asset Management.	13 Moveable Asset Management verification assessments	12 SCM Virtuous Cycle assessments concluded inclusive of asset management. (This included 1 consolidated assessment concluded for Local govt. and Human Settlement as SCM unit is shared). 12 SCM Financial Governance Review and Outlook reports concluded for SCM and 12 for asset management.	Review and refinement of APP to respond to PSO 12 and modernisation of SCM resulted in the re-definition of the indicator, requiring the unit to focus on the full cycle of SCM (Institutionalisation; Demand, Acquisition; Logistics; asset Management and SCM Performance). Project aligned with RED FLAG SCM.
	Developing a strategy and initiatives to enhance relationships with BEE and SMME vendors in support of preferential procurement imperatives.	Implement and refine strategy.	Terms of references and engagements with DEDAT; Municipalities external stakeholder and political stakeholders concluded to define a strategy for supplier development.	None
		2 Supplier open days.	2 supplier open days (550 suppliers trained), close-out reports concluded. Articles of the events and pictures published on the PT Website.	None
	Implementing transversal contract model that gives effect to economies of scale and value for money.	Develop and implement a strategic Sourcing Model for the Province and identify transversal contracts responsive to provincial needs.	Refine and maintain model and complete the provincial spending analysis and market trends. Legal advice obtained regarding proposed amendments to transversal contract policy.	Identification and realisation of high risk areas within current policy emanating out of the legal issues highlighted in the JOBVEST case. Skills shortage and lack of capacity within unit to give effect to this objective. Dependency on training budget and training priorities set by HR.

Sub-programme 3.2.1: Moveable Asset Management: Provincial Government				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Determine policy to drive, assess and assist departments in the attainment of building capacity, ensuring integrity of data, enforcing transparency and accountability, balancing commercial imperatives with social responsibility and addressing economies of scale and value for money for supply chain and moveable assets.	Implementing transversal contract model that gives effect to economies of scale and value for money.	Develop and implement a strategic Sourcing Model for the Province and identify transversal contracts responsive to provincial needs.	Draft Policy completed and submitted to SMS for approval.	None
			Secretariat and Technical Advisors at Bid and Adjudication Committee of the EAP Transversal Bid (DotP).	None

Sub-programme 3.2.2: Moveable Asset Management: Local Government				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Determine policy to drive, assess and assist municipalities in the attainment of building capacity, ensuring integrity of data, enforcing transparency and accountability for supply chain and moveable assets.	Developing capacity for SCM and Moveable Assets within municipalities to operate at a level 3+ financial capability.	Develop and implement an SCM helpdesk to deal with SCM opinions assistance and guidance.	Helpdesk implemented. Report issued on implementation and query handling. 103 Queries attended to for the year. Register of queries kept.	None
		7 SCM Compliance assessments.	10 SCM Compliance Assessments and 4 SCM Virtuous Cycle Assessments piloted and completed. Completed 15 LGMTEC 3 SCM Assessments. Special Task Team assessments for Swellendam and Overstrand Municipality.	Redefinition of APPs in terms PSO 12 and the move towards developing SCM capability within municipalities to a level 3 financial capability has required that the unit have greater focus on assessments and hold in abeyance SCM training which would be outsourced in the 2011/12 financial year.

Sub-programme 3.2.2: Moveable Asset Management: Local Government				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Determine policy to drive, assess and assist municipalities in the attainment of building capacity, ensuring integrity of data, enforcing transparency and accountability for supply chain and moveable assets.	Developing capacity for SCM and Moveable Assets within municipalities to operate at a level 3+ financial capability.	6 Bespoke SCM training interventions	4 Quarterly SCM forums held to stimulate sharing of information and inculcate SCM capacity Assisted and provided capacity to PGMAM at 2 supplier open days in which 550 suppliers were trained.	Tabling of the terms of reference and specifications for the SCM training element will be finalised in the First quarter 2011/12.
		Develop and implement a moveable asset management assessment tool for municipalities.	Full Virtuous Cycle assessment Tool Completed to align to redefined APP requirements.	None
		4 Moveable Asset Management assessments.	4 Moveable asset assessments as part of VC assessments.	Redefinition of APPs in terms PSO 12 and the move towards developing SCM capability within municipalities to a level 3 financial capability has required that the unit have greater focus on assessments and hold in abeyance SCM training which would be outsourced in the 2011/12 financial year.

Sub-programme 3.2.2: Moveable Asset Management: Local Government					
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance	
		Target	Actual		
Determine policy to drive, assess and assist municipalities in the attainment of building capacity, ensuring integrity of data, enforcing transparency and accountability for supply chain and moveable assets.	Developing capacity for SCM and Moveable Assets within municipalities to operate at a level 3+ financial capability.	2 Moveable Asset training interventions.	Training is being outsourced and a generic contract in respect of overall financial management training for municipalities has been concluded. Discussions with preferred service provider have taken place. Tabling of the terms of reference and specifications for the SCM training element will be finalised in the First quarter 2011/12. Facilitated and arranged PCI training.	Redefinition of APPs in terms PSO 12 and the move towards developing SCM capability within municipalities to a level 3 financial capability has required that the unit have greater focus on assessments and hold in abeyance SCM training which would be outsourced in the 2011/12 financial year.	
	Enforced good governance practices thereby ensuring integrity of data transparent systems and accountability for SCM and Moveable Asset Management.	Develop and implement a plan for the SCM Model Policy.	Plan developed and implemented.	Additional requirements in terms of the CIDB Act and requirements additionally incorporated in additional to NT requirements.	None
		8 SCM policies assessed against model policy framework.	8 SCM policies assessed against model policy framework and additional CIDB requirements.		None
		4 Quarterly SCM reports on bid awards; disposal of immovable property, policy implementation and institutionalisation of SCM.	4 Quarterly SCM reports on bid awards, disposal of immovable property, policy implementation and institutionalisation of SCM and aligned. Additional requirements included in the last 2 quarters to align to LG IYM process.		None

Sub-programme 3.2.2: Moveable Asset Management: Local Government				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Determine policy to drive, assess and assist municipalities in the attainment of building capacity, ensuring integrity of data, enforcing transparency and accountability for supply chain and moveable assets.	Enforced good governance practices thereby ensuring integrity of data transparent systems and accountability for SCM and Moveable Asset Management.	4 Quarterly SCM reports on bid awards; disposal of immoveable property, policy implementation and institutionalisation of SCM.	Engaged in monthly IYMs, BIF feedback, LGFMIP, OPCA and NT reporting. SCOPA presentations. Position paper on the appointment of consultants for NT.	None

Sub-programme 3.2.3: Immoveable Asset Management				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Entrenching built-environment business principles and processes for effective infrastructure delivery that is aligned and contributes to optimal utilisation of government immovable assets.	Infrastructure planning processes and procedures compliant to Infrastructure Development Improvement Programme (IDIP).	Gap assessment on infrastructure delivery conducted at Health, Education and Public Works.	Not achieved.	Focus was shifted to the compilations of the Infrastructure Delivery Management System (IDMS) framework, which include roles and responsibilities of the relevant departments.
		Assessment on infrastructure plans conducted and feedback provided to three departments.	Not achieved.	Due to changes in legislative requirement, only the assessments on User Asset Management Plans (U-AMPS) could be conducted and feedback provided to three departments.
		8 IDIP effectiveness reports. (Education and Health).	8 IDIP effectiveness reports. (Education and Health).	None
	Infrastructure Expenditure Reports of Education, Public Works and Health are compliant to Division of Revenue Act (DoRA).	12 Infrastructure Expenditure data files (Education; Health; Roads and Transport; and Public Works assessed for compliance to Division of Revenue Act (DoRA) including feedback to departments.	12 Infrastructure Expenditure data files (Education; Health; Roads and Transport; and Public Works assessed for compliance to Division of Revenue Act (DoRA) including feedback to departments.	None

Sub-programme 3.2.3: Immoveable Asset Management				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Entrenching built-environment business principles and processes for effective infrastructure delivery that is aligned and contributes to optimal utilisation of government immovable assets. (continued)	Phased roll-out of IDIP to municipalities.	3 municipalities.	Not achieved.	A management change in approach to rather focus more on provincial infrastructure delivery.
	Promote compliance of Departmental User Asset Management Plans, in terms of GIAMA guidelines, in collaboration with Public Works.	U-AMPS assessment conducted on six departments and one C-AMP assessment.	U-AMPS assessment conducted on twelve departments and one C-AMP assessment.	All departments submitted U-AMPS
	Development and implementation of an assessment and remedial action model for closed PPP deals (bi-annual assessments).	4 Assessments reports.	4 Assessments reports.	None

Sub-programme 3.3: Liabilities Management				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Cash Flow management improvement of provincial departments to achieve a level 3+ financial management capability.	Alignment of departmental expenditure to Departmental receipts in accordance with an approved Provincial Treasury payment schedule.	All provincial departments.	The revised payment schedule made available to all departments and expenditure aligned to departmental receipts.	None
	Accessibility to a fully operational helpdesk managed by skilled staff with a 24 hour turnaround time.	Resolved with a 24 hour turnaround time except calls registered with Official Banker.	All queries resolved within 24 hours or less.	None
	Number of authorised official bankers system users appropriately trained in accordance with their system profiles.	100% of target market (approx. 80 officials) trained to the required standard.	All system users appropriately trained.	None
	Number of departments/institutions assisted, supported and assessed regarding the performing of bank reconciliations on a daily basis in accordance with NTR 15.10.1.2(j) and monthly bank reconciliations in accordance with the PT Cash Management Framework.	All departments/institutions.	All departments/institutions submitted bank reconciliations to PT Accounting and Cash Management.	None

Sub-programme 3.3: Liabilities Management				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Cash Flow management improvement of provincial departments to achieve a level 3+ financial management capability.	Interest rate obtained on investments over 30 days, made in accordance with an approved investment policy.	Prime rate minus 3.75%	Prime rate minus 3.75%. Achieved prime minus 3.454%. 3% above target for the period under review.	None
Monitoring and evaluation of cash flow and investment management that is sustainable and credible to enhance service delivery and improve liquidity in municipalities.	Provision of user support guidance and training in accordance with the PT developed Cash Management Framework.	All municipalities.	30 municipalities were provided with user support and guidance.	None
	Assessment of monthly (IYM) in terms of Section 71 of the MFMA.	All municipalities.	All municipalities were assessed.	None
	Assessment and advice on external borrowings in terms of Section 46 of the MFMA.	All municipalities.	1 loan application received and assessed for the period under review for submission to LCC.	None
	Provision of support and guidance on the implementation of the borrowings assessment framework developed by PT.	All municipalities.	Monitored all municipalities for implementation of Circular 42/10.	None

Sub-programme 3.4: Supporting and Interlinked Financial Systems				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Financial system management improvement to achieve a level 3+ financial management capability.	Number of authorised system users appropriately trained in accordance with their system profiles.	25% of target market (approx. 1 400 officials) trained to the required standards.	Target exceeded by 161 officials.	None
	The development and integration of PT training service providers to pre-set standards.	3 Service providers meet standards.	Five (5) service providers meet standards.	None
	Provision of a central System Controller function to all departments/institutions to predetermined criteria.	All departments/institutions excluding Provincial Parliament.	Target exceeded by 7 departments/institutions.	None

Sub-programme 3.4: Supporting and Interlinked Financial Systems				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Financial system management improvement to achieve a level 3+ financial management capability.	Accessibility to management and detailed information extracted from auditor downloads that meets management requirements.	Roll out to all provincial departments and Provincial Parliament.	Information available to all departments and Provincial Parliament.	None
	Accessibility to a fully operational helpdesk managed by skilled staff to resolve all queries with a 24 hour turnaround time.	All queries resolved with a 24 hour turnaround time except calls registered with NT (LOGIK).	All queries resolved within 24 hours or less.	None
	Successful implementation of new enhancements within 10 days after release.	Target met within established criteria.	All new enhancements rolled out within 10 days or less.	None
	PERSAL data verified, maintained and updated for predetermined fields and standards.	Roll out to 9 departments.	Rolled out to 12 departments.	None
	Implementation of the asset management system as part of the Integrated Financial Management Solutions (IFMS), enhancing compliance with the PFMA and other relevant legislation.	100% roll out to 8 pilot departments/ institutions.	System still under development and testing by NT. In the interim Investigate the possible implementation of alternative systems NT approved enhancement and supplied approved project plan.	None
	Implementation of the procurement system as part of the Integrated Financial Management Solutions (IFMS), enhancing compliance with the PFMA and other relevant legislation.	100% roll out to 4 pilot departments/ institutions.	System still under development and testing by NT. In the interim: * Investigate the possible implementation of alternative systems. * NT approved enhancement and supplied approved project plan.	None

2.2.4 Programme 4: Financial Governance

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

Strategic Objectives:

Service Delivery Objectives and Indicators:

Sub-programme 4.1: Programme Support				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Build competencies and enhance and maintain the delivery of the programme.	Co-ordinate and maintain the correspondence for the programme in line with set standards.	Develop and implement a set of standards.	Most of the SOPs were finalised, however due to time constraints a few needs to be completed.	The layout of the administrative support services was re-aligned and thus there was a delay in finalising the SOPs.
	Establishment of a culture of communication and transparency.	Implement PT communication strategy by means of regular staff meetings.	Regular branch and staff meetings were held to keep managers and staff informed on latest developments.	None
	Development of an operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of delivery.	Develop and maintain operational plan.	Operational plans were developed and finalised.	None
	Composition and implementation of a bespoke development plan for each staff member in line with competency requirements for each unit.	Training plan in place to raise competency levels of staff.	Training plans were implemented, and all training needs were met.	None

Sub-programme 4.2.1: Local Government Accounting				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Improving the financial accounting and reporting of municipalities and municipal entities to a financial maturity capability of level 3+.	Assess and roll out the latest Accounting policy framework for accurate and complete implementation by municipalities and their entities to improve financial reporting.	21 of the 30 municipalities with unqualified Audit Reports for 2009/10.	22 of the 30 municipalities with unqualified Audit Reports for 2009/10.	None

Sub-programme 4.2.1: Local Government Accounting				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Improving the financial accounting and reporting of municipalities and municipal entities to a financial maturity capability of level 3+.	Assess and roll out the latest Accounting policy framework for accurate and complete implementation by municipalities and their entities to improve financial reporting.	3 of the 3 municipal entities with unqualified audit report for 2009/10.	4 of the 4 municipal entities with unqualified audit report for 2009/10.	There was an additional Municipal Entity that was formed called KEDA (Knysna Economic Development Agency).
	Compile a Financial Accounting Review for municipalities to improve financial management.	31 May 2010 (Working Paper).	Draft Accounting Review Working Paper for 2009 completed but not Distributed.	The Accounting Review Working Paper for 2009 was not distributed due to a decision to incorporate the 2009 information into the 2010 Accounting Review Paper to bridge the timing difference in terms of information relevance. The 2010 Accounting Review Working Paper will only be distributed in September 2011.
	Build and maintain competent municipal accounting units by providing training on GRAP standards.	4 focussed training sessions.	4 focussed training sessions.	None

Sub-programme 4.2.2: Provincial Government Accounting				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Raising the standard of accounting and financial reporting of departments and entities to a financial maturity capability of level 3+.	Participate in the development of national Accounting policy frameworks and roll out same for accurate and complete implementation by departments and entities.	Unqualified Audit Reports for 2009/10.	Unqualified Audit Reports for 2009/10.	None
		Clean assessment report on the Interim Financial Statements.	Issues reported in assessment reports on the Interim Financial Statements addressed.	None
	Compile the ACFS of departments and entities, inclusive of a detailed analysis on the consolidated information as part of the management report identifying areas for strategic intervention.	ACFS Tabled by 31 October including an assessment of past and new areas for strategic intervention.	ACFS Tabled by 8 December 2010 including follow-ups on past and new areas for strategic intervention.	Delay with the finalisation of the audit of the Provincial Revenue Fund due to technical issues.

Sub-programme 4.2.2: Provincial Government Accounting				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Raising the standard of accounting and financial reporting of departments and entities to a financial maturity capability of level 3+.	Compile and publish the Financial Governance Review and Outlook in terms of assessments based on the Financial Maturity Capability model of departments and entities and provide recommendations for improvement.	Tabled September in 2010 including an assessment of the past and new recommendations for improvement.	FGR&O 2010 tabled at PTM and Cabinet and issued as a working paper.	None
	Establishment and maintenance of a competent accounting unit across departments and entities.	Facilitate 4 PT integrated training interventions and 2 external training interventions based on skills gap analysis.	Presented 4 PT integrated training interventions and consulted with possible service provider on the preparation of a bridging course towards Financial Accounting 3.	None

Sub-programme 4.3: Corporate Governance				
Strategic Objective	Measure/Indicator	Actual Performance against Target		Reason for Variance
		Target	Actual	
Assess, develop, monitor financial norms and standards and, where necessary, enforce compliance by departments, municipalities and entities towards attaining a level 3+ in terms of the Financial Maturity Capability (FMC) model.	Develop and implement a framework to assess the CFO and BTO offices to deliver on their functions.	Develop framework to assess CFO structures in collaboration with National Treasury and Department of the Premier (OD).	Risk structure completed for the SCM and Management Accounting processes.	CFO Structure not finalised.
		Research correct legislative procedures in respect of framework for BTO offices.	Researched finalised.	None
	Developing transversal Standard Operating Procedures (SOP) for CFO offices.	Develop transversal SOP for departmental CFO offices.	Draft SCM SOP developed. SOP Framework developed.	Management decided each line function in PT must complete SOPs themselves.
	Assessments of departments implementing the governance framework.	4 departments per quarter.	Guidelines of Financial Governance developed.	None
	Enterprise Risk Management (ERM) implementation assessments for departments and municipalities.	Assess departments and municipalities.	30 Municipalities and 13 departments assessed.	None
		Investigate capacity building initiatives in municipalities.	Framework training presented. Risk Champion training presented to Swartland Municipality.	None

3. ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2011

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**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2011**

We are pleased to present our report for the financial year ended 31 March 2011.

Audit Committee Members and Attendance

In terms of Cabinet Resolution 55/2007, Provincial Treasury is served by the Governance and 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 financial year under review, 8 meetings were held.

Name of Member	Number of Meetings Attended
Mr Ameen Amod (Chairperson)	8
Ms Judy Gunther	5
Mr Zakariya Hoosain	7
Mr Kerry Larkin	7
Mr Ashley Seymour (Services terminated 8 September 2010)	2
Mr Louw van der Merwe (Appointed 1 January 2011)	1

Apologies were tendered and accepted for meetings not attended. A quorum of members was present at all meetings except for one due to unforeseen circumstances. The proposed resolutions for that meeting were ratified subsequently.

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, approved by Cabinet on 9th February 2011, and has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of 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.

We have reviewed the reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the Management Report of the Auditor-General of South Africa. Other than the matters reflected in the Auditor-General's Audit and Management Reports and the matters highlighted below, no material deficiencies in the system of internal control were noted:

- **Legal and Regulatory Compliance**

We have noted the non-compliance with laws and regulations as it pertains to supply chain management. Notwithstanding the differences in the legal interpretation of the status of Practice Notes, the committee has encouraged management to implement the Practice Notes.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2011**

- **Significant areas highlighted by Internal Audit for improvement**

During the year, key control deficiencies were noted by Internal Audit in the following area:

- Governance support

Corrective actions have been agreed by management and are being monitored by the Audit Committee.

- **Information Technology**

The Audit Committee previously reported on the limited progress that had been made towards implementation of the turn-around strategy to address the IT-related risks facing the Province. We are encouraged by the progress in this regard and continue to monitor progress against agreed actions.

- **The quality of In-Year Management Reports 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.

- **Enterprise Risk Management**

Further progress has been made with the implementation of the Enterprise-wide Risk Management (ERM) methodology and the identification of the key risks and mitigating controls implemented by the Department. The Audit Committee continues to review progress on a quarterly basis.

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 thereto;
- reviewed changes to accounting policies and practices as reported in the Annual Financial Statements;
- reviewed the Department's processes for compliance with legal and regulatory provisions;
- reviewed the information on predetermined objectives as reported in the annual report; and
- reviewed adjustments resulting from the audit.

The Audit Committee concurs and accepts the Auditor-General's opinion 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.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2011**

Internal Audit

In the previous year, the Audit Committee reported that 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 is pleased to report that the Internal Audit plan for the year under review was completed.

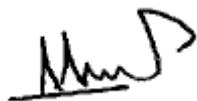
However the Committee is of the opinion that further audit coverage is required and that there is a need for additional capacity to support the increased coverage of further high risk areas.

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 Management 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 Ameen Amod

Chairperson of the Governance and Administration Cluster Committee

11 August 2011

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2011**

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 still faced the Provincial Treasury during 2010/11:
 - Further strengthening of links between departments and local authorities in liaison with our sister departments, Local Government;
 - Translation of service delivery needs and resource allocations to enhance general economic conditions in society;
 - Better financial governance and improving cohesion and synergy between provincial departments and entities, as well as between the different spheres of government; and
 - On-going assistance to our clients to attain higher levels of financial maturity and service delivery impacts, the latter to improve socio-economic requirements in society.
- Review and challenges experienced in the 2010/11 financial year:

The 2010/11 financial year was in many ways challenging but also a catalyst towards maintaining value for money spending and to realise efficiency gains in light of the tighter fiscal envelope being experienced.

Furthermore, interaction at a Provincial and Local Government level via the respective MTEC and FGRO/FMIP processes delivered promising results, fostered closer alignment between planning, budgeting and implementation as well as contributed towards improved financial management in both spheres of government. The Department secured additional funding in the Main Estimates for performance audits that commenced in 2009/10 by AGSA at selected departments and carried through into the reporting period.
- The following major projects were undertaken during the year:
 - Subject to final O & D and Executive approval, to be completed the reconfiguration of the establishment and work methods to improve synergy, efficacy and better impact in mainly the key fields of co-ordination, information management, local government accounting and supply chain management. The expected beneficial results will manifest itself over the medium to long term.
 - Continued to roll out new accounting reforms and monitored remedial measures instituted to improve the financial management capability of departments, municipalities and entities.
 - Recommendations were made to each accounting officer in the Financial Governance and Outlook Review on how to systematically remedy the issues raised in the relevant assessment reports to guide each department to the desired level (3+) financial maturity capability for all disciplines involved in financial governance.
 - Various initiatives were undertaken to enhance service delivery and assist departments in obtaining better audit reports and ensure a higher levels of financial management.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2011**

- Capacity building guidance provided to municipalities in terms of the Municipal Finance Management Internship Programme as well as the Municipal Regulations on Minimum Competency Levels. Assisted with the Western Cape Procurement (Business Interests of Employees) Act, 2010 adoption and coordinated the drafting of its regulations. Provided risk management and internal audit guidance to municipalities.
- Spending trends:

During the 2010 Adjustments Estimate an amount of R24 996 million was shifted from to the Vote of the Premier (DotP) for the vesting of the Internal Audit and Human Resources functions in that Vote. A further reduction of R4 million was identified as a saving due to the delayed roll-out of the IFMS to be re-appropriated at a later stage. Nonetheless, at the end of the reporting period an under spending of R4,004 million, or just over 3 per cent of the Adjusted Budget, materialised due to a range of mainly external factors.

Budget decisions

The culture of greater austerity adopted in 2009/10 was carried over into the 2010/11 financial year with lower than expected expenditure on goods and services. The tighter fiscal envelope in 2010/11 also vested a new mind set in all managers to better monitor expenditures and for the planned MTEF period, goods and services should be kept at the relatively low ratio of below 30 per cent of total expenditure. It is foreseen that this will also make it possible to cater for the proposed strengthening of the establishment in the key areas alluded to earlier.

Another contributing factor that reduced the overall budgetary provision over the MTEF period was the modernisation process led by the DotP. The two main shifts were the Internal Audit Component to that department on 1 May 2010 and also the corporatisation of the HRM components of eleven departments into a central Corporate Services Centre (CSC) within DotP at different points in 2010/11.

2. Services 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 of the 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), as amended.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2011**

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 generally revised annually.

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 otherwise have yielded significant revenue.

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 27 and Annexure 5 of these Statements. Stationery to the value of R154,763 was available in the stationery store as at 31 March 2011. The stationery was recorded on a first in, first out (FIFO) basis.

3. Capacity constraints

The experience, recruitment, retention and competence levels within the Treasury have steadily been improving and the department is in a much better position than in previous years. However, some challenges still remain and were in evidence over the reporting period, but with increasing exposure and learning while doing, together with training and other steps, are being addressed. 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, although on much more limited scale due to improved recruitment efforts, the appointment of interns again proved to be successful as some of the interns were later taken up in permanent positions.

4. Utilisation of donor funds

Donor funds for the hosting of a now annual Essay Writing competition to identify and assist promising Grade 11 learners studying the key subjects of accounting, mathematics and economics, which were co-funded by the department's official banker, was not taken up in the department's financial records during the reporting period due to an administrative oversight. The amount of R20 000 for four teachers receiving R5 000 each to reward them for their unstinting efforts and R7 500 for qualifying two learners (R5 000 and R2 500) will thus be reflected as donations during the 2011/12 financial year.

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 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 responsible for the administrative oversight of its activities.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2011**

6. Organisations to whom transfer payments have been made

The Provincial Treasury made donations during March 2011 as incentives to two well performing, but less privileged schools. This was jointly driven by the Western Cape Education Department and the Treasury. An amount of R100 000 or R50 000 per school was transferred to the two schools as set out in Annexure 1A of these statements. 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 accounting in Grade 12. The intention is to repeat this endeavour on annual basis to encourage and reward such schools to further enhance their grades.

7. Public private partnerships (PPPs)

Treasury acts as a facilitator and monitoring agent for PPPs 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. As in previous years the Provincial Treasury assisted and advised departments, entities and municipalities on various potential and on-going PPPs projects.

8. Corporate governance arrangements

The Department has had an active fraud prevention policy in place since the beginning of 2008 and the Fraud and Risk Committee continued to be operative during the reporting period. The shift of the Enterprise Risk Unit to the DotP also brought new challenges to the department as a new risk secretariat had to be created to ensure that strategic and operational risks were appropriately managed by the Fraud and Risk Management Committee (FARMCO). FARMCO was able to validate all strategic and operational risks of the department and the in-house secretariat compiled a revised risk register and submitted same to Enterprise Risk Management unit, now vested in the DotP, for assessment as required.

9. Discontinued activities/activities to be discontinued

No specific activities were discontinued during the 2010/11 financial year. However, due to the Modernisation process, the Internal Audit Component was shifted on 1 May 2010 to DotP and similarly various sections of the Human Resources component during the months of July to November 2010.

10. New activities

The establishment reconfiguration process which has been completed by the department has taken up a great deal of planning and commitment by the different branches during the reporting period. If approved by the Executive Committee and the DPSA in the new year, the stronger staffed components should operate more effectively and efficiently in the most needed areas and especially that of local government in the financial years to come. This should strengthen the relations between two different spheres of government and also ensure improved financial governance within the Province in time to come.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2011**

11. Asset management

The SCM Unit of the Department completed its fourth consecutive stocktaking before the end of 31 March 2011 and the assets will be finally reconciled with the electronic barcoded Qwix system. A mid year asset count that was undertaken during November 2010 assisted the department to reconcile its assets at an earlier stage before the end of the reporting period. Both major and minor assets are reflected in note 27 from pages 99 to 101 of the financial statements. The current year assets of prior years were adjusted with R80 000 and the department's assets now differ with R27 000 on the reconciled LOGIS figures and the physical asset register of the department. It is the intention to request due approval to accept this difference for future reporting periods.

12. Events after the reporting Period

Events after the reporting date are reflected in Annexure 1C of these statements. These include donations in natura (three laptops) made to three top performing teachers as part of the Essay Writing competition, but were only paid for in April 2011/12. These accruals are reflected under disclosure note 19 on page 93 of the Statements. An amount of R67 000 will be claimed back from Nedbank in 2011/12 to assist with the funding of the Essay Awards ceremony held on 12 March 2011.

Performance information

During the reporting period, the department continued with the quarterly performance evaluation meetings with the senior managers that was 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 as was done in 2009/10.

13. SCOPA resolutions

The Provincial Treasury received a clean Audit Report for 2009/10 with no other matters.

As at 31 May 2011 no minutes had as yet been received from the SCOPA Secretariat to include in these statements.

Backgrounds and concerns that were raised by SCOPA were as follows:

Background/Reference to audit report	Resolution	Progress
There were no concerns regarding the quality of the financial statements, except for three material misstatements identified during the audit. Although these misstatements were not indicative of a breakdown in internal control, there is a need to further improve processes to identify and collate pertinent information to ensure complete and accurate reporting, especially in the area of accruals and contingent liabilities for the department.	The Department must urgently improve processes and systems to identify and collate pertinent information to ensure complete and accurate financial reporting in order to avoid any possible qualifications in the future.	Steps were instituted to prevent breakdowns in internal controls, such as the proper study of the Preparation guide and improved payments registers and ledger account management.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2011**

Background/Reference to audit report	Resolution	Progress
There is a great concern over the 2008/09 SCOPA Resolutions that had not been implemented by the Department in spite of the prescripts in this regard.	2008/09 SCOPA Resolutions be attended to as a matter of urgency. Furthermore, the cause for this non - implementation needs to be determined and the appropriate corrective actions taken to avoid this in future audit reports.	A full report per letter of 1 July 2010 of all actions taken was submitted to the Committee coordinator Mr B Daza.
The committee raised concern about whether the freezing of posts had not affected the department's ability to meet its targets.	Vacant posts to be filled in as a matter of urgency.	A special exercise was launched to make savings and freezing of approximately 50% of all vacant posts, together with a cut of over R2 million in the baseline of goods and services. This was documented in the minutes of the Special TMM, which was held on 18 June 2009.
Due to the issues raised and discussed during the sitting, it became clear that the Audit Committee should also prepare a separate briefing document that will show additional points (similar to the AG's briefing report), apart from the Audit Report.	The Committee resolved that the Audit Committee prepare a briefing document as discussed and present it all future briefing sessions.	The Audit Committee Chairpersons are in the process of developing a standardised reporting framework incorporating the recommendations of the Committee and will submit a brief report during the sessions.
The Committee raised a concern around the capacity issues especially in the Internal Audit department.	The Committee requested that the Internal Audit department be fully capacitated by 2011/12 financial year.	The Chief Directorate Internal Audit is in processes of appointing the seven vacant manager posts, interviews were conducted and pending the appointment. The strategic review of the Chief Directorate Internal Audit structure will be initiated in 11/12; to cater for provision of the additional required disciplines and capacity (improving coverage).
The Department indicated that it was in the process of reconfiguring itself given their MFMA and PMFA responsibilities. This includes an assessment of whether the departments is appropriately staffed, structures and directed.	The department to provide the committee with a briefing once the process has been completed.	The department will provide the Committee with a briefing on its reconfiguration process once the approval from the Provincial Cabinet and the DPSA have been obtained.
The committee raised concern that the department had reported that the Totalisator only marginally failed to meet its budgeting income by 6.17%. The committee argued that this percentage is in fact not marginal.	The department to provide the committee with a brief on the use of the totalisator.	Gold Circle (Pty) Ltd is the holder of the totalisator license in the Western Cape. The tax rate is calculated at 6 per cent of the "take out", which is on average 25 per cent for the 2009/10 financial year generated or R7,8 million tax revenue, missing the budgeted income by 6.17 per cent. Internationally, totalisators' revenue are down and Gold Circle has experienced similar trends.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2011**

Background/Reference to audit report	Resolution	Progress
A concern was raised over institutions to which the transport payments were made or events after the reporting period. Particular reference is made to the instance where monies paid for the "Cleanest Town competition, were paid outside of the financial year in which it was adjudicated. Department advised that the current Division of Revenue Bill does not allow one to gazette any allocations after you have actually tabled the adjustments budget.	The Committee resolved that the Department issue a directive to municipalities stating that municipalities finalise the competition before the adjustments estimate (to ensure transfers can be affected to municipalities way before April the following year).	As per Provincial Gazette 6858, published as part of the 2011/12 budget, the competition will be finalised before the annual budget allowing transfers to be made to municipalities before April the following year.

In addition to the above SCOPA resolutions The Committee also posed the following list of requests:

Background/Reference to audit report	Progress
1. A list of where the department accrued savings and where the funding was diverted to.	The accrued savings were utilised to fund the shortfall in goods and services as a result of the reduced baseline.
2. The value of donations the department provided and who these donations were made to.	In the 2009/10 Annual Report, donations were made to the amount of R5,000 for the contribution towards prize monies for the Western Cape Essay Writing Competition.
3. A report on the MEC's investigation into the R1 247 000 supplies chain management irregularities.	A SCM review of the process was concluded that recommended a way forward. Copy of Report attached. Matter was referred to FIU to follow up on certain allegations made by staff within the PT review which was outside of the scope of the PT review. FIU has not yet provided a report to conclude the process. PT in the interim is assisting the Board to review and refine its SCM policy and delegations.
4. Provide a report on the seven municipalities considered to be vulnerable following the LGMTEC process.	A report was compiled and submitted by the Head Fiscal and Economic Services Branch on the seven municipalities that were considered vulnerable on 27 July 2011.
5. The management audit reports and a summary of the key findings.	It is assumed that the Provincial Treasury received a clean Audit report.
6. A list of projects that were planned for but were not completed.	The three projects were: <ul style="list-style-type: none"> • ERA licences • Audit Committee Costs • Insourcing of Internal Audit consultants.

14. Prior year modification to audit report

No prior year modifications were made to the audit report.

15. Other

No matters are considered for inclusion to date as at 31 May 2011.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2011**

16. Declaration

Given the general tenor of the findings as regards internal controls and matters associated with non-compliance, the assurance is given that the Department will devise an action plan, approved by the Accounting Officer and its top management and forwarded to the Provincial Treasury, to systematically deal with these so as to prevent a repetition of similar findings during the next audit cycle.

17. Approval

The Annual Financial Statements set out on pages 66 to 108 have been approved by the Accounting Officer.



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

DATE: 31 July 2011

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2011**

**REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT
ON VOTE NO. 3: WESTERN CAPE PROVINCIAL TREASURY**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of Western Cape Provincial Treasury (department), which comprise the appropriation statement, the statement of financial position as at 31 March 2011, 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 66 to 102.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation of these financial statements in accordance with the Departmental Financial Reporting Framework prescribed by National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999) (PFMA) and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), 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 1111 of 2010* issued in *Government Gazette 33872 of 15 December 2010*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting 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.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2011**

Opinion

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of Western Cape Provincial Treasury as at 31 March 2011, and its financial performance and cash flows for the year then ended in accordance with the Departmental Financial Reporting Framework prescribed by the National Treasury and the requirements of the PFMA.

Emphasis of matters

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

Significant uncertainty

9. With reference to note 17 to the financial statements, the department is a defendant in a lawsuit. The outcome of this lawsuit cannot presently be determined.

Additional matters

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

Material inconsistencies in other information included in the annual report

11. No material inconsistencies between the draft annual report and financial statements were identified.

Unaudited supplementary schedules

12. The supplementary information set out on pages 103 to 108 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.

Financial reporting framework

13. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. Thus my opinion would have reflected that the financial statements had been properly prepared instead of fairly presented as required by section 20(2)(a) of the PAA, which requires me to express an opinion on the fair presentation of the financial statements of the department.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2011**

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

14. In accordance with the PAA and in terms of *General notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I include below my findings on the annual performance report as set out on pages 11 to 48 and material non-compliance with laws and regulations applicable to the department.

Predetermined objectives

15. There are no material findings on the annual performance report.

Compliance with laws and regulations

Procurement and contract management

16. As disclosed in note 23 to the financial statements, irregular expenditure was incurred due to awards being made to suppliers who failed to provide written proof from the South African Revenue Service that their tax matters are in order as per the requirements of Preferential Procurement Regulations 16 and Treasury Regulation (TR) 16A9.1(d).
17. Awards were made to suppliers who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state as per the requirements of Treasury Regulation 16A8.3 and Practice Note 7 of 2009/10.

Expenditure management

18. As disclosed in note 23 to the financial statements expenditure was incurred without the approval of a delegated official, as per the requirements of section 44 of the PFMA and TR 8.2.1 and 8.2.2, resulting in irregular expenditure.

INTERNAL CONTROL

19. In accordance with the PAA and in terms of *General Notice 1111 of 2010*, issued in *Government Gazette 33872 of 15 December 2010*, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matter reported below is limited to the significant deficiencies that resulted in the findings on compliance with laws and regulations included in this report.

Financial and performance management

20. Management did not fully review and monitor compliance with the existing policies and procedures relating to supply chain management and expenditure management.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2011**

OTHER REPORTS

Performance audits

21. A performance audit is being conducted on the readiness of government to report on its performance. The focus of the audit is on how government institutions are guided and assisted to report on their performance, as well as the systems and processes that they have put in place. The findings will be reported on in a separate report.

Auditor-General

Cape Town
31 July 2011



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2011**

Programmes	Appropriation per programme							2009/10	
	2010/11							Final Appropriation R'000	Actual Expenditure R'000
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %		
1. Administration									
Current payment	32,404	(277)	(619)	31,508	30,045	1,463	95.4	36,887	36,887
Transfers and subsidies	630	106	-	736	736	-	100.0	319	319
Payment for capital assets	2,214	107	-	2,321	2,321	-	100.0	2,153	2,153
Payment for financial assets	48	64	-	112	112	-	100.0	-	-
	35,296	-	(619)	34,677	33,214	1,463	95.8	39,359	39,359
2. Sustainable Resource Management									
Current payment	41,708	-	619	42,327	42,327	-	100.0	36,431	36,431
Transfers and subsidies	-	-	-	-	-	-	-	100	100
	41,708	-	619	42,327	42,327	-	100.0	36,531	36,531
3. Asset and Liabilities Management									
Current payment	34,904	-	-	34,904	33,710	1,194	96.6	27,526	27,526
	34,904	-	-	34,904	33,710	1,194	96.6	27,526	27,526
4. Financial Governance									
Current payment	19,596	-	-	19,596	18,249	1,347	93.1	35,388	34,002
Payment for capital assets	-	-	-	-	-	-	-	953	953
	19,596	-	-	19,596	18,249	1,347	93.1	36,341	34,955
Total	131,504	-	-	131,504	127,500	4,004	97.0	139,757	138,371
Reconciliation with Statement of Financial Performance									
Add: Departmental receipts				32,214				18,123	
Actual amounts per Statement of Financial Performance (Total Revenue)				163,718				157,880	
Actual amounts per Statement of Financial Performance Expenditure					127,500				138,371

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2011**

Appropriation per Economic classification									
Economic classification	2010/11							2009/10	
	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	92,082	(846)	-	91,236	89,297	1,939	97.9	94,451	93,902
Goods and services	36,530	569	-	37,099	35,034	2,065	94.4	41,578	40,741
Transfers & subsidies									
Non-profit institutions	-	100	-	100	100	-	100.0	100	100
Households	630	4	-	634	634	-	100.0	319	319
Gifts and donations	-	2	-	2	2	-	100.0	-	-
Payment for capital assets									
Machinery & equipment	2,214	72	-	2,286	2,286	-	100.0	2,153	2,153
Heritage assets	-	35	-	35	35	-	100.0	-	-
Software & other intangible assets	-	-	-	-	-	-	-	953	953
Payment for financial assets	48	64	-	112	112	-	100.0	203	203
Total	131,504	-	-	131,504	127,500	4,004	97.0	139,757	138,371

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2011**

**Detail per programme 1 – Administration
for the year ended 31 March 2011**

Details per Sub-Programme	2010/11							2009/10	
	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	4,948	(172)	-	4,776	4,776	-	100.0	4,410	4,410
1.2 Management Services									
Current payment	4,872	129	-	5,001	5,001	-	100.0	3,278	3,278
Transfers and subsidies	630	187	-	817	817	-	100.0	-	-
1.3 Corporate Services									
Current payment	3,971	(288)	-	3,683	3,683	-	100.0	10,758	10,758
Transfers and subsidies	-	(81)	-	(81)	(81)	-	100.0	319	319
1.4 Financial Management									
Current payment	18,613	54	(619)	18,048	16,585	1,463	91.9	18,441	18,441
Payment for capital assets	2,214	107	-	2,321	2,321	-	100.0	2,153	2,153
Payment for financial assets	48	64	-	112	112	-	100.0	-	-
Total	35,296	-	(619)	34,677	33,214	1,463	95.8	39,359	39,359

Programme 1 Per Economic classification	2010/11							2009/10	
	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	19,029	485	-	19,514	19,514	-	100.0	21,520	21,520
Goods and services	13,375	(762)	(619)	11,994	10,531	1,463	87.8	15,164	15,164
Transfers & subsidies									
Non-profit institutions	-	100	-	100	100	-	100.0	-	-
Households	630	4	-	634	634	-	100.0	319	319
Gifts and donations	-	2	-	2	2	-	100.0	-	-
Payment for capital assets									
Machinery & equipment	2,214	72	-	2,286	2,286	-	100.0	2,153	2,153
Heritage assets	-	35	-	35	35	-	100.0	-	-
Payment for financial assets									
	48	64	-	112	112	-	100.0	203	203
Total	35,296	-	(619)	34,677	33,214	1,463	95.8	39,359	39,359

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2011**

**Detail per programme 2 – Sustainable Resource Management
for the year ended 31 March 2011**

Details per sub-programme	2010/11							2009/10	
	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	3,229	(205)	-	3,024	3,024	-	100.0	2,439	2,439
2.2 Fiscal Policy									
Current payment	3,041	3	619	3,663	3,663	-	100.0	5,240	5,240
2.3 Budget Management									
Current payment	13,961	(212)	-	13,749	13,749	-	100.0	9,904	9,904
Transfers and subsidies	-	-	-	-	-	-	-	100	100
2.4 Public Finance									
Current payment	21,477	414	-	21,891	21,891	-	100.0	18,848	18,848
Total	41,708	-	619	42,327	42,327	-	100.0	36,531	36,531

Programme 2 Per Economic classification	2010/11							2009/10	
	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	29,564	(1,204)	-	28,360	28,360	-	100.0	21,709	21,709
Goods and services	12,144	1,204	619	13,967	13,967	-	100.0	14,722	14,722
Transfers & subsidies									
Non-profit institutions	-	-	-	-	-	-	-	100	100
Total	41,708	-	619	42,327	42,327	-	100.0	36,531	36,531

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2011**

**Detail per programme 3 – Asset and Liabilities Management
for the year ended 31 March 2011**

Details per sub-programme	2010/11							2009/10	
	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	1,764	(272)	-	1,492	998	494	66.9	1,233	1,233
3.2 Asset Management									
Current payment	16,074	-	-	16,074	15,373	701	95.6	11,420	11,420
3.3 Liabilities Management									
Current payment	2,489	46	-	2,535	2,535	-	100.0	2,313	2,313
3.4 Supporting and Interlinked Financial Systems									
Current payment	14,577	226	-	14,803	14,804	(1)	100.0	12,560	12,560
Total	34,904	-	-	34,904	33,710	1,194	96.6	27,526	27,526

Programme 3 Per Economic classification	2010/11							2009/10	
	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	26,522	(127)	-	26,395	25,201	1,194	95.5	21,136	21,136
Goods and services	8,382	127	-	8,509	8,509	-	100.0	6,390	6,390
Total	34,904	-	-	34,904	33,710	1,194	96.6	27,526	27,526

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2011**

**Detail per programme 4 – Financial Governance
for the year ended 31 March 2011**

Details per sub-programme	2010/11							2009/10	
	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	1,625	-	-	1,625	1,452	173	89.4	1,777	1,777
4.2 Accounting Services									
Current payment	8,564	-	-	8,564	7,844	720	91.6	7,292	7,292
4.3 Norms and Standards									
Current payment	7,971	(1)	-	7,970	7,516	454	94.3	6,454	6,432
Payment for capital assets	-	-	-	-	-	-	-	953	953
4.4 Provincial Internal Audit									
Current payment	1,436	1	-	1,437	1,437	-	100.0	19,865	18,501
Total	19,596	-	-	19,596	18,249	1,347	93.1	36,341	34,955

Programme 4 Per Economic classification	2010/11							2009/10	
	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	16,967	-	-	16,967	16,222	745	95.6	30,086	29,537
Goods and services	2,629	-	-	2,629	2,027	602	77.1	5,302	4,465
Payment for capital assets									
Software & other intangible	-	-	-	-	-	-	-	953	953
Total	19,596	-	-	19,596	18,249	1,347	93.1	36,341	34,955

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2011**

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

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

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

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

3. Detail on payments for financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in the note on Payments for financial assets 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	34,677	33,214	1,463	95.8
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The under spending was due to lower expenditure on goods and services, as well as the underspending that were realised due to advertising cost for posts that could not be filled as a result of the modernisation process.				
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Sustainable Resource Management	42,327	42,327	-	100.0
Asset and Liabilities Management	34,904	33,710	1,194	96.6

The under spending is due to non filling of a Chief Director post within the programme.				
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Financial Governance	19,596	18,249	1,347	93.1
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The under spending is due to non filling of a Chief Director and Director posts within the programme, as well as the late publication of Annual Consolidated Financial Statements.				
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**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2011**

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	91,236	89,297	1,939	97.9
Goods and services	37,099	35,034	2,065	94.4
Transfers and subsidies				
Non-profit institutions	100	100	-	100.0
Households	634	634	-	100.0
Gifts and Donations	2	2	-	100.0
Payments for capital assets				
Machinery and equipment	2,286	2,286	-	100.0
Heritage assets	35	35	-	100.0
Payments for financial assets	112	112	-	100.0

The under spending on compensation of employees is due to non-filling of a Chief Director, Director and the several Deputy Directors posts within the vote.

The main contributor for the under spending on goods and services is due to late receipt of invoice

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2011**

	Note	2010/11 R'000	2009/10 R'000
REVENUE			
Annual appropriation	1	131,504	139,757
Departmental revenue	2	32,214	18,123
TOTAL REVENUE		163,718	157,880
EXPENDITURE			
Current expenditure			
Compensation of employees	3	89,297	93,902
Goods and services	4	35,034	40,741
Total current expenditure		124,331	134,643
Transfers and subsidies			
Transfers and subsidies	6	736	419
Total transfers and subsidies		736	419
Expenditure for capital assets			
Tangible capital assets	7	2,321	2,153
Software and other intangible assets	7	-	953
Total expenditure for capital assets		2,321	3,106
Payments for financial assets	5	112	203
TOTAL EXPENDITURE		127,500	138,371
SURPLUS FOR THE YEAR		36,218	19,509
Reconciliation of Net Surplus for the year			
Voted Funds	11	4,004	1,386
Departmental revenue	12	32,214	18,123
SURPLUS FOR THE YEAR		36,218	19,509

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2011**

	Note	2010/11 R'000	2009/10 R'000
ASSETS			
Current Assets		5,189	1,711
Cash and cash equivalents	16	5,008	1,554
Prepayments and advances	9	31	-
Receivables	10	150	157
TOTAL ASSETS		5,189	1,711
LIABILITIES			
Current Liabilities		5,189	1,711
Voted funds to be surrendered to the Revenue Fund	11	4,004	1,386
Departmental revenue to be surrendered to the Revenue Fund	12	1,182	194
Bank overdraft	13	-	112
Payables	14	3	19
Non-Current Liabilities			
TOTAL LIABILITIES		5,189	1,711
NET ASSETS		-	-

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**CASH FLOW STATEMENT
for the year ended 31 March 2011**

	Note	2010/11 R'000	2009/10 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		513,115	506,748
Annual appropriated funds received	1.1	131,504	139,757
Departmental revenue received	2	381,611	366,991
Net increase in working capital		(40)	(1,308)
Surrendered to Revenue Fund		(382,009)	(367,999)
Current payments		(124,331)	(134,643)
Payments for financial assets		(112)	(203)
Transfers and subsidies paid		(736)	(419)
Net cash flow available from operating activities	15	5,887	2,176
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(2,321)	(3,106)
Net cash flows from investing activities		(2,321)	(3,106)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase in cash and cash equivalents		3,566	(930)
Cash and cash equivalents at beginning of period		1,442	2,372
Cash and cash equivalents at end of period	16	5,008	1,442

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2011**

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 1 of 2010.

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

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 2011**

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 payable in the statement of financial position.

Any amount due from the Provincial Revenue Fund at the end of the financial year is recognised as a receivable 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 amounts 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 Salaries and wages

Salaries and wages 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).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50 per cent of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees 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.

Employer contributions made by the department for certain of its ex-employees (such as medical benefits) 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 2011**

3.2 Goods and services

Payments made during the year 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.

Rental paid for the use of buildings or other fixed structures is classified as *goods and services* and not as *rent on land*.

3.3 Payments for financial assets

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 derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

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.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2011**

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 are derecognised as and when the goods/services are received or the funds are utilised.

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 (including departmental employees) and are derecognised upon recovery or write-off.

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.

4.5 Capital assets

4.5.1 Moveable assets

Initial recognition

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

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2011**

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as “expenditure for capital assets” 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.

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.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2011**

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 2011**

1. Annual Appropriation**1.1 Annual Appropriation**

Programmes	Final Appropriation 2010/11 R'000	Actual Funds Received 2010/11 R'000	Funds not requested/ not received 2010/11 R'000	Appropriation Received 2009/10 R'000
ADMINISTRATION	34,677	34,677	-	39,359
SUSTAINABLE RESOURCE MANAGEMENT	42,327	42,327	-	36,531
ASSET AND LIABILITIES MANAGEMENT	34,904	34,904	-	27,526
FINANCIAL GOVERNANCE	19,596	19,596	-	36,341
Total	131,504	131,504	-	139,757

2. Departmental Revenue

	Note	2010/11 R'000	2009/10 R'000
Tax revenue		322,644	308,373
Sales of goods and services other than capital assets	2.1	1,907	1,445
Fines, penalties and forfeits	2.2	459	1,146
Interest, dividends and rent on land	2.3	53,986	53,982
Transactions in financial assets and liabilities	2.4	2,615	2,045
Total revenue collected		381,611	366,991
Less: Own revenue included in appropriation	13	(349,397)	(348,868)
Departmental revenue collected		731,008	18,123

2.1 Sales of goods and services other than capital assets

2

Sales of goods and services produced by the department

Administrative fees

Other sales

Total

1,907	1,445
1,888	1,406
19	39
1,907	1,445

2.2 Fines, penalties and forfeits

2

Fines

Penalties

Total

5	2
454	1,144
459	1,146

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	Note	2010/11 R'000	2009/10 R'000
2.3 Interest, dividends and rent on land	2		
Interest		53,986	53,982
Total		53,986	53,982
2.4 Transactions in financial assets and liabilities	2		
Other Receipts including Recoverable Revenue		2,615	2,045
Total		2,615	2,045
3. Compensation of employees			
3.1 Salaries and wages			
Basic salary		62,023	64,702
Performance award		1,313	1,096
Service Based		191	333
Compensative/circumstantial		1,480	1,647
Periodic payments		4	11
Other non-pensionable allowances		12,750	14,165
Total		77,761	81,954
3.2 Social Contributions			
Employer contributions			
Pension		7,999	8,359
Medical		3,523	3,580
Bargaining council		14	9
Total		11,536	11,948
Total compensation of employees		89,297	93,902
Average number of employees		269	286

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

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	Note	2010/11 R'000	2009/10 R'000
4. Goods and services			
Administrative fees		61	90
Advertising		462	953
Assets less than R5,000	4.1	389	419
Bursaries (employees)		230	484
Catering		373	368
Communication		1,058	1,831
Computer services	4.2	2,575	2,454
Consultants, contractors and agency/outsourced services	4.3	9,793	12,644
Entertainment		94	134
Audit cost – external	4.4	9,720	10,066
Inventory	4.5	4,455	3,189
Operating leases		788	972
Owned and leasehold property expenditure	4.6	-	1,572
Transport provided as part of the departmental activities		7	2
Travel and subsistence	4.7	3,059	3,470
Venues and facilities		651	420
Training and staff development		854	1,369
Other operating expenditure	4.8	465	304
Total		35,034	40,741

For the comparative figures, Operating leases (+R681 000) and, Travel and subsistence expenditure (-R681 000) have been restated with R681 000.

4.1 Assets less than R5,000	4		
Tangible assets		389	419
Machinery and equipment		389	419
Total		389	419
4.2 Computer services	4		
SITA computer services		465	104
External computer service providers		2,110	2,350
Total		2,575	2,454

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

	Note	2010/11 R'000	2009/10 R'000
4.3 Consultants, contractors and agency/outsourced services	4		
Business and advisory services		8,982	12,088
Legal costs		224	-
Contractors		540	438
Agency and support/outsourced services		47	118
Total		9,793	12,644
4.4 Audit cost – external	4		
Regularity audits		3,290	4,196
Performance audits		6,431	5,870
Total		9,720	10,066
4.5 Inventory	4		
Learning and teaching support material		64	17
Food and food supplies		71	84
Other consumable materials		24	57
Maintenance material		-	18
Stationery and printing		4,296	3,012
Medical supplies		-	1
Total		4,455	3,189
4.6 Owned and leasehold property expenditure	4		
Property maintenance and repairs		-	1,572
Total		-	1,572
4.7 Travel and subsistence	4		
Local		2,966	3,402
Foreign		93	68
Total		3,059	3,470
4.8 Other operating expenditure	4		
Professional bodies, membership and subscription fees		3	100
Resettlement costs		61	123
Other		401	81
Total		465	304

**WESTERN CAPE PROVINCE
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

	Note	2010/11 R'000	2009/10 R'000
5. Payments for financial assets			
Material losses through criminal conduct		13	182
Theft	5.4	13	151
Other material losses	5.1	-	31
Other material losses written off	5.2	93	3
Debts written off	5.3	6	18
Total		112	203
5.1 Other material losses	5		
Nature of other material losses			
Incident	Disciplinary Steps taken/Criminal proceedings		
Lost of projector	None	-	31
Total		-	31
5.2 Other material losses written off	5		
Nature of losses			
Laptop items written of		29	-
GG Accident		56	3
Telkom interest written off		3	-
Data card usage		5	-
Total		93	3
5.3 Debts written off	5		
Nature of debts written off			
Bad debts written off - Van Jaarsveld		6	-
Data card debt written off		-	18
Total		6	18
5.4 Details of theft	5		
Nature of theft			
Stolen Laptop		13	11
Stolen sim and data card		-	4
Theft of computer equipment		-	136
Total		13	151

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

	Note	2010/11 R'000	2009/10 R'000
5.5 Assets written off			
Nature of write-off			
Stolen laptop		13	11
Loss of Projector		-	31
Theft of computer equipment		-	136
Damaged laptop		16	-
Missing laptop		11	-
Total		40	178
6. Transfers and Subsidies			
Non-profit institutions	ANNEXURE 1A	100	100
Households	ANNEXURE 1B	634	314
Gifts, donations and sponsorships made	ANNEXURE 1C	2	5
Total		736	419
7. Expenditure for capital assets			
Tangible assets			
		2,321	2,153
Heritage assets		35	-
Machinery and equipment		2,286	2,153
Software and other intangible assets			
		-	953
Computer software		-	953
Total		2,321	3,106
7.1 Analysis of funds utilised to acquire capital assets - 2010/11			
	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	2,321	-	2,321
Heritage assets	35	-	35
Machinery and equipment	2,286	-	2,286
Total	2,321	-	2,321

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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7.2 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	-	3,106

	Note	2010/11 R'000	2009/10 R'000
8. Cash and Cash Equivalents			
Consolidated Paymaster General Account		226	-
Cash on hand		3	3
Cash with commercial banks (Local)		4,779	1,551
Total		5,008	1,554
9. Prepayments and Advances			
Prepayments		31	-
Total		31	-

	Note	2010/11			Total R'000	2009/10 R'000
		Less than one year R'000	One to three years R'000	Older than three years R'000		
10. Receivables						
Claims recoverable	10.1 Annex 3	41	-	-	41	23
Recoverable expenditure	10.2	39	14	21	74	71
Staff debt	10.3	-	-	-	-	50
Other debtors	10.4	11	21	3	35	13
Total		91	35	24	150	157

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	Note	2010/11 R'000	2009/10 R'000
10.1 Claims recoverable	10		
National departments		-	4
Provincial departments		41	19
Total		41	23
10.2 Recoverable expenditure (disallowance accounts)	10		
Disallowance miscellaneous		3	33
Disall: Damages & Losses: CA		17	9
Tax debts		20	4
Income tax		33	25
Private Telephone		1	-
Total		74	71
10.3 Staff debt	10		
Debt receivable interest		-	(2)
Bursary debt		-	21
Theft of laptop		-	4
Data card		-	3
Housing bond		-	2
Salary debts		-	21
Pension		-	1
Total		-	50
10.4 Other debtors	10		
Debt receivable income		(41)	(41)
Debt receivable interest		(11)	-
Ex - Employees			
- Tax		3	3
- Salary		73	51
- Data card debt		11	-
Total		35	13

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	Note	2010/11 R'000	2009/10 R'000
11. Voted Funds to be Surrendered to the Revenue Fund			
Opening balance		1,386	945
Transfer from statement of financial performance		4,004	1,386
Paid during the year		(1,386)	(945)
Closing balance		4,004	1,386
12. Departmental revenue to be surrendered to the Revenue Fund			
Opening balance		194	257
Transfer from Statement of Financial Performance		32,214	18,123
Own revenue included in appropriation		349,397	348,868
Paid during the year		(380,623)	(367,054)
Closing balance		1,182	194
13. Bank Overdraft			
Consolidated Paymaster General Account		-	112
Total		-	112
14. Payables - current			
Other payables		3	19
Total		3	19
14.1 Other payables	14		
Private telephone account		-	19
Tax refund		3	-
Total		3	19

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	Note	2010/11 R'000	2009/10 R'000
15. Net cash flow available from operating activities			
Net surplus as per Statement of Financial Performance		36,218	19,509
Add back non cash/cash movements not deemed operating activities		(30,331)	(17,333)
Decrease in receivables – current		7	306
Decrease in prepayments and advances		(31)	12
Increase in payables – current		(16)	(1,626)
Expenditure on capital assets		2,321	3,106
Surrenders to Revenue Fund		(382,009)	(367,999)
Other non-cash items		349,397	348,868
Net cash flow generated by operating activities		5,887	2,176
16. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		226	(112)
Cash on hand		3	3
Cash with commercial banks (Local)		4,779	1,551
Total		5,008	1,442

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	Note	2010/11 R'000	2009/10 R'000		
17. Contingent liabilities and contingent assets					
17.1 Contingent liabilities					
Liable to					
Claims against the department	<i>Annex 2</i>	1,236	1,236		
Other departments (interdepartmental unconfirmed balances)	<i>Annex 4</i>	8	117		
Total		1,244	1,353		
18. Commitments					
Current expenditure					
Approved and contracted		1,372	3,906		
Approved but not yet contracted		-	3		
		1,372	3,909		
Capital Expenditure (including transfers)					
Approved and contracted		152	199		
Approved but not yet contracted		-	-		
		152	199		
Total Commitments		1,524	4,108		
19. Accruals					
Listed by economic classification		30 Days	30+ Days	Total	Total
Goods and services		399	156	555	918
Capital assets		93	-	93	83
Total		492	156	648	1,001
Listed by programme level					
Administration				482	862
Sustainable Resource Management				115	3
Asset and Liabilities Management				39	108
Financial Governance				12	28
Total				648	1,001
Confirmed balances with departments	<i>Annex 4</i>			3	-
Confirmed balances with other government entities	<i>Annex 4</i>			30	-
Total				33	-

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	Note	2010/11 R'000	2009/10 R'000
20. Employee benefits			
Leave entitlement		225	1,610
Leave entitlement: credits		792	417
Service bonus (Thirteenth cheque)		2,309	2,554
Performance awards		1,536	1,636
Capped leave commitments		5,321	5,257
Total		10,183	11,474

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 practise 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

21.1 Operating leases expenditure

	Specialised military assets R'000	Land R'000	Buildings & other fixed structures R'000	Machinery and equipment R'000	Total R'000
2010/11					
Not later than 1 year	-	-	-	550	550
Later than 1 year and not later than 5 years	-	-	-	915	915
Later than five years	-	-	-	64	64
Total lease commitments	-	-	-	1,529	1,529
2009/10					
Not later than 1 year				881	881
Later than 1 year and not later than 5 years				1,681	1,681
Total lease commitments	-	-	-	2,562	2,562

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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21.2 Finance leases expenditure

2010/11	Specialised military assets R'000	Land R'000	Buildings & other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	113	113
Later than 1 year and not later than 5 years	-	-	-	11	11
Total lease commitments	-	-	-	124	124
Total present value of lease liabilities	-	-	-	124	124
2009/10					
Not later than 1 year	-	-	-	256	256
Later than 1 year and not later than 5 years	-	-	-	117	117
Total lease commitments	-	-	-	373	373
LESS: finance costs					
Total present value of lease liabilities	-	-	-	373	373

	Note	2010/11 R'000	2009/10 R'000
22. Receivables for departmental revenue			
Tax revenue		26,618	24,868
Sales of goods and services other than capital as		77	-
Fines, penalties and forfeits		32	18
Interest, dividends and rent on land		-	53
Transactions in financial assets and liabilities		3,913	2,228
Total		30,640	27,167
22.1 Analysis of receivables for departmental revenue			
Opening balance		27,167	25,357
Less: Amounts received		26,282	24,472
Add: Amounts recognised		29,755	26,282
Closing balance		30,640	27,167

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	Note	2010/11 R'000	2009/10 R'000
23. Irregular expenditure			
23.1 Reconciliation of irregular expenditure			
Opening balance		-	250
Add: Irregular expenditure - relating to prior year		461	-
Add: Irregular expenditure - relating to current year		1,285	44
Less: Amounts condoned		(1)	(294)
Irregular expenditure awaiting condonation		1,745	-
Analysis of awaiting condonation per age classification			
Prior year		460	-
Current year		1,285	-
Total		1,745	-
			2010/11 R'000
23.2 Details of irregular expenditure			
Prior Year			
Incident	Disciplinary steps taken/criminal proceedings		
Payments processed without service providers completing the WCBD 4 forms and submitting tax clearance certificates	None		457
			457
Current Year			
Incident	Disciplinary steps taken/criminal proceedings		
Service fee charged by Travel Manor for Conference at Monkey Valley Resort.	None		1
Payments processed without service providers completing the WCBD 4 forms and submitting tax clearance certificates	None		1,284
			1,285
Total			1,742

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**2010/11
R'000**

23.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	
Non-compliance with Regulations. (Catering service provided by K-Line Foods)	Accounting Officer	1
		1

23.4 Details of irregular expenditure under investigation

Incident		
Catering Service - Trisha Delisha - Non-compliance with regulations.	3	
Service Fee charged by Travel Manor for Conference at Monkey Valley	1	
		4

Note	2010/11 R'000	2009/10 R'000
-------------	--------------------------	--------------------------

24. Fruitless and wasteful expenditure**24.1 Reconciliation of fruitless and wasteful expenditure**

Fruitless and wasteful expenditure – relating to prior year	8	30
Less: Amounts condoned	-	(18)
Less: Amounts transferred to receivables for recovery	-	(12)
Fruitless and wasteful expenditure awaiting condonement	8	-

**2010/11
R'000**

24.2 Analysis of Current Year's Fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	
Interest charged by Telkom	None	3
Data card expense- official transferred to another department.	None	5
		8

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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25. Related party transaction

	2010/11 R'000	2009/10 R'000
Payments made		
Goods and services		
GG Vehicle Expenditure	1,415	1,253
Total	1,415	1,253

The Department makes use of 18 GG Vehicles of Government Motor Transport based on daily and kilometer tariffs as approved by the Provincial Treasury.

The Provincial Treasury occupies a building owned by the Department of Transport and Public Works free of charge.

The Provincial Treasury received corporate services from the Corporate Services Centre of the Department of the Premier in the Western Cape Province with effect from 1 November 2010 in respect of the following service areas:

- Information and communication Technology
- Organisation Development
- Provincial Training (transversal)
- Human Resource Management
- Enterprise Risk Management
- Internal Audit
- Forensic investigations
- Legal Services
- Corporate Communication

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	2010/11 R'000	2009/10 R'000
26. Key management personnel			
Political office bearers (provide detail below)	1	1,492	1,336
Level 15 to 16	4	3,457	4,409
Level 14 (including CFO)	5	3,286	3,170
Total		8,235	8,915

Note: The Chief Financial Officer is appointed on salary level 13 but has been included with the information for salary level 14 statistics. Also included in salary level 14 is two (2) level 13 senior officials who acted at higher levels.

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

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2011**

	Opening balance R'000	Current Year Adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
HERITAGE ASSETS	245	-	35	-	280
Heritage assets	245	-	35	-	280
MACHINERY AND EQUIPMENT	10,680	80	2,263	3,630	9,393
Transport assets	-	-	619	619	-
Computer equipment	8,450	94	1,416	2,941	7,019
Furniture and office equipment	1,048	(48)	153	30	1,123
Other machinery and equipment	1,182	34	75	40	1,251
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	10,925	80	2,298	3,630	9,673

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Additions

**ADDITIONS TO MOVEABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2011**

	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	35	-	-	-	35
Heritage assets	35	-	-	-	35
MACHINERY AND EQUIPMENT	2,286	-	-	(23)	2,263
Transport assets	619	-	-	-	619
Computer equipment	1,419	-	-	(3)	1,416
Furniture and office equipment	173	-	-	(20)	153
Other machinery and equipment	75	-	-	-	75
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	2,321	-	-	(23)	2,298

Disposals

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2011**

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	3,630	3,630	-
Transport assets	-	619	619	-
Computer equipment	-	2,941	2,941	-
Furniture and office equipment	-	30	30	-
Other machinery and equipment	-	40	40	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	3,630	3,630	-

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Movement for 2009/10**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2010**

	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	10,166	2,180	1,666	10,680
Computer equipment	8,396	1,645	1,591	8,450
Furniture and office equipment	729	328	9	1,048
Other machinery and equipment	1,041	207	66	1,182
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	10,411	2,180	1,666	10,925

Minor assets**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	96	5,686	-	5,782
Curr Year Adjustments to Prior Year Balances	-	-	29	-	-	29
Additions	-	-	15	493	-	508
Disposals	-	-	-	1,082	-	1,082
TOTAL MINOR ASSETS	-	-	140	5,097	-	5,237
Number of minor assets at cost	-	-	91	4,559	-	4,650
TOTAL NUMBER OF MINOR ASSETS	-	-	91	4,559	-	4,650

MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2010

	Specialised military assets R'000	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	-	-	43	4,911	-	4,954

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PROVINCIAL TREASURY
VOTE 3**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

28. Intangible Capital Assets

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2011**

	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	1,371	-	-	953	418
TOTAL INTANGIBLE CAPITAL ASSETS	1,371	-	-	953	418

Disposals

**DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2011**

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash received Actual R'000
COMPUTER SOFTWARE	-	1	1	-
TOTAL DISPOSAL OF INTANGIBLE CAPITAL ASSETS	-	1	1	-

Movement for 2009/10

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

	Opening balance 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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

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

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	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							
Livingstone High School	-	-	-	-	-	-	5
Immaculata High School	-	-	-	-	-	-	5
Intlanganiso High School	-	-	-	-	-	-	5
Inkwenkezi High School	-	-	-	-	-	-	5
Hector Pietersen High School	-	-	-	-	-	-	20
South Pensinsula High School	-	-	-	-	-	-	60
Zola High School	-	-	-	-	50	-	-
Elsies River High School	-	-	-	-	50	-	-
Total	-	-	-	-	100		100

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

ANNEXURE 1B**STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2009/10
	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							
Injury on duty - Lindenberg G	-	-	-	-	-	-	2
Leave gratuity - De Waal	-	-	-	-	92	-	-
Bursaries to non- employees	630	-	-	630	542	86	312
Total	630	-	-	630	634		314

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

ANNEXURE 1C

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

NATURE OF GIFT, DONATION OR SPONSORSHIP	2010/11	2009/10
	R'000	R'000
Paid in cash		
Contribution towards Prize monies	-	5
Gift vouchers to speakers at Library events	2	-
Total	2	5

Note: Three computers to the value of R30 000 was donated separately on 12 March 2011 to three teachers who were mentors in an essay writing competition (see Annexure 1A). However payment only took place in April 2011/12.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

ANNEXURE 2**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2011**

Nature of liability	Opening balance 1 April 2010 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/ reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing balance 31 March 2011 R'000
Claims against the department					
Khulani Personnel Group	1,236	-	-	-	1,236
Total	1,236	-	-	-	1,236

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

ANNEXURE 3**CLAIMS RECOVERABLE**

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
National Department of Labour	-	-	-	3	-	3
Department of Health	-	-	-	14	-	14
Department of the Premier	16	-	-	5	16	5
National Department of Water & Environmental Affairs	-	1	-	-	-	1
W.C. Provincial Parliament	-	-	2	-	2	-
National Department of Correctional Services	23	-	-	-	23	-
Total	39	1	2	22	41	23

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2011**

ANNEXURE 4**INTER-GOVERNMENT PAYABLES**

Government entity	Confirmed balance		Unconfirmed balance		Total	
	31/03/2011	31/03/2010	31/03/2011	31/03/2010	31/03/2011	31/03/2010
	R'000	R'000	R'000	R'000	R'000	R'000

DEPARTMENTS**Current**

Department of the Premier	-	-	8	1	8	1
Eastern Cape Treasury	2	-	-	-	2	-
Limpopo - Department of Agriculture	1	-	-	-	1	-
Total	3	-	8	1	11	1

OTHER GOVERNMENT ENTITY**Current**

Government Motor Transport	30	-	-	116	30	116
Total	30	-	-	116	30	116

ANNEXURE 5**INVENTORY**

	Note	2010/11		2009/10	
		Quantity	R'000	Quantity	R'000
Inventory					
Opening balance		8,623	235	5,228	109
Add: Additions/Purchases - Cash		27,298	1,135	37,608	1,773
(Less): Issues		(29,241)	(1,167)	(34,213)	(1,647)
Add/(Less): Adjustments		-	(48)	-	-
Closing balance		6,680	155	8,623	235

4. HUMAN RESOURCE MANAGEMENT (OVERSIGHT REPORT)

4.1 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 plans.

Table 4.1.1 Main services and service standards provided in terms of the Service Delivery Plan, 1 April 2010 to 31 March 2011

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Promote optimal financial resource allocation, in line with the socio-economic realities facing municipalities.	a) Municipalities b) Communities c) Suppliers and SMME's d) Provincial departments and their Institutions e) Premier f) MEC for Finance and other Executive Authorities g) National Treasury h) SCOPA and other standing committees i) Statistics South Africa	a) Municipalities b) Communities c) Suppliers and SMME's d) Provincial departments and their Institutions e) Premier f) MEC for Finance and other Executive Authorities g) National Treasury h) SCOPA and other standing committees i) Statistics South Africa	a) Level 3 auditable rating Roll-out of the Implementation of the MFMA b) 30 SDBIP Assessments c) Contribution to Local Government IDP indaba (ex-LGMTEC1) d) Assessments 30 LG MTEC 3 Assessments e) 30 LG MTEC 3 Visits	a) Level 3 auditable rating Roll-out of the Implementation of the MFMA b) 28 SDBIP Assessments c) Contribution to Local Government IDP indaba (ex-LGMTEC1) pertaining to 30 municipalities d) Received budget documentation from 29 municipalities. 29LG MTEC 3 Assessments. e) 9 LG MTEC 3 Visits.
A professionally implemented and managed secure financial system, responsive to user functionality and information requirements, conforming to changing accounting and good governance requirements.	a) Provincial departments and their Institution b) Provincial Treasury internal units c) National Treasury d) Suppliers and SMME's e) MEC for Finance and other Executive Authorities f) Official banker	a) Provincial departments and their Institutions b) Provincial Treasury internal units c) National Treasury d) Suppliers and SMME's e) MEC for Finance and other Executive Authorities f) Official banker	The development of a risk management framework to assess security and veracity of data. Development and implementation of a financial operational model that enforces good governance practices. Provision of timely and appropriate data and management information.	a) 100% achieved b) All depts/sites taken over except Health and Education for BAS and PERSAL due to restricted capacity and the impact of Modernisation. c) Developed and rolled out to all depts except Health and Education.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
<p>A professionally implemented and managed secure financial system, responsive to user functionality and information requirements, conforming to changing accounting and good governance requirements.</p> <p><i>(continued)</i></p>			<p>A fully operational helpdesk.</p> <p>Competent System unit internally and trained users within provincial departments.</p>	<p>d) 100% completed but not implemented due to the impact of the Modernisation programme and various system changes.</p> <p>e) 100% completed.</p> <p>f) 100% achieved.</p> <p>g) 100% achieved.</p> <p>h) 100% achieved.</p> <p>i) 100% achieved.</p>

Table 4.1.2 Consultation arrangements with customers, 1 April 2010 to 31 March 2011

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
<p>Promote optimal financial resource allocation, in line with the socio-economic realities facing municipalities</p> <p>a) LG MTECs and provincial MTECs</p> <p>b) Assessments of Budget and Planning processes</p> <p>c) Individual and Budget Insight Folder (BIF) Visits</p> <p>d) Workshops, Seminars and IGR Forums</p> <p>e) Issuing Circulars</p> <p>f) Surveys</p> <p>g) Reporting and feedback process</p> <p>h) Correspondence</p> <p>i) Active participation in BIF Team activities</p> <p>j) Identification of issues through existing processes and follow-up procedures.</p> <p>k) Establishing forums to resolve challenges experienced.</p> <p>l) Report back mechanism for fluid engagement between municipalities, PT, sector departments and National departments on socio-economic challenges.</p> <p>m) Established and functioning Data Management Forum.</p>	<p>Municipalities</p> <p>a) Communities</p> <p>b) Suppliers and SMME's</p> <p>c) Provincial departments and their Institutions</p> <p>d) Premier</p> <p>e) MEC for Finance and other Executive Authorities</p> <p>f) National Treasury</p> <p>g) SCOPA and other standing committees</p> <p>h) Statistics South Africa</p>	<p>a) Municipalities</p> <p>b) Communities</p> <p>c) Suppliers and SMME's</p> <p>d) Provincial departments and their Institutions</p> <p>e) Premier</p> <p>f) MEC for Finance and other Executive Authorities</p> <p>g) National Treasury</p> <p>h) SCOPA and other standing committees</p> <p>i) Statistics South Africa</p>	<p>a) LG MTECs and provincial MTECs.</p> <p>b) Assessments of Budget and Planning processes.</p> <p>c) Individual and BIF Visits (1 x 5 districts and 1 x 1 City)</p> <p>d) Workshops (2 SDBIP Trainings) 1 IDP Indaba and 4 CFO forums. Seminars and IGR Forums</p> <p>e) 45/2011 Circulars</p> <p>f) Surveys (None)</p> <p>g) Reporting and feedback process.</p> <p>h) Correspondence</p> <p>i) Active participation in BIF Team activities</p> <p>j) Identification of issues through existing processes and follow-up procedures.</p> <p>k) Establishing forums to resolve challenges experienced.</p> <p>l) Report back mechanism for fluid engagement between municipalities, PT, sector departments and National departments on socio-economic challenges.</p> <p>m) Established and functioning Data Management Forum.</p>

Type of arrangement	Actual Customers	Potential Customers	Actual achievements
<p>A professionally implemented and managed secure financial system, responsive to user functionality and information requirements, conforming to changing accounting and good governance requirements.</p> <p>a) Assessments b) Visits</p> <p>c) Workshops, Seminars and Forums d) Issuing Circulars, Practice Notes and Policies e) Questionnaires f) Reporting and feedback process g) E-mails h) Correspondence</p>	<p>a) Provincial departments and their Institutions b) Provincial Treasury internal units</p> <p>c) National Treasury d) Suppliers and SMMEs e) MEC for Finance and other Executive Authorities f) Official banker</p>	<p>a) Provincial departments and their Institutions b) Provincial Treasury internal units</p> <p>c) National Treasury d) Suppliers and SMMEs e) MEC for Finance and other Executive Authorities f) Official banker</p>	<p>a) All 1 823 officials that attended courses were evaluated by means of a competency assessment. b) 10% of all officials that were trained were visited.</p> <p>c) Workshops held at 5 venues (West Coast, Metro Region, George, Worcester and Caledon) plus 4 forums held for PERSAL and 4 forums for BAS. d) Circulars issued to all PGWC. e) Questionnaires were sent to supervisors of 20% of all officials trained. f) Reporting done to all PGWC on CFO forums, FA forums and System meetings. g) E-mails sent to all PGWC and 78 LOGIS sites. h) Correspondence to all PGWC and 78 LOGIS sites.</p>

Table 4.1.3 Service delivery access strategy, 1 April 2010 to 31 March 2011

Access Strategy	Actual achievements
<p>Promote optimal financial resource allocation, in line with the socio-economic realities facing municipalities.</p> <p>a) The office of Provincial Treasury, Legislature Building, 7 Wale Street. b) LG MTECs c) Relevant Municipality d) Relevant provincial and national departments</p>	<p>The services were provided at:</p> <p>a) The office of Provincial Treasury, Legislature Building, 7 Wale Street. b) LG MTECs c) Relevant Municipality d) Relevant provincial and national departments.</p>

Access Strategy	Actual achievements
<p>A professionally implemented and managed secure financial system, responsive to user functionality and information requirements, conforming to changing accounting and good governance requirements.</p> <p>a) The office of Provincial Treasury, Legislature Building, 7 Wale Street.</p> <p>b) Nine training venues situated in:</p> <ul style="list-style-type: none"> - Golden Acre (3 venues) - Claremont (1 venue) - Kromme Rhee (2 venues) - George (1 venue) - Kuilsrivier (1 venue) - Vredenburg (1 venue) 	<p>The services were provided at:</p> <p>a) The office of Provincial Treasury, Legislature Building, 7 Wale Street, Directorate: Supporting and Interlinked Financial Systems.</p> <p>b) All training venues utilised to further enhance the skills of users to comply with conforming changing accounting and good governance.</p>

Table 4.1.4 Service information tool, 1 April 2010 to 31 March 2011

Types of information tool	Actual achievements
<p>Promote optimal financial resource allocation, in line with the socio-economic realities facing municipalities.</p> <p>a) Circulars</p> <p>b) Electronic mail</p> <p>c) Assessment reports and feedback process</p> <p>d) Minutes</p> <p>e) Correspondence</p> <p>f) Performance Reviews</p> <p>g) LG MTEC's</p> <p>h) BIF Teams</p> <p>i) Quarterly IYM Visits</p> <p>j) Databases</p> <p>k) Intranet and Cape Gateway</p> <p>l) Internet</p> <p>m) Publications</p> <p>n) Utilising established forums</p>	<p>The following mechanisms were utilised:</p> <p>a) 45/2011 Circulars</p> <p>b) Electronic mail</p> <p>c) Assessment reports and feedback process</p> <p>d) Minutes of Meetings</p> <p>e) Correspondence</p> <p>f) Performance Reviews (30 municipalities)</p> <p>g) LG MTEC's</p> <p>h) BIF Teams</p> <p>i) Quarterly IYM Visits</p> <p>j) Databases</p> <p>k) Intranet and Cape Gateway</p> <p>l) Internet</p> <p>m) Publications</p> <p>n) Utilising established forums</p>
<p>A professionally implemented and managed secure financial system, responsive to user functionality and information requirements, conforming to changing accounting and good governance requirements.</p> <p>a) Issuing of circulars</p> <p>b) Continuous communication with users regarding the status of the systems and new enhancements.</p> <p>c) Consultation</p>	<p>The following mechanisms were utilised:</p> <p>a) To all PGWC and 78 LOGIS sites.</p> <p>b) To all PGWC and 78 LOGIS sites.</p> <p>c) With all PGWC and 78 LOGIS sites.</p>

Table 4.1.5 Complaints mechanism, 1 April 2010 to 31 March 2011

Complaints Mechanism	Actual achievements
<p>Promote optimal financial resource allocation, in line with the socio-economic realities facing municipalities.</p> <p>a) Fostering of open communication between the departments and senior management b) LG MTECs c) Quarterly BIF Team Meetings d) Critical Ad Hoc Meetings e) Communication (telephone calls, e-mails) f) Updates via LG MTECs and Quarterly BIF team visits. g) Meetings, workshops and conferences.</p>	<p>The following mechanisms and platforms were utilised:</p> <p>a) Fostering of open communication between the departments and senior management b) LG MTECs c) Quarterly BIF Team Meetings d) Critical Ad Hoc Meetings e) Communication (telephone calls, e-mails) f) Updates via LG MTECs and Quarterly BIF team visits. g) Meetings, workshops and conferences.</p> <p>Additional complaints mechanisms:</p> <p>h) Quarterly IYM visits. i) Cape Gateway.</p>
<p>A professionally implemented and managed secure financial system, responsive to user functionality and information requirements, conforming to changing accounting and good governance requirements.</p> <p>a) Training interventions b) Address training gaps of system users c) The implementation of the risk management framework to assess security and veracity of data.</p>	<p>a) 9 Training interventions utilised and integrated. b) 100% achieved. c) 100% completed but not rolled out due to the impact of the Modernisation programme and various system changes.</p>

4.2 Expenditure

Departments budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 4.2.1) and by salary bands (Table 4.2.2). In particular, 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 4.2.1 Personnel costs by programme, 2010/11

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Goods & Services (R'000)	Personnel cost as a per cent of total expenditure	Average personnel cost per employee (R'000)	Total Number of Employees
Administration	33 214	19 514	891	10 533	58.75	238	82
Sustainable Resource Management	42 327	28 360	231	13 967	67.00	308	92
Asset and Liabilities	33 710	25 201	228	8 509	74.76	336	75
Financial Governance	18 249	16 222	275	2 027	88.89	145	112
Total	127 500	89 297	1 625	35 036	70.04	247	361

Table 4.2.2 Personnel costs by salary bands, 2010/11

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)	Total Number of Employees
Lower skilled (Levels 1-2)	116	0.1	19	6
Skilled (Levels 3-5)	2 461	2.8	117	21
Highly skilled production (Levels 6-8)	11 131	12.5	110	101
Highly skilled supervision (Levels 9-12)	60 212	67.7	288	209
Senior management (Levels 13-16)	14 989	16.9	625	24
Total	* 88 909	100	246	** 361

* The cost reflected here, includes expenditure with regard to Permanent Personnel, Contract Officials, Students and Interns, as per PERSAL. The figures in Table 4.2.1 are per the Basic Accounting System and the figures in Table 4.2.2 are per the PERSAL system. The difference in the figures between Tables 4.2.1 and 4.2.2 above in respect of total personnel expenditure is due to the fact that Table 4.2.2 does not include personnel expenditure (salaries) claimed and received from other departments. Furthermore, the two systems are not synchronised in respect of staff appointments and resignations and/or transfers to other Departments. Ultimately, the difference in the said personnel costs results in a difference between the figures for average personnel cost per employee.

** The total number of employees includes all employees remunerated during the reporting period, excluding the Minister.

The following tables provide a summary per programme (Table 4.2.3) and salary bands (Table 4.2.4), of expenditure incurred as a result of salaries, overtime, home owners allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items, excluding the minister.

Table 4.2.3 Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2010/11

Programme	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Administration	11 788	13.3	175	0.2	362	0.4	805	0.9
Sustainable Resource Management	21 079	23.7	397	0.4	331	0.4	921	1
Asset and Liabilities	17 508	19.7	43	0.04	451	0.5	1 197	1.3
Financial Governance	11 380	12.8	28	0.03	297	0.3	572	0.6
Total	61 755	69.5	644	0.7	1 442	1.6	3 495	3.9

Table 4.2.4 Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2010/11

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)	63	0.1	-	-	9	0.01	11	0.01
Skilled (Levels 3-5)	1 614	1.8	43	0.04	126	0.1	242	0.3
Highly skilled production (Levels 6-8)	7 605	8.6	134	0.2	330	0.4	710	0.8
Highly skilled supervision (Levels 9-12)	43 858	49.3	467	0.5	927	1	2 278	2.6
Senior management (Levels 13-16)	8 615	9.7	-	-	51	0.1	254	0.3
Total	61 755	69.5	644	0.7	1442	1.6	3 495	3.9

4.3 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 4.3.1), salary band (Table 4.3.2) and critical occupations (Table 4.3.3). Departments have identified critical occupations that need to be monitored. Table 4.3.3 provides establishment and vacancy information for the key critical occupations of the department. The vacancy rate reflects the percentage of posts that are not filled as per the approved post establishment.

Table 4.3.1 Employment and vacancies by programme, as on 31 March 2011

Programme	Number of posts		Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
	Funded	Unfunded			
Administration	60	-	55	8.3	-
Sustainable Resource Management	109	-	95	12.8	-
Asset and Liabilities	60	-	54	10	-
Financial Governance	47	-	44	6.4	-
Total	276	-	248	10.1	-

Table 4.3.2 Employment and vacancies by salary bands, as on 31 March 2011

Salary bands	Number of posts		Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
	Funded	Unfunded			
Lower skilled (Levels 1-2)	1	-	1	-	-
Skilled (Levels 3-5)	16	-	15	6.3	-
Highly skilled production (Levels 6-8)	47	-	47	-	-
Highly skilled supervision (Levels 9-12)	191	-	168	12	-
Senior management (Levels 13-16)	21	-	17	19	-
Total	276	-	248	10.1	-

Table 4.3.3 Employment and vacancies by critical occupation, as on 31 March 2011

Critical occupations	Number of posts		Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
	Funded	Unfunded			
Economist	23	-	17	26.1	-
Expenditure Analyst	25	-	22	12	-
Financial Analyst	13	-	11	15.4	-
Procurement Specialist	17	-	17	0	-
State Accountant Senior	1	-	1	0	-
System Controller	29	-	26	10.3	-
Total	108	-	94	13	-

4.4 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.

The following table (Table 4.4.1) summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 4.4.1 Job Evaluation, 1 April 2010 to 31 March 2011

Salary Bands	Number of Posts	Number of Jobs Evaluated	% of posts evaluated by Salary Bands	Posts Upgraded		Posts Downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	1	-	-	-	-	-	-
Skilled (Levels 3-5)	16	1	6.3	2	100	-	-
Highly skilled production (Levels 6-8)	47	22	46.8	18	81.8	-	-
Highly skilled supervision (Levels 9-12)	191	5	2.6	4	80	-	-
Senior Management Service Band A	14	-	-	-	-	-	-

Salary Bands	Number of Posts	Number of Jobs Evaluated	% of posts evaluated by Salary Bands	Posts Upgraded		Posts Downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Senior Management Service Band B	4	-	-	-	-	-	-
Senior Management Service Band C	2	-	-	-	-	-	-
Senior Management Service Band D	1	-	-	-	-	-	-
Total	276	28	10.1	24	85.7	-	-

NOTE: The full establishment was evaluated in previous financial years.

Table 4.4.2 Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2010 to 31 March 2011

Beneficiaries	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	1	-	-	-	1
Total	1	-	-	-	1
Employees with a disability					None

The following table summarises the profile of employees whose salary levels exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 4.4.3 Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2010 to 31 March 2011 (in terms of PSR 1.V.C.3)

Total Number of Employees whose salaries exceeded the grades determined by job evaluation in 2010/ 2011	None
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4.5 Employment changes

Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 4.5.1) and by critical occupations (Table 4.5.2).

Table 4.5.1 Annual turnover rates by salary band, 1 April 2010 to 31 March 2011

Salary Bands	Number of employees per band as on 1 April 2010	Appointments into the department	Transfers into the department	Terminations out of the department	Transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	2	-	-	-	-	-
Skilled (Levels 3-5)	20	3	4	2	5	35
Highly skilled production (Levels 6-8)	83	2	8	-	48	57.8
Highly skilled supervision (Levels 9-12)	172	29	8	8	30	22.1
Senior Management (Service Band A)	16	-	-	-	5	31.3
Senior Management (Service Band B)	3	-	-	-	1	33.3
Senior Management (Service Band C)	2	-	-	-	1	50
Senior Management (Service Band D)	1	-	-	-	-	-
Total	299	34	20	10	90	33.4

Table 4.5.2 Annual turnover rates by critical occupation, 1 April 2010 to 31 March 2011

Critical Occupation	Number of employees per band as on 1 April 2010	Appointments into the department	Transfers into the department	Terminations out of the department	Transfers out of the department	Turnover rate
Economists	13	5	-	1	-	7.7
Expenditure Analysts	19	3	-	2	1	15.8
Financial Analysts	10	2	1	1	1	20
Procurement Specialists	14	4	4	1	2	21.4
State Accountant Senior	-	1	-	-	-	-
System Controller	22	-	3	-	1	4.8
Total	78	15	8	5	5	13

Table 4.5.3 Reasons why staff are leaving the employ of the department, 1 April 2010 to 31 March 2011

Termination Type	Number	% of total terminations
Death	-	-
Resignation	7	7
Expiry of contract	2	2
Dismissal – misconduct	-	-
Dismissal – inefficiency	-	-
Discharged due to ill-health	1	1
Retirement	-	-
Transfers to other Public Service Departments	90	90
Total	100	100
Total number of employees who left as a % of the total employment		33.4

NOTE: High % of transfers as a result of corporatisation of support functions and subsequent migration of staff to DotP.

Table 4.5.4 Granting of employee initiated severance packages by salary band, 1 April 2010 to 31 March 2011

Total Number of employee initiated severance packages in 2010/11	None
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Table 4.5.5 Reasons why staff is resigning from the Public Service, 1 April 2010 to 31 March 2011

Resignation Reasons	Number	% of total resignations
Better Remuneration	7	100
Total	7	100

Table 4.5.6 Different age groups of staff who resigned from the Public Service, 1 April 2010 to 31 March 2011

Age group	Number	% of total resignations
Ages <19	-	-
Ages 20 to 24	-	-
Ages 25 to 29	2	28.6
Ages 30 to 34	3	42.9
Ages 35 to 39	-	-
Ages 40 to 44	2	28.6
Ages 45 to 49	-	-
Ages 50 to 54	-	-
Ages 55 to 59	-	-
Ages 60 to 64	-	-
Ages 65 >	-	-
Total	7	100

Table 4.5.7 Promotions by salary band, 1 April 2010 to 31 March 2011

Salary Bands	Employees as at 1 April 2010	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary bands	OSDs	OSDs as a % of Employee Salary Bands
Lower skilled (Levels 1-2)	2	-	-	1	50	-	-
Skilled (Levels 3-5)	20	-	-	15	75	-	-
Highly skilled production (Levels 6-8)	83	6	7.2	42	50.6	-	-
Highly skilled supervision (Levels 9-12)	172	7	4.1	90	52.3	-	-
Senior management (Levels 13-16)	22	3	9.1	12	54.5	-	-
Total	299	16	5	160	53.7	-	-

Table 4.5.8 Promotions by critical occupation, 1 April 2010 to 31 March 2011

Critical Occupation	Employees as at 1 April 2010	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Economists	13	1	7.7	1	7.7
Expenditure Analysts	19	-	-	4	21.1
Financial Analysts	10	1	10	6	60
Procurement Specialists	14	1	7.1	10	71.4
State Accountant Senior	-	-	-	1	-
System Controller	22	-	4.8	22	104.8
TOTAL	78	3	3.8	44	56.4

4.6 Employment equity

The following table provides a summary of the total workforce profile per occupational levels. Temporary employees provide the total of workers employed for three consecutive months or less. The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

Table 4.6.1 Total number of employees (including employees with disabilities) in each of the following occupational bands, as on 31 March 2011

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	-	2	-	1	-	-	-	-	-	-	3
Senior management (Levels 13-14)	1	4	1	3	-	2	1	2	-	-	14
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	27	41	-	17	24	48	2	8	1	-	168
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	2	5	-	1	9	24	-	6	-	-	47
Semi-skilled and discretionary decision making (Levels 3-5)	4	5	-	-	1	3	-	2	-	-	15
Unskilled and defined decision making (Levels 1-2)	-	-	-	-	-	1	-	-	-	-	1
Total	34	57	1	22	34	78	3	18	1	-	248
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand Total	34	57	1	22	34	78	3	18	1	-	248

Table 4.6.2 Total number of employees with disabilities in each of the following occupational bands, as on 31 March 2011

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	-	-	-	-	-	-	-	-	-	-	-
Senior management (Levels 13-14)	-	-	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	-	-	-	1	-	1	-	1	-	-	3

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	-	-	-	-	1	-	-	-	-	-	1
Semi-skilled and discretionary decision making (Levels 3-5)	-	-	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making (Levels 1-2)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	1	1	1	-	1	-	-	4
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand Total	-	-	-	1	1	1	-	1	-	-	4

Table 4.6.3 Recruitment, 1 April 2010 to 31 March 2011

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	-	-	-	-	-	-	-	-	-	-	-
Senior management (Levels 13-14)	-	-	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	4	5	-	1	4	14	1	-	-	-	29
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	1	-	-	-	1	-	-	-	-	-	2
Semi-skilled and discretionary decision making (Levels 3-5)	1	1	-	-	-	1	-	-	-	-	3
Unskilled and defined decision making (Levels 1-2)	-	-	-	-	-	-	-	-	-	-	-
Total	6	6	-	1	5	15	1	-	-	-	34
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand Total	6	6	-	1	5	15	1	-	-	-	34

Note: The above table represents appointments only.

Table 4.6.4 Promotions, 1 April 2010 to 31 March 2011

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	-	1	-	-	-	-	-	-	-	-	1
Senior management (Levels 13-14)	-	1	-	-	-	-	-	1	-	-	2
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	2	2	-	-	2	1	-	-	-	-	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	-	1	-	-	-	4	-	1	-	-	6
Semi-skilled and discretionary decision making (Levels 3-5)	-	-	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making (Levels 1-2)	-	-	-	-	-	-	-	-	-	-	-
Total	2	5	-	-	2	5	-	2	-	-	16
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand Total	2	5	-	-	2	5	-	2	-	-	16

Table 4.6.5 Terminations, 1 April 2010 to 31 March 2011

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15-16)	-	-	-	-	-	-	-	-	-	-	-
Senior management (Levels 13-14)	-	-	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management (Levels 9-12)	-	2	-	1	3	2	-	-	-	-	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	-	-	-	-	-	-	-	-	-	-	-
Semi-skilled and discretionary decision making (Levels 3-5)	2	-	-	-	-	-	-	-	-	-	2
Unskilled and defined decision making (Levels 1-2)	-	-	-	-	-	-	-	-	-	-	-
Total	2	2	-	1	3	2	-	-	-	-	10
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand Total	2	2	-	1	3	2	-	-	-	-	10

Table 4.6.6 Disciplinary actions, 1 April 2010 to 31 March 2011

Disciplinary Actions Total	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
	-	-	-	-	-	-	-	-	-	-	-

Table 4.6.7 Skills development, 1 April 2010 to 31 March 2011

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15-16)	-	-	-	-	-	-	-	-	-
Senior management (Levels 13-14)	1	6	-	-	1	1	-	3	12
Professionally qualified and experienced specialists and mid- management (Levels 9-12)	27	46	13	-	22	66	4	7	185
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6-8)	8	10	-	-	12	63	-	6	99
Semi-skilled and discretionary decision making (Levels 3-5)	1	2	-	-	2	-	-	2	7
Unskilled and defined decision making (Levels 1-2)	-	-	-	-	-	-	-	-	-
Total	37	64	13	-	37	130	4	18	303
Temporary employees	-	-	-	-	-	-	-	1	-
Grand Total	37	64	13	-	37	130	4	18	303

4.7 Signing of performance agreements by SMS members

Table 4.7.1 Signing of Performance Agreements by SMS Members, as on 30 September 2010

SMS Level	Number of funded SMS posts per level	Number of SMS members per level	Number of signed Performance Agreements per level	Signed Performance Agreements as % of SMS members per level	Number of SMS who received Performance Bonuses
Head Official	1	1	1	100	1
Salary Level 15	2	2	1	50	1
Salary Level 14	4	2	1	50	1
Salary Level 13	14	13	12	84.6	5
Total	21	18	15	77.8	8

Table 4.7.2 Disciplinary steps taken against SMS Members for not having concluded Performance Agreements on 30 September 2010

Reason for not concluding Performance Agreements
<p>1 x SL 15 post was filled w.e.f. 1 Aug 2010 (3 month period to conclude agreement not over by 30 Sept. PA signed 04/11/11)</p> <p>1 x SL 13 was filled w.e.f. 1 September 2010 (3 month period to conclude agreement not over by 30 Sept. PA signed 04/11/11)</p> <p>1 x SL 14 was seconded to Transport and Public Works w.e.f. 1 Oct 2009 – 31 Oct 2010 and concluded a new PA shortly thereafter.</p>

Table 4.7.3 Reasons for not having concluded Performance Agreements with all SMS on 30 September 2010

Disciplinary steps taken against SMS Members for not having concluded Performance Agreements
None

4.8 Filling of SMS posts

Table 4.8.1 SMS posts information, as on 31 March 2011

SMS Level	Number of funded SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Head Official	1	1	100	-	-
Salary Level 15	2	2	100	-	-
Salary Level 14	4	1	25	3	75
Salary Level 13	14	13	92.9	1	7.1
Total	21	17	81	4	19

Table 4.8.2 SMS posts information, as on 30 September 2010

SMS Level	Number of funded SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Head Official	1	1	100	-	-
Salary Level 15	2	2	100	-	-
Salary Level 14	4	2	50	3	75
Salary Level 13	14	13	85.7	1	7.1
Total	21	18	85.7	4	19.5

Table 4.8.3 Advertising and Filling of SMS posts, as on 31 March 2011

SMS Level	Advertising	Filling of Posts	
	Number of Vacancies per Level Advertised in 6 Months of becoming Vacant	Number of Vacancies per Level Filled in 6 Months after becoming Vacant	Number of Vacancies per Level not Filled in 6 Months but Filled in 12 Months
Head Official	-	-	-
Salary Level 15	-	-	-
Salary Level 14	3		-
Salary Level 13	2	1	1
Total	5	1	1

Table 4.8.4 Reasons for not having complied with the filling of funded vacant SMS – Advertised within 6 months and filled within 12 months after becoming vacant

SMS Level	Reasons for non-compliance
Salary Level 14	<p>The post of Chief Director: Financial Governance was advertised, and is currently at short-listing phase.</p> <p>The post of Chief Director Public Finance was advertised several times without success. It is currently under review as part of Reconfiguration 3.</p> <p>The Chief Director Asset Management was transferred to another department during the course of 2010. The post is currently being re-evaluated.</p>

Table 4.8.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months

Disciplinary steps taken
None required

4.9 Performance rewards

To encourage good performance, the department has granted the following performance rewards allocated to personnel for the performance period 2009/10, but paid in the financial year 2010/11. The information is presented in terms of race, gender, and disability (Table 4.9.1), salary bands (Table 4.9.2) and critical occupations (Table 4.9.3).

Table 4.9.1 Performance Rewards by race, gender, and disability, 1 April 2010 to 31 March 2011

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African	22	94	23.4	224	R10 170.52
Male	5	48	10.4	70	R13 959.05
Female	17	46	37	154	R9 056.24
Coloured	57	154	37	566	R9 927.29
Male	22	66	33.3	237	R10 761.23
Female	35	88	39.8	329	R9 403.10
Indian	2	6	33.3	41	R20 638.67
Male	1	3	33.3	21	R21 406.59
Female	1	3	33.3	20	R19 870.74
White	25	41	61	476	R19 053.56
Male	14	23	60.9	353	R25 197.82
Female	11	18	61.1	123	R11 233.59
Employees with a disability	1	4	25	5	R5 169.57
Total	107	299	35.8	1 312	R12 265.35

Note: HOD received performance reward for 2008/09 and 2009/10 in same financial year.

Table 4.9.2 Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2010 to 31 March 2011

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	1	2	50	2	1	-
Skilled (Levels 3-5)	6	20	30	28	1	-
Highly skilled production (Levels 6-8)	30	83	36.1	225	3	0.3
Highly skilled supervision (Levels 9-12)	61	172	35.5	746	4	0.8
Total	98	277	35.4	1 001	4	1.1

Table 4.9.3 Performance Rewards by critical occupations, 1 April 2010 to 31 March 2011

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Economists	3	13	23.1	46	R15 261.64
Expenditure Analysts	1	5	20.0	20	R20 435.40
Financial Analysts	6	13	46.2	57	R9 466.76
Procurement Specialists	4	10	40.0	48	R12 015.90
State Accountant Senior	1	1	100.0	8	R7 934.28
System Controller	11	22	52.4	103	R9 365.57
Total	26	64	41.3	282	R11 781.98

Table 4.9.4 Performance related rewards (cash bonus), by salary band, for Senior Management Service, 1 April 2010 to 31 March 2011

Salary Bands	Beneficiary Profile			Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within band			
Band A	5	16	31.3	114	23	0.8
Band B	1	3	33.3	25	25	0
Band C	1	2	50.0	25	25	0.2
Band D	1	1	100.0	146	146	1
Total	8	22	36.4	310	39	2.1

Note: The total cost for performance rewards represent 1.47 per cent of personnel Expenditure and therefor falls within the prescribed minimum limit of 1.5 per cent.

4.10 Foreign workers

The tables below summarise the employment of foreign nationals in the department in terms of salary bands and by major occupation. The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

Table 4.10.1 Foreign Workers by salary band, 1 April 2010 to 31 March 2011

Salary Bands	1 April 2010		31 March 2011		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	1	100	1	100	-	-
Senior management (Levels 13-16)	-	-	-	-	-	-
Total	1	100	1	100	-	-

Table 4.10.2 Foreign Workers by major occupation, 1 April 2010 to 31 March 2011

Major Occupation	1 April 2010		31 March 2011		Change	
	Number	% of total	Number	% of total	Number	% change
Professionals	1	100	1	100	-	-
Total	1	100	1	100	-	-

4.11 Leave utilisation for the period 1 January 2010 to 31 December 2010

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 4.11.1) and disability leave (Table 4.11.2). In both cases, the estimated cost of the leave is also provided.

Table 4.11.1 Sick leave, 1 January 2010 to 31 December 2010

Salary Bands	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	36	94.4	1	100	36	8
Skilled (Levels 3-5)	236	71.6	22	100	11	83
Highly skilled production (Levels 6-8)	767	84.4	74	100	10	410
Highly skilled supervision (Levels 9-12)	1 431	76.7	174	100	8	1 469
Senior management (Levels 13-16)	56	78.6	9	52.9	6	94
Total	2 526	78.80%	280	90.58	9	2 064

Table 4.11.2 Incapacity leave (temporary and permanent), 1 January 2010 to 31 December 2010

Salary Bands	Total days taken	% days with medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	204	100	2	12.5	102	95
Highly skilled supervision (Levels 9-12)	58	100	1	2.17	58	93
Senior management (Levels 13-16)	-	-	-	-	-	-
Total	262	100	3	1.2	87	188

Table 4.11.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 4.11.3 Annual Leave, 1 January 2010 to 31 December 2010

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	16	16
Skilled (Levels 3-5)	419	19
Highly skilled production (Levels 6-8)	1 299	14
Highly skilled supervision (Levels 9-12)	3 855	19
Senior management (Levels 13-16)	495	22
Total	6 084	18

Table 4.11.4 Capped leave, 1 January 2010 to 31 December 2011

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2010	No of employees as at 31 December 2010	Total capped leave available as at 31 December 2010
Lower skilled (Levels 1-2)	-	-	-	3	-
Skilled (Levels 3-5)	-	-	13	16	203
Highly skilled production (Levels 6-8)	7	2.33	10	61	631
Highly skilled supervision (Levels 9-12)	152	16.89	33	95	3090
Senior management (Levels 13-16)	-	-	41	20	827
Total	159	0.82	24	195	4 752

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

Table 4.11.5 Leave pay-outs 1 April 2010 to 31 March 2011

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave pay-outs for 2010/11 due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave pay-outs on termination of service for 2010/11	-	-	-
Current leave pay-outs on termination of service for 2010/11	150	7	R21 484.19
Total	150	7	R21 484.19

4.12 HIV and AIDS & Health Promotion Programmes

Table 4.12.1 Steps taken to reduce the risk of occupational exposure, 1 April 2010 to 31 March 2011

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 Corporate Services Centre within the Department of the Premier provides a transversal employee Health and Wellness Programme for 11 Departments within the PGWC. The programme is aimed at all employees, since all staff members are deemed to be at risk. The nature of the work within the department does not place employees at risk of contracting HIV.	<ul style="list-style-type: none"> • A transversal Health & Wellness Programme was implemented • General HIV Counselling and Testing (HCT) and Awareness Campaigns were delivered • The outsourced Health and Wellness contract (EAP) was implemented. This provided access to counselling for all staff

Table 4.12.2 Details of Health Promotion and HIV and AIDS Programmes (tick the applicable boxes and provide the required information), 1 April 2010 to 31 March 2011

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.	✓		<p>Prior to modernisation the designated SMS Member for this department was Ms P Piedt.</p> <p>Post-modernisation (August 2010) – Due to the corporatisation of the Employee Health and Wellness function, the role of the above individual has shifted to the Corporate Services Centre (CSC).</p> <p>Mr Pieter Kemp, Director: Organisational Behaviour within the CSC is now the responsible SMS member.</p>
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.	✓		<p>The Department is a member of the 11 departments who are serviced transversally by the Corporate Service Centre. As such, it contains a designated Employee Health and Wellness unit as a sub-directorate within the Directorate Organisational Behaviour and the Chief Directorate Organisation Development that serves as a transversal and dedicated unit to promote the health and well-being of employees of the 11 participating departments.</p> <p>The unit consists of a Deputy Director, 3 Assistant Directors and 4 team members and reports to the Director Organisation Behaviour.</p> <p>Budget: R2 426 000</p>
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.	✓		<p>Prior to modernisation the Department reviewed its integrated Employee Well-being Programme (EWP). This included the outsourced EWP, with ICAS as Service Provider.</p> <p>The EAP contract was extended with ICAS for the rest of the 2010/11 Financial Year. A new transversal Wellness Contract (EAP) is being contracted for the next 3 years.</p>
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.	✓		<p>Prior to modernisation, the Departmental HIV/AIDS committee was established in terms of the Public Service Regulations VI E. The committee consisted of representatives across all occupational categories inclusive of gender, persons living with disabilities, designated and non-designated groupings. The role of the committee is to implement the provisions contained in the aforementioned regulations, which is the implementation and monitoring of the HIV/AIDS policy and workplace programmes that focuses on promoting non-discrimination and equality. The committee met on a quarterly basis but was re-established as the Employee Health and Wellness Committee, which had the same structure as mentioned above. Post modernisation the PEAP committee consists of HIV and AIDS Workplace Coordinators from the Departments of Health and Education and the Department of the Premier representing all the other provincial departments. NGOs appointed to provide the HCT service also form part of the committee.</p> <p>Funding for NGOs to provide the HCT service is provided by the Department of Health's Directorate: HIV/AIDS/STI/TB (HAST). District HAST Coordinators therefore also form part of the PEAP Committee.</p> <p>For 2010/11 the HCT service providers were LifeLine (Metropole), Right to Care (Overberg and Central Karoo), At Heart (Cape Winelands), Diakonale Dienste (West Coast) and That's It (Eden). Please note that service providers may change on an annual basis dependent on the funding application outcomes.</p> <p>In addition, after modernisation, a new Health and Wellness Steering Committee has been established.</p> <p>This Department's Committee member is: Mr OL de Young.</p>
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.		✓	<p>The review of employment policies and practices were not required during the reporting period. The department implements national policies and prescripts pertaining to the employment of all personnel. These policies make provision for fair employment practices; and do not discriminate against employees who are HIV positive.</p> <p>Further to this, the Transversal HIV and AIDS Policy and Programme were adopted by the Co-ordinating Chamber of the PSCBC for the Western Cape Province on 13 April 2005. This provincial policy provides a blueprint for non-discriminatory practices and attitudes in the workplace.</p>

Question	Yes	No	Details, if yes
			<p>At the same time, DPSA presented workshops requesting that provinces align to the four functional pillars contained in the DPSA Employee Health and Wellness Strategic Framework. In view of this, Readiness Assessments were conducted.</p> <p>After modernisation a new transversal Employee Health and Wellness policy has been drafted, that is in the process of being consulted and ratified.</p> <p>In addition the Transversal Management Framework for Employee Assistance Programmes in the Western Cape Provincial Government is in effect and was adopted by the Co-ordinating Chamber of the PSCBC for the Western Cape Province on 10 August 2005.</p>
<p>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>	✓		<p>The Department reviewed its integrated Employee Well-being Programmes (EWP) in the 2009/10 financial year, which included the outsourced EWP (Point 4 refers) and the service elements were included for the 2010/11 financial year. Other key elements that address anti HIV/AIDS discrimination issues were: Awareness Programmes like display of posters, distributing pamphlets, awareness campaigns and condom promotion.</p> <p>The Department utilised an outsource Employee Well-being Programme (EWP) model and has utilised the services of ICAS, who was procured to manage the programme. The following EH&WP services are offered to employee and their family members:</p> <ul style="list-style-type: none"> • A comprehensive needs analysis and behavioural risk management audit • 24hr multilingual, toll free Psychological counselling • Face to face counselling sessions • An HIV/AIDS consultancy service • Toll-free Life Management service offering information and assistance on legal problems, financial concerns, healthcare and family matters. • Comprehensive trauma response service. • Access to comprehensive online health care programme. • Training, knowledge transfer and skills development on EWP referral systems and protocols and Employee Well-being related issues for in-house well-being functionaries, employee representatives and managers • Managerial consultancy and referral options supporting managers in their existing relations with employees and providing them with professional help in effectively handling new or difficult people management issues. • Quarterly and annual reports on all key utilisation aspects of the EWP • A dedicated Account Manager to co-ordinate the programme and ensure that the ICAS group programme is appropriately managed at all times • A comprehensive online EWP service: <p>The above approach was perpetuated post-modernisation.</p>

Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have you achieved.	✓		<p>Pre- and post-modernisation, employees have been referred to local clinics or to use their general practitioner if their request falls outside of the Departmental VCT (HCT) programme. During HCT campaigns, employees are also provided with wallet-sized cards (pre-modernisation only) containing all the relevant numbers for referral, including the Employee Assistance Programme toll free number.</p> <p>Lifeline and At Heart have been contracted to render VCT (HCT) services for the department. They also assist in HIV/AIDS awareness training; promotion and provision of HIV counselling and testing and employee support by way of continuous post-test counselling.</p> <p>Wellness EH&WP Toll Free Number: 0800 864 417</p> <p>ICAS: 0800 611 155</p> <p>HIV Testing and Screening</p> <p>Staff members attended pre-counselling and testing sessions. There were no HIV + results.</p> <p>TB SCREENING</p> <p>Staff attended testing sessions for tuberculosis. No staff tested positive for TB.</p> <p>General Wellness interventions also included diabetes, hypertension and STI screening.</p>
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓		<p>The impact of health promotion programmes is indicated through information provided via the Employee Health and Wellness Contract (external EAP service provider).</p> <p>The EHWP is monitored via Quarterly and Annual reporting. This reporting is provided by the External Service Provider. The most recent Annual review period is 1 April 2010 – 31 March 2011. Annual reports have been provided for 6 (ICAS) Departments and an overview of all the 6 Departments have been compiled in one presentation.</p> <p>The quarterly and annual review provides:</p> <ul style="list-style-type: none"> • A breakdown of the EHWP Human Capital Demographic i.e. age, gender, length of service, dependent utilisation, language utilisation, employee vs. manager utilisation, no of cases etc. • Service utilisation • Problem profiling and trending • Assessment of employee and organisational risk and the impact there of on the individual functioning in the work place • Assessment of formal referrals and the underlying reasons impacting on employee performance and productivity • Assessment of organisational issues presented by Employees using the EWHP • Assessment of high risk cases <p>Programme evaluation via the External Service Provider include the following:</p> <ul style="list-style-type: none"> • Formal referral evaluation process impact (Outcomes assessment) (The results of this process will only be available towards the first week of June 2011). Formal referral cases are selected for this process and employees called as well as referring managers to assess the impact of the intervention. <p>The external service provider provides a Return on Investment (ROI) indicator.</p>

4.13 Labour relations

The following collective agreements were entered into with trade unions within the department.

Table 4.13.1 Collective agreements, 1 April 2010 to 31 March 2011

Disciplinary hearings – 2010/11	None
Total collective agreements	None

The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 4.13.2 Misconduct and disciplinary hearings finalised, 1 April 2010 to 31 March 2011

Outcomes of disciplinary hearings	Number	% of total
Total outcome of disciplinary hearings		None

Table 4.13.3 Types of misconduct addressed at disciplinary hearings, 1 April 2010 to 31 March 2011

Type of misconduct	Number	% of total
Total types of misconduct		None

Table 4.13.4 Grievances lodged, 1 April 2010 to 31 March 2011

Grievances lodged	Number	% of Total
Number of grievances resolved	4	100
Number of grievances not resolved	-	-
Total number of grievances lodged	4	100

Table 4.13.5 Disputes lodged with Councils, 1 April 2010 to 31 March 2011

Disputes lodged with Councils	Number	% of Total
Total number of disputes lodged with Councils		None

Table 4.13.6 Strike actions, 1 April 2010 to 31 March 2011

Strike actions	Number
Total number of person working days lost	7
Total cost (R'000) of working days lost	4
Amount (R'000) recovered as a result of no work no pay	4

Table 4.13.7 Precautionary suspensions, 1 April 2010 to 31 March 2011

Precautionary suspensions	Number
Total number of Precautionary suspensions	None

4.14 Skills development

This section highlights the efforts of the department with regard to skills development. The tables reflect the training needs as at the beginning of the period under review, and the actual training provided.

Table 4.14.1 Training needs identified, 1 April 2010 to 31 March 2011

Occupational Categories	Gender	Number of employees as at 1 April 2010	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	5	-	2	-	2
	Male	13	-	6	-	6
Professionals	Female	105	-	78	-	78
	Male	103	-	83	-	83
Technicians and associate professionals	Female	8	-	3	-	3
	Male	6	-	3	-	3
Clerks	Female	38	-	34	-	34
	Male	16	-	15	-	15
Service and sales workers	Female	-	-	0	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	2	-	1	-	1
Elementary occupations	Female	2	-	-	-	-
	Male	1	-	-	-	-
Sub Total	Female	158	-	117	-	117
	Male	141	-	108	-	108
Total		299	-	225	-	225
Employees with disabilities	Female	3	-	-	-	-
	Male	1	-	-	-	-

Note: The above table identifies training interventions identified at the beginning of the reporting period under review.

Table 4.14.2 Training provided, 1 April 2010 to 31 March 2011

Occupational Categories	Gender	Number of employees as at 31 March 2011	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	1	-	5	-	5
	Male	11	-	7	-	7
Professionals	Female	93	-	99	-	99
	Male	85	-	86	-	86
Technicians and associate professionals	Female	7	-	18	-	18
	Male	5	-	10	-	10
Clerks	Female	30	-	68	-	68
	Male	11	-	11	-	11
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	2	-	-	-	-
Elementary occupations	Female	2	-	-	-	-
	Male	1	-	-	-	-
Sub Total	Female	133	-	190	-	190
	Male	115	-	114	-	114
Total		248	-	304	-	304
Employees with disabilities	Female	3	-	2	-	2
	Male	1	-	4	-	4

Note: The above table identifies training interventions provided during the reporting period under review.

4.15 Injury on duty

The following table provides basic information of an injury on duty.

Table 4.15.1 Injury on duty, 1 April 2010 to 31 March 2011

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	100
Temporary Total Disablement	-	-
Permanent Disablement	-	-
Fatal	-	-
Total	1	100