



Provincial Government Western Cape

Department of the Premier



Annual Report

2009/10 Financial Year

To obtain additional copies of this document, please contact:

Department of the Premier
Office of the Director-General
P.O. Box 659
CAPE TOWN
8000

Tel.: 021-483-8219

Fax: 021-483-3300

E-mail: nnonkele@pgwc.gov.za

Om nog afskrifte van hierdie dokument te bekom, tree asseblief in verbinding met:

Departement van die Premier
Kantoor van die Direkteur-Generaal
Posbus 659
KAAPSTAD
8000

Tel.: 021-483-8219

Faks: 021-483-3300

E-pos: nnonkele@pgwc.gov.za

Ukuba ufuna iikopi ezongezelelweyo zolu xweb
hu, qhagamshelana:

Isebe leNkulumbuso
i-Ofisi yoMlawuli-Jikelele
P.O. Box 659
EKapa
8000

Umnxeba: 021-483-8219

Ifaksi: 021-483-3300

E-meyile: nnonkele@pgwc.gov.za

DEPARTMENT OF THE PREMIER

Annual Report

for the year ended 31 March 2010

Tabled in Western Cape Provincial Legislature

Cape Town, South Africa

30 September 2010

TABLE OF CONTENTS

	PAGE
PART ONE	
General information	1
PART TWO	
Programme performance	5
2.1 Voted funds	5
2.2 Aim of vote	5
2.3 Strategic goals, objectives, programmes and achievements	5
Strategic goals and objectives	5
Programmes	7
Achievements	7
2.4 Overview of the service-delivery environment for 2009/10	9
2.5 Overview of the organisational environment for 2009/10	10
2.6 Overview of key policy developments for 2009/10	10
2.7 Departmental revenue and expenditure	11
2.8 Programme performance	13
2.8.1 Programme 1: Administration	13
2.8.2 Programme 2: Institutional Development	16
2.8.3 Programme 3: Policy and Governance	25
2.8.4 Programme 4: Information and Communication Technology (ICT)	36
PART THREE	
Report of the Audit Committee	46
PART FOUR	
Report of the Accounting Officer	50
Report of the Auditor-General	68
Appropriation Statement	72
Notes to the Appropriation Statement	82
Statement of financial performance	84
Statement of financial position	85
Statement of changes in net assets	86
Cash-flow statement	87
Accounting policies	88
Notes to the Annual Financial Statements	96
Disclosure notes to the Annual Financial Statements	106
Annexures to the Annual Financial Statements	119
PART FIVE	
Human-resource management	130
ANNEXURES	
A Organogram for the 2009/10 financial year	156
B Audit Report and Annual Financial Statements of the Western Cape Provincial Youth Commission	160

PART 1

GENERAL INFORMATION

1.1 Submission of the Annual Report to the executive authority

As Accounting Officer of the Department of the Premier, I hereby submit the 2009/10 Annual Report of the Department of the Premier in terms of the Public Finance Management Act, 1999, to the executive authority of this department, Premier Helen Zille.

ADV. BRENT GERBER
ACCOUNTING OFFICER

1.2 Introduction by the head of the institution

At the beginning of the 2009/10 financial year, the Department of the Premier had as its original mandate the responsibility to provide strategic leadership and guidance and to coordinate the rest of the Provincial Government of the Western Cape (PGWC) in line with national strategic imperatives and the Provincial Growth and Development Strategy. The main services of the Department included:

- Providing and broadening strategic leadership and coordination for the Provincial Government Western Cape
- Facilitating the implementation of the Provincial Growth and Development Strategy (PGDS) programmes towards shared growth within a developmental state
- Fostering social cohesion towards transformation of poor and marginalised communities
- Ensuring holistic governance through horizontal and vertical alignment of programmes in order to achieve the goals of the PGDS
- Informing and empowering the people of the Western Cape through effective communication
- Enhancing the capacity of the developmental state
- Enhancing service delivery and developing society through the effective use of information and communication technologies
- Providing transversal legal services to ensure sound and sustainable decision-making which enables the Provincial Government to actively participate in the regulatory environment.

Stakeholders of the Department included the Premier of the Province, the Executive, the people of the Western Cape province, local government, organised labour, business, civil society, national departments with a footprint in the province and state-owned enterprises.

The single most significant event that has impacted on the Department during the year was the ushering in of a new political dispensation in the Western Cape which led to Premier Helen Zille assuming office on 6 May 2009. A new Provincial Cabinet was appointed during May 2009. Soon after assuming office, the new government launched a modernisation programme in terms of Cabinet memorandum BA 3/1/1 dated 27 June 2009. This resulted in an assessment of the efficacy of provincial-government delivery in line with the new political mandate. A number of areas were identified where the efficacy and efficiencies within the Provincial Government could be improved upon to ensure the optimum use of government resources. The modernisation programme, driven by the acting Director-General, prioritised the areas for improvement in terms of which project teams delivered a number of blueprints containing recommendations.

The adoption of these blueprints by the Provincial Cabinet added significantly to the internal performance environment of the Department as it geared itself for the implementation of the recommendations. It resulted in certain performance indicators being reprioritised in line with the new mandates. This, in turn, and as emanated from the audit process, highlighted the need to consider formal processes to amend performance indicators in line with the adjustments budget process.

1.3 Information on the Premier's office

Premier Helen Zille assumed office on 6 May 2009.

Soon after assuming office, the Premier identified serious capacity gaps in project management, monitoring and evaluation and policy coordination across the Province. The introduction of an IT-based 'dashboard' system is designed to plug these gaps and assist the Premier and the public in holding the Executive and officials accountable.

Under the Premier's stewardship, the Department of the Premier embarked on a modernisation process to overhaul the functioning of the Government to increase service-delivery capacity and financial efficiency. The blueprints that arose out of this process are now in the implementation phase.

The Premier has spearheaded a province-wide drive to increase efficiencies, eliminate wasteful expenditure and reduce corruption.

During this financial year, millions of rands were saved as a result of cutbacks on parties, perks and privileges, including ministerial vehicles. A new ministerial handbook is being drafted: that will codify and enforce cost-cutting measures in each ministry.

To reduce corruption, the Premier has announced legislation – the Business Interests of Employees Bill – that will oblige government employees to disclose their financial interests and prevent them from doing business with the Provincial Government. In addition, the capacity of the Forensic Investigation Unit (FIU) in the Department of the Premier has been increased with the appointment of more experienced personnel.

The Premier has taken a special interest in issues affecting women, children and people with disabilities with the appointment of a Human-Rights Advocator in her office who is charged with policy development and stakeholder management. Another specific focus area is alcohol and drug abuse in the province. The Premier has appointed a Substance Abuse Coordinator in her office to design and manage a substance-abuse strategy to be implemented across the Government.

The Premier embarked on one overseas trip in the financial year under review. The visit took place from 22 to 29 August 2010. Premier Zille visited Bavaria (23 to 26 August 2009) and Bonn, North Rhine-Westphalia (27 to 28 August 2009).

The purpose of the visit to Bavaria was to recommit to and strengthen existing bilateral relations between the Western Cape and Bavaria. In addition, Premier Zille also met with important stakeholders in the spheres of development assistance, environmental affairs and economic development.

The benefits from the visit to Bavaria included the strengthening of the bilateral relations with Bavaria, the enhancement of business relations between the two regions, the ensuring of closer cooperation between the two regions in the field of renewable energy and the enhancement of relations with Stiftungen (foundations) active in the Western Cape.

The purpose of the visit to Bonn was to attend and present a paper at the Second Bonn Conference on International Development Policy. In addition, meetings were also scheduled with stakeholders dealing with official development assistance.

The benefits from the visit to Bonn included enhanced closer cooperation with decision makers dealing with development aid.

1.4 Mission statement

The mission of the Department as stated in the strategic plan for the year under review was:

'To provide needs-driven and value-based strategic and cooperative leadership within the Western Cape in order to achieve holistic governance, shared growth and sustainable development.'

During the course of the year, a new vision and mission, aligned with the new electoral mandate, was introduced in the Province and was adopted by the Department:

Vision:

Building an open opportunity society for all in the Western Cape

Mission:

The Department of the Premier subscribes to the provincial strategic objectives, being:

1. The creation of opportunities for businesses and citizens to grow the economy and employment
2. Improving school education outcomes
3. Increasing access to efficient and safe transport
4. Maximising health outcomes
5. Reducing crime
6. Optimising human-settlement integration
7. Maximising sustainable resource management and use
8. Increasing social cohesion
9. Poverty alleviation and reduction
10. Clean, value-driven, efficient, effective and responsive government

1.5 Legislative mandate

The key legislation that governs the existence of the Department is summarised below:

- **The Constitution of the Republic of South Africa, 1996**
 - The Premier has executive, policy, legislative, intergovernmental and ceremonial functions and responsibilities as defined in Chapter 6 of the Constitution.
 - As the head of the Provincial Government, the Premier is also responsible for the implementation of Chapter 3, section 41(1) of the Constitution, which defines the principles of cooperative, interrelated and interdependent relationships between the various spheres of Government. Provisions of this Chapter are given effect to by way of the Intergovernmental Relations Framework Act, 2005.
 - According to section 125(2) of the Constitution, the Premier exercises the executive authority of the Provincial Government, together with other members of the Executive Council (MECs); the Premier appoints them and delegates various line functions and responsibilities to them.

- o The Executive Council or Cabinet is ultimately responsible for the effective functioning of the Provincial Government. The Premier and MECs are accountable to the Provincial Legislature for the exercise of powers and execution of their roles and responsibilities.
 - o The Premier has a role in terms of intergovernmental relations, especially those responsibilities imposed in terms of the Intergovernmental Relations Framework Act.
- **The Constitution of the Western Cape, 1997 (Act 1 of 1997)**
 - o The Department measures its actions against the provisions and prescripts contained in the provincial Constitution.
- **Public Service Act, 1994 (as amended)**
 - o To provide for the organisation and administration of the public service of the province, the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service, and matters connected therewith.
 - o To regulate the role of the Director-General of the Provincial Government in relation to the management of the Provincial Cabinet, intergovernmental relations, interdepartmental cooperation, coordination of departmental actions and legislation and the provision of strategic management direction within the Provincial Government.
- **Public Finance Management Act (PFMA), 1999 (Act 1 of 1999)**
 - o To regulate financial management in the Department to ensure that all revenue, expenditure, assets and liabilities of the Department are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in the Department and to provide for matters connected therewith. To fulfil all prescribed responsibilities with respect to public entities.

1.6 Public entities

During the financial year under review, this department was accountable for two public entities: the Provincial Development Council (PDC), which was established in terms of the Provincial Development Council Act, 1996, and the Western Cape Provincial Youth Commission (WCPYC), which was established in terms of the Western Cape Provincial Youth Commission Act, 2004. They are regarded as schedule 3C Provincial Public Entities in terms of the PFMA.

The core business of the Provincial Development Council is to coordinate, facilitate and initiate consensus among all relevant parties on all issues, including policy directives relating to integrated developmental frameworks. The financial statements of the Provincial Development Council do not form part of the Department's financial statements as the said Council, which serves as the accounting authority, tables a separate report.

The core business of the Western Cape Provincial Youth Commission was to promote and protect the interests of the youth in the province. The adoption of a National Youth Development Agency Act, Act 54 of 2008, repealed the National Youth Commission Act, Act 19 of 1996. Furthermore, it provided for the establishment of the National Youth Development Agency. As there was therefore no longer a need for the Western Cape Provincial Youth Commission to exist, it was enacted that it be disestablished in terms of Western Cape Provincial Youth Commission Repeal Act, with effect from 31 May 2009, and the assets and liabilities of the Commission were transferred to the Department.

PART 2

PROGRAMME PERFORMANCE

2.1 Voted funds

Appropriation	Main appropriation R'000	Adjusted appropriation R'000	Actual amount spent R'000	Under expenditure R'000
	491 920	484 245	478 089	6 156
Responsible Minister	Ms L. Brown (As Premier of the Western Cape Province) Up to May 2009 and Ms H. Zille (As Premier of the Western Cape Province) From 6 May 2009			
Administering Department	Department of the Premier			
Accounting Officer	Ms V.L. Petersen Director-General (Up to May 2009) and Adv. B. Gerber Acting Director-General (From May 2009)			

2.2 Aim of vote

The Department of the Premier aimed to achieve holistic governance, shared growth and sustainable development for the people of the Western Cape through strategic and cooperative leadership that is needs-driven and values-based.

2.3 Strategic goals, objectives, programmes and achievements

Strategic goals and objectives

The Department pursued the following strategic goals and objectives that were set for the 2009/10 financial year:

Goal 1: Shared growth and integrated sustainable development is primarily about creating linkages between economic growth, poverty and inequality reduction and building social cohesion within a declining resource base. It builds on the concept of sustainable development and refers to the means for breaking the structural features of poverty by enhancing economic opportunities and

benefits by creating employment, attracting investment and promoting competitiveness, while improving social cohesion and good governance with due cognisance of the natural environment. It is delivery-oriented and focused on effectiveness.

The following strategic objectives were pursued in support of goal 1:

- To achieve social cohesion towards transformation of poor and marginalised communities
- To facilitate the implementation of the Provincial Growth and Development Strategy programmes and achieve shared growth within a developmental state
- To enhance service delivery and develop society through effective use of information and communication strategies.

Goal 2: Deepening our democracy is primarily about supporting and strengthening the culture of democracy in the Western Cape, of building and nurturing an environment of tolerance, understanding and care, and to enable the realisation of the vision for the province as a “home for all.” It is environment oriented and includes support activities for each of the twelve departments of the Provincial Government.

The following strategic objectives were pursued in support of goal 2:

- To achieve social cohesion towards transformation of poor and marginalised communities
- To ensure holistic governance through horizontal and vertical alignment in order to achieve the goals of the Provincial Growth and Development Strategy
- To inform and empower the people of the Western Cape through effective communication
- To enhance service delivery and develop society through effective use of information and communication strategies.

Goal 3: Responsive and good, holistic governance focuses on a Provincial Government Western Cape institutional architecture capable of responding to the multifaceted policy issues and delivery challenges, strategically leading inter- and intra-governmental relationships and the roles and responsibilities of the Premier in this regard. It fosters a distinct pattern of interaction by strengthening collaboration in support of a common vision and institutional cohesion to create an enabling environment for effective service delivery. It is support-oriented and focused on efficiency and effectiveness.

The following strategic objectives were pursued in support of goal 3:

- To ensure holistic governance through horizontal and vertical alignment in order to achieve the goals of the Provincial Growth and Development Strategy
- To enhance and broaden strategic leadership to the Provincial Government Western Cape
- To inform and empower the people of the Western Cape through effective communication
- To enhance the capacity of the developmental state
- To enhance service delivery and develop society through the effective use of information and communication strategies.

Programmes

A standardised budget structure for all provincial Offices of the Premier (department) has been implemented from 1 April 2007. In line with the national guidelines, the Department's programme structure is as follows:

Programme 1: Administration

To render administrative support to the Premier, the Executive Council and the Director-General in fulfilling their legislative and oversight functions and in promoting good corporate governance.

Programme 2: Institutional development

To improve service delivery through institutional capacity building and transformation management.

Programme 3: Policy and governance

To initiate the development and implementation of policies and strategies to achieve a coordinated approach towards sustainable provincial growth and development.

Programme 4: Information and communication technology

To enhance service delivery through the effective use of information and communication technologies.

Achievements

The following main achievements of the Department during 2009/10 are of significance in relation to the stated strategic goals:

Towards **shared growth and integrated sustainable development**, the Department achieved the following:

The Department embarked on preparations for the hosting of the next Regional Leaders' Summit. This summit will focus mainly on food security and renewable energy, strengthening the Provincial Government's resolve to support sustainable development initiatives. On the local level of development, the Department continued with its assistance in the implementation of the Social Transformation Programme in 27 of the poorest communities in the province. This programme was terminated at the end of the financial year.

One conference on anti-corruption was held and the third Provincial Anti-Corruption Summit was hosted in partnership with the Western Cape Anti-Corruption Forum, the Provincial Treasury and the Department of Local Government and Housing.

The Department concluded 28 research and development interventions towards delivering innovative and appropriate information and communication technologies and solutions to strategic provincial programmes and projects. This was supported by the renewal of 672 infrastructure items and network services.

The Department supported four events of the National Public Participation Week and managed 60 engagements with human-rights structures as part of its initiatives to mainstream human rights in the Provincial Government.

Towards **deepened democracy** the Department experienced the following highlights:

The Department implemented 24 service-delivery improvement initiatives, aligned to citizens' priorities and Batho Pele principles.

75% of the planned evidence-based organisational development interventions have been managed across the provincial departments. The service was subject to the rescheduling of planned interventions in favour of the modernisation programme requirements which became a priority.

Four departments' legislative reviews have been concluded as targeted.

The Department has exceeded its target by managing 35 departmental or provincial events where provincial brands were promoted in line with the brand manual. It further promoted human rights by way of branding displays at 48 opportunities. No less than 60 human-rights engagements have been managed and supported in promoting participatory democracy. Four events of the National Public Participation Week have been supported.

To enhance information and communication technology solutions throughout the province, the Department has concluded 28 research and development interventions towards delivering innovative and appropriate technologies and solutions to strategic programmes or projects of the Provincial Government Western Cape; delivered 100 approved information and communication technology applications and solutions in accordance with information and communication technology plans; and 672 infrastructure items and network services have been renewed in accordance with infrastructure renewal plans.

Towards **responsive and good, holistic governance**, the Department experienced the following highlights:

To ensure that the performance of the Province is enabled and improved, the provincial-wide monitoring and evaluation and reported strategy, also referred to as Western Cape Model, are encapsulated in an evolving body of reports that features seven phases of the provincial-wide monitoring, evaluation and reporting system.

The first phase of the enterprise architecture project has been implemented in the Provincial Government Western Cape as planned.

All departments have been supported through the rendering of legal opinions, the drafting of legislation and the management of litigation.

In support of its strategic leadership role, the department has facilitated 46 engagements of the Cabinet and its related structures in the Provincial Government Western Cape.

Through the Government Information Technology Officer (GITO) management services, 5 033 college and school-educators and public servants have been trained in information and communication technologies. The Department has supported, documented and maintained and enhanced 587 system releases across all departments.

In order to embed moral values, the Department held 25 awareness and prevention interventions on human rights and 33 anti-corruption interventions.

Fourteen strategic interventions were implemented to improve human-capital management in the Provincial Government to ensure that its workforce is diverse, skilled, professional and knowledgeable. The implementation of four frameworks to establish standard operating procedures across the Provincial Government contributed further to ensuring that work processes are implemented uniformly.

The Department implemented 72 compliance and monitoring interventions in respect of individual performance management across the Provincial Government. These interventions contributed to the overall performance management of the Provincial Government. An annual assessment report which measured the overall performance of the Provincial Government was also produced.

2.4 Overview of the service-delivery environment for 2009/10

Key services rendered to the public:

The Department's service-delivery focus is mainly on the departments of the Provincial Government.

The following key deliverables, on which the department focused during 2009/10, constitute a planned deepening and strengthening of key focus areas in support of its set strategic direction for the strategic cycle ending on 31 March 2010:

- Further embedding the Growth and Development Strategy through focused policy development and implementation, focused institutional improvement and development initiatives, initiatives aimed at improved governance, and supported by information and communication technology, monitoring and evaluation, and communication deliverables in accordance with their guiding frameworks.
- Leadership and coordination to implement the 2010 FIFA World Cup strategic and business plans.
- Strengthening the provincial human-resource base through strategically focused internal human and social-capital interventions aimed at improving and deepening service delivery.
- Strengthening the linkage between provincial strategies and staff performance through increased delivery of Project Khaedu and further roll-out and enhanced support of a Provincial Government Western Cape Staff Performance Management Information System and a Service Delivery Improvement Programme for the Provincial Government Western Cape.
- Influencing positive behavioural change through strengthening the integrated moral regeneration programme, the Provincial Government Western Cape's anti-corruption campaign, the Social Transformation Programme, and related initiatives.
- Improved service delivery and accessibility to government information and services by further roll-out of information and communication technology deliverables, the Jamboree Programme and the Festivals and Events Organising Committee.

In addition, the Department sought to maximise information and communication technology systems in the course of substantially enhancing administration and service-delivery programmes. To this end, the Centre for E-Innovation, which was awarded the bulk of the Department's budget, has been elevated to branch status with a dedicated financial programme.

Challenges encountered in rendering key services and the response to the challenges:

The planned focus on delivery in support of the Provincial Growth and Development Strategy has been replaced by a concentration on the development of strategies and blueprints as guided by the new government mandate. The individual planned unit delivery continued but replanning was necessitated to provide capacity for and alignment with the new priority deliverables. Consequently, the delivery attained supported the new mandate and not, as planned, the Provincial Growth and Development Strategy per se.

In redirecting the delivery focus in support of the new government mandate, the planned delivery focusing on social-capital interventions, Project Khaedu, the Social Transformation Programme, the Jamboree Programme and the Festivals and Events Organising Committee have been reprioritised. A new coordinating committee, focussing on the strategic coordination of events, has been established.

Adjustments to main appropriation allocations:

The following additional allocations and shifts to other votes were appropriated:

- R610 000 for litigation costs for the Erasmus Commission
- R342 000 from increase in own revenue from a refund as a result of the conclusion of the taxation on the account paid for the litigation costs of the Erasmus Commission
- (R25 000 000) shifted for the Emergency Medical Services functions for the 2010 FIFA World Cup
- (R80 000) shifted for bursaries for children (girls) from previously disadvantaged backgrounds
- (R300 000) shifted for Baboon Management

Utilisation of rollovers from 2008/09:

Rollovers of R16 592 000 were requested for the upgrade of the Philippi Stadium as well as R161 000 from revenue retention as a result of additional revenue collected and to be used for the Philippi Stadium as well.

Impact on service delivery of external developments:

The Department functioned in a relatively stable external environment during 2009/10, adequately managing the transition to the new Government following the general elections of 2009.

2.5 Overview of the organisational environment for 2009/10

The organisational environment of the Department remained relatively stable during 2009/10, although a number of *ad hoc* institutional arrangements have been put in place to provide capacity for the modernisation programme. Through this programme the mandate of the new Government has been manifested in the publication of some 14 blueprints, including one on a new organisational structure for the department for future implementation.

2.6 Overview of key policy developments for 2009/10

The implementation of the mandate of the new Government resulted in the initiation of a process of drafting a new provincial strategic plan (provincial strategic objectives) which guided the publication of some 14 blueprints through the modernisation programme, as follows:

1. Forensic Investigative Unit
2. Organisation-development workstreams
3. Delegations
4. Face of the Province
5. Good governance
6. Infrastructure
7. Integrated service delivery
8. Legislation
9. Organisational culture and values
10. Project-management approach
11. Powers and functions
12. Provincial training
13. Registry
14. Supply-chain management

These blueprints have been prioritised for implementation and this redirected the delivery focus in the Department.

2.7 Departmental revenue and expenditure

Collection of departmental revenue

The Department over-collected revenue by R342 000 by ensuring, on an ongoing basis, that all outstanding revenue is collected. The better than anticipated performance is mainly due to the fact that once-off donations were received and a more efficient collection administration was implemented. The Department ensures optimal raising of revenue by evaluating tariffs on an annual basis and the continuous evaluation of measures to ensure efficiency and effectiveness.

The following table provides a breakdown of the sources of revenue.

	2006/07 Actual R'000	2007/08 Actual R'000	2008/09 Actual R'000	2009/10 Target R'000	2009/10 Actual R'000	% Deviation from target
Tax revenue	-	-	-	-	-	-
Non-tax revenue	745	765	779	524	1 170	123,28%
▪ Sales of goods and services	505	-	779	514	1 132	120,23%
▪ Transfers received (donation)	100	690	-	-	-	-
▪ Other	140	75	-	10	38	280,00%
Sales of capital assets (Capital Revenue)	-	-	-	-	-	-
Financial transactions (Recovery of loans and advances)	-	15	(115)	342	423	23,68%
TOTAL DEPARTMENTAL RECEIPTS	745	780	664	866	1 593	83,94%

Departmental expenditure

The Department under-spent by R6,156m which represents 1,27% of its budget. This had no effect on service delivery, while measures were continuously evaluated in order to improve the economy and efficiency of spending. The main reason is due to under-spending on the Philippi Stadium where the final expenditure will only occur in the 2010/11 financial year.

The table below provides a high-level summary of the expenditure incurred by the department against budget. More detail can be found in the appropriation report included in Part 4 of this report.

Programmes	Voted for 2009/10 R'000	Roll-overs and adjust R'000	Virements R'000	Total voted R'000	Actual expenditure R'000	Variance R'000
Programme 1	40 687	1 626	(1 647)	40 666	40 650	16
Programme 2	92 236	9 243	(2 227)	99 252	99 208	44
Programme 3	123 836	(18 544)	(6 655)	98 637	95 446	3 191
Programme 4	235 161	-	10 529	245 690	242 785	2 905
Total	491 920	(7 675)	-	484 245	478 089	6 156

Transfer payments

The table below provides a summary of the transfer payments made, which therefore do not constitute final expenditure by the Department. More detail can be found in the annexures to the Annual Financial Statements included in Part 4 of this report.

NAME OF INSTITUTION	AMOUNT TRANSFERRED R'000	ESTIMATED EXPENDITURE R'000
Provincial Development Council	6 380	6 380
Western Cape Provincial Youth Commission	1 831	1 831
Library Business Corners	5 000	5 000
Khayelitsha Development Trust	400	400
City of Cape Town	850	850
Transfers to non-profit institutions	1 408	1 408
Transfers to households (leave gratuities and severance packages)	439	439
Gifts, donations and sponsorships	650	650
Claims against the state	1	1
Total	16,959	16,959

Conditional grants and earmarked funds

The Department received no conditional grants or earmarked allocations from the National Treasury.

Capital investment, maintenance and asset management plan

The Department's capital investments are restricted to the movable assets in respect of computer equipment (infrastructure and end user) and furniture.

2.8 Programme performance

Summary of programmes

The activities of the Department of the Premier are organised in the following four programmes:

- Programme 1: Administration
- Programme 2: Institutional Development
- Programme 3: Policy and Governance
- Programme 4: Information and Communication Technology (ICT)

2.8.1 Programme 1: Administration

Purpose:

To render administrative support to the Premier, the Executive Council and the Director-General in fulfilling their legislative and oversight functions and in promoting good corporate governance.

Measurable objectives:

- Strategic leadership is provided to the PGWC through appropriate policies, structures, systems, norms and standards and aligned to the GDS
- Moral values embedded through targeted communication, sectoral forums and stakeholder mobilisation
- Detection, investigation and implementation of corrective measures managed in respect of economic crime.

Service-delivery objectives and indicators

Under this programme the functional support for the Premier was attended to as well as the secretariat support services to the Executive Council, support to the cabinet clusters and the provincial top management. The Director-General's responsibility to manage the Province strategically was not restricted to only managing the office but included the strengthening of the departmental coordination, strategy-development functions, and directly overseeing the Forensic Investigative Unit. The Director-General also represented the Provincial Government at various coordinating and intergovernmental forums at the national sphere of government and met regularly with top management at the local level.

This programme was also instrumental in the publication of a role and function document in respect of the Provincial Top Management Committee, strengthening the functioning of this structure.

A number of draft models were devised for the functioning of the committee (cluster) system serving the provincial Cabinet with the view to provide an executive oversight functionality for the implementation and monitoring of the provincial strategic objectives and programmes.

During the course of the year under review, a concerted effort was made to improve and strengthen the functioning of the Forensic Investigative Unit. An assessment was embarked upon and a plan was devised for the re-engineering of the operational functioning of this unit.

Service delivery achievements (Programme 1):

Sub-Programme	Outputs	Output performance measures/ service delivery indicators	Actual performance against target		
			Target	Actual	Comment
Programme 1: Administration					
<u>Strategic Objective:</u> To enhance and broaden strategic leadership to the PGWC					
Sub-programme: Executive Council Support	1.1 Strategic leadership is provided to the PGWC through appropriate policies, structures, systems, norms and standards and aligned to the GDS.	1.1.1 Number of supporting engagements of Cabinet and its related structures facilitated in support of effective executive leadership in the province.	21	46	Engagements of Cabinet and its related structures have been facilitated in support of effective executive leadership in the province.
		1.1.2 Number of engagements of the Provincial Top Management facilitated in support of effective administration leadership.	21	21	Engagements of the Provincial Top Management have been facilitated in support of effective administration leadership.
		1.1.3 Date on which a technical support framework for the provincial cluster system is institutionalised.	Sept 2009		A draft framework for the provincial cluster system has been finalised and adapted as models were proposed. A final decision regarding the functioning of Cabinet in clusters has not been taken.
<u>Strategic Objective:</u> To enhance the capacity of the developmental state.					
Sub-programme: Director-General Support	2.1 Moral values embedded through targeted communication, sectoral fora and stakeholder mobilisation.	2.1.1 Number of awareness and prevention interventions held.	24	33	Awareness and prevention interventions (anti-corruption) have been held towards the embedding of moral values.

Sub-Programme	Outputs	Output performance measures/ service delivery indicators	Actual performance against target			
			Target	Actual	Comment	
Programme 1: Administration						
<u>Strategic Objective:</u> To enhance the capacity of the developmental state.						
Sub-programme: Director-General Support	2.2	Detection, investigation and implementation of corrective measures managed in respect of economic crime.	2.2.1	Number of departments supported through conducting forensic investigations of high quality.	12	Departments have been supported through conducting forensic investigations of high quality.

2.8.2 Programme 2: Institutional Development

Purpose:

To improve service delivery through institutional capacity building and transformation management.

Measurable objectives:

- PGWC workforce is diverse, skilled, professional and knowledgeable to deliver on the developmental agenda of the Government
- The performance of the PGWC, its departments and its workforce is enabled and improved in line with the GDS
- PGWC organisationally aligned and supportive of the Government's developmental agenda
- Legislative review of the provincial statute book to align it with the Constitution and GDS
- A comprehensive legal support service is provided to the departments of the PGWC
- Public and official access to integrated service-delivery information and services are provided and promoted
- Strategic provincial communication is improved through appropriate policies, structures, systems, norms and standards and is aligned with the GDS
- Participatory democracy is deepened and strengthened through platforms of engagement.

Service delivery objectives and indicators

In its aim to guide the province strategically towards the ongoing improvement of service delivery, the Department, under this programme, focused among others on initiatives for the development of human resources, the building of capacity, transformation of human resources, improved performance management, institutional excellence, the reform of value systems, the alignment of the institutional disposition with the developmental state, the reformation of the provincial statute, improved internal and external communication and the broadening of public participation.

The following is highlighted under this programme:

A new initiative has been launched to increase the opportunities for employment seekers to improve their skills and gain working experience within the departments of the Provincial Government. Although the target was not reached regarding the intake of learnerships, the intake of interns was more successful. In excess of 1 500 employment seekers benefited from these projects, of whom 106 were persons with disabilities.

The Western Cape Provincial Training Institute was awarded full accreditation as a training service provider by the PSETA. Together with the accreditation of the institute, two learning programmes were also accredited and scheduled for delivery in 2010/11.

The upgrading of training facilities at the Kromme Rhee campus of the Provincial Training Institute (PTI) ensured a better use of the physical infrastructure. This also enabled the PTI to accommodate staff from local government and Western Cape regional offices of national departments in their training programmes.

The Chief Directorate: Organisation Development was a key driver in the PGWC modernisation programme. In total ten blue prints were developed. Within the organisational-design workstream, the Chief Directorate was involved in the macro-organisational analysis and design of blueprints for five provincial departments (Department of the Premier, Department of Local Government, Department of Human Settlements, Department of Environmental Affairs and Development Planning and the Department of Social Development). Furthermore four blueprints within the Face-of-the-province workstream were developed and finalised, namely; Infrastructure and Batho Pele, Front-office reform, Integrated service delivery and Good governance recognition. The organisational culture and values workstream also developed and finalised a blueprint in this regard. Two service-delivery improvement plans, based on the provincial strategic priorities and community needs, were developed for each provincial department and finalised. The work done in this respect was not originally planned and therefore impacted on planned delivery.

The Department gave advice in the form of legal opinions for the provincial Executive, provincial departments and provincial public entities. Legal advice of an ongoing nature was provided with regard to key projects and programmes, such as the Modernisation Programme, the 2010 FIFA Soccer World Cup and the N2 Gateway Project. Contracts and correspondence were drafted or edited for departments, with the aim of safeguarding the best interests of the Provincial Government and its departments. Litigation matters were also managed and facilitated through active participation in litigation processes and in rendering assistance to the State Attorney and advocates that were briefed to appear on behalf of the Provincial Government.

The Directorate: Legislation assisted departments with the drafting of a number of pieces of legislation during the period under review. Two important pieces of legislation were initiated in this period, namely: the draft Western Cape School Education Amendment Bill, and the Western Cape Procurement (Business Interests of Employees) Bill. Although these pieces of legislation are the responsibility of the Departments of Education and Finance, respectively, the Directorate provided extensive support in the drafting of these Bills.

In respect of the multi-year Legislation Review Project, provincial legislation pertaining to four provincial departments was reviewed for appropriateness within the constitutional framework. These departments were: Economic Development and Tourism, Social Development, Cultural Affairs and Sport, and the Premier.

The programme experienced capacity pressures, specifically in relation to the human resources function, due to a number of posts being vacant and additional funding not being available. This resulted in planned delivery being hampered. In other instances, notably in relation to organisational performance monitoring, planned delivery had been refocussed to ensure integration of business processes and systems between this department and the Provincial Treasury.

Service delivery achievements (Programme 2):

Sub-Programme	Outputs	Output performance measures/ service delivery indicators	Actual performance against target			
			Target	Actual	Comment	
Programme 2: Institutional Development						
<u>Strategic Objective:</u> To enhance the capacity of the developmental state.						
Sub-programme: Strategic Human Resource	2.3 PGWC workforce is diverse, skilled, professional and knowledgeable to deliver on the developmental agenda of government.	2.3.1	Number of strategic interventions implemented to improve Human Capital Management in PGWC.	10	14 Strategic interventions have been implemented to improve Human Capital Management in the PGWC.	
		2.3.2	Number of M&E reports submitted to Cabinet and provincial Top Management reflecting the levels of representivity of the PGWC workforce against Provincial EE targets for designated categories.	2	1 M&E report has been submitted to Cabinet and Provincial Top Management reflecting the levels of representivity of the PGWC workforce against provincial EE targets for designated categories.	Capacity constraints were experienced in the first half of the financial year.
		2.3.3	Number of strategic labour relations interventions managed to maintain labour peace within the PGWC.	7	7 Strategic labour relations interventions have been managed to maintain labour peace within the PGWC.	
		2.3.4	Number of core learning areas of continuous Human Capital Development in PGWC which are fully implemented.	10	10 Core learning areas of continuous Human Capital Development in the PGWC have been fully implemented.	

Sub-Programme	Outputs		Output performance measures/ service delivery indicators		Actual performance against target		
					Target	Actual	Comment
Programme 2: Institutional Development							
<u>Strategic Objective:</u> To enhance the capacity of the developmental state.							
Sub-programme: Strategic Human Resource	2.3	PGWC workforce is diverse, skilled, professional and knowledgeable to deliver on the developmental agenda of government.	2.3.5	Number of strategic interventions to ensure Human Capital Development oversight.	10	6	The Human Resource Development Strategic Framework: Vision 2015, with report template, was received late from the Department of Public Service and Administration.
	2.4	The performance of the PGWC, its departments and its workforce is enabled and improved in line with the GDS.	2.4.1	Number of electronic individual and organisational performance management instruments (systems) developed, implemented and maintained.	2	1	The update of the PERMIS system has been developed. The functional specifications have been finalised for an organisational performance management instrument (system).
Sub-programme: Performance Management			2.4.2	Number of compliance and monitoring interventions implemented in respect of individual performance management at all levels of the PGWC.	96	72	Compliance and monitoring interventions have been implemented in respect of individual performance management at all levels of the PGWC.
			2.4.3	Number of assessment reports produced on the performance of 12 departments.	48	24	Assessment reports have been produced on the performance of 12 departments. A further 12 assessment reports have subsequently been finalised.

Sub-Programme	Outputs	Output performance measures/ service delivery indicators	Actual performance against target				
			Target	Actual	Comment		
Programme 2: Institutional Development							
<u>Strategic Objective:</u> To enhance the capacity of the developmental state.							
Sub-programme: Performance Management	2.4	The performance of the PGWC, its departments and its workforce is enabled and improved in line with the GDS.	2.4.4	Number of assessment reports on the performance of the PGWC produced.	2	1	The annual assessment report for the 2009/2010 financial year has been produced after the fourth quarterly report has been finalised.
	2.3	PGWC workforce is diverse, skilled, professional and knowledgeable to deliver on the developmental agenda of government.	2.3.6	Date by which the preparation phase of the establishment of the Provincial Assessment Centre is finalised.	March 2010	7	The preparation phase of the establishment of the Provincial Assessment Centre has been finalised as planned.
Sub-programme: Organisational Development			2.3.7	Number of institutions where the Batho Pele Revitalisation Programme has been rolled out.	7	7	Institutions received the Batho Pele Revitalisation Programme.
			2.3.8	Number of frameworks implemented to standardise operating procedures.	1	4	Frameworks have been implemented to standardise operating procedures.
	2.4	The performance of the PGWC, its departments and its workforce is enabled and improved in line with the GDS.	2.4.5	Number of institutions, team and individual diagnostic interventions executed.	6	6	Institutional, team and individual diagnostic interventions have been executed.

Sub-Programme	Outputs	Output performance measures/ service delivery indicators	Actual performance against target		
			Target	Actual	Comment
Programme 2: Institutional Development					
<u>Strategic Objective:</u> To ensure holistic governance through horizontal and vertical alignment in order to achieve the goals of the GDS.					
Sub-programme: Organisational Development	3.1 PGWC organizationally aligned and supportive of government's developmental agenda.	3.1.1 Number of service delivery improvements initiatives aligned to citizen priorities and Batho Pele principles.	24	24 Service delivery improvement initiatives have been implemented, aligned to citizen priorities and Batho Pele principles.	
		3.1.2 Number of evidence-based organisational development interventions managed across provincial departments.	20	17 Evidence-based organisational development interventions have been managed across provincial departments.	Planned interventions had to be rescheduled due to the requirements of the Modernisation Project which received priority.
	3.2 Legislative review of the provincial statute book to align with the Constitution and GDS.	3.2.1 Number of departments where legislation was reviewed.	4	4 Departments' legislation have been reviewed.	
<u>Strategic Objective:</u> To enhance and broaden strategic leadership to the PGWC					
Sub-programme: Legal Services	1.2 A comprehensive legal support service is provided to the departments of the PGWC.	1.2.1 Number of departments supported through the rendering of legal opinions, drafting of legislation and management of litigation.	12	12 Departments have been supported through the rendering of legal opinions, drafting of legislation and management of litigation.	

Sub-Programme	Outputs	Output performance measures/ service delivery indicators	Actual performance against target		
			Target	Actual	Comment
Programme 2: Institutional Development					
<u>Strategic Objective:</u> To inform and empower the people of the Western Cape through effective communication.					
Sub-programme: Communication	4.1 Public and official access to integrated service delivery information and services are provided and promoted.	4.1.1 Number of departmental / provincial events where provincial and human rights brands will be positively promoted in line with brand manual.	32	35 Departmental / provincial events have been managed / targeted where provincial brands have been positively promoted in line with the brand manual.	
		4.1.2 Number of marketing and advertising campaigns held to support government programmes.	4	0 Marketing and advertising campaigns have been held to support government programmes.	Due to changed priorities and a drive to reduce spending, particularly on advertising, no campaign was run during the year. It is anticipated that once the brand architecture exercise is finalised, selective and objective-specific advertising will be resumed.
		4.1.3 Number of media hits monitored, measuring effectiveness of government's communication programmes.	6000	5426 Media hits have been monitored, measuring effectiveness of government's communication programmes.	

Sub-Programme	Outputs	Output performance measures/ service delivery indicators	Actual performance against target			
			Target	Actual	Comment	
Programme 2: Institutional Development						
<u>Strategic Objective:</u> To inform and empower the people of the Western Cape through effective communication.						
Sub-programme: Communication	4.1 Public and official access to integrated service delivery information and services are provided and promoted.	4.1.4 Number of media releases, intranet updates and news products produced.	26	21 Media releases, intranet updates and news products have been produced.	Most media releases have been directly sent out by Premier's Media Liaison Officer.	
		4.1.5 Number of Thusong Centres where management systems are improved and integrated.	20	0 Thusong Centres' management systems have been improved and integrated.	The overall responsibility for Thusong Centres has not been transferred to the department as anticipated.	
	4.2 Strategic provincial communication is improved through appropriate policies, structures, systems, norms and standards and aligned to the GDS.	4.2.1 Date Provincial Communication Strategy approved and implemented by 12 departments.	March 2010		The Provincial Communication Strategy has not been approved in time for implementation as planned.	The finalisation of the strategy is subject to the finalisation of the provincial strategic objectives.
		4.2.2 Date 2010 FIFA World Cup Provincial Communication Strategy implemented.	March 2010		The 2010 FIFA World Cup Provincial Communication Strategy has been implemented as planned, albeit under the Sub-programme: 2010 FIFA World Cup.	
		4.2.3 Number of meetings of Provincial Government Communicators fora.	24	51 Meetings of Provincial Government Communicators fora have been conducted.	As a result of changed priorities and needs the meetings have been held daily during the latter part of the financial year.	

Sub-Programme	Outputs	Output performance measures/ service delivery indicators	Actual performance against target			
			Target	Actual	Comment	
Programme 2: Institutional Development						
Strategic Objective: To inform and empower the people of the Western Cape through effective communication.						
Sub-programme: Communication	4.2 Strategic provincial communication is improved through appropriate policies, structures, systems, norms and standards and aligned to the GDS.	4.2.4	Date draft annual FEOC calendar of events approved by Cabinet.	June 2009	The annual calendar of Festivals and Events Oversight Committee has not been approved by Cabinet.	The Festivals and Events Oversight Committee was replaced during the course of the financial year by the Financial Events Coordination Committee .
		4.2.5	Number of Departmental and FEOC events funded, planned, coordinated, organised and reported on.	24	17 Departmental and Festivals and Events Oversight Committee events have been funded, planned, coordinated organised and reported on.	The FEOC was replaced during the financial year by the Events Coordination Committee, a body sanctioned by Cabinet to ensure a coordinated approach to events.
Strategic Objective: To achieve social cohesion towards transformation of poor and marginalised communities.						
Sub-programme: Communication	5.1 Participatory democracy is deepened and strengthened through platforms of engagement.	5.1.1	Number of provincial Imbizo Focus Weeks and Presidential Imbizo managed and aligned with the National Imbizo Guidelines and the provincial planning cycle.	3	4 Events of the National Public Participation Week have been supported.	

2.8.3 Programme 3: Policy and Governance

Purpose:

To initiate the development and implementation of policies and strategies to achieve a coordinated approach towards sustainable provincial growth and development.

Measurable objectives:

- Moral values embedded through targeted communication, sectoral forums and stakeholder mobilisation
- The performance of the PGWC, its departments and its workforce is enabled and improved in line with the GDS
- Good governance and compliance promoted and improved in departmental public entities through strategic, structured and practical assistance
- Public and official access to integrated service-delivery information and services are provided and promoted
- Participatory democracy is deepened and strengthened through platforms of engagement
- Sound international and inter-governmental relations are promoted in support of the GDS
- The performance of the Provincial Government Western Cape is enabled and improved in line with the GDS
- The GDS is progressively realised through central leadership, coordination and advocacy
- Provincial 2010 FIFA World Cup projects lead and coordinated.

Service-delivery objectives and indicators

With the change in administration in April, the Department, under this programme, focused on the following:

- Development of the five-year Provincial Strategic Plan (vision, mission, values, priorities) including the ten strategic objectives
- Development of the Intergovernmental Relations Structural Framework to enhance the coordination and communication between the Provincial Government and local government.
- Executing the projects of the Modernisation Programme, namely:
 - public entity review and
 - power and functions
- Support, analysis, direction on the development and review of provincial policy and strategy relating to the strategic objectives of this province
- Strategic support for the Provincial Government in discharging statutory roles and responsibilities by facilitating an understanding of the Constitution and other legislation applying to the Provincial Government.

Although the Provincial Growth and Development Strategy highlighted the key areas of activity under this programme, some of these areas were not implemented due to the change in focus on delivering a new provincial strategic plan. On the Provincial Strategic Plan, ten strategic objectives have been drafted and are being finalised. An assessment of all departmental Annual Performance Plans' alignment with the Provincial Strategic Plan has been done.

For skills development a strategy review was conducted and an implementation plan compiled. This was managed through the monthly skills-development task team engagements with regular reporting to the Cape Higher Education Consortium and the Provincial Cabinet. In addition, the skills-development task team provided funding to the Learning Cape Initiative (LCI) for the annual Learning Cape Initiative Festival. The coordination and compilation of submissions to the National Skills Fund are managed through the skills-development task team. Approximately R100 million in funds has been accessed and managed over the past financial year for skills improvement in the Province through PGWC departments. The skills-development task team, jointly with the CHEC, commissioned

the Development Policy Research Unit (DPRU) to conduct a demand-and-supply analysis for key scarce skills for the province. This included both the private and public sector. The intention is that the findings will be used to influence and focus on scholarships for the scarce skills and to direct resources jointly at managing the scarce skills into the future. The skills development function (external focus) was relocated to the Department of Economic Development and Tourism. A draft bursary policy has been developed and a draft research report on scarce skills has been received.

On the Second Economy and Anti-Poverty Strategy, a draft Poverty Reduction Strategy was drafted and the team participated in the National Task Team on Poverty Reduction. The debates were fed back into the Economic Cabinet Cluster. As part of the annual workplan, the State-of-the-Province report on poverty has been produced. It contains policy analysis from both internal and external authors who provided policy analysis and make policy recommendations on different elements of poverty.

For the governance intervention, intergovernmental relations (IGR) initiatives contributed to enhancing and broadening strategic leadership to the Provincial Government Western Cape by strengthening existing and established IGR. An IGR structural framework was developed which re-established the Premier Coordinating Forum (PCF) and the Premier Metro Coordinating Forum (PMCF). Two terms of references and two rules of order were developed for the two IGR structures. Three PCFs were held: in Mossel Bay (August 2009), Beaufort West (2009) and in Langebaan (2010). Two PMCF were held: in the City Chambers in October 2009 and February 2010. The Policy and IGR Unit of the Provincial Strategic Management branch led the coordination of these structures by managing its content, setting the agenda, tracking the resolutions and reporting back on progress. A report has been compiled and contains some of the challenges and recommendations for future meetings of the PCF and submitted to the Director-General.

As part of this year's work, the branch executed a number of projects relating to the Modernisation Programme. First, it conducted research and compiled reports on the five public entities and 16 Special Purpose Vehicles as part of the public entity review. The report on the Provincial Development Council was finalised and submitted to the Cabinet for consideration and direction. Second, the Policy and IGR Unit was part of the team working on the Powers and Functions workstream and was responsible for the management of the workstream. It managed the consultant and the output. It co-drafted the report of the workstream (the blueprint on powers and functions) and submitted it to the Cabinet for consideration and direction. A key deliverable that was adopted was the guiding framework for transferring powers and functions from the Province to local municipalities.

The Department implemented the Provincial-wide Monitoring and Evaluation (M&E) Strategy, adopting a results-based approach, by delivering a comprehensive set of M&E reports on both provincial and national level. The Department reviewed, updated, and aligned the Provincial-wide M&E System (PWMES) to the proposed Five-year Provincial Strategic Plan. This was achieved through a major review and alignment of the compendium of indicators to the ten provincial strategic objectives and relevant statistical production areas. The automation of the indicator and data-management process system is receiving priority in terms of the proposed integrated and automated organisational governance and management information system.

The data and information provided through the PWMES enabled evidence-based decision-making in support of holistic governance. In terms of provincial reporting, the M&E products such as the indicator and data release report, the six-month report card, the evaluation of the implementation of the 2008/2009 PGWC Gender, Youth and Disability Budget Statement and the compilation of the 2010/2011 PGWC Gender, Youth, Disability and Children Budget Statement were produced and disseminated. In terms of national reporting, the Department supported the African Peer Review Mechanism Process, the Five-year Local Government Strategic Agenda and the National Public Participation Process.

The first phase of the roll-out in adopting a results-based approach for performance monitoring and evaluation included a series of capacity building and advocacy workshops with the Provincial-wide M&E forum. The readiness assessment report demonstrates whether the provincial government departments have the necessary elements in place to conduct integrated and coherent results-based M&E.

The 2010 FIFA World Cup provides the Western Cape with an unprecedented opportunity to market the Province as an investment, trade and tourism destination globally while presenting a unique platform to build social cohesion amongst the diverse communities of the Western Cape.

During the review period, the Department of the Premier's 2010 Unit continued to provide transversal leadership and coordination for the provincial 2010 FIFA World Cup programme while seeking to leave a positive and sustainable legacy, so that the province, the country and the continent are able to leverage economic growth from the event while strengthening relationships within and between communities. Integral to this leadership and coordination is the maintenance of a governance system with solid intradepartmental, interdepartmental and intergovernmental relations as its pillars. The 2010 Unit in the Department strengthened its working relationship with the host city of Cape Town and surrounding municipalities, as well as the 2010 Organising Committee and national government structures, in working towards a successful 2010 FIFA World Cup tournament. This governance system is the integration of a series of dedicated 2010 structures geared for effective interaction between the political and administrative leadership of the different spheres of government. Key examples of these structures are the Technical Steering Committee (TSC) and the Western Cape Municipal Forum (WCMF). The TSC meets weekly and consists of senior representatives of departments who have a direct interest in 2010. This includes the heads of the various legacy areas (social, economic, safety and security, transport and infrastructure, environmental, health, disaster management) and seeks to leverage medium to long-term opportunity and legacy. The WCMF meets monthly and explores spreading the benefits and reach of the event throughout the province. Comprised primarily of municipal 2010 coordinators, municipal managers and mayors have an open invitation to attend.

The 2009/10 financial year has seen, in terms of the 2006 Strategic Plan adopted by the host city and the Provincial Government, the work of the 2010 Unit shift from the planning phase to an implementation phase that has seen the delivery of inter alia :

- a series of countdown events
- an operational Philippi stadium
- the FIFA World Cup Final Draw
- three base camps.

The 2010 Unit also led 2010 marketing and communication at a strategic and operational level. At a strategic level, continued progress with Cape Media Service has laid the foundation for positive interaction with the international media in terms of infrastructure, content and production support. To increase excitement in communities, a series of countdown events were hosted. These events were primarily focused on football development and included collaboration with other provincial departments such as the Department of Cultural Affairs and Sport (DCAS) and community-based football clubs and projects. The 300 Days To Go Campaign featured a football tournament played by 300 girls. The 200 Days To Go Campaign saw the hosting of football coaching clinics featuring a session addressing social issues such as the 16 Days of Activism Campaign and World Aids Day the Department. The 100 Days To Go Campaign saw the staging of a street football tournament on the Grand Parade, the location of Cape Town's official FIFA Fan Fest during the 2010 FIFA World Cup. The 100 Days To Go Campaign also saw the planting of 100 trees at the Philippi Stadium by community gardeners from and around the communities of Philippi, striving to align conduct with the environmental legacy sought by the Green Goal Programme.

The review period saw the Philippi Stadium becoming operational. A successful launch event proved that the venue deserved its status as a Venue Specific Training Site where teams playing World Cup matches at the Cape Town Stadium could prepare (Unfortunately no teams chose to utilise this venue for training.) The launch event on 20 March 2010 included a youth match involving the Western Cape Sports School and players from Philippi as well as a match between the legends of Ajax Cape Town and Engen Santos.

The staging of the Final Draw in Cape Town on 4 December 2009 received international acclaim. The Province collaborated with the City of Cape Town in hosting a world class Post Draw Function – attended by Mr Blatter and President Zuma – which created an atmosphere for the guests to socialise and network, and simultaneously experience the creativity and flair of South Africa. A series of related events, including the Long Street 'street party', ensured that the Western Cape received an

unparalleled level of international media exposure. The Khayelitsha Football for Hope Centre which forms part of FIFA's CSI Project for the 2010 FIFA World Cup, was launched on 5 December 2009. The first of its kind, this centre is currently home to various community-based and sports programmes. The launch of this centre arose from the international partnership between FIFA, the Provincial Government Western Cape and the City of Cape Town. Collaboration of this nature amongst various stakeholders are essential if the long-term social legacies and sustainability of such initiatives are to be realised.

The 2010 Unit has been pivotal to the Western Cape securing three base camps. The Japanese team has chosen to be based in George and the French and Danish teams at Knysna. These decisions will result in the region having a legacy of five football pitches of international standard.

Other areas of involvement include:

- the volunteer programme
- Public Viewing Areas in each of the district municipalities
- messaging platforms such as Soccerex, The Cape Town Book Fair, Small Business Week
- the My 2010 School Adventure Programme, launched in February 2010.

In a letter dated 18 December 2009, the Premier formally informed the chairpersons of the 27 intermediary structures of the intention to close the Social Transformation Programme project office. The project office formally closed on 31 March 2010.

The primary function of the project office, through its area coordinators, was to capacitate the intermediary structures through training programmes and obtaining of non-profit organisation registration numbers and drafting of business plans. Expenditure of the structures was paid through the project office as facilitated by the area coordinators. The decision to close the project office at least one year sooner than planned had specific implications, among those being that not all the intermediary structures had obtained their NPO numbers and in some cases also failed to formally launch. Formally launched intermediary structures were representative bodies of different non-governmental organisations, community based organisations and sector representative bodies.

Since the closure of the project office did not spell the end of the intermediary structures, the programme manager had directed that the balance of the 2009/10 allocated funds be paid over to the intermediary structures based on a formula that was informed by three cost drivers, namely: demarcation (size of area), unemployment rate and capacity or resources. In order to qualify, all intermediary structures had to have their non-profit organisation registration numbers, submitted a signed Memorandum of Agreement and have proof of a bank account.

By the end of the 2009/10 financial year, eight of the intermediary structures did not comply with one or all of the requirements listed above and funds could therefore not be transferred to them.

During November 2009 the Department embarked on a process to develop a Human-Rights Mainstreaming Policy and a five-year implementation plan. This aimed at assisting both the provincial and local governments with a more standardised approach to the institutionalisation of human-rights programmes. The Department of the Premier has set up a task team, representative of the different departments, with the following tasks:

- provision of information in support of the development of a standardised approach to human-rights programmes
- reworking the Draft Human-Rights Mainstreaming Declaration and Implementation Protocol as transversal policy proposal or code of good practice for provincial and local governments
- reworking the current disability, gender, children and youth integrated strategies into a five-year implementation proposal
- developing a human-rights public-participation policy proposal
- developing an integrated human-rights public education and awareness programme.

The working relationship with the Department of Political Science of the University of Stellenbosch has been strengthened and 16 additional officials enrolled for the accredited mainstreaming training course that was designed in partnership with the University of Stellenbosch and Dynamic Development CC. The focus of the human-rights mainstreaming unit at the US is on training and

capacity building, applied research, rights-based best practice support and advocacy with an explicit focus on human-rights mainstreaming. The Provincial Training Institute is a key partner in this programme.

As part of the annual performance assessment process, the Department assessed the annual performance plans of provincial departments and municipalities through the Department of Local Government to enhance alignment with international, regional, national, provincial and departmental obligations as they relate to gender equality, disability, children's rights and youth development as key human-rights concerns.

As part of the annual performance assessment process, the Department assessed the annual performance plans of provincial departments and municipalities through the Department of Local Government to enhance alignment with international, regional, national, provincial and departmental obligations as they relate to gender equality, disability, children's rights and youth development as key human-rights concerns.

During November 2009 the Department was approached by the Breede River Municipality to assist with the displacement of about 2 500 foreign nationals. The displacement situation occurred as a result of conflict that arose between the internal displaced persons and the local community of De Doorns. The Department provided technical advice and played a key role in the security, mediation and reintegration processes of the displaced people and the interventions resulted in only 350 people remaining to be reintegrated.

The Department engaged with different structures and forums in a programme that focused on the responsibility of the Government as duty bearer – both internally as an employer and externally as a service-provider. It has successfully strengthened the Western Cape Children's Rights Advisory, Provincial Gender Machinery and the Western Cape Network on Disability and Gender Justice Forum and adds value in the facilitation of various programmes and projects including the social impact assessment of the 2010 Fifa World Cup and Human-Rights Trafficking.

The Department, as per national directive, was charged in 2009 with the responsibility for the dissolution of the Western Cape Youth Commission. This process was successfully completed and included the repeal of Youth Commission Act, the redeployment of staff and the final auditing of its finances and assets. The assets and liabilities were transferred to the Department.

Service delivery achievements (Programme 3):

Sub-Programme	Outputs	Output performance measures/ service delivery indicators	Actual performance against target				
			Target	Actual	Comment		
Programme 3: Policy and Governance							
Strategic Objective: To enhance the capacity of the developmental state.							
Sub-programme: Special Programmes	2.1	Moral values embedded through targeted communication, sectoral fora and stakeholder mobilisation.	2.1.1	Number of awareness and prevention interventions held.	12	25	Awareness and prevention interventions (human rights) have been held towards the embedding of moral values.
	2.4	The performance of the PGWC, its departments and its workforce is enabled and improved in line with the GDS.	2.4.6	Number of internal PGWC social capital interventions held.	12	13	Internal PGWC social capital interventions have been delivered.
			2.4.7	Number of instruments facilitated to establish a Human Rights culture in the PGWC.	15	22	Instruments have been facilitated to establish a Human Rights culture in the PGWC.
Strategic Objective: To ensure holistic governance through horizontal and vertical alignment in order to achieve the goals of the GDS.							
Sub-programme: Special Programmes	3.3	Good governance and compliance promoted and improved in departmental public entities through strategic, structured and practical assistance.	3.3.1	Number of reports facilitated in respect of 2008/2009 annual reports and 2009/2010 annual performance plans of the Provincial Development Council and the Western Cape Youth Commission.	4	0	Reports have been facilitated in respect of the 2008/2009 annual reports and the 2009/2010 annual performance plans of the Provincial Development Council and the Western Cape Youth Commission. This deliverable has not been actioned due to the intended disestablishment of the Western Cape Youth Commission and the investigation into the functioning of all entities.

Sub-Programme	Outputs		Output performance measures/ service delivery indicators		Actual performance against target	
					Target	Actual
Programme 3: Policy and Governance						
Strategic Objective: To inform and empower the people of the Western Cape through effective communication.						
Sub-programme: Special Programmes	4.1	Public and official access to integrated service delivery information and services are provided and promoted.	4.1.1	Number of departmental / provincial events where provincial and human rights brands will be positively promoted in line with brand manual.	32	48 Departmental / provincial events have been targeted where human rights brands have been positively promoted in line with the brand manual.
Strategic Objective: To achieve social cohesion towards transformation of poor and marginalised communities.						
Sub-programme: Special Programmes	5.1	Participatory democracy is deepened and strengthened through platforms of engagement.	5.1.2	Number of engagements managed with Human Rights structures and support provided.	33	60 Engagements have been managed with Human Rights structures and support provided.
Strategic Objective: To facilitate the implementation of the GDS programmes and achieve shared growth within a developmental state.						
Sub-programme: Special Programmes	6.1	Sound international and inter-governmental relations are promoted in support of the GDS.	6.1.1	Number of internationally focused bilateral and multilateral engagements held.	48	41 Internationally focused bilateral and multilateral engagements have been held.
			6.1.2	Number of meetings in preparation for Regional Leaders Summit held.	1	6 Meetings in preparation for the Regional Leaders Summit have been held.
Sub-programme: Intergovernmental Relations	6.1	Sound international and inter-governmental relations are promoted in support of the GDS.	6.1.3	Number of inter-governmental relations frameworks, including calendars of engagement and dispute resolution mechanisms implemented.	2	The Inter-Governmental Relations framework, including calendars of engagement and dispute resolution mechanism has been implemented. The implementation includes a number of IGR engagements that have been facilitated.

Sub-Programme	Outputs	Output performance measures/ service delivery indicators	Actual performance against target		
			Target	Actual	Comment
Programme 3: Policy and Governance					
<u>Strategic Objective:</u> To facilitate the implementation of the GDS programmes and achieve shared growth within a developmental state.					
Sub-programme: Intergovernmental Relations	6.1 Sound international and inter-governmental relations are promoted in support of the GDS.	6.1.4 Number of district growth and development strategies reviewed.	2	0 District growth and development strategies have been reviewed.	The review was intended against the Provincial Growth and Development Strategy (PGDS). The provincial focus has, however, shifted from the PGDS to the Provincial Strategic Objectives (PSO). This review will be redirected in terms of a PGWC Strategic Management Framework once the PSOs have been finalised.
<u>Strategic Objective:</u> To ensure holistic governance through horizontal and vertical alignment in order to achieve the goals of the GDS.					
Sub-programme: Provincial Policy Management	3.4 The performance of the Western Cape Province is enabled and improved in line with the GDS.	3.4.1 Date on which the provincial-wide monitoring, evaluation and reporting strategy is implemented.	March 2010	The provincial-wide monitoring, evaluation and reporting strategy has been implemented as planned.	The provincial-wide monitoring, evaluation and reporting strategy, also referred to as the 'Western Cape Model', is encapsulated in an evolving body of reports which captures the seven phases of the provincial-wide monitoring, evaluation and reporting system (non-electronic at this stage).

Sub-Programme	Outputs	Output performance measures/ service delivery indicators	Actual performance against target		
			Target	Actual	Comment
Programme 3: Policy and Governance					
<u>Strategic Objective:</u> To facilitate the implementation of the GDS programmes and achieve shared growth within a developmental state.					
Sub-programme: Policy Development	6.2 The GDS is progressively realised through central leadership, coordination and advocacy.	6.2.1 Date on which the GDS White Paper review is finalised.	March 2010	The GDS White Paper has not been reviewed.	The review of the Provincial Growth and Development Strategy (PGDS) has not been actioned as the provincial focus has shifted from the PGDS to the Provincial Strategic Objectives (PSO). A PGWC Strategic Management Framework has been developed (draft) to facilitate the institutionalisation and implementation of the PSOs.
			1	1	State of the province review report has been produced.
			1	0	Anti-poverty strategy documents have been developed.
			1	0	Anti-poverty strategy documents have been developed.
6.2.2	Number of state of the province review reports produced.	1	1	State of the province review report has been produced.	
6.2.3	Number of anti-poverty strategy documents developed.	1	1	Anti-poverty strategy documents have been developed.	

Sub-Programme	Outputs		Output performance measures/ service delivery indicators		Actual performance against target		
					Target	Actual	Comment
Programme 3: Policy and Governance							
Strategic Objective: To inform and empower the people of the Western Cape through effective communication.							
Sub-programme: Policy Implementation Support	4.1	Public and official access to integrated service delivery information and services are provided and promoted.	4.1.6	Number of service delivery jamborees held.	30	0 Service delivery jamborees have been held.	The Jamboree programme has been placed under review. A draft strategy for the redirection of the programme has been compiled.
Strategic Objective: To facilitate the implementation of the GDS programmes and achieve shared growth within a developmental state.							
Sub-programme: Policy Implementation Support	6.2	The GDS is progressively realised through central leadership, coordination and advocacy.	6.2.4	Number of interventions managed in support of the skills development strategy.	3	0 Interventions have been managed in support of the skills development strategy.	The function was relocated to the Department of Economic Development and Tourism. A draft bursary policy has been developed and a draft research report on scarce skills has been received.
Sub-programme: Premier's Special Programmes	6.2	The GDS is progressively realised through central leadership, coordination and advocacy.	6.2.5	Number of areas of the Western Cape where the Social Transformation Programme is implemented and supported by March 2010.	27	27 Areas of the Western Cape have been assisted in the implementation of the Social Transformation Programme.	The programme has been discontinued and its business wound up as at 31 March 2010.

Sub-Programme	Outputs	Output performance measures/ service delivery indicators	Actual performance against target		
			Target	Actual	Comment
Programme 3: Policy and Governance					
<u>Strategic Objective:</u> To facilitate the implementation of the GDS programmes and achieve shared growth within a developmental state.					
Sub-programme: 2010 FIFA World Cup	6.3 Provincial 2010 FIFA World Cup projects lead and coordinated.	6.3.1 Number of Provincial 2010 FIFA World Cup legacy projects implemented, including Philippi Stadium, FIFA coordination and FIFA World Cup Final Draw.	12	12 Provincial 2010 FIFA World Cup legacy projects have been implemented, including Philippi Stadium, FIFA coordination and FIFA World Cup Final Draw.	

2.8.4 Programme 4: Information and Communication Technology (ICT)

Purpose:

The purpose of this programme is to enhance service delivery through the effective use of information and communication technologies.

Measurable objectives:

- Strategic leadership is provided to the PGWC through appropriate policies, norms and standards and aligned with the GDS.
- Public and official access to integrated service-delivery information and services is provided and promoted.
- Province-wide electronic management information systems are developed and implemented.
- New and enhanced ICT solutions are delivered throughout the PGWC.
- PGWC workforce is diverse, skilled, professional and knowledgeable to deliver on the developmental agenda of the Government.
- ICT-technology infrastructure and end-user equipment are renewed and supported.
- Software releases are managed to ensure that they are in alignment with the changing needs of the PGWC.

Service-delivery objectives and indicators

The Centre for e-Innovation (Ce-I) provides transversal information and communication technology (ICT) services to departments of the Provincial Government Western Cape. Ce-I plays both a strategic leadership role in ICTs (in developing institutional capacity and providing strategic direction to the Provincial Government), as well as a service-delivery role (which aims to empower and enable departments to deliver on their own mandates). Key service-delivery objectives are premised on providing Government Information Technology Officer (GITO) management services to departments. This includes the following: providing transversal ICT services, creating an e-Government platform, driving the information-society and knowledge-economy agenda, promoting common frameworks and standards and upholding the Government's ICT house of values. The ICT house of values is premised on improving value derived from ICTs (by lowering costs, increasing productivity and improving citizen convenience). Key objectives would be to ensure security, interoperability, reduced duplication, economies of scale and digital inclusion.

An additional focus area of the Ce-I is the management of the relationship with the State Information Technology Agency (SITA). This is done through the Business Agreement as well as relevant service-level agreements.

The new programme has three blueprints as its basis:

1. The e-Government blueprint
2. The IT-services blueprint
3. The e-Filing blueprint

The key intent of the three blueprints is to improve service delivery through the use of information and communication technologies.

The following is highlighted under this programme:

As alluded to above, the key achievements of the programme for the 2009/10 financial year relate to the approval of the three blueprints of the provincial modernisation initiative.

The e-Government blueprint provides the context within which ICTs are to be used to improve service delivery to the citizens of the Western Cape through internal refinements and external delivery. The external delivery of government services will happen through the Cape Gateway portal and its various access channels. This delivery will be made possible by the internal efficiencies and effectiveness enabled by ICTs.

The IT-services blueprint specifies the activities required to enable e-Government. This blueprint highlights the necessary activities to build the internal efficiency that ultimately benefits the citizens. Some of the core deliverables from the blueprint include:

- Infrastructure optimisation. This will focus on areas such as broadband, identity and access management, IT security and data protection and recovery.
- Business-productivity optimisation: This will result in a unified communications platform and new business tools such as Microsoft Exchange E-mailing and collaboration, enterprise-wide management of documents and content and of business intelligence tools and capabilities.

The e-Filing blueprint emphasises the last phase of the business-productivity optimisation through a much tighter focus on document and content management for the PGWC enterprise.

Key deliverables:

The IT risk-management unit was established and an IT risk-management framework was approved in order to improve the identification and management of IT risks. Further phases of focused implementation will continue over the next two years.

An IT security unit was established and is being equipped with skills, expertise and tools to improve and manage the IT security environment on a dedicated basis.

The e-Mobility project was successfully piloted and is being rolled out. This solution enables improved access for mobile users while improving control mechanisms.

Significant infrastructure upgrades took place throughout the PGWC. Particular emphasis was placed on upgrading infrastructure at the academic hospitals (this included Groote Schuur Hospital and Tygerberg Hospital). Network capacity and performance have improved as a result of this.

In order to provide better services in the rural areas and to reduce costs, a Ce-I regional support office was partially implemented and operationalised in Worcester. This regional support office will be fully operational during the 2010/11 financial year.

The Department made significant strides in its aim to empower citizens as well as PGWC employees in the use of information and communication technologies. A total of 6 994 public servants and educators have been trained in ICTs, while five new Cape Access centres and five new e-community forums were launched.

The Western Cape presidential hotline was the first fully operational hotline. The capacity of the PGWC call centre was increased to reduce the call-drop rate. The walk-in centre was enhanced to align it with the World Cup 2010 theme. The e-mail response unit's capacity was also increased to ensure that all queries are responded to within the relevant time-frames.

The Executive Projects Dashboard System was developed in-house and implemented to monitor projects and annual performance plan (APP) deliverables. The Issue Management System was implemented to manage and track key issues dealt with by the Premier, Ministers, the Director-General and heads of departments. The Financial Disclosure System was implemented to manage and track the declarations of interest by the senior management service but it will be expanded to other staff in future. The Forensic Investigative Unit's Case Management System was also implemented to manage and track forensic investigations better.

The implementation of the Learner Tracking System (CEMIS) was improved substantially for the management of information pertaining to over 900 000 learners at schools. Results and movements of learners are captured on this system to provide a more reliable basis for decision-making by the Western Cape Education Department about issues pertaining to learners and schools. The system is also used to conduct the annual survey of learners at schools which eliminates the inefficiency of the manual system and drastically reduces the lead-time for the final results of the survey. The redevelopment of the SA Schools Administration System (I-SAMS) is in pilot and testing stages and will complement CEMIS. It will also improve data collection substantially and will eliminate the duplication of effort by schools and the Department of Education in the collection and capturing of compulsory information.

The Human Capital Leave Management System (HCLMS) was implemented in the Department of Education in order to manage better attendance at schools, leave forms, pay-sheet control, etc.

The web-based functionality of the Exams Analysis System was improved substantially and it continues to provide vital online information-management capacity to improve the results and performance of learners. Schools and circuit managers are able to access their results per learner per subject and this allows them to analyse those results and implement improvement measures for the next year's matriculants. The web-based Exams Results System was improved to provide better access and information on examinations and results to schools, educators, parents and learners. The new National Exams System was also successfully implemented in the provincial Department of Education.

Primary healthcare centres are now linked to the Primary Health-Care System which is used to monitor and control patient activity. One of the major benefits of the Primary Health-Care System (PHCS) is that the healthcare records of patients can be accessed from any of the primary healthcare centres, enabling patients to be assisted at any of the healthcare centres. Nearly one million patients have been registered on the Primary Health-Care System during the year under review. The Health Information System (HIS) and the PHCS continue to be rolled-out in hospitals throughout the province. The HIS will eventually replace the legacy Delta-9 hospital information system which is still being used in some hospitals.

A Police Complaints Systems was successfully implemented to manage and track complaints from the public.

The Khanya project, which established IT laboratories at schools, has reached 1 200 schools. This project plays a critical role in equipping learners with relevant IT skills. All schools have access to administrative computing (including e-mail, Internet and computer processing) that allows them to access, store and process information electronically.

Ce-I collated the baseline IT architecture and will now focus on the future (to be) IT architecture for the key modernisation initiatives. The unit will now commence with Business Architecture, focusing on Business Processes Mapping (BPM). Significant resources were devoted to the development of provincial and departmental strategic ICT plans.

The Centre for e-Innovation supported, maintained, enhanced and expanded on the ICT-installed base of all departments as reflected below:

- supporting and developing the PGWC Internet portal: Cape Gateway and the PGWC Internet portal
- maintaining the PGWC contact centre including the call centre, walk-in centre and e-mail centre as well as provincial matters referred by the presidential hotline
- supporting more than 1 200 Schools with one or more ICT laboratories as well as supporting 1 240 schools servers
- supporting 40 000 workstations in schools
- supporting over 21 000 educators using ICTs to deliver education curriculum
- maintaining 19 Cape Access centres and 14 e-community forums
- maintaining the Primary Health-Care Information System (with nearly three million patient records)
- maintaining 14 500 corporate workstations (excluding schools)
- supporting 12 000 e-mail users, generating more than 600 000 e-mails per day
- supporting 800 mobile users
- supporting 5 800 Internet users
- maintaining 250 corporate sites
- providing operational management to the service desk (which currently services about 7 000 calls per month)
- supporting more than 360 computerised systems spread across all departments of the Provincial Government.

Key challenges that inhibited performance:

While there have been significant improvements in respect of ICT governance, an independent audit to verify this has not yet been conducted. As a result of this, there has been no movement in respect of the ICT maturity level as reflected in the performance table.

IT asset management has been found to be problematic due to the distribution of transversal ICT assets throughout the Province. A program has been put in place to improve the management of assets. Automated asset tracking tools are being investigated to ensure better asset-management controls.

The target for the number of departmental ICT plans to be developed or revised was not achieved. Thirteen were planned as opposed to an actual achievement of 7. This is explained as follows:

- Plans for the Department of the Premier, the Department of Transport and Public Works, the Department of Economic Development and the Department of Environmental Affairs and Development Planning were signed off.
- ICT plans for the Department of Health, the Department of Education and the Department of Agriculture, as well as the revised plan for the Provincial Treasury, were completed but were waiting to be signed off by year-end.
- Plans for the Department of Social Development, the Department of Cultural Affairs and Sport and the Department of Community Safety were drawn up in the previous financial year and is only up for review in 2010/11.
- The Department of Local Government and Housing has split and the two departmental plans will only be completed in 2010/11.
- The Provincial Parliament has moved away from the PGWC shared ICT-services environment. Their completed ICT plan will in all probability not be signed off with the Ce-I.
- The major challenges experienced with the completion of strategic ICT plans were the retention of skilled IT staff (who are responsible for the completion of ICT plans) and the lack of commitment of senior management in some of the departments (that do not have ICTs on their strategic agendas).

The Ce-I employs IT staff – consisting primarily of analyst developers, network technologists, business analysts, IT specialists as well as external expertise – to deliver the IT function. Skills in this sector remain mobile due to limited availability. In this respect, the private sector has the competitive advantage as it offers far better remuneration packages. In an attempt to mitigate the impact of scarce skills, a decision has been taken to disestablish a number of posts (vacancies) in favour of sourcing skills when it is required.

Finally, it should be noted that the ability of the Centre for e-Innovation to deliver on its mandate is largely dependent on the ability of SITA to deliver IT services as per the mandatory and optional services specified in the SITA Act and regulations.

The Department provides the following e-Government services:

- the PGWC Internet portal (www.capegateway.gov.za)
- the PGWC Intranet portal (<http://intranet.pgwc.gov.za>)
- the PGWC contact centre (including the call centre at 0860 142 142)
- the walk-in centre at 142 Long Street
- the e-mail centre at questions@capegateway.gov.za
- the Western Cape component of the presidential hotline
- the cape>access rural connectivity and ICT skills-development programme (at 19 sites in rural areas).

The contact tickets for these services increased from 1 701 040 in 2008/09 to 4 339 970 in 2009/10. This increase has been the greatest challenge as it represents both the success of the services and the increased demand. The increase highlighted institutional shortcomings including the correct staffing and business processes; departmental ownership of line-function content and information; stronger systems to track the escalations of issues to departments for resolution; the lack of a single view depicting all citizen enquiries, management information needs with regard to priority citizen concerns and the need for a PGWC Internet and Intranet portal that is based on more current and agile technology.

Each of these challenges is being addressed. The formal staff establishment of the Directorate: Cape Gateway (to be renamed e-Government for Citizens) was expanded from 16 to 32 in alignment with improved business processes as part of the modernisation blueprint. Departments were consulted about their content maintenance and significant progress in updating content on behalf of departments has been made. A large project to redevelop the Provincial Government's portal in terms of technology and functionality was initiated in September 2009. A business analysis was initiated for developing a Customer Relationship Management (CRM) System to track and measure issues across contact-centre channels.

Service delivery achievements (Programme 4):

Sub-Programme	Outputs	Output performance measures/ service delivery indicators	Actual performance against target		
			Target	Actual	Comment
Programme 4: Information Communication Technology (ICT).					
<u>Strategic Objective:</u> To enhance and broaden strategic leadership to the PGWC.					
Sub-programme: Strategic ICT Services	1.1 Strategic leadership is provided to the PGWC through appropriate policies, norms and standards and aligned to the GDS.	1.1.4 Level of ICT governance maturity attained as measured annually by the Internal Auditors (in terms of COBIT/ITIL) on a 5-point scale depicting performance in areas such as policies, strategies, norms, standards, etc.	3	1.5 Is the level of ICT governance maturity that has been attained as measured annually by the Internal Auditors (in terms of COBIT/ITIL) on a 5-point scale depicting performance in areas such as policies, strategies, norms, standards, etc.	1. While significant improvements in respect of ICT Governance have been attained, an independent audit to verify this has not been conducted - which has resulted in no movement in respect of maturity level. 2. Asset management has been found to be problematic due to the distribution of transversal ICT assets throughout the Province. A program has been put in place to improve the management of assets. Automated Asset Tracking tools are being investigated to ensure better Asset Management Controls.

Sub-Programme	Outputs		Output performance measures/ service delivery indicators		Actual performance against target		
					Target	Actual	Comment
Programme 4: Information Communication Technology (ICT).							
Strategic Objective: To enhance and broaden strategic leadership to the PGWC.							
Sub-programme: Strategic ICT Services	1.1 Strategic leadership is provided to the PGWC through appropriate policies, norms and standards and aligned to the GDS.	1.1.5	Number of departmental and integrated strategic ICT plans developed or revised.	13	7	The development of ICT plans in conjunction with departmental planning imperatives is being addressed in the provincial governance objective.	
		1.1.6	Date when 1st Phase of enterprise architecture is implemented in the PGWC.	Dec 2009		The 1st Phase of the enterprise architecture project has been implemented in the PGWC as planned.	
Strategic Objective: To inform and empower the people of the Western Cape through effective communication.							
Sub-programme: Strategic ICT Services	4.1 Public and official access to integrated service delivery information and services are provided and promoted.	4.1.7	Number of strategic ICT communication channels enhanced.	2	2	Strategic ICT communication channels have been enhanced.	
		4.1.8	Number of electronic channels for citizen's interface enhanced to improve efficiency and usage.	3	4	Electronic channels for citizen's interface have been enhanced to improve efficiency and usage.	

Sub-Programme	Outputs		Output performance measures/ service delivery indicators		Actual performance against target		
					Target	Actual	Comment
Programme 4: Information Communication Technology (ICT).							
Strategic Objective: To inform and empower the people of the Western Cape through effective communication.							
Sub-programme: Strategic ICT Services	4.1	Public and official access to integrated service delivery information and services are provided and promoted.	4.1.9	Number of Cape Access centres and e-community forums where capacity is enhanced to improve the provision of internet access and ICT training to disadvantaged communities.	12	11	Constraints have been experienced due to budget limitations.
Strategic Objective: To enhance service delivery and develop society through effective use of ICT's.							
Sub-programme: Strategic ICT Services	7.1	Provincial-wide electronic management information systems are developed and implemented.	7.1.1	Number of electronic systems developed and implemented to provide integrated management information for strategic decision-making.	2	2	Electronic systems have been developed and implemented to provide integrated management information for strategic decision-making.
	7.2	New and enhanced ICT solutions are delivered throughout the PGWC.	7.2.1	Number of Research and Development interventions towards delivering innovative and appropriate technologies and solutions to strategic PGWC programmes / projects.	12	28	Research and Development interventions have been concluded towards delivering innovative and appropriate technologies and solutions to strategic PGWC programmes / projects.

Sub-Programme	Outputs	Output performance measures/ service delivery indicators	Actual performance against target				
			Target	Actual	Comment		
Programme 4: Information Communication Technology (ICT).							
Strategic Objective: To enhance the capacity of the developmental state.							
Sub-programme: GITO Management Services	2.3	PGWC workforce is diverse, skilled, professional and knowledgeable to deliver on the developmental agenda of government.	2.3.9	Number of CS-Educators and Public Servants trained in ICTs.	3200	5033 CS-Educators and Public Servants have been trained in ICTs.	
	Strategic Objective: To enhance service delivery and develop society through effective use of ICT's.						
Sub-programme: GITO Management Services	7.2	New and enhanced ICT solutions are delivered throughout the PGWC.	7.2.2	Number of approved ICT applications and solutions delivered in accordance with ICT Plans.	8	100 Approved ICT applications and solutions have been delivered in accordance with ICT Plans.	
	7.3	ICT technology infrastructure and end-user equipment are renewed and supported.	7.3.1	Number of infrastructure items and network services renewed in accordance with infrastructure renewal plans.	280	672 Infrastructure items and network services have been renewed in accordance with infrastructure renewal plans.	
			7.3.2	Number of end-user equipment items implemented.	3200	5924 End-user equipment items have been implemented.	
			7.3.3	Average turnaround time (days) for resolving Helpdesk queries.	5	3.94 Days have been attained as the average turnaround time for resolving Helpdesk queries.	

Sub-Programme	Outputs	Output performance measures/ service delivery indicators	Actual performance against target				
			Target	Actual	Comment		
Programme 4: Information Communication Technology (ICT).							
Strategic Objective: To enhance service delivery and develop society through effective use of ICT's.							
Sub-programme: GITO Management Services	7.4	Software releases are managed to ensure that they are in alignment with changing PGWC needs.	7.4.1	Number of system releases supported, documented, maintained and enhanced across all departments.	360	587	System releases have been supported, documented, maintained and enhanced across all departments.
		Software releases are managed to ensure that they are in alignment with changing PGWC needs.	7.4.2	Number of software legal obligations met.	7	7	Software legal obligations have been met.

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

**AUDIT COMMITTEE REPORT
FOR THE FINANCIAL YEAR ENDING 31 MARCH 2010**

PART 3

Report of the Audit Committee

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

Audit Committee Members and Attendance:

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

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

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

*No meetings were scheduled during this period.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from **section**

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

**AUDIT COMMITTEE REPORT
FOR THE FINANCIAL YEAR ENDING 31 MARCH 2010**

38(1)(a) of the PFMA and Treasury Regulation 3.1.

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

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

In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with assurance that the internal controls are adequate and effective. This is achieved by a risk-based Internal Audit Plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective action. The system of internal control was not entirely effective for the year under review. Several deficiencies in the system of internal control and/or deviations were reported by Internal Audit and the Auditor-General South Africa. Matters relating to Asset Management previously reported have not been fully and satisfactorily addressed. An improvement within the general IT control environment is also required.

The Department made very little progress in respect of Enterprise Risk Management and this has been escalated to the Accounting Officer during the year under review. The Audit Committee is monitoring progress on a quarterly basis.

Information Technology

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

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

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

**AUDIT COMMITTEE REPORT
FOR THE FINANCIAL YEAR ENDING 31 MARCH 2010**

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

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

Evaluation of Financial Statements

The Audit Committee has:

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

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

Internal Audit

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

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

**AUDIT COMMITTEE REPORT
FOR THE FINANCIAL YEAR ENDING 31 MARCH 2010**

Auditor-General South Africa

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

Appreciation

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



Mr A Amod

Chairperson of the Governance and Administration Cluster Audit Committee

Date: 12 August 2010

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

PART 4

Report by the Accounting Officer to the Executive Authority and the Provincial Parliament of the Western Cape Province.

1. General review of the state of financial affairs

Our country's fourth democratic elections took place during April 2009 and inarguably the most significant event which occurred in the province in the past financial year was a change in the ruling party of the Western Cape Provincial Government. As a consequence, former Premier Lynne Brown was succeeded by Premier Helen Zille who was sworn in on 6 May 2009.

Based on the findings of an internal investigation into the governance aspects of the Erasmus Commission, an investigation was launched as to whether disciplinary action should be pursued against senior officials. The former Director-General took early retirement with effect from 30 November 2009. Another senior official was transferred to another department.

Advocate Brent Gerber was appointed as Acting Director-General and Accounting Officer with effect from 22 May 2009.

■ Significant events that have taken place during the year

The provincial Cabinet commenced with the development of a provincial strategic plan which resulted in a new vision for the Western Cape Province: "Building an Open Opportunity Society for All in the Western Cape." Ten provincial strategic objectives in support of the new provincial vision were identified and adopted by Cabinet:

- Creation of opportunities for business and citizens to grow the economy and employment;
- Improving education outcomes;
- Integrated transport;
- Maximizing health outcomes;
- Reducing crime;
- Optimizing human settlement integration;
- Mainstreaming sustainability and optimizing resource-use efficiency;
- Increasing social cohesion;
- Alleviating poverty; and
- Clean, value-driven, efficient, effective and responsive government.

In the lead-up to the new five year strategic cycle (2010/11-2014/15), the new provincial Cabinet initiated and approved the "Programme: Modernising the public service institutions of the Provincial Government Western Cape." This led to an assessment of the efficacy of provincial government delivery in line with the new political mandate. A number of areas were identified where the efficacy and efficiencies within the provincial government could be improved to ensure optimum utilisation of government resources. The modernisation

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

programme driven by the acting Director-General prioritised the areas for improvement in terms of which project teams delivered a number of blueprints containing recommendations.

One of the blueprints dealt specifically with the organisational establishment of the Department of the Premier ensuring that it optimally supports the Premier/executive and the Director-General in discharging their key statutory and other strategic mandates as indicated above. Other blueprints also held consequences for the departmental focus areas of delivery over the term. Based on the recommendations of the modernisation programme the following policy initiatives have been prioritised for the Department of the Premier:

- Migrating the provincial government IT operating system to a technologically more advanced system
- Implementation of an IT service delivery improvement plan
- Implementation of a uniform e-filing system in the provincial government
- Implementation and maintenance of a uniform provincial project management approach
- Continuous review of provincial legislation for relevance
- Ensuring the review and updating of delegations to ensure provincial uniformity and efficacy
- Continuous review of provincial powers and functions and implementation of recommendations
- Corporatisation of shared services into a Corporate Services Centre
- Ensuring integrated service delivery
- Initiating and ensuring front office reform
- Improving forensic investigative capability
- Modernising the provincial training institute
- Implementing a human capital strategy
- Ensuring an organisational culture and value system that supports the provincial vision
- Implementation of further modernisation imperatives as approved
- Ensuring continuous alignment of the provincial macro organisational structure in support of the provincial strategic plan.

Of particular importance was the introduction of the Executive Projects Dashboard, a system which supported the institutionalization of a projects-based approach throughout the provincial government.

■ Major projects undertaken or completed during the year

The Social Transformation Programme (STP) (based on a decision made by the Executive) was terminated with effect from 31 March 2010 and the contracts of personnel employed to co-ordinate this programme were terminated with effect from the same date.

The department continued to support Cabinet and its related structures and facilitated 46 engagements. Following the approval of a Provincial Intergovernmental Relations (Structural) Framework two Premier Coordinating Forums (in Mossel Bay and Beaufort West

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

in August and November, respectively) have been successfully held as well as one Premier's Metro Coordinating Forum which was held in October in the City Chambers in Cape Town.

The department, through its Forensic Investigative Unit, rendered forensic investigative services to the Provincial Government by investigating allegations of economic crime and malpractices in all 12 departments. It also conducted 33 awareness sessions in an attempt to sensitise employees and the public to report any form of corruption.

The period under review has been characterized by a shift from the 2010 FIFA World Cup™ planning to the implementation phase, the higher level objective remaining the maximisation of the legacy benefits of the hosting of the event for the people of the province. The critical milestone was the Final Draw on 04 December 2009. The bouquet of Final Draw events included the draw itself, an after-draw soiree and the Long Street Party. Linked to this was the launch, in Khayelitsha, of the first of 20 Centres for Hope that are to be spread throughout Africa and the hosting of the World Broadcast Media. The Final Draw and the related events have illustrated that Cape Town and the Western Cape is a destination which is appealing to international football fans, media, the corporate sector and potential investors.

Through Soccerex and the launch of the 2nd Edition of the Accommodation and Training Sites Handbook, a platform was maintained for provincial partners to work towards their objectives of hosting teams during 2010 FIFA World Cup™.

Initial awareness was stimulated through the hosting of events linked to 300, 200 and 100 days to go before kick-off. An internal communication campaign has also seen the 2010 hype shared with government employees through departmental competitions and regional and provincial sport days.

Legal Services rendered advice in the form of legal opinions for the Provincial Executive, provincial departments and public entities. Advice of an ongoing nature was provided with regard to key projects and programmes. Contracts and correspondence were drafted or edited for departments, with the aim of safeguarding the best interests of the Provincial Government and its departments. Litigation matters were managed and facilitated through active participation in litigation processes and in rendering assistance to the State Attorney and advocates that were briefed to appear on behalf of the Provincial Government.

The Legislative Review Project prioritised the review of legislation in respect of the following four provincial departments during 2009/10: Department of Cultural Affairs and Sport, Department of Economic Development and Tourism, Department of Social Development and Department of the Premier.

The component produced blueprints in respect of uniform human resource, financial and line-specific delegations.

The Legal Services Chief Directorate further submitted a comprehensive list of legislation hampering service delivery in the province to the Presidency.

The department continued with its focused efforts on the Information Communication Technology (ICT) turnaround strategy which was initiated in the 2008/09 financial year. The turnaround strategy was aimed at addressing issues related to the improvement of service delivery, quality and efficiency. E-Governance was identified as one of the key workstreams in the modernisation programme (Workstreams under e-Governance consists of IT Service Delivery Improvement, e-Filing and the Project Management Approach) which contributed significantly to prioritising of the ICT turnaround strategy. The IT Service Delivery Improvement Blueprint will now supercede the Ce-I Turnaround strategy. The blueprint is premised on ICT needs as identified by the 12 departments and the proposed initiatives have been prioritised as per the departmental requirements.

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

10 departmental strategic ICT plans have been completed and 4 memoranda of understanding have been concluded with departments.

The PGWC has an installed base of over 14 500 corporate workstations supported by the department and as the workstation is the primary cost-driver for ICTs this figure is used as the primary baseline for benchmarking between organisations, such as the PGWC and the City of Cape Town or similar organisations (elsewhere in the world). However, the department is also responsible for ICTs in the schools of the PGWC. The department supports a substantial installed base in more than 1 500 schools including infrastructure and ICT laboratories and containing 40 000 workstations. Through this base the department supports over 21 000 teachers and has exposed over 720 000 learners to ICTs in the curriculum. In addition the department assists 6 Further Education and Training Colleges spread over 40 major campus sites with their ICT installed base which consist of over 5 000 workstations.

Two advocators (one for substance abuse and another focusing on gender, youth, children, and people with disabilities) were appointed.

■ Important policy decisions and strategic issues facing the department

This department implemented the standardised budget structure prescribed by National Treasury for Offices of Premiers. Due to the size in financial terms (51 percent of the departmental budget) of the Centre for e-Innovation, the previous Director-General requested the Provincial Treasury to recommend to the National Treasury the creation of an additional budget programme for this component. This was subsequently approved with effect from 1 April 2009 and the department now has four (4) programmes as opposed to the standardised three (3) as per the 2008/09 annual report. The comparative amounts for the 2008/09 expenditure have been shifted from Programme 2: Institutional Development to Programme 4: Information Communication Technology.

The internal performance environment was reshaped by the modernization programme which provided the cornerstones for a modernised provincial government in the form of various blueprints. The recommendations of the blueprints in conjunction with the relevant constitutional and legal mandates significantly changed the services to be rendered by the department. Of particular importance was the blueprint "Organisational Design: Department of the Premier" which encapsulates the refocused purpose and functions.

The following is highlighted from the mentioned blueprint in relation to the performance environment of the department:

□ The provincial strategic agenda will be embedded in the policies, programmes and planning cycles of government in order to ensure alignment and coordination for the shared growth and integrated development of this province.

□ Provision is made for a focus on coherent strategic communication and messaging which stems from Provincial Cabinet's resolve to ensure a much closer coordinated provincial communication, both internally and externally.

□ An improved organisational clustering of the administrative support services to the Premier, the executive and the Director-General to ensure coherent integrated management and operational support at the executive level, is provided for as well as an improved alignment of the departmental corporate support to the Director-General in executing the role of Head of Department and Accounting Officer.

□ The department will ensure the optimal utilisation of existing human and financial resources across the provincial government. To this end, a corporate services centre is established and

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

will be maintained. A corporate service centre will consolidate common (“shared”) staff support functions and processes that were previously performed by separate components/units into a single unit able of servicing the 13 provincial government departments from one hub. An underlying premise is that available scarce resources must be optimally prioritised and utilised. Such a service have further benefits such as enabling line function departments to focus on core functions, the application of uniform norms and standards across the provincial government, the achievement of economies of scale, assuring appropriate levels of professionalism, and improved standardisation. The Corporate Services Centre will provide for:

- A centre for e-innovation,
- Human capital services,
- Corporate assurance services,
- Legal services, and
- Corporate communication services.

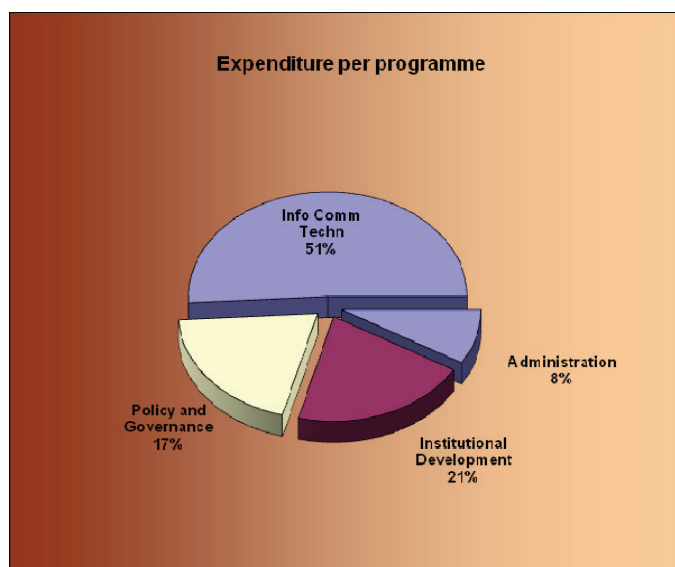
Refocusing of the department’s organizational structure resulted in the development of a personnel plan which provided for the transition of employees from the old to the new organizational structure through a matching and placing exercise. In addition, significant energy was spent on re-aligning business processes, systems, tools of trade and various planning documents to the new organizational design.

Under the stewardship of the Acting Director-General a departmental Good Governance Remedial and Resilience Project was developed to ensure that financial and governance performance of the department will be improved on the short, medium and long term.

- Spending trends
 - Expenditure per programme

The standardised budget structure prescribed by National Treasury for Offices of Premiers was adopted by the department in the 2007/08 financial year.

The budget structure of the department therefore does not mirror its organisational structure. As a result of this the programme Information Communication Technology has the major share of the department’s expenditure accounting for 50.78% of the department’s expenditure in 2009/10. The sub-programme GITO Management Services accounted for 44.10% of total 2009/10 expenditure. Two other sub programmes in the department that have an impact are 2010 FIFA World Cup and Strategic Human Resources accounting for 8.65% and 7.64% respectively.

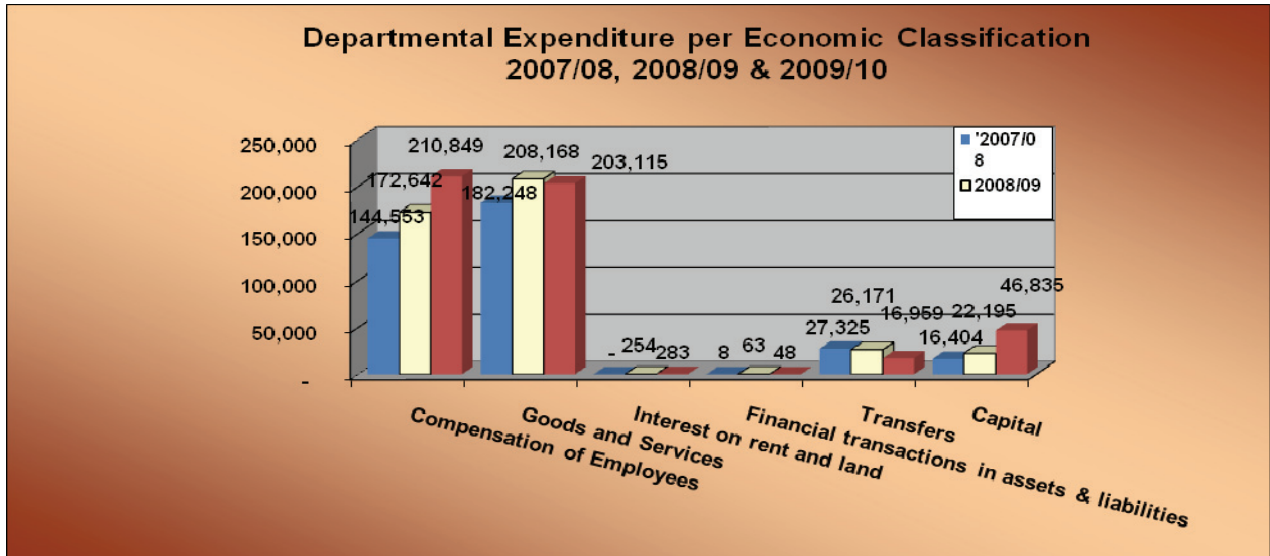


**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

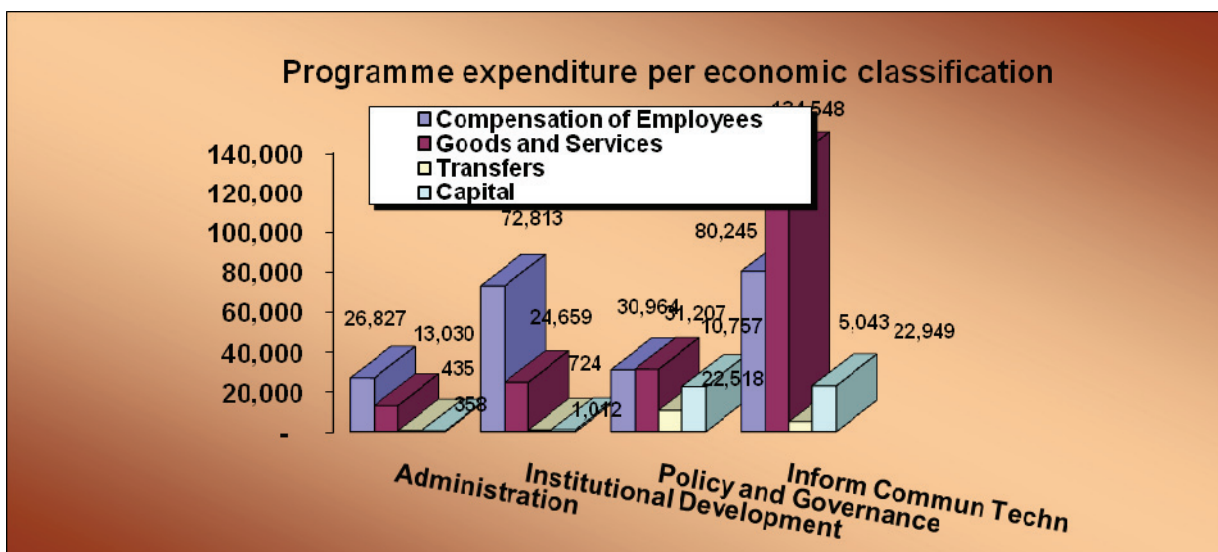
**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2010**

□ Spending per economic classification

The department's spending during the 2009/10 financial year comprised mainly of compensation of employees (R210.849m) and goods and services (R203.115m). Current expenditure increased from R381.1m in 2008/09 to R414.3m in 2009/10, although decreasing from 88.74% to 86.65% in terms of its contribution to total departmental expenditure. This was as a result of capital expenditure increasing from 5.16% in 2008/09 to 9.79% in 2009/10.



In the graph below the programme Information Communication Technology shows a high level of spending (R214.79m) on current expenditure which is attributed firstly to the large number of personnel whose compensation is paid from this programme and secondly to the State Information Technology Agency (SITA) expenditure which was paid from this programme.



**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

Programme 3, Policy and Governance, accounted for the major share of the department's expenditure on transfer payments, with transfers being made to the Western Cape Youth Commission and the Provincial Development Council.

□ Analysis of current expenditure

Due to the significant percentage of expenditure which was incurred on goods and services, further analysis is considered prudent for a deeper understanding of the nature of the department's expenditure. As reflected in the table below, 78% (2008/09: 80%) of the department's total expenditure is attributed to five items:

Expense	2006/07 R'000	2007/08 R'000	2008/09 R'000	2009/10 R'000
Compensation of employees	135.3	144.6	172.6	210.8
Computer services	86.9	87.6	102.5	118.9
Consultants, contractors and special services	22.7	32.0	36.5	25.5
Travel and subsistence	8.0	10.6	14.3	12.8
Advertising	7.6	12.0	18.1	7.2
	260.5	286.8	344.0	375.2
Total actual expenditure of department	318.2	370.5	429.5	478.1
% of total actual expenditure	82%	77%	80%	78%

i. Compensation of employees

Expenditure on this item increased by 22.1% on the 2008/09 financial year. This was as a result of higher than expected increases granted to salary levels 1 to 12. The average anticipated percentage was 6.5% while the actual average was 11.5%. Furthermore the department employed workers on temporary contracts in the vacant posts.

ii. Computer Services

The department renders Information and Communication Technology (ICT) services for the whole of the provincial government. Of the R118.9m spent on Computer services, R102.5m was paid to SITA in respect of network, printing, processing and research and development costs.

iii. Consultants, contractors and special services

Compared to the 2008/09 financial year, expenditure has decreased by 37.25%. Expenditure on this item includes all those payments which are in respect of service providers which render services such as performing research/diagnostic projects, events management, auditing, izimbizo, etc.

iv. Travel and subsistence

Expenditure on this item has decreased by 10.7% on the previous financial year. A major driver of this expenditure item is the cost of Government Garage transport and domestic air travel. Being the centre of provincial government imposes a duty on the staff of this department to regularly attend meetings and conferences in Gauteng convened by national government. International relations is also a key responsibility of this department, requiring the Premier and officials to travel abroad as part of their official duties. Details of the Premier's overseas visits are provided in Part 1 of this Annual Report.

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

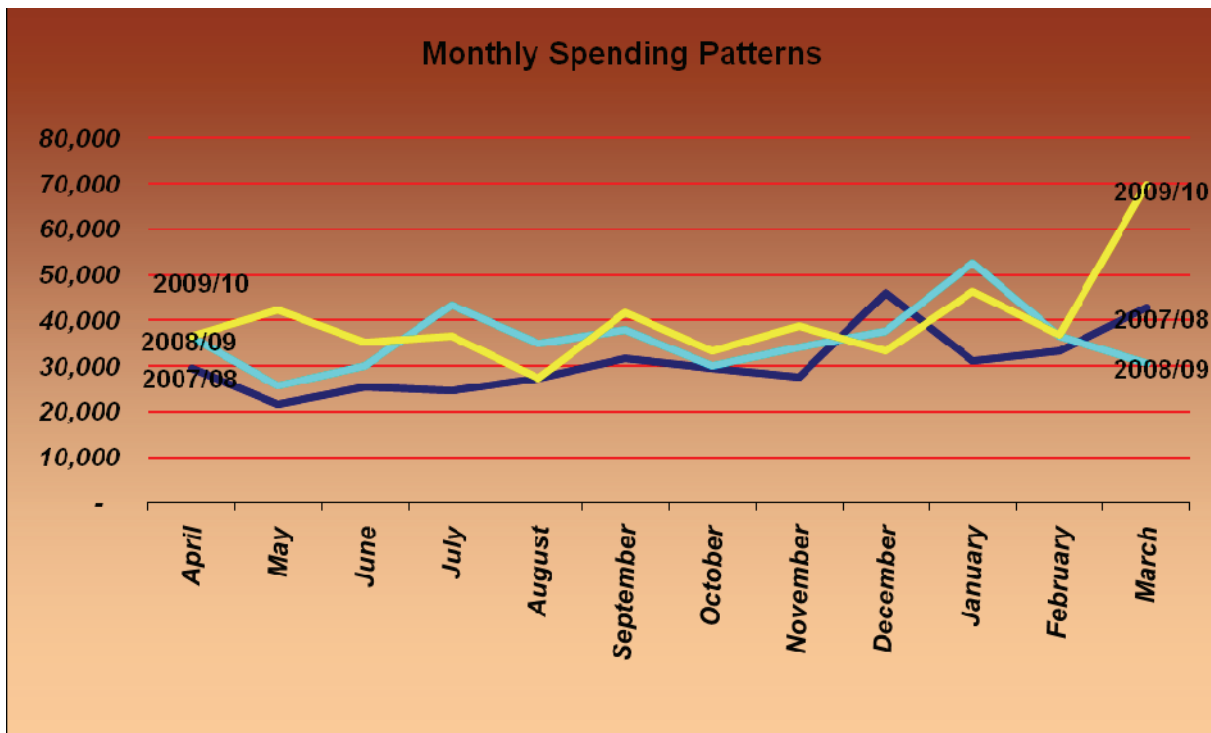
**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2010**

v. *Advertising*

Compared to the 2008/09 financial year, spending on this item decreased considerably in the 2009/10 financial year from R18.1m to R7.2m. In the 2008/09 financial year spending on this item had increased considerably due to the communications campaign of the Social Transformation Programme in the 27 prioritised geographical areas and marketing initiatives around the displacement of foreign nationals in the Province in May 2008. This expenditure was not repeated in the year under review as well as less advertisements being placed in the media. The bulk of the spending during the year under review can be attributed to recruitment advertisements for Legal, Forensic and Information Technology vacancies.

□ Monthly spending trend

The graph below reflects departmental spending for 2007/08, 2008/09 and 2009/10.



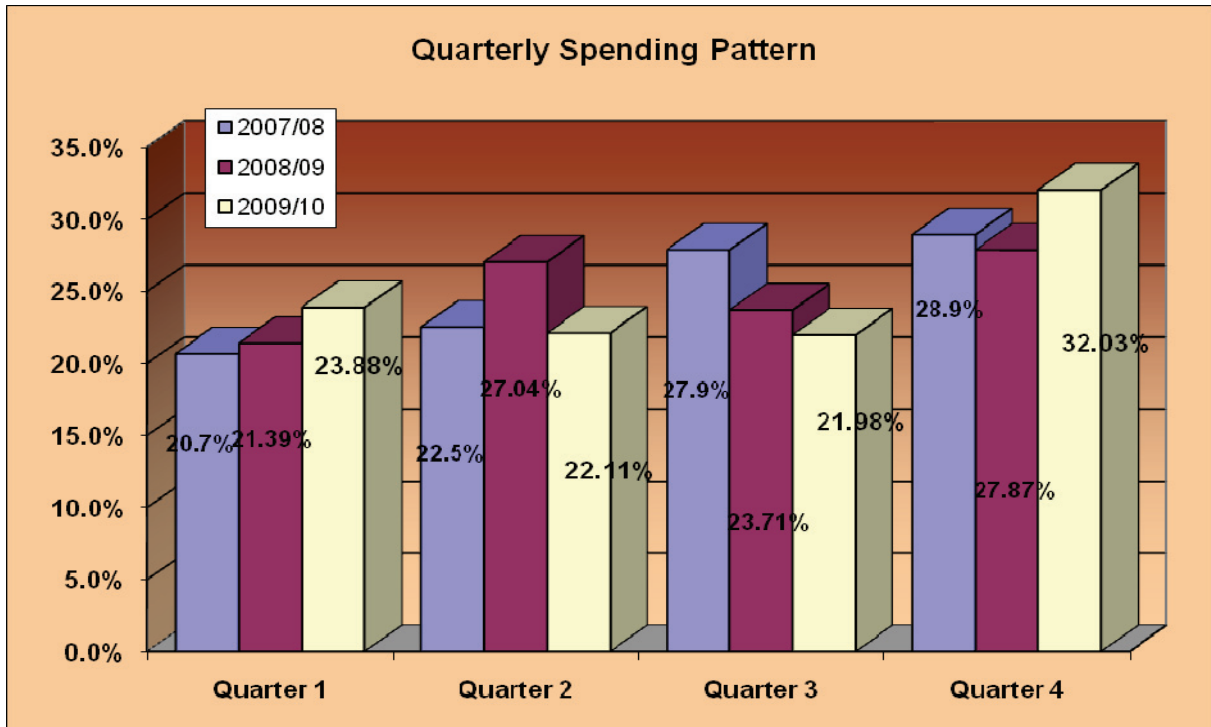
The department's highest spending months were May 2009, January 2010 and March 2010. The May 2009 increase is mainly due to the departmental performance bonuses being paid out as well as payment for capital purchases being made. During January 2010 payments for the upgrading of Philippi stadium, purchase of IT infrastructure and payments to SITA for services rendered were made. During March 2010 payments for the upgrading of Philippi stadium (both current and capital) and payments of IT infrastructure (ordered early but only delivered in March) were made and this contributed to the spike in that month.

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

□ Quarterly spending trend

Expenditure for 2009/10 in the first two quarters decreased in comparison with the 2008/09 financial year. The third quarter for 2009/10 also shows a significant decrease on the 2007/08 and 2008/09 spending whereas the fourth quarter is virtually the same as in 2008/09.

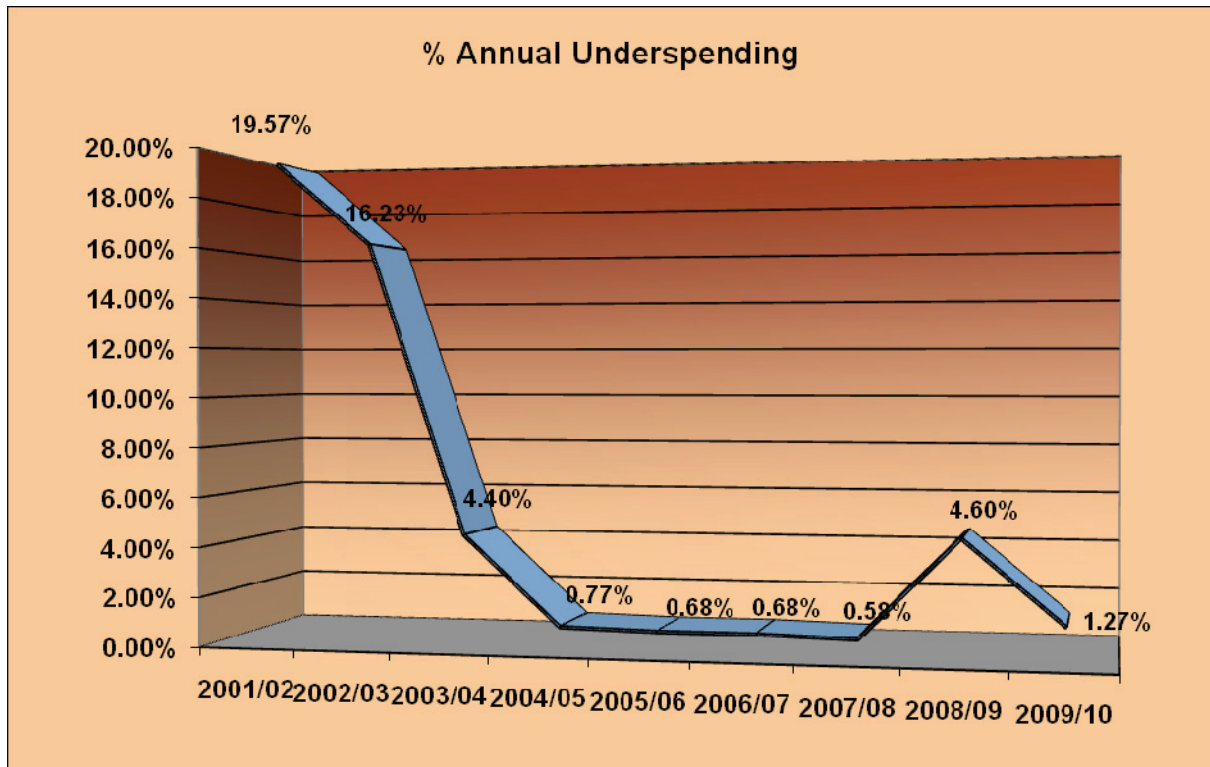


□ Annual under-spending trend

This department was once again forced to implement internal budget cost savings measures during the financial year in order to ensure that it remained within its allocated budget. No overspending occurred in this department since its inception in the 2000/01 financial year. As reflected in the graph below, the department has consistently achieved an under-spending of less than one percent over the previous four years prior to the 2008/09 financial year. During the 2008/09 financial year the department received an amount of R20.5m towards the upgrading of the Philippi Stadium as a potential 2010 FIFA World Cup practice venue. Due to slow progress on the project R16.592m in respect of this project was rolled over to the current year. Had the department not been responsible for this expenditure the under-spending would have been R591,000 or 0.14 percent. Subsequently the department received R11,145,000 for this same project and although the project was supposed to be completed by December 2009 with only R500 000 being rolled over to the next year for the maintenance of the grass pitch, R5,000 000 was under-spent due to work not being completed by the end of the financial year as well as funds to be transferred to Health in the new financial year. This resulted in an under-spending of R6,156,000 or 1.27% instead of an under-spending of R1,156,000.

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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



■ Any other material matter – Soccer World Cup clothing and tickets

This department has not spent any funds on Soccer World Cup clothing and tickets with the exception of T-shirts for the Provincial 2010 Co-ordination unit and Cabinet. The shirts purchased for the 2010 unit was used mainly as a uniform by them. The expenditure is disclosed as follows:

World Cup Expenditure

		2009/10	2008/09
Purchase of other world cup apparel	Quantity		
T-shirts	100	19	-
TOTAL World Cup Expenditure		<u>19</u>	<u>-</u>

2. Service rendered by the department

2.1 Revenue of this department is generated from two major sources which are the training fees at the Cape Administrative Academy (CAA) and the sale of Provincial Gazettes.

2.2 Tariff policy

The tariffs relating to the two above revenue items have to be reviewed annually and if the tariffs are to be increased then they have to be submitted annually to the Provincial Treasury for approval. The tariffs for the CAA are calculated in order to be competitive but also cost effective for the departments and the gazette tariffs are based on the costs of the paper and printing costs. All costs pertaining to the training provided by the CAA and the publication cost of the Provincial Gazette are provided for under the Vote of the Department of the Premier. The approval for the period under review for the CAA was approved on 19 June 2009 whilst the submission for the increase in Gazette fees was being compiled.

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

2.3 Free Services

This department renders no free services to the public.

2.4 Inventories

The department does not render services that require high volumes of inventory. Except for Government Gazette inventories which are fairly minimal, no other revenue generating inventories are held with this department.

3. Capacity constraints

The filling of posts within the department has remained its main capacity constraint, with the limited budget for ICT infrastructure renewal being another major constraint. Despite these constraints the department has been able to deliver on the objectives set in the Annual Performance Plan.

4. Utilisation of donor funds

No donor funding was directly received from any source during the course of the 2009/10 financial year.

5. Trading entities and public entities

■ **Western Cape Youth Commission**

The Western Cape Youth Commission was established in terms of the Western Cape Provincial Youth Commission Act 5 of 2004 to promote and protect the interest of youth in the province. An amount of R1.831m was transferred to the WCYC in the 2009/10 financial year to fund its operations and programmes.

The approval of a National Youth Development Agency Act 54 of 2008 repealed the National Youth Commission Act 19 of 1996. Furthermore it provided for the establishment of the National Youth Development Agency. As there was therefore no longer a need for the WCPYC to exist, it was enacted that it be disestablished in terms of WCPYC Repeal Act with effect from 31 May 2009 and the assets and liabilities of the Commission were transferred to the department.

■ **Provincial Development Council**

The Provincial Development Council (PDC) was established in 1996 in terms of the Provincial Development Law of 1996, which was subsequently replaced with the Provincial Development Council Act (Act No. 4 of 2004). The objective of the PDC is to serve as the platform for social dialogue in the Province in order to generally promote an approach that integrates considerations of sustainable development, participation in the economy and social equity in order to redress the historical legacy in the province.

An amount of R6.381m was transferred to the PDC in the 2009/10 financial year to fund its operations and programmes.

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

6. Organisations to whom transfer payments have been made

Total transfers to non-profit organisations amounted to R6.808 m (2008/09: R7.928 m) which included Library Business Corners (R5.0 m), Khayelitsha Development Trust (R400,000) Western Cape Network on Disability (R233,000), Western Cape Religious Forum (R350,000), and the Social Transformation Programme Structures (R825,000).

As mentioned in paragraph 5 of this report, transfer payments were also made to the Western Cape Youth Commission and the Provincial Development Council.

7. Public private partnerships (PPP)

No public/private partnerships were entered into during the year under review.

8. Corporate governance arrangements

During the year under review the department experienced a change in Executive Authority with the election of Ms Helen Zille as Premier of the province.

A revised departmental management meeting framework was approved which provided for the introduction of three tiers of top management committees. These consisted of the Executive Management Committee (Director-General, Deputy Directors-General, and key Chief Directors and Directors), the Departmental Top Management (Director-General, Deputy Directors-General, Chief Directors and key Directors, and the Departmental Management Committee (all SMS).

The Departmental Fraud and Risk Management Committee was convened and two meetings were held where the departmental Risk Management Policy as well as the Departmental Fraud Prevention Policy were recommended for approval and subsequently approved by the Accounting Officer.

Furthermore a Good Governance Team was appointed by the Accounting Officer to, amongst others, tabulate all the findings of the various governance role-players, to identify the causes of these findings and to recommend how these causes could be rectified.

The department regularly attended the Governance and Administration Audit Committee meetings where internal audit plans, reports and findings were discussed.

The Acting Director-General (or a secundus) attended 8 national Governance and Administration Cluster meetings, 4 Forum of South African Directors-General meetings and 3 Presidents Coordinating Council Meetings during the period under review.

9. Discontinued activities/activities to be discontinued

As a result of a decision taken by the Executive, the Social Transformation Programme was discontinued during the year under review (with effect from 31 March 2010) and, as mentioned in paragraph 5, the Western Cape Provincial Youth Commission was dissolved at 31 May 2009.

As part of refocusing on the legal mandates of the department, the Social Capital Programme was also disestablished as it was not deemed to form part of the core functions of the department.

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

Furthermore as a result of a recommendation from the team appointed to conduct a governance and mandate framework review of all public entities operating at the provincial sphere of government, the Provincial Cabinet resolved to repeal the Provincial Development Council Law of 1996 and subsequent amendment Act 4 of 2004. In terms of this the Provincial Development Council will be disbanded and wound up by no later than 31 March 2011.

As there was therefore no longer a need for the WCPYC to exist, it was enacted that it be disestablished in terms of WCPYC Repeal Act with effect from 31 May 2009 and the assets and liabilities of the Commission were transferred to the department. As a result no more transfer payments were made.

10. New/proposed activities

Due to the Modernisation Blueprint "Organisational Design: Department of the Premier", the activities of the department will be substantially different from the functions performed by the department over the 2009/10 financial year.

In accordance with the new organizational structure the following significant shifts in services will occur:

- The provincial policy and strategic planning function was reformulated from a process approach to a systems/cyclical approach;
- GIS capability to provide the executive with strategic information was added;
- a strategic communication capability was introduced;
- The administrative capacity to support the Premier, executive and Director-General was refocused and amalgamated into a comprehensive business unit (Branch Executive Support);
- The corporatisation of shared support services in one central hub resulting in:
 - The establishment of an in-house competency assessment centre (organizational design);
 - The expansion of legal service capacity in line with increased work demands (not linked to corporatisation); and
 - A unified (corporatised) corporate assurance (Enterprise Risk Management, Internal Audit, Forensic Investigative Unit), human capital and corporate communication capability for the province

Furthermore the budget programme structure of the department will change to align it with the organizational structure of the department. This deviation was approved by National Treasury for the 2010/11 financial year. The national Chief Financial Officer Forum will meet to discuss the possible re-alignment of the programmes for the nine provinces during the next financial year.

11. Asset management

The department has made tremendous strides in the management of its assets and is able to account for its assets with a greater level of accuracy than in past years. Unlike previous years where the department utilised an external service provider to perform the annual asset count, the verification was conducted by departmental staff (These were temporary contract staff as the component did not have permanent posts for this function on its establishment.

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

This has now been included as from 1 April 2010). This yielded significant benefits as the corporate knowledge of the location of all the assets has been vastly enhanced. Furthermore the completion of the Asset Register and the reconciliation between the BAUD Asset Register and the BAS financial Accounting and notes on major assets in the annual financial statements were completed timeously and submitted together with these financial statements to the Auditor-General.

12. Events after the reporting date

As stated earlier in this report certain functions were, as a result of the approval of the Organisational Design blueprint of the department, corporatised. In essence this meant that functions were transferred from the other provincial departments to this department. These included Enterprise Risk Management from all departments, Internal Audit from Provincial Treasury and the Departments of Health and Education and the total Human Resource Management function from all departments except the Departments of Health and Education. The implications and estimate of the financial effect of the corporatisation of the support functions with effect from 1 April 2010 as approved by Cabinet cannot be made at this stage. The 2010/11 adjustment budget process will be utilised to rectify the estimates of the financial implications relating to the assets and liabilities and revenue and expenditure budgets to be transferred to the department.

13. Performance information

The department played a pivotal role in creating management information tools in respect of departmentalised project information on critical programmes and projects directed at the 10 strategic objectives of Cabinet. It designed, developed and successfully implemented the Executive Projects Dashboard system as well as the Issue Management System in support of its efforts to implement an integrated programme and projects based planning and management approach throughout the PGWC. Departmental resources were also directed towards the establishment of a Provincial Programme Office.

The department utilises two performance management mechanisms which measure individual and organisational performance on a quarterly basis. The implementation of the PERMIS system has allowed the department to maintain an electronic repository of all individual performance reviews and also allows for monitoring progress towards the finalisation of reviews. With effect from 1 April 2010 Permis 2 has been instituted which is an updated version of the previous one. Departmental performance reviews on the progress towards targets stated in the Annual Performance Plan are submitted to Provincial Treasury on a quarterly basis.

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

14. SCOPA resolutions

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
Resolution:		
Report of the Standing Committee on Public Accounts Dated 12 February 2010	<ul style="list-style-type: none"> ■ Irregular Expenditure - The department should ensure that independent reconciliations are performed as well as adequate supervision and monitoring is exercised so that any discrepancies in the expenditure incurred is monitored and identified timeously. ■ Material under spending - The department must take responsibility and accountability for all transfers and functions allocated to the Department. Money transferred needs to be utilised for the intended purpose and if this is not possible the transfer needs to be negotiated for a better time. ■ Accruals outstanding for period longer than 30 days - Steps should be implemented to ensure that sufficient control over payments is exercised to ensure that timeous payments occur as legislated. ■ Delays or the unavailability of requested information - Control over infrastructure assets needs to be strengthened to ensure the availability of all documents at all times and to avoid additional and unnecessary audit time and cost in the future. 	<p>Under spending for the 2009/10 financial year at 1.27% or R6.1m.</p> <p>Controls in place and value of accruals outstanding for period longer than 30 days decreased from R11 255 656 to R1 308 000.</p> <p>Regular meetings held with IT regarding infrastructure and they have purchased software to trace infrastructure over the network and via GPS coordinates.</p>

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
	<ul style="list-style-type: none"> ■ Issues of management of tangible assets - A strong risk management plan, particularly addressing the infrastructure assets should be put in place inclusive of monthly targets which will ensure that the accounting for these items is accurate and complete at year-end. ■ Reoccurrence of similar audit findings to the prior year - The Department should include audit findings in the risk document to be addressed to ensure they do not reoccur and a system of controls should be implemented to detect errors which occurred previously ■ Adequate control processes and procedures are not designed and implemented to ensure the accuracy and completeness of reported performance information - A proper performance information system should be developed to ensure that the attainment of all performance objectives is tracked, documented, collated and collected by a system that is reliable and verifiable. In addition it is imperative that there are controls in this system to ensure the accuracy, completeness and validity of the reported performance information at financial year end. 	<p>Regular meetings held with IT regarding infrastructure and they have purchased software to trace infrastructure over the network and via GPS coordinates.</p> <p>Database created with all oversight bodies findings included therein and a good Governance Task Team appointed in department to review all findings of Auditor-General, Internal Audit, Provincial Treasury and any other oversight body.</p>

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

Reference to previous audit report and SCOPA resolutions	Subject	Findings on progress
	<ul style="list-style-type: none"> ■ Assets with a cost of R163 700 could not be accounted for during the physical verification process of assets - The Department must ensure that each personnel member, who is responsible for assets, is aware of the policies and procedures that have to be followed before approval for the asset to be disposed of or lost will be granted. 	Regular meetings held with IT regarding infrastructure and they have purchased software to trace infrastructure over the network and via GPS coordinates.

Provincial Development Council resolutions	Progress
The SCOPA resolution relating to an investigation by the Premier that was to take place to determine whether the PDC should continue to exist or whether it should be phased out and the functions assumed by the appropriate departments of the province.	Provincial Cabinet has resolved that the Provincial Development Council Law of 1996 and amendment Act of 2004 be repealed thereby dissolving the Provincial Development Council.
The SCOPA committee also expressed their disappointment that no members of the audit committee attended the meeting and decided that the audit committee be invited in 2009 to explain their position regarding their functions as an audit committee.	This has been addressed by the appointment of the new audit committee. It is unclear whether the previous audit committee met with SCOPA after the session.

Western Cape Provincial Youth Commission resolutions		
Date of resolution/directive	Details	Progress
2 February 2009	The Committee expressed its concern at the manner in which the Western Cape Youth Commission operates and recommends that the Premier investigate the possible re-establishment of the Youth Commission in a different manner or whether they should be phased out and the functions be assumed by the appropriate departments of the province.	The investigation by the Premier resulted in the Western Cape Youth Commission ceasing operations on 31 May 2009. The Assets and Liabilities have been taken up in the financial statements of the department.

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

15. Progress made with regard to matters reported by the Auditor-General in prior periods

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing/resolving the matter
Emphasis of Matter – Irregular expenditure	2007/08 and 2008/09	See paragraph 14 for progress on SCOPA resolutions. Incidents are the same.
Emphasis of Matter – Material under spending of the budget	2008/09	
Other Matters – Non compliance:	2007/08 and 2008/09	See paragraph 14 for progress on SCOPA resolutions. Incidents are the same.
Other Matters – Investigations: <ul style="list-style-type: none"> • Three fraud investigations took place. 	2008/09	

16. Other

Apart from the information provided in this report, there are no other material facts or circumstances, which may have an effect on the understanding of the financial state of affairs, not addressed elsewhere in this report.

Approval

The Annual Financial Statements set out on pages 72 to 129 have been approved by the Accounting Officer.



.....
ADV BRENT GERBER
ACCOUNTING OFFICER
Date: 23 JULY 2010

**REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL
PARLIAMENT ON THE FINANCIAL STATEMENTS OF VOTE No. 1: Western Cape
DEPARTMENT OF THE PREMIER FOR THE YEAR ENDED 31 MARCH 2010**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Western Cape Department of the Premier (department) which comprise the appropriation statement, the statement of financial position as at 31 March 2010, and the statement of financial performance, statement of changes in net assets 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 72 to 129.

Accounting Officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy note 1.1 and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act, 2009 (Act No.12 of 2009) (DoRA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004)(PAA) my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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.

**REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL
PARLIAMENT ON THE FINANCIAL STATEMENTS OF VOTE No. 1: Western Cape
DEPARTMENT OF THE PREMIER FOR THE YEAR ENDED 31 MARCH 2010**

Opinion

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

Emphasis of matter

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

Basis of accounting

9. The department's policy is to prepare financial statements on the modified cash basis of accounting, determined by National Treasury, as set out in accounting policy note 1.1.

Significant uncertainties

10. As detailed in note 18 to the financial statements the department is a defendant in five lawsuits. The ultimate outcomes thereof cannot presently be determined, and no provision has been made in the financial statements for any liability that may result.

Fruitless and wasteful expenditure

11. As disclosed in note 25 to the financial statements fruitless and wasteful expenditure of R281 000 is reported related to obligations not being fulfilled by employees of the former Provincial Youth Commission.

Irregular expenditure

12. As disclosed in note 24 to the financial statements, irregular expenditure of R6 043 000 was incurred related to instances of noncompliance with laws and regulations.

Material losses or impairments

13. As disclosed in note 29 to the financial statements assets valued at R2 206 330 in the asset register could not be located. Potentially redundant assets valued at R5 140 854 in the asset register were identified during the audit process. The department is investigating these assets to determine whether it can be written off in accordance with the prescribed thefts and losses process. The value of assets has been correctly accounted for in the financial statements.

Additional matters

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

Unaudited supplementary schedules

14. The supplementary information set out on pages 106 to 118 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

**REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL
PARLIAMENT ON THE FINANCIAL STATEMENTS OF VOTE No. 1: Western Cape
DEPARTMENT OF THE PREMIER FOR THE YEAR ENDED 31 MARCH 2010**

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

Findings

Predetermined objectives

16. No matters to report.

Compliance with laws and regulations

Public Finance Management Act

Non adherence to requirements

17. Contrary to section 38(1) (d) the accounting officer did not manage, safeguard and maintain assets. As a result there were redundant assets that remained on the asset register despite technical evaluations having been carried out that determined their redundant status. In addition assets were not found in the asset count and full investigations had not been conducted into these assets.
18. Contrary to section 38(1) (f) and treasury regulation 8.2.3 all payments due to creditors were not settled within 30 days from receipt of invoice.
19. Contrary to Treasury Regulation 6.3.1 subsidies to other institutions were increased without the approval of the relevant treasury, resulting in irregular expenditure of R1 000 000.

INTERNAL CONTROL

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

Leadership

Actions are not taken to mitigate risks relating to the achievement of complete and accurate financial reporting.

21. The financial management improvement plan did not consider the internal control deficiencies to address the findings of the prior year. Consequently the noncompliance audit findings, referred to in paragraphs 17 and 18, reoccurred.

**REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL
PARLIAMENT ON THE FINANCIAL STATEMENTS OF VOTE No. 1: Western Cape
DEPARTMENT OF THE PREMIER FOR THE YEAR ENDED 31 MARCH 2010**

OTHER REPORTS

Investigations

Investigations in progress

22. Two financial irregularity matters, related to the purchase by a staff member of goods for own use and a possible related party issue in procurement, are being investigated.

Investigations completed during the financial year

23. An investigation was conducted by the forensic investigation unit to probe alleged irregularities relating to replacement of equipment in a project. The investigation has resulted in a report to the South African Police Services for further investigation.

Performance audits

24. A performance audit was conducted during the year under review to evaluate the measures instituted by management to ensure that the department appointed consultants, contractors and agencies/outsourced services (consultants) economically and utilised them efficiently and effectively. The report covered the period 1 April 2007 to 31 March 2009.

Auditor-General

Pretoria

31 July 2010



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

Appropriation per programme									
	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	42,050	(901)	(1647)	39,502	39,491	11	100.0%	41,914	40,580
Transfers and subsidies	-	435	-	435	435	-	100.0%	1,846	1,718
Payment for capital assets	263	466	-	729	724	5	99.3%	1,573	1,562
2. Institutional Development									
Current payment	101,079	(1,938)	(2,227)	96,914	96,885	29	100.0%	100,522	99,720
Transfers and subsidies	400	326	-	726	724	2	99.7%	67	66
Payment for capital assets	-	1,612	-	1,612	1,599	13	99.2%	1,590	1,547
3. Policy and Governance									
Current payment	68,880	(634)	(5,635)	62,611	61,324	1,287	97.9%	54,875	54,438
Transfers and subsidies	12,356	-	(1,020)	11,336	10,757	579	94.9%	21,387	21,387
Payment for capital assets	24,056	634	-	24,690	23,365	1,325	94.6%	17,960	958
4. Information Communication Technology									
Current payment	206,661	612	9,486	216,759	213,856	2,903	98.7%	184,408	184,143
Transfers and subsidies	4,000	-	1,043	5,043	5,043	-	100.0%	3,000	3,000
Payment for capital assets	24,500	(612)	-	23,888	23,886	2	100.0%	20,862	20,374
TOTAL	484,245	-	-	484,245	478,089	6,156	98.7%	450,004	429,493
Reconciliation with statement of financial performance									
ADD:									
Departmental receipts				727				161	
Actual amounts per statement of financial performance (Total revenue)				484,972				450,165	
Actual amounts per statement of financial performance (Total expenditure)					478,089				429,493

Note: Programme 2: Institutional Development previously included Information Communication Technology that was created as a programme on its own with effect from 1 April 2009. Comparative amounts have been shifted.

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

Appropriation per economic classification									
	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	215,348	(2,574)	(1,910)	210,864	210,849	15	100.0%	173,271	172,642
Goods and services	203,322	(1,022)	1,783	204,083	203,113	970	99.5%	210,386	208,168
Interest and rent on land	-	181	104	285	283	2	99.3%	270	254
Financial transactions in assets and liabilities	-	49	-	49	48	1	98.0%	64	63
Transfers and subsidies									
Provinces and municipalities	850	-	-	850	850	-	100.0%	-	-
Departmental agencies and accounts	8,212	-	-	8,212	8,211	1	100.0%	17,442	17,442
Universities and technikons	-	-	-	-	-	-		10	10
Public corporations and private enterprises	-	-	-	-	-	-		30	30
Non-profit institutions	7,694	342	-	8,036	7,458	578	92.8%	8,529	8,402
Households	-	417	23	440	440	-	100.0%	289	287
Payments for capital assets									
Buildings and other fixed structures	23,972	-	-	23,972	22,291	1,681	93.0%	16,981	-
Machinery and equipment	24,847	2,607	-	27,454	24,546	2,908	89.4%	22,732	22,195
Total	484,245	-	-	484,245	478,089	6,156	98.7%	450,004	429,493

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

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

Detail per sub-programme	2009/10						2008/09		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the Premier									
Current payment	9,190	138	-	9,328	9,326	2	100.0%	8,507	8,471
Transfers and subsidies	-	19	-	19	19	-	100.0%	1,461	1,335
Payment for capital assets	-	195	-	195	194	1	99.5%	532	528
1.2 Executive Council Support									
Current payment	3,837	(349)	(380)	3,108	3,103	5	99.8%	2,399	2,373
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	-	51	-	51	51	-	100.0%	64	63
1.3 Director – General Support									
Current payment	10,226	(1,757)	(1,267)	7,202	7,200	2	100.0%	13,958	13,057
Transfers and subsidies	-	416	-	416	416	-	100.0%	376	375
Payment for capital assets	-	80	-	80	80	-	100.0%	235	233
1.4 Financial Management									
Current payment	18,797	1,067	-	19,864	19,862	2	100.0%	17,050	16,679
Transfers and subsidies	-	-	-	-	-	-	-	9	8
Payment for capital assets	263	140	-	403	399	4	99.0%	742	738
Total	42,313	-	(1,647)	40,666	40,650	16	100.0%	45,333	43,860

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

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

Statutory Appropriation per economic classification									
Per Economic classification	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	28,153	(360)	(960)	26,833	26,827	6	100.0%	27,132	27,088
Goods and services	13,897	(272)	(687)	12,938	12,934	4	100.0%	15,201	13,908
Interest and rent on land	-	48	-	48	48	-	100.0%	59	57
Financial transactions in assets and liabilities	-	49	-	49	48	1	98.0%	55	54
Transfers and subsidies									
Non-profit institutions	-	19	-	19	19	-	100.0%	1,561	1,435
Households	-	416	-	416	416	-	100.0%	285	283
Payments for capital assets									
Machinery and equipment	263	100	-	363	358	5	98.6%	1,040	1,035
Total	42,313	-	(1,647)	40,666	40,650	16	100.0%	45,333	43,860

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

**Detail per programme 2 – Institutional Development
for the year ended 31 March 2010**

Detail per sub-programme	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Programme Support									
Current payment	1,909	(64)	(10)	1,835	1,831	4	99.8%	1,544	1,525
Payment for capital assets	-	66	-	66	66	-	100.0%	31	30
2.2 Strategic Human Resource									
Current payment	36,493	(997)	-	35,496	35,493	3	100.0%	29,821	29,664
Transfers and subsidies	400	11	-	411	411	-	100.0%	10	10
Payment for capital assets	-	644	-	644	642	2	99.7%	978	947
2.3 Performance Management									
Current payment	4,495	208	(30)	4,673	4,670	3	99.9%	4,319	4,226
Payment for capital assets	-	185	-	185	180	5	97.3%	69	69
2.4 Organisational Development									
Current payment	18,078	(220)	(80)	17,778	17,773	5	100.0%	15,746	15,668
Payment for capital assets	-	220	-	220	217	3	98.6%	239	236
2.5 Legal Services									
Current payment	23,320	(272)	(1,759)	21,289	21,282	7	100.0%	14,563	14,465
Payment for capital assets	-	219	-	219	218	1	99.5%	104	101
2.6 Communication									
Current payment	16,784	(593)	(348)	15,843	15,836	7	100.0%	34,529	34,172
Transfers and subsidies	-	315	-	315	313	2	99.4%	57	56
Payment for capital assets	-	278	-	278	276	2	99.3%	169	164
Total	101,479	-	(2,227)	99,252	99,208	44	100.0%	102,179	101,333

Note: Programme 2: Institutional Development previously included Information Communication Technology that was created as a programme on its own with effect from 1 April 2009. Comparative amounts have been shifted (see programme 4).

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

**Detail per programme 2 – Institutional Development
for the year ended 31 March 2010**

Statutory Appropriation per economic classification									
Per Economic classification	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	72,106	710	-	72,816	72,813	3	100.0%	53,231	52,764
Goods and services	28,973	(2,116)	(2,227)	24,630	24,591	39	99.8%	47,773	47,437
Interest and rent on land	-	69	-	69	68	1	98.6%	86	79
Transfers and subsidies									
Universities and technikons	-	-	-	-	-	-		10	10
Public corporations and private enterprises	-	-	-	-	-	-	-	30	30
Non-profit institutions	400	323	-	723	723	-	100.0%	23	22
Households	-	1	-	1	1	-	100.0%	4	4
Payments for capital assets									
Machinery and equipment	-	1,013	-	1,013	1,012	1	99.9%	1,022	987
Total	101,479	-	(2,227)	99,252	99,208	44	100.0%	102,179	101,333

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

**Detail per programme 3 – Policy and Governance
for the year ended 31 March 2010**

Detail per sub-programme	2009/10						2008/09		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Programme Support									
Current payment	1,961	(6)	(45)	1,910	1,904	6	99.7%	1,601	1,581
Payment for capital assets	-	21	-	21	21	-	100.0%	4	4
3.2 Special Programmes									
Current payment	13,552	(1,471)	(2,480)	9,601	9,594	7	99.9%	16,731	16,623
Transfers and subsidies	8,862	87	-	8,949	8,949	-	100.0%	18,736	18,736
Payment for capital assets	-	253	-	253	253	-	100.0%	246	242
3.3 Intergovernmental Relations									
Current payment	2,797	(550)	(80)	2,167	2,165	2	99.9%	1,845	1,829
Payment for capital assets	-	24	-	24	24	-	100.0%	105	103
3.4 Provincial Policy Management									
Current payment	5,450	105	(120)	5,435	5,431	4	99.9%	5,459	5,395
Payment for capital assets	-	96	-	96	95	1	99.0%	198	191
3.5 Policy Development									
Current payment	6,558	829	(85)	7,302	7,298	4	99.9%	5,972	5,913
Payment for capital assets	-	32	-	32	32	-	100.0%	146	142
3.6 Policy Implementation Support									
Current payment	5,855	(681)	(940)	4,234	4,228	6	99.9%	2,681	2,634
Transfers and subsidies	500	-	(500)	-	-	-	-	1,800	1,800
Payment for capital assets	-	73	-	73	72	1	98.6%	112	110
3.7 OECD Territorial Review									
Current payment	-	-	-	-	-	-	-	1,799	1,798
3.8 Premier's Priority Programmes									
Current payment	11,021	995	1,020	13,036	13,034	2	100.0%	13,008	12,912
Transfers and subsidies	2,000	(87)	(520)	1,393	825	568	59.2%	851	851
Payment for capital assets	-	135	-	135	134	1	99.3%	128	127
3.9 2010 FIFA World Cup									
Current payment	21,686	145	(2,905)	18,926	17,670	1,256	93.4%	5,779	5,753
Transfers and subsidies	994	-	-	994	983	11	98.9%	-	-
Payment for capital assets	24,056	-	-	24,056	22,734	1,322	94.5%	17,021	39
Total	105,292	-	(6,655)	98,637	95,446	3,191	96.8%	94,222	76,783

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

**Detail per programme 3 – Policy and Governance
Detail programme 3 – Policy and Governance
for the year ended 31 March 2010**

Statutory Appropriation per economic classification									
Per Economic classification	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	32,039	(120)	(950)	30,969	30,964	5	100.0%	24,923	24,852
Goods and services	36,841	(89)	(4,685)	32,067	31,144	923	97.1%	30,234	29,865
Interest and rent on land	-	64	-	64	63	1	98.4%	36	33
Transfers and subsidies									
Provinces and municipalities	850	-	-	850	850	-	100%	-	-
Departmental agencies and accounts	8,212	-	-	8,212	8,211	1	100%	17,442	17,442
Non-profit institutions	3,294	-	(1,020)	2,274	1,696	578	74.6%	3,945	3,945
Payments for capital assets									
Buildings and other fixed structures	23,972	-	-	23,972	22,291	1,681	93.0%	16,981	-
Machinery and equipment	84	145	-	229	227	2	99.1%	661	646
Total	105,292	-	(6,655)	98,637	95,446	3,191	96.8%	94,222	76,783

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

**Detail per programme 4 – Information Communication Technology
for the year ended 31 March 2010**

Detail per sub-programme	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Office of the Chief Information Officer									
Current payment	9,119	(4,450)	-	4,669	4,662	7	99.9%	4,614	4,585
Payment for capital assets	80	210	-	290	289	1	99.7%	3,671	3,669
4.2 Strategic ICT Services									
Current payment	23,624	(2,145)	-	21,479	21,473	6	100.0%	16,573	16,497
Transfers and subsidies	4,000	-	1,020	5,020	5,020	-	100.0%	3,000	3,000
Payment for capital assets	420	45	-	465	464	1	99.8%	499	491
4.3 GITO Management Services									
Current payment	173,918	7,207	9,486	190,611	187,721	2,890	98.5%	163,221	163,061
Transfers and subsidies	-	-	23	23	23	-	100.0%	-	-
Payment for capital assets	24,000	(867)	-	23,133	23,133	-	100.00%	16,692	16,214
Total	235,161	-	10,529	245,690	242,785	2,905	98.8%	208,270	207,517

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

**Detail per programme 4 – Information Communication Technology
for the year ended 31 March 2010**

Economic classification	2009/10							2008/09	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	83,050	(2,804)	-	80,246	80,245	1	100.0%	67,985	67,938
Goods and services	123,611	1,455	9,382	134,448	134,444	4	100.0%	117,178	116,958
Interest and rent on land	-	-	104	104	104	-	100.0%	89	85
Financial transactions in assets and liabilities	-	-	-	-	-	-	-	9	9
Transfers and subsidies to:									
Non-profit institutions	4,000	-	1,020	5,020	5,020	-	100.0%	3,000	3,000
Households	-	-	23	23	23	-	100.0%	-	-
Payment for capital assets									
Machinery and equipment	24,500	1,349	-	25,849	22,949	2,900	88.8%	20,009	19,527
Total	235,161	-	10,529	245,690	242,785	2,905	98,8%	208,270	207,517

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

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

Detail of these transactions can be viewed in the note 7 (Transfers and subsidies) and Annexures 1-5 to the Annual Financial Statements.

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

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

3. Detail on financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 6 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

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

4.1 Per Programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
1: Administration	40,666	40,650	16	0.04%
2: Institutional Development	99,252	99,208	44	0.04%
3: Policy and Governance	98,637	95,446	3,191	3.24%
4: Information Communication Technology	245,690	242,785	2,905	1.18%
Total	484,245	478,089	6,156	1.27%

Programme 3: Policy and Governance

Under-spending due to upgrade of Philippi Stadium not being completed and saving due to money having to be rolled over for Emergency Medical Services.

Programme 4: Information Communication Technology

Under-spending due to Infrastructure equipment not being delivered before the end of the financial year.

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

4.2 Per Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments:				
Compensation of employees	210,864	210,849	15	0.01%
Goods and services	204,083	203,113	970	0.48%
Interest and rent on land	285	283	2	0.70%
Financial transactions in assets and liabilities	49	48	1	2.04%
Transfers and subsidies:				
Provinces and municipalities	850	850	-	0.00%
Departmental agencies and accounts	8,212	8,211	1	0.01%
Non-profit institutions	8,036	7,458	578	7.19%
Households	440	440	-	-
Payments for capital assets:				
Buildings and other fixed structures	23,972	22,291	1,681	7.01%
Machinery and equipment	27,454	24,456	2,908	10.59%

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

	Note	2009/10 R'000	2008/09 R'000
REVENUE			
Annual appropriation	1	484,245	450,004
Departmental revenue	2	727	161
TOTAL REVENUE		484,972	450,165
EXPENDITURE			
Current expenditure			
Compensation of employees	3	210,849	172,642
Goods and services	4	203,115	208,168
Interest and rent on land	5	283	254
Financial transactions in assets and liabilities	6	48	63
Total current expenditure		414,295	381,127
Transfers and subsidies	7	16,959	26,171
Expenditure for capital assets			
Tangible capital assets	8	46,835	22,195
Total expenditure for capital assets		46,835	22,195
TOTAL EXPENDITURE		478,089	429,493
SURPLUS FOR THE YEAR		6,883	20,672
Reconciliation of Net Surplus for the year			
Voted funds	12	6,156	20,511
Departmental revenue	13	727	161
SURPLUS FOR THE YEAR		6,883	20,672

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2010**

	Note	2009/10 R'000	2008/09 R'000
ASSETS			
Current assets		6,515	26,744
Cash and cash equivalents	9	1,810	20,789
Prepayments and advances	10	35	307
Receivables	11	4,670	5,648
TOTAL ASSETS		6,515	26,744
LIABILITIES			
Current liabilities		6,380	26,640
Voted funds to be surrendered to the Revenue Fund	12	6,156	20,511
Departmental revenue to be surrendered to the Revenue Fund	13	151	56
Bank overdraft	14	19	6,002
Payables	15	54	71
TOTAL LIABILITIES		6,380	26,640
NET ASSETS		135	104
Represented by:			
Recoverable revenue		135	104
TOTAL		135	104

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2010**

	<i>Note</i>	2009/10 R'000	2008/09 R'000
Recoverable revenue			
Opening balance		191	87
Transfers:		(56)	104
Debts recovered (included in departmental receipts)		(56)	104
Closing balance		135	191
TOTAL		135	191

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

	<i>Note</i>	2009/10 R'000	2008/09 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		485,838	450,668
Annual appropriated funds received	1.1	484,245	450,004
Departmental revenue received	2	1,593	664
Net (increase)/decrease in working capital		1,233	(3,520)
Surrendered to Revenue Fund		(22,009)	(2,791)
Current payments		(414,295)	(381,127)
Transfers and subsidies paid		(16,959)	(26,171)
Net cash flow available from operating activities	16	33,808	37,059
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(46,835)	(22,195)
Net cash flows from investing activities		(46,835)	(22,195)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		31	17
Net cash flows from financing activities		31	17
Net increase/(decrease) in cash and cash equivalents		(12,996)	14,881
Cash and cash equivalents at beginning of period		14,787	(94)
Cash and cash equivalents at end of period	17	1,791	14,787

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 2 of 2006.

1. Presentation of the Financial Statements

1.1.1 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.

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

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.

The total appropriated funds received during the year are presented in the statement of financial performance.

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

2.2 Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the Provincial Revenue Fund is recognised as a payable in the statement of financial position.

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

3. Expenditure

3.1 Compensation of employees

3.1.2 Short-term employee benefits

The cost of short-term employee benefits are expensed in the statement of financial performance when financial authorisation for payment is effected on the system (by no later than 31 March each year)

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

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

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

3.1.2 Post retirement benefits

Employer contribution (i.e. social contributions) is expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March 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 Funds and not in the financial statements of the employer department.

Social contribution (such as medical benefits) made by the department for certain of its ex-employees are classified as transfers to households in the statement of financial performance.

3.1.3 Termination benefits

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

3.1.4 Other long-term employee benefits

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

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

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

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

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

3.3 Interest and rent on land

Interest and rental payments 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). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

3.4 Financial transactions in assets and liabilities

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

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

3.5 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).

3.6 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.

3.7 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
DEPARTMENT OF THE PREMIER
VOTE 1**

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

3.8 Irregular expenditure

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

4. Assets

4.1 Cash and cash equivalents

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

Bank overdrafts are shown separately on the face of the statement of financial position.

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

4.2 Other financial assets

Other financial assets are carried in the statement of financial position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and where the goods and services have not been received by year end.

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party or from the sale of goods/rendering of services.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentials irrecoverable are included in the disclosure notes.

4.5 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

4.6 Capital assets

4.6.1 Movable assets

Initial recognition

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

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

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset" and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current "goods and services" in the statement of financial performance.

4.6.2 Immovable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Subsequent recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as "expenditure for capital asset". On completion, the total cost of the project is included in the asset register of the department that legally owns the asset or the provincial/national department of public works.

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.

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

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 Contingent assets

Contingent assets are included in the disclosure notes to the financial statements when it is possible that an inflow of economic benefits will flow to the entity.

5.4 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.

5.5 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.

5.6 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.

5.7 Lease commitments

Finance lease

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

Operating lease

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

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

5.8 Provisions

Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

6. Receivables for departmental revenue

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

7. Net Assets

7.1 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

8. Related party transactions

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

9. Key management personnel

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

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for Provincial Departments (Voted funds).

Programmes	Final Appropriation	Actual Funds Received	Funds not requested / not Received	Appropriation Received
	2009/10 R'000	2009/10 R'000	2009/10 R'000	2008/09 R'000
Administration	40,666	40,666	-	45,333
Institutional				
Development	99,252	99,252	-	102,179
Policy & Governance	98,637	98,637	-	94,222
Information				
Communication				
Technology	245,690	245,690	-	208,270
Total	484,245	484,245	-	450,004

1.2 Conditional grants

	<i>Note</i>	2009/10 R'000	2008/09 R'000
Total grants received	32	-	5,000

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

	<i>Note</i>	2009/10 R'000	2008/09 R'000
2. Departmental revenue			
Sales of goods and services other than capital assets	2.1	1,132	779
Interest, dividends and rent on land	2.2	38	-
Financial transactions in assets and liabilities	2.3	423	(115)
Total revenue collected		1,593	664
Less: Own revenue included in appropriation	13	866	503
Departmental revenue collected		727	161
2.1 Sales of goods and services other than capital assets			
Sales of goods and services produced by the department		1,117	779
Sales by market establishment		4	27
Other sales		1,113	752
Sales of scrap, waste and other used current goods		15	-
Total		1,132	779
2.2 Interest, dividends and rent on land			
Interest		38	-
Total		38	-
2.3 Financial transactions in assets and liabilities			
Receivables		5	6
Other Receipts including Recoverable Revenue		418	(121)
Total		423	(115)

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

	<i>Note</i>	2009/10	2008/09
		R'000	R'000
3. Compensation of employees			
3.1 Salaries and Wages			
Basic salary		144,365	119,584
Performance award		2,428	2,574
Service Based		649	419
Compensative/circumstantial		7,017	3,935
Periodic payments		859	761
Other non-pensionable allowances		31,946	26,126
Total		187,264	153,399
3.2 Social contributions			
Employer contributions			
Pension		17,229	13,790
Medical		6,335	5,435
Bargaining council		21	18
Total		23,585	19,243
Total compensation of employees		210,849	172,642
Average number of employees		668	661

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

	<i>Note</i>	2009/10 R'000	2008/09 R'000
4. Goods and services			
Administrative fees		178	240
Advertising		7,227	18,070
Assets less than R5,000	4.1	3,362	3,552
Bursaries (employees)		324	164
Catering		1,955	1,983
Communication		5,255	5,357
Computer services	4.2	118,957	102,469
Consultants, contractors and agency/outsourced services	4.3	25,477	40,603
Entertainment		69	60
Audit cost – external	4.4	4,391	2,174
Inventory	4.5	5,507	4,397
Operating leases		3,210	2,880
Owned and leasehold property expenditure	4.6	1,915	1,452
Travel and subsistence	4.7	12,776	14,309
Venues and facilities		5,565	4,424
Training and staff development		3,081	2,764
Other operating expenditure	4.8	3,866	3,270
Total		<u>203,115</u>	<u>208,168</u>
4.1 Assets less than R5,000			
Tangible assets		3,362	3,552
Machinery and equipment		3,362	3,552
Total		<u>3,362</u>	<u>3,552</u>
4.2 Computer services			
SITA computer services		102,505	87,973
External computer service providers		16,452	14,496
Total		<u>118,957</u>	<u>102,469</u>

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

	<i>Note</i>	2009/10	2008/09
		R'000	R'000
4.3	Consultants, contractors and agency/outsourced services		
	Business and advisory services	16,277	13,538
	Infrastructure and planning	137	-
	Laboratory services	-	2
	Legal costs	2,541	4,070
	Contractors	4,292	18,357
	Agency and support/outsourced services	2,230	4,636
	Total	25,477	40,603
4.4	Audit cost – External		
	Regularity audits	4,391	2,174
	Total	4,391	2,174
4.5	Inventory		
	Learning and teaching support material	193	282
	Food and food supplies	368	282
	Fuel, oil and gas	42	56
	Other consumable materials	638	375
	Maintenance material	123	73
	Stationery and printing	4,136	3,329
	Medical supplies	7	-
	Total	5,507	4,397
4.6	Owned and leasehold property expenditure		
	Property management fees	-	889
	Other	1,915	563
	Total	1,915	1,452
4.7	Travel and subsistence		
	Local	12,000	12,319
	Foreign	776	1,990
	Total	12,776	14,309

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

	<i>Note</i>	2009/10 R'000	2008/09 R'000
4.8 Other operating expenditure			
Professional bodies, membership and subscription fees		1,094	822
Resettlement costs		141	269
Other		2,631	2,179
Total		<u>3,866</u>	<u>3,270</u>
5. Interest and rent on land			
Interest paid		283	254
Total		<u>283</u>	<u>254</u>
6. Financial transactions in assets and liabilities			
Other material losses written off	6.1	48	63
Total		<u>48</u>	<u>63</u>
6.1 Other material losses written off			
Nature of losses			
Damages to Government vehicles		-	21
Damages to hired vehicles		-	42
Stock losses to PGWC catering contractor		48	-
Total		<u>48</u>	<u>63</u>
7. Transfers and subsidies			
Provinces and municipalities	<i>Annex 1</i>	850	-
Departmental agencies and accounts	<i>Annex 2</i>	8,211	17,442
Non-profit institutions	<i>Annex 3</i>	6,808	7,928
Households	<i>Annex 4</i>	440	287
Gifts, donations and sponsorships made	<i>Annex 5</i>	650	514
Total		<u>16,959</u>	<u>26,171</u>

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

	<i>Note</i>	2009/10 R'000	2008/09 R'000
8. Expenditure for capital assets			
Tangible assets		46,835	22,195
Buildings and other fixed structures		22,291	-
Machinery and equipment	29	24,544	22,195
Total		46,835	22,195

8.1 Analysis of funds utilised to acquire capital assets – 2009/10

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	46,835	-	46,835
Buildings and other fixed structures	22,291	-	22,291
Machinery and equipment	24,544	-	24,544
Total	46,835	-	46,835

Note: Buildings & other fixed structures is expenditure for Philippi stadium that is work in progress.

8.2 Analysis of funds utilised to acquire capital assets – 2008/09

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets			
Machinery and equipment	22,195	-	22,195
Total	22,195	-	22,195

	<i>Note</i>	2009/10 R'000	2008/09 R'000
9. Cash and cash equivalents			
Consolidated Paymaster General Account		-	39
Disbursements		-	6
Cash on hand		18	15
Cash with commercial banks (Local)		1,792	20,729
Total		1,810	20,789

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

	<i>Note</i>	2009/10 R'000	2008/09 R'000
10. Prepayments and advances			
Travel and subsistence		35	307
Total		<u>35</u>	<u>307</u>

11. Receivables

	<i>Note</i>	Less than one year R'000	One to three years R'000	Older than three years R'000	2009/10 Total R'000	2008/09 Total R'000
Claims recoverable	<i>11.1</i>					
	<i>Annex</i>					
	<i>7</i>	3,829	119	-	3,948	5,195
Staff debt	<i>11.2</i>	141	132	228	501	385
Other debtors	<i>11.3</i>	127	94	-	221	68
Total		<u>4,097</u>	<u>345</u>	<u>228</u>	<u>4,670</u>	<u>5,648</u>

	<i>Note</i>	2009/10 R'000	2008/09 R'000
11.1 Claims recoverable			
National departments		112	687
Provincial departments		3,836	4,508
Total		<u>3,948</u>	<u>5,195</u>
11.2 Staff debt			
Damage to GG vehicles		119	43
Income Tax and Site Debt		26	17
Salary Suspense Account		43	25
Departmental Debt Account		313	300
Total		<u>501</u>	<u>385</u>

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

	<i>Note</i>	2009/10 R'000	2008/09 R'000
11.3 Other debtors			
Disallowance Miscellaneous		168	16
Recoverable Pension		53	52
Total		<u><u>221</u></u>	<u><u>68</u></u>
12. Voted funds to be surrendered to the Revenue Fund			
Opening balance		20,511	2,736
Transfer from statement of financial performance		6,156	20,511
Paid during the year		(20,511)	(2,736)
Closing balance		<u><u>6,156</u></u>	<u><u>20,511</u></u>
13. Departmental revenue to be surrendered to the Revenue Fund			
Opening balance		56	(553)
Transfer from Statement of Financial Performance		727	161
Own revenue included in appropriation		866	503
Paid during the year		(1,498)	(55)
Closing balance		<u><u>151</u></u>	<u><u>56</u></u>
14. Bank Overdraft			
Consolidated Paymaster General Account		19	6,002
Total		<u><u>19</u></u>	<u><u>6,002</u></u>
15. Payables – current			
Clearing accounts	15.1	53	66
Other payables	15.2	1	5
Total		<u><u>54</u></u>	<u><u>71</u></u>

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

	Note	2009/10 R'000	2008/09 R'000
15.1			
Clearing accounts			
Salary: Income Tax		53	-
Salary: ACB recalls		-	66
Total		53	66
15.2			
Other payables			
Salary Disallowance account		1	-
Salary Income Tax		-	5
Total		1	5
16.			
Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		6,883	20,672
Add back non cash/cash movements not deemed operating activities		26,925	16,387
(Increase)/decrease in receivables – current		978	(3,057)
(Increase)/decrease in prepayments and advances		272	44
Increase/(decrease) in payables – current		(17)	(507)
Expenditure on capital assets		46,835	22,195
Surrenders to Revenue Fund		(22,009)	(2,791)
Own revenue included in appropriation		866	503
Net cash flow generated by operating activities		33,808	37,059
17.			
Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		(19)	(5,963)
Disbursements		-	6
Cash on hand		18	15
Cash with commercial banks (Local)		1,792	20,729
Total		1,791	14,787

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

	<i>Note</i>	2009/10 R'000	2008/09 R'000
18. Contingent liabilities and contingent assets			
18.1 Contingent liabilities			
Liable to	Nature		
Claims against the department	<i>Annex 6</i>	6,344	-
Other departments (interdepartmental unconfirmed balances)	<i>Annex 8</i>	1,515	643
Total		<u>7,859</u>	<u>643</u>
19. Commitments			
Current expenditure			
Approved and contracted		424	-
Total Commitments		<u>424</u>	<u>-</u>
20. Accruals			
Listed by economic classification			
	30 Days	30+ Days	Total
Goods and services	19,391	1,308	20,699
Machinery and equipment	939	-	939
Total	<u>20,330</u>	<u>1,308</u>	<u>21,638</u>
Listed by programme level			
1. Administration		1,001	489
2. Institutional Development		1,912	18,861
3. Policy & Governance		74	698
4. Information Communication Technology		18,651	-
Total		<u>21,638</u>	<u>20,048</u>
Confirmed balances with other departments	<i>Annex 8</i>	294	776
Confirmed balances with other government entities	<i>Annex 8</i>	737	757
Total		<u>1,031</u>	<u>1,533</u>

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

	<i>Note</i>	2009/10 R'000	2008/09 R'000
21. Employee benefits			
Leave entitlement		6,585	5,721
Service bonus (Thirteenth cheque)		4,884	4,270
Performance awards		3,719	3,204
Capped leave commitments		5,468	5,462
Other		904	-
Total		<u>21,560</u>	<u>18,657</u>

A credit balance of R 543,748.39 was included in the leave entitlement amount.

Annual Leave cycles run from January to December of each year. Leave cycles do not run concurrently with financial year end cycle. Annual Leave credits are accrued in January of each year, for the entire 12 month period. As a result when reports are drawn at the end of March for the financial reporting, leave credits in some instances reflect a negative balance since it calculates the pro-rata leave due to an individual as at 31 March of the respective year.

22. Lease commitments

22.1 Finance leases expenditure

	Land	Buildings and other fixed structures	Machinery and equipment	Total
2009/2010	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	1,192	1,192
Later than 1 year and not later than 5 years	-	-	9	9
Later than five years	-	-	-	-
Total lease commitments	-	-	1,201	1,201
LESS: finance costs	-	-	60	60
Total present value of lease liabilities	-	-	<u>1,141</u>	<u>1,141</u>

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

22.2 Finance leases expenditure

	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000
2008/2009				
Not later than 1 year	-	-	2,307	2,307
Later than 1 year and not later than 5 years	-	-	1,130	1,130
Later than five years	-	-	-	-
Total lease commitments	-	-	3,437	3,437
LESS: finance costs	-	-	234	234
Total present value of lease liabilities	-	-	3,203	3,203

	Note	2009/10 R'000	2008/09 R'000
--	------	------------------	------------------

23. Receivables for departmental revenue

Sales of goods and services other than capital assets	1,061	-
Total	1,061	-

23.1 Analysis of receivables for departmental revenue

Opening balance	-	-
Less: amounts received	-	-
Add: amounts recognised	1,061	-
Closing balance	1,061	-

24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

Opening balance	3,298	2,650
Add: Irregular expenditure – relating to prior year	-	-
Add: Irregular expenditure – relating to current year	6,043	1,090
Less: Amounts condoned	(5,169)	(442)
Less: Amounts not recoverable (not condoned)	-	-
Irregular expenditure awaiting condonation	4,172	3,298

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

	<i>Note</i>	2009/10 R'000	2008/09 R'000
Analysis of awaiting condonation per age classification			
Current year		3,135	648
Prior years		1,037	2,650
Total		4,172	3,298

24.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2009/10 R'000
Non compliance to departmental delegations	None. Case is still under investigation	122
Non compliance to departmental delegations	None. Case is still under investigation.	8
Non compliance to departmental delegations	None. Case is still under investigation.	92
Non compliance to departmental delegations	None. Case is still under investigation.	118
Non compliance to departmental delegations	None. Case is still under investigation.	4
Non compliance to departmental delegations	None. Case is still under investigation.	8
Finance leases	None. Blanket condonation by National Treasury	111
Non compliance to delegations	Youth Commission. Under investigation	4,580
Non-compliance to NTR's	Under investigation	1,000
Total		6,043

24.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2009/10 R'000
Non compliance to policy	Accounting Officer	5
Payments incorrectly classified	Accounting Officer	1,613
Non compliance to policy	Accounting Officer	552
Case incorrectly classified	Accounting Officer	91
Youth Commission.	Accounting Officer	2,797
Finance leases	National Treasury	111
Total		5,169

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

24.4 Details of irregular expenditures under investigation

Incident	2009/10 R'000
Various – relating to prior years	110
Various – current year (see note 24.2)	3,135
Information technology assets which were procured irregularly	502
Procurement of T -shirts	425
Total	4,172

25. Fruitless and wasteful expenditure

25.1 Reconciliation of fruitless and wasteful expenditure	2009/10 R'000	2008/09 R'000
Opening balance	-	-
Fruitless and wasteful expenditure – relating to prior year	-	-
Fruitless and wasteful expenditure – relating to current year	315	-
Less: Amounts condoned	(32)	-
Less: Amounts transferred to receivables for recovery	(2)	-
Fruitless and wasteful expenditure awaiting condonation	281	-
Analysis of awaiting condonation per economic classification		
Current	281	-
Capital	-	-
Transfers and subsidies	-	-
Total	281	-

25.2 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2009/10 R'000
Debt recovery fee for a long outstanding account.	None - The official opted that the amount be deducted from his salary.	1
Payment of cancellation fees for a no show at the Protea Hotel in Saldahna Bay.	No disciplinary steps were taken against any officials due to unforeseen circumstances. The amount was condoned by the Accounting Officer.	32
Provincial Youth Commission	In the process of being investigated.	281
Payment of cancellation fees for an incorrect flight booking.	No disciplinary steps taken. The amount was disallowed and is in the process of being investigated as to whether it should be recovered from an employee.	1
Total		315

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

26. Related party transactions

1.	This department occupied a building provided by the Department of Transport & Public Works free of charge.
2.	IT related infrastructure to departments. The department provided IT related infrastructure free of charge, to the following departments: a) The Department of Community Safety b) The Department of Agriculture c) The Department of Cultural Affairs and Sport d) The Department of Economic Development and Tourism e) The Department of Education f) The Department of Environmental Affairs and Development Planning g) The Department of Provincial Treasury h) The Department of Health i) The Department of Local Government & Housing j) The Department of Social Development k) The Department of Transport & Public Works
3.	The department has two schedules 3C Public Entities that reside under it, namely the Provincial Development Council and the Western Cape Provincial Youth Commission and transfers were made to them during the 2009/10 financial year. The Western Cape Provincial Youth Commission was disestablished with effect from 1 June 2009.

27. Key management personnel

	No. of Individuals	2009/10 R'000	2008/09 R'000
Political office bearers	2	1,534	1,255
Officials:			
Level 15 to 16	8	6,577	3,430
Level 14 (incl. CFO if at a lower level)	22	11,408	9,192
Family members of key management personnel	-	-	-
Total		19,519	13,877

Responsible MEC - Former Premier Lynne Brown and Premier Helen Zille.

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

28. Non-adjusting events after reporting date

Description	2009/10 R'000
Estimate of the financial effect of the subsequent non-adjusting events	
Corporatisation of the support functions	-
Total	-

The implications and estimate of the financial effect of the corporatisation of the support functions wef 1 April 2010 as approved by Cabinet cannot be made at this stage.

29. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 3 MARCH 2010

	Opening balance	Current Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	Cost R'000	Cost R'000	Cost R'000	Cost R'000	Cost R'000
HERITAGE ASSETS	28	25	-	-	53
Heritage assets	28	25	-	-	53
MACHINERY AND EQUIPMENT	120,908	2,718	25,765	13,053	136,338
Computer equipment	116,092	1,518	24,483	12,595	129,498
Furniture and office equipment	4,297	1,144	1,188	413	6,216
Other machinery and equipment	519	56	94	45	624
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	120,936	2,743	25,765	13,053	136,391

Note: 138 assets to the value of R2,206,330.80 were not found during the annual departmental stock take of assets. This has been reported to Loss Control and is still under investigation and therefore the process has not been completed yet. Likewise 215 potential redundant assets to the value of R5,140,854.49 were identified and is following the same process as the assets that were not found. These amounts are included in the total disposal figure in the above table

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

29.1 Additions

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

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	Cost	Fair Value/ R1	Cost	Cost	Cost
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	24,544	282	-	939	25,765
Computer equipment	23,338	206	-	939	24,483
Furniture and office equipment	1,112	76	-	-	1,188
Other machinery and equipment	94	-	-	-	94
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	24,544	282	-	939	25,765

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

29.2 Disposals

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

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash Received Actual R'000
MACHINERY AND EQUIPMENT	-	13,053	13,053	12
Computer equipment	-	12,595	12,595	12
Furniture and office equipment	-	413	413	-
Other machinery and equipment	-	45	45	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	13,053	13,053	12

29.3 Movement for 2008/09

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

	Opening balance Cost R'000	Additions Cost R'000	Disposals Cost R'000	Closing balance Cost R'000
HERITAGE ASSETS	28	-	-	28
Heritage assets	28	-	-	28
MACHINERY AND EQUIPMENT	92,567	31,833	3,492	120,908
Computer equipment	82,093	37,361	3,362	116,092
Furniture and office equipment	7,273	(2,846)	130	4,297
Other machinery and equipment	3,201	(2,682)	-	519
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	92,595	31,833	3,492	120,936

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

29.4 **Minor assets**

MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2010

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Minor assets	-	20	20,594	-	20,614
TOTAL	-	20	20,594	-	20,614

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	16	11,488	-	11,504
TOTAL NUMBER OF MINOR ASSETS	-	16	11,488	-	11,504

MINOR ASSETS OF THE DEPARTMENT AS AT 31 MARCH 2009

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000
Minor assets			18,961		18,961
TOTAL			18,961		18,961

	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets			10,705		10,705
TOTAL NUMBER OF MINOR ASSETS			10,705		10,705

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

30. Intangible Capital Assets

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

	Opening balance	Current Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
CAPITALISED DEVELOPMENT COSTS	660	-	626	-	1,286
TOTAL INTANGIBLE CAPITAL ASSETS	660	-	626	-	1,286

30.1 Movement for 2008/09

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

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
CAPITALISED DEVELOPMENT COSTS	660	-	-	660
TOTAL INTANGIBLE CAPITAL ASSETS	660	-	-	660

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

31. Immovable Tangible Capital Assets

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

	Opening balance	Current Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	Cost R'000	Cost R'000	Cost R'000	Cost R'000	Cost R'000
BUILDINGS AND OTHER FIXED STRUCTURES	28				28
Other fixed structures	28	-	-	-	28
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	28	-	-	-	28

31.1 Movement for 2008/09

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

	Opening balance	Additions	Disposals	Closing balance
	Cost R'000	Cost R'000	Cost R'000	Cost R'000
BUILDINGS AND OTHER FIXED STRUCTURES	28	-	-	28
Other fixed structures	28	-	-	28
TOTAL IMMOVABLE TANGIBLE ASSETS	28	-	-	28

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

32. Statement of Conditional Grants Received

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT			2008/09	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000

Internally
Displaced
People
Management

-	-	-	-	-	-	-	-	-	-	5,000
-	-	-	-	-	-	-	-	-	-	5,000

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

**ANNEXURE 1
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER		SPENT			2008/09 Total Available R'000	
	Amount R'000	Roll Overs R'000	Adjust- ments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by municipality R'000	Amount spent by municipality R'000		% of available funds spent by municipality %
City of Cape Town	-	-	850	850	850	100	850	850	100	-
	-	-	850	850	850		850	850		-

WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1

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

**ANNEXURE 2
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

AGENCY	TRANSFER ALLOCATION				TRANSFER		2008/09 Final Appropriation Act
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	R'000
WC Provincial Development Council	6,381	-	-	6,381	6,381	100	7,042
WC Provincial Youth Commission	8,500	-	(6,669)	1,831	1,830	100	10,400
	14,881	-	(6,669)	8,212	8,211		17,442

WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1

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

**ANNEXURE 3
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

	TRANSFER ALLOCATION			EXPENDITURE		2008/09 Final Appropriation Act R'000	
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000		% of Available funds transferred %
NON-PROFIT INSTITUTIONS							
Transfers							
Library Business Corners	4,000	-	1,000	5,000	5,000	100	
Learning Cape Initiative	-	-	-	-	-	-	
Khayelitsha Development Trust	150	-	250	400	400	100	
Premier's Relief Fund	-	-	-	-	-	-	
WC Network on Disability	-	-	233	233	233	-	
Gender Advocacy Programme	-	-	-	-	-	-	
Institute for Justice and Reconciliation	-	-	-	-	-	-	
Social Transformation Programmes	2,000	-	(607)	1,393	825	59	
The Western Cape Religious Forum	-	-	350	350	350	100	
Total	6,150	-	1,226	7,376	6,808	7,928	

WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1

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

**ANNEXURE 4
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

	TRANSFER ALLOCATION				EXPENDITURE		2008/09 Final Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
HOUSEHOLDS							
Transfers							
Employees – leave gratuities	-	-	439	439	439	100	145
Claims against the State	-	-	1	1	1	100	4
Employees - Severance Package	-	-	-	-	-	-	138
Total	-	-	440	440	440	-	287

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

**ANNEXURE 5
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE FOR
THE YEAR ENDED 31 MARCH 2010**

NATURE OF GIFT, DONATION OR SPONSORSHIP	2009/10	2008/09
	R'000	R'000
Paid in cash		
Catholic Welfare and Development- Donation towards a fundraising event	14	-
City Mission - Donation towards a fundraising dinner	5	-
Great Commission Network - Donation towards new equipment for Centre	20	-
Cape Peninsula University of Technology - Sponsorship towards the top five Public Management students	10	-
Human Rights Media Association- Donation towards a podium structure at the Langa Memorial	100	-
Beaufort West Thusong Centre - Donation towards the launching of the Centre	20	-
Thembalethu Adult Choir - Donation towards cost for new attire	22	-
Voice of the Cape - Sponsorship for Festival for All 2009	100	-
Alliance for Refugees in South Africa - Donation towards an Africa Day Conference and Expo	100	-
Seawinds Neighbourhood Watch - Donation towards a high tea for senior citizens in Steenberg	2	-
Burgundy Exchange students - Sponsoring of three rugby exchange students in the form of subsistence allowances	15	-
Cycle of Life - Donation towards the 2009 Mitchells Plain Festival	69	-
The Dreamfields Project - 300 girls for 2010 soccer tournament	83	-
The Centre for Rehabilitation Studies at the University of Stellenbosch - Donation towards the AFRINEAD 2009 symposium	40	-
Cape Craft and Design Institute - Donation in support of the 2010 FIFA World Cup craft development project	50	-

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

ANNEXURE 5 (continued)

NATURE OF GIFT, DONATION OR SPONSORSHIP	2009/10	2008/09
	R'000	R'000
Paid in cash		
Cape Peninsula University of Technology	-	10
Liz Abrahams Memorial Trust	-	100
Khayelitsha Business Forum	-	20
Atlantis Cultural Association	-	23
Young Gardens RFC	-	30
Restoring our Social Assets (ROSA)	-	65
Alliance for Refugees in South Africa	-	100
Pool South Africa	-	5
Igugu Lamakhosikazi	-	30
Islamic Relief Worldwide	-	25
Western Cape Rehabilitation Centre	-	6
COSATU	-	100
TOTAL	650	514

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

**ANNEXURE 6
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2010**

Nature of Liability	Opening Balance 1 April 2009 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 2010 R'000
Claims against the department					
Hip Hop Media - Breach of contract	-	3,500	(3,500)	-	-
Independent's Newspapers and Others - Application to set aside Premier's decision	-	300	(300)	-	-
AP Stationers -claim for services rendered	-	16	-	-	16
Ntinga Technologies CC - Claim for services rendered	-	557	-	-	557
Tactical Software Systems (PTY)Ltd - Claim for services rendered	-	5,598	-	-	5,598
Ambius - Claim for services rendered	-	14	-	-	14
Youth Commission. Litigation costs for goods delivered.	-	117	-	-	117
Government Pension Fund	-	42	-	-	42
TOTAL	-	10,144	(3,800)	-	6,344

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

**ANNEXURE 7
CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Department of Cultural Affairs	-	-	-	27	-	27
Department of Health	2,477	-	1,093	2,344	3,570	2,344
Department of Agriculture	-	1	-	-	-	1
Department of Community Safety	-	7	-	-	-	7
The Western Cape Education Department	47	-	1	364	48	364
Department of Housing and Local Government	-	-	1	48	1	48
Department of Provincial Treasury	1	3	7	8	8	11
Department of Social Services and Poverty Alleviation	-	22	60	15	60	37
Department of Transport and Public Works	19	38	1	1,249	20	1,287
Department of Provincial Parliament	-	-	-	24	-	24
Department of Environmental Affairs and Development Planning	-	36	-	-	-	36
Department of Economic Development and Tourism	-	-	-	213	-	213
Department of Home Affairs	-	-	2	-	2	-
Department of Rural Development and Land Reform	77	-	-	-	77	-
Department of Agriculture, Land Reform and Rural Development	-	-	1	-	1	-
The Presidency, RSA	-	-	17	-	17	-
The Department of Water Affairs and Forestry	-	-	14	-	14	-
Subtotal	2,621	107	1,197	4,292	3,818	4,399

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

ANNEXURE 7 (continued)

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	R'000	R'000	R'000	R'000	R'000	R'000
Other Government Entities						
South African Revenue Services	-	-	-	203	-	203
Western Cape Youth Commission	-	-	-	356	-	356
South African Social Security Agency	-	-	8	9	8	9
Public Service Bargaining Council	-	-	1	1	1	1
NUPSAW	-	-	-	219	-	219
Western Cape Gambling and Racing Board	-	-	-	7	-	7
Provincial Development Council	-	-	-	1	-	1
Cape Nature Board	35	-	-	-	35	-
Biton Municipality	-	-	60	-	60	-
Matzikama Municipality	-	-	3	-	3	-
Swartland Municipality	4	-	-	-	4	-
South African Police Services	-	-	18	-	18	-
Electoral Commission	-	-	1	-	1	-
Subtotal	39	-	91	796	130	796
TOTAL	2,660	107	1,288	5,088	3,948	5,195

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

**ANNEXURE 8
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009	31/03/2010	31/03/2009
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Transport and Public Works	252	747	1,325	-	1,577	747
Justice and Constitutional Development	-	-	145	604	145	604
Health Western Cape	5	18	-	39	5	57
Cultural Affairs and Sport	1	5	-	-	1	5
South African Social Security Agency	-	6	-	-	-	6
Department of Agriculture	15	-	-	-	15	-
Provincial Treasury	-	-	5	-	5	-
Western Cape Education Department	21	-	21	-	42	-
Department of Social Development	-	-	4	-	4	-
Subtotal	294	776	1,500	643	1,794	1,419
OTHER GOVERNMENT ENTITY						
Current						
Government Motor Transport	467	757	-	-	467	757
City of Cape Town	225	-	-	-	225	-
Government Printing Works	41	-	-	-	41	-
Subtotal	733	757	-	-	733	757
Non-current						
Public Administration Leadership and Management Academy (PALAMA)	4	-	15	-	19	-
Subtotal	4	-	15	-	19	-
Total	1,031	1,533	1,515	643	2,546	2,176

**WESTERN CAPE PROVINCE
DEPARTMENT OF THE PREMIER
VOTE 1**

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

**ANNEXURE 9
INVENTORY**

	<i>Note</i>	Quantity	2009/10 R'000
Inventory			
Opening balance		25,335	351
Add/(Less): Adjustments to prior year balance		-	-
Add: Additions/Purchases - Cash		206,639	10,799
Add: Additions - Non-cash		3	-
(Less): Disposals		-	-
(Less): Issues		(207,158)	(10,748)
Add/(Less): Adjustments		(69)	-
Closing balance		<u><u>24,750</u></u>	<u><u>402</u></u>

PART 5
HUMAN RESOURCE MANAGEMENT

5.1. 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 5.1.1: Main service provided and standards

Main Service	Recipients of Service	Proposed Service Standard	Actual achievement against standards
<p>1. The consolidation of the 19 existing Cape Access centres in order to upgrade the infrastructure and to align the current infrastructure in terms of the Batho Pele principles.</p>	<p>Citizens within rural communities and semi-urban areas, as identified as priority areas, within the Western Cape.</p>	<ul style="list-style-type: none"> • Consolidating the current infrastructure at 12 existing Cape Access centres (e.g. signage, way finding, accessibility for people with disability; corporate branding, sustainability of equipment) • Facilitate the provision of accredited ICT training in 12 e-Centres. • Creating partnerships with the 3-spheres of government in order to integrate services (e.g. Dept of Public Works and Transport in terms of EPWP opportunity portal and Thusong Centres) 	<ul style="list-style-type: none"> • 5 Sites equipped with new hardware. • 14 Sites equipped with ADSL connectivity. • 19 UPS boxes procured. • 28 Forum members accredited with Microsoft training. • Partnerships developed and ICT for development Forum initiated, all three spheres involved. • Disabled access implemented. • Client relationship Management (CRM) System developed for implementation.
<p>2. To expand the existing service, measure the effectiveness and improve the information available at the Cape Gateway Walk-in Centre</p>	<p>Citizens (with access to the CBD) and Civil Society of the Western Cape (including tourists)</p>	<ul style="list-style-type: none"> • Establishment of a Client Relationship Management System (CRM) • Expansion of existing internet access points (additional 2 – total 4) • Monthly meetings with PGWC Content Custodian panel to update Walk-in Centre (WIC) materials • Marketing of Walk-in Centre through the Departmental Communication components 	<ul style="list-style-type: none"> • The CRM is in development and consultation phase • The expansion of the existing internet access points is budgeted for in 2010/2011 • Meetings with Departmental Custodians are conducted on a regular one-on-one basis. • No departmental marketing took place, Walk in centre marketing was conducted via Chalk boards, Cape Gateway portal, word of mouth, Cape Gateway TV.

Table 5.1.2:

Consultation arrangements with customers

Main Service	Recipients of Service	Proposed Service Standard	Actual achievement against standards
<p>1. The consolidation of the 19 existing Cape Access centres in order to upgrade the infrastructure and to align the current infrastructure in terms of the Batho Pele principles.</p>	<p>Citizens within rural communities and semi-urban areas, as identified as priority areas, within the Western Cape.</p>	<ul style="list-style-type: none"> • Consolidating the current infrastructure at 12 existing Cape Access centres (e.g. signage, wayfinding, accessibility for people with disability; corporate branding, sustainability of equipment) • Facilitate the provision of accredited ICT training in 12 e-Centres. • Creating partnerships with the 3-spheres of government in order to integrate services (e.g. Dept of Public Works and Transport in terms of EPWP opportunity portal and Thusong Centres) 	<ul style="list-style-type: none"> • 5 Sites equipped with new hardware. • 14 Sites equipped with ADSL connectivity. • 19 UPS boxes procured. • 28 Forum members accredited with Microsoft training. • Partnerships developed and ICT for development Forum initiated, all three spheres involved. • Disabled access implemented. • Client relationship Management (CRM) System developed for implementation.
<p>2. To expand the existing service, measure the effectiveness and improve the information available at the Cape Gateway Walk-in Centre</p>	<p>Citizens (with access to the CBD) and Civil Society of the Western Cape (including tourists)</p>	<ul style="list-style-type: none"> • Establishment of a Client Relationship Management System (CRM) • Expansion of existing internet access points (additional 2 – total 4) • Monthly meetings with PGWC Content Custodian panel to update Walk-in Centre (WIC) materials • Marketing of Walk-in Centre through the Departmental Communication components 	<ul style="list-style-type: none"> • The CRM is in development and consultation phase • The expansion of the existing internet access points is budgeted for in 2010/2011 • Meetings with Departmental Custodians are conducted on a regular one-on-one basis. • No departmental marketing took place, Walk in centre marketing was conducted via Chalk boards, Cape Gateway portal, word of mouth, Cape Gateway TV.

Table 5.1.3: Service delivery access strategy

What strategies have been developed to promote access to the departments services	Actual achievements
<p>1. Cape Gateway Second Floor 142 Long Street Cape Town 19 e-Centres in - <i>Bitterfontein, Van Rhynsdorp, Elim, Struisbaai, Bongeletu Library - Oudtshoorn, Conville Primary School - George, Genadendal, Klaver, Doringbaai, Vredenberg, Paternoster, Toekomsrus - Oudtshoorn, Thembaletu – George, Beaufort West, Ladysmith, Mosselbay, Murraysburg, Ceres and Gugulethu.</i></p>	
<p>2. Cape Gateway Ground Floor 142 Long Street Cape Town</p>	<p>Information in the Walk in centre is accessed via the following services:-</p> <ol style="list-style-type: none"> 1. Internet Browsing (Internet Points) 2. Helpdesk (face-face) 3. Walk in centre browsing (pamphlets, brochures, reports etc)

Table 5.1.4: Service information tool

Tools utilised to convey information of services	Actual achievements
<p>1.</p> <ul style="list-style-type: none"> • STP Forum • E-Community Forum • Quarterly feedback meetings to Community members • Annual General meetings of Forums • Quarterly Chairpersons' Forum (chaired by DDG: CEI) • Door-to-door survey (community researcher) • Community newspaper • Cape Access Website • Community Notice Boards • Posters • Information announced in Churches (word-of-mouth) 	
<p>2.</p> <ul style="list-style-type: none"> • Cape Gateway channels (Portal, e-mail, Call-Centre and Walk-in Centre) • Departmental Communication Campaigns (Posters, brochures, pamphlets, annual reports) • Cape Access • Monthly meetings with PGWC Content Custodian • All information and services available in the three official languages 	<ul style="list-style-type: none"> • Contact tickets: • cape>gateway: 2,736,834 • cape>access: 107,050 • PGWC email centre: 11,222 • PGWC Walk-in centre: 11,537 • PGWC Call Centre: 65,807 • Information and services provided in three official provincial languages • Regular meetings with Departmental stakeholders

Table 5.1.5: Complaints mechanism

Mechanisms in place to deal with complaints received	Generic summary of complaints received in each instance including totals and percentage remaining unresolved
<p>1.</p> <ul style="list-style-type: none"> • Monthly meetings with Forum members (open meetings) • Suggestion Boxes • Client Satisfaction form • Electronic client satisfaction form • Contact with Supervisor or Manager • Departmental Helpdesk (48-hour turnaround time standard or complaints) 	
<p>2.</p> <ul style="list-style-type: none"> • Client Satisfaction form • Contact with Supervisor or Manager • Nametags • Complaints and Suggestion box • Monthly meetings with PGWC Content Custodian 	<ul style="list-style-type: none"> • Complaints received at Walk-in Centre were service related to other departments and such complaints were escalated to the relevant department • Walk in centre resolved percentage is 100% for 2009/2010.

5.2. EXPENDITURE

Departments budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 5.2.1) and by salary bands (Table 5.2.2). 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 5.2.1: Personnel costs by programme, 2009/10

Programme	Total Expenditure (R'000)	Compensation of Employees/ Social Contributions (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as a percentage of total expenditure	Average personnel cost per employee (R'000)	Total Number of Employees
Programme 1 : Administration	40,650	26,827	44	-	66.00	227	118
Programme 2 : Institutional Development	99,207	72,813	841	-	73.40	325	224
Programme 3 : Policy and Governance	95,446	30,964	282	-	32.44	369	84
Programme 4 : Information Communication Technology	242,785	80,245	1,914	-	33.05	313	256
Total	478,088	210,849	3,081	-	44.10	309	682

TABLE 5.2.2: Personnel costs by salary bands, 2009/10

Salary bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)	Total Number of Employees (at 20100331)
Lower skilled (Levels 1-2)	1,235	0.59	88	14
Skilled (Levels 3-5)	11,024	5.24	115	96
Highly skilled production (Levels 6-8)	32,327	15.37	201	161
Highly skilled supervision (Levels 9-12)	130,896	62.23	357	367
Senior management (Levels 13-16)	33,993	16.16	791	43
Other	851	0.40	851	1
Total	210,326	100.00%	308	682

The following tables provide a summary per programme (Table 5.2.3) and salary bands (Table 5.2.4), 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.

TABLE 5.2.3: Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2009/10

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
Programme 1 : Administration	24,210	90.24	163	0.61	443	1.65	1,032	3.85
Programme 2 : Institutional Development	70,467	96.78	547	0.75	762	1.05	3,002	4.12
Programme 3 : Policy and Governance	26,747	86.38	22	0.07	416	1.34	521	1.68
Programme 4 : Information Communication Technology	44,476	55.43	720	0.90	432	0.54	1,812	5.85
Total	165,900	78.68%	1,452	0.69%	2,053	0.97%	6,367	3.02%

TABLE 5.2.4: Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary bands, 2009/10

Salary Bands	Salaries		Overtime		Home Owners Allowance		Medical Assistance	
	Amount	Salaries as a % of personnel cost	Amount	Overtime as a % of personnel cost	Amount	HOA as a % of personnel cost	Amount	Medical Assistance as a % of personnel cost
	(R'000)		(R'000)		(R'000)		(R'000)	
Lower skilled (Levels 1-2)	894	72.39	6	0.49	42	3.40	80	6.48
Skilled (Levels 3-5)	8,732	79.21	117	1.06	212	1.92	595	5.40
Highly skilled production (Levels 6-8)	25,039	77.46	348	1.08	463	1.43	1,487	4.60
Highly skilled supervision (Levels 9-12)	102,843	78.57	981	0.75	984	0.75	3,781	2.89
Senior management (Levels 13-16)	28,394	83.53	-	-	352	1.04	423	1.24
Total	165,902	78.88	1,452	0.69	2,053	0.98	6,366	3.03

5.3. 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 5.3.1), salary band (Table 5.3.2) and critical occupations (Table 5.3.3). Departments have identified critical occupations that need to be monitored. Table 5.3.3 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 5.3.1: Employment and vacancies by programme, 31 March 2010

Programme	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Programme 1 : Administration (Includes Premier)	134	100	25	18
Programme 2 : Institutional Development	275	206	25	18
Programme 3 : Policy and Governance	72	54	25	30
Programme 4 : Information Communication Technology	346	247	29	9
Total	827	607	27	75

TABLE 5.3.2: Employment and vacancies by salary bands, 31 March 2010

Salary band	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	15	12	20	2
Skilled (Levels 3-5)	97	71	27	25
Highly skilled production (Levels 6-8)	174	138	21	23
Highly skilled supervision (Levels 9-12)	487	349	28	18
Senior management (Levels 13-16)	53	36	32	7
Political Office Bearer (Premier)	1	1	-	-
Total	827	607	27	75

TABLE 5.3.3: Employment and vacancies by critical occupation, 31 March 2010

Critical occupations	Number of posts	Number of posts filled	Vacancy Rate	Number of posts filled additional to the establishment
Political Office Bearer	1	1	-	-
C6010100 - Head of Department	1	-	100	-
C6010200 - Senior Manager	52	36	31	7
C6010308 - Administrative Related	178	130	27	19
J1010000 - Computer Systems Designers and Analysts	291	214	26	-
C6020100 - Financial and related Occupations	21	17	19	-
C5010300 - General Legal Administrators	23	19	17	-
C6020200 - Human Resource and Organisational Design Related	44	33	25	1
C5040200 - Communications and Information Related	14	10	29	8
B2040000 - Other Admin and Policy Related	11	6	45	2
Other	191	141	26	38
Total	827	607	27	75

5.4. 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 5.4.1) 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 5.4.1: Job Evaluation, 1 April 2009 to 31 March 2010

Salary Band	Number of Posts	Number of Jobs Evaluated	% of posts evaluated by Salary Bands	Posts Upgraded		Posts Downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	15	5	33	-	-	-	-
Skilled (Levels 3-5)	97	42	43	42	100	-	-
Highly skilled production (Levels 6-8)	174	1	1	-	-	-	-
Highly skilled supervision (Levels 9-12)	488	-	-	-	-	-	-
Senior Management Service Band A	36	-	-	-	-	-	-
Senior Management Service Band B	13	-	-	-	-	-	-
Senior Management Service Band C	3	-	-	-	-	-	-
Senior Management Service Band D	1	-	-	-	-	-	-
Total	827	48	6	42	87.5	-	-

The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

TABLE 5.4.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2009 to 31 March 2010

Beneficiaries	African	Asian	Coloured	White	Total
Female	5	-	5	1	11
Male	3	-	2	-	5
Total	8	-	-	1	16
Employees with a disability					1

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

TABLE 5.4.3: Employees whose salary level exceed the grade determined by job evaluation, 1 April 2009 to 31 March 2010 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
A1040000 - Food services related	-	-	-	
A3010000 - Labourers	-	-	-	
B1010200 - Financial Clerks	-	-	-	
B1010600 - Other admin related	-	-	-	
B1010600 - Other admin related	-	-	-	
B1010600 - Other admin related	-	-	-	
B1010600 - Other admin related	-	-	-	
B1010600 - Other admin related	-	-	-	
C6010200 - Senior Managers	-	-	-	
C6010308 - Administrative related	-	-	-	
C6010308 - Administrative related	-	-	-	
C6010308 - Administrative related	-	-	-	
H3010000 - Motor vehicle driver	-	-	-	
H3010000 - Motor vehicle driver	-	-	-	
J1010100 - Computer system designers	-	-	-	
Total				
Total Number of Employees whose salaries exceeded the level determined by job evaluation in 2009/2010				N/A
Percentage of total employment				

TABLE 5.4.4: Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2009 to 31 March 2010 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-
Employees with a disability					-

5.5. 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 5.5.1) and by critical occupations (Table 5.5.2). (These "critical occupations" should be the same as those listed in Table 5.3.3).

TABLE 5.5.1: Annual turnover rates by salary band for the period 1 April 2009 to 31 March 2010

Salary Band	Number of employees per band as on 1 April 2009	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	14	3	-	-
Skilled (Levels 3-5)	88	45	33	38
Highly skilled production (Levels 6-8)	138	32	11	8
Highly skilled supervision (Levels 9-12)	367	40	38	10
Senior Management Service Band A	30	6	7	23
Senior Management Service Band B	10	2	2	20
Senior Management Service Band C	3	1	-	-
Senior Management Service Band D	2	1	2	100
Total	652	130	93	14

TABLE 5.5.2: Annual turnover rates by critical occupation for the period 1 April 2009 to 31 March 2010

Occupation:	Number of employees per occupation as on 1 April 2009	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Political Office Bearer	1	1	1	100
C6010100 - Head of Department	1	-	1	100
C6010200 - Senior Manager	41	9	9	22
C6010308 - Administrative Related	146	30	19	13
J1010000 - Computer Systems Designers and Analysts	213	8	11	5
C6020100 - Financial and related Occupations	17	7	6	35
C5010300 - General Legal Administrators	19	3	1	5
C6020200 - Human Resource and Organisational Design Related	12	-	1	8
C5040200 - Communications and Information Related	31	12	5	16
B2040000 - Other Admin and Policy Related	9	2	5	56
Other	162	59	34	21
Total	652	130	93	14

Table 5.5.3: Reasons why staff are leaving the employ of the department

Termination Type	Number	% of total
Dismissal (Discharge)	1	1
Resignation of Position	38	41
Retirement - Public Service	2	2
SEC 17(2)(A) PUBLIC SERV	-	-
Employee initiated Severance Package	-	-
Termination of Probation Appointment	-	-
Transfers to other Public Service Departments	24	26
Deceased	-	-
Other	-	-
Contract Expiry	28	30
Total	93	100
Total number of employees who left as a % of the total employment		14

Table 5.5.4: Promotions by critical occupation

Occupation	Employees as at 1 April 2009	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
Political Office Bearer	1	-	-	1	1
C6010100 - Head of Department	1	-	-	-	-
C6010200 - Senior Manager	41	1	2	19	46
C6010308 - Administrative Related	146	7	5	45	31
J1010000 - Computer Systems Designers and Analysts	213	10	5	119	56
C6020100 - Financial and related Occupations	17	-	-	12	71
C5010300 - General Legal Administrators	19	2	11	2	11
C6020200 - Human Resource and Organisational Design Related	12	1	8	20	167
C5040200 - Communications and Information Related	31	-	-	5	16
B2040000 - Other Admin and Policy Related	9	-	-	9	100
Other	162	4	2	52	32
Total	652	25	4	284	44

Table 5.5.5: Promotions by salary band

Salary Band	Employees 1 April 2009	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band	OSDs as at 20100331	OSDs as a % of Employee Salary Band as at 20100331
Lower skilled (Levels 1-2)	14	2	14	8	57	-	-
Skilled (Levels 3-5)	88	2	2	20	23	-	-
Highly skilled production (Levels 6-8)	138	4	3	48	35	-	-
Highly skilled supervision (Levels 9-12)	367	13	4	192	52	12	3.27
Senior management (Levels 13-16)	45	4	9	16	36	-	-
Total	652	25	4	284	44	12	1.84

5.6. Employment equity

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

Table 5.6.1: Total number of employees (including employees with disabilities) in each of the following occupational categories (SASCO) as on 31 March 2010

Occupational categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	7	13	-	12	2	2	1	7	44
Professionals	42	97	3	60	49	40	3	23	317
Technicians and associate professionals	26	31	1	16	30	34	1	13	152
Clerks	9	31	-	4	26	57	1	13	141
Plant and machine operators and assemblers	-	2	-	-	-	-	-	-	2
Elementary occupations	5	8	-	-	2	11	-	-	26
Total	89	182	4	92	109	144	6	56	682
Employees with disabilities	1	2	-	7	2	2	-	3	17

Table 5.6.2: Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2010

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	4	-	3	-	-	1	4	14
Senior Management	5	9	-	9	2	2	-	3	30
Professionally qualified	45	118	4	65	49	52	3	31	367
Skilled technical	25	25	-	12	35	47	2	15	161
Semi-skilled	10	24	-	3	20	36	-	3	96
Unskilled	2	2	-	-	3	7	-	-	14
Total	89	182	4	92	109	144	6	56	682
Employees with disabilities	1	2	-	7	2	2	-	3	17

Table 5.6.3: Recruitment for the period 1 April 2009 to 31 March 2010

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	2	-	-	-	2	4
Senior Management	-	-	-	4	1	-	-	2	7
Professionally qualified	5	6	1	5	5	11	-	6	39
Skilled technical	6	6	-	2	8	10	-	-	32
Semi-skilled	4	12	-	2	10	15	-	2	45
Unskilled	-	-	-	-	3	-	-	-	3
Total	15	24	1	15	27	36	-	12	130
Employees with disabilities	-	-	-	-	1	-	-	1	2

Table 5.6.4: Promotions for the period 1 April 2009 to 31 March 2010

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	1	1
Senior Management	-	-	-	-	-	6	-	1	7
Professionally qualified	3	5	-	-	4	2	-	-	14
Skilled technical	-	1	-	-	-	-	-	-	1
Semi-skilled	-	1	-	-	-	1	-	-	2
Unskilled	-	-	-	-	-	-	-	-	-
Total	3	7	-	-	4	9	-	2	25
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 5.6.5: Terminations for the period 1 April 2009 to 31 March 2010

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	1	-	-	-	3	-	-	4
Senior Management	-	2	-	-	-	3	-	2	7
Professionally qualified	3	16	2	2	2	10	-	3	38
Skilled technical	2	2	-	1	-	4	-	2	11
Semi-skilled	5	9	-	-	8	11	-	-	33
Unskilled	-	-	-	-	-	-	-	-	-
Total	10	30	2	3	10	31	-	7	93
Employees with disabilities	-	-	-	-	1	-	-	-	1

Table 5.6.6: Disciplinary action for the period 1 April 2009 to 31 March 2010

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Correctional Counselling	2	1	-	-	1	2	-	-	6
Verbal warning	1	-	-	-	-	-	-	-	1
Written warning	-	1	-	1	-	-	-	-	2
Final written warning	1	1	-	-	1	4	-	-	7
Suspension without pay	-	-	-	-	1	-	-	-	1
Demotion	-	-	-	-	-	-	-	-	-
Dismissal/ desertion	-	1	-	-	-	1	-	-	2
Not guilty	-	-	-	-	-	-	-	-	-
Case withdrawn	-	-	-	-	-	-	-	-	-
Other (please specify)	-	-	-	-	-	-	-	-	-
Total									19

Table 5.6.7: Skills development for the period 1 April 2009 to 31 March 2010

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	3	13	-	7	4	5	-	2	34
Professionals	28	45	1	12	34	51	1	19	191
Technicians and associate professionals	16	58	1	26	20	24	-	10	155
Clerks	15	26	-	4	18	32	1	9	105
Elementary occupations	2	6	-	-	-	1	-	-	9
Total	64	148	2	49	76	113	2	40	494
Employees with disabilities	1	2		3					

5.7. SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

Table 5.7.1: Signing of Performance Agreements by SMS Members as at 30 September 2009

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
13	36	30	30	100	9
14	13	10	10	100	2
15	3	3	3	100	1
16	1	1	1	100	-
Total	53	44	44	100	12

Table 5.7.2: Reasons for not having concluded Performance Agreements with all SMS as at 30 September 2009

Reason for not concluding Performance Agreements
Not Applicable as 100% compliance achieved.

5.8. FILLING OF SMS POSTS

Table 5.8.1: SMS posts information as at 31 March 2010

SMS Level	Number of 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
	Funded	Unfunded				
Director-General/ Head of Department	1	-	-	-	1	100
Salary Level 15	3	-	3	100	-	-
Salary Level 14	13	-	10	77	3	23
Salary Level 13	36	-	30	83	6	17
Total	53	-	43	81	10	19

Table 5.8.2: SMS posts information as at 30 September 2009

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
Director-General/ Head of Department	1	1	100	-	-
Salary Level 15	3	3	100	-	-
Salary Level 14	13	7	54	9	46
Salary Level 13	36	27	75	9	25
Total	53	38	72	15	28

Table 5.8.3: Advertising and Filling of SMS posts at 31 March 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
Director-General/ Head of Department	1	-	-	1	100-
Salary Level 15	3	3	100	-	-
Salary Level 14	13	10	77	3	23
Salary Level 13	36	30	83	6	17
Total	53	43	81	10	19

Table 5.8.4: Reasons for not having complied with the filling of funded vacant SMS – Advertised within 6 months and filled within 12 months after becoming vacant

Post	Reasons for non-compliance
Director-General	Post advertised and subsequently filled – vacant for 7 months
Chief Director (3 Posts)	Reprioritisation/reorganisation of funds and functions
Director (6 Posts)	Reprioritisation/reorganisation of funds and functions

Table 5.8.5: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months

Disciplinary steps taken
None – Decisions regarding the filling of posts are taken by the relevant HoD.

5.9. PERFORMANCE REWARDS

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 5.9.1), salary bands (table 5.9.2) and critical occupations (Table 5.9.3).

TABLE 5.9.1: All Staff Performance Rewards by race, gender, and disability, 1 April 2009 to 31 March 2010

	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per employee
African	13	198	7	272	R 20,933
Male	6	89	7	112,478	R 18,746
Female	7	109	6	159,663	R 22,808
Asian	3	10	30	52	R 17,369
Male	3	4	75	52,108	R 17,369
Female	-	6	-	-	-
Coloured	53	326	16	1,176	R 22,189
Male	29	182	16	775,945	R 26,756
Female	24	144	17	400,099	R 16,670
White	38	148	26	987	R 25,985
Male	21	92	23	621,841	R 29,611
Female	17	56	30	365,601	R 21,505
Employees with a disability	1	17	6	15	R 14,592
Total	107	682	16	2,488	R 23,249

TABLE 5.9.2: Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2009 to 31 March 2010

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee (R)	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	2	14	14	9	4,875	0.01
Skilled (Levels 3-5)	8	96	8	55	6,951	0.03
Highly skilled production (Levels 6-8)	19	161	12	255	13,472	0.12
Highly skilled supervision (Levels 9-12)	64	367	17	1,636	25,572	0.78
Total	93	638	15	1,958	21,053	0.93

TABLE 5.9.3: All Staff Performance Rewards by critical occupations, 1 April 2009 to 31 March 2010

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee R
C6010200 - Senior Manager	14	43	33	530	37,837
C6010308 - Administrative Related	21	19	111	521	24,786
C5010300 - General Legal Administrators and Related Professions	36	149	2	901	25,021
J101000 - Computer Systems Designers and Analysts	3	214	1	100	33,385
OTHER	33	257	13	437	13,228
Total	107	682	16	2,488	23,249

TABLE 5.9.4: Performance related rewards (cash bonus), by salary band, for Senior Management Service, 01 April 2009 to 31 March 2010

Salary Band	Beneficiary Profile			Total Cost (R'000)	Average cost per employee R	Total cost as a % of the total SMS expenditure	Personnel cost per band (R'000)
	Number of beneficiaries	Number of employees	% of total within band				
Band A	10	29	33	364	36 420	0.17%	364,176
Band B	3	10	33	116	38 650	0.06%	115,938
Band C	1	4	25	50	49 610	0.02%	49,612
Band D	-	-	-	-	-	-	-
Premier	-	1	-	-	-	-	-
Total	14	43	32	530	37 840	0.25%	529,727

5.10. 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 5.10.1: Foreign Workers, 1 April 2009 to 31 March 2010, by salary band

Salary Band	1 April 2009		31 March 2010		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)	2	100	-	-	-2	100
Senior management (Levels 13-16)	-	-	-	-	-	-
Total	2	100	-	-	-2	100

TABLE 5.10.2: Foreign Worker, 1 April 2009 to 31 March 2010, by major occupation

Major Occupation	1 April 2009		31 March 2010		Change	
	Number	% of total	Number	% of total	Number	% change
Administrative office workers	-	-	-	-	-	-
Elementary occupations	-	-	-	-	-	-
Professionals and managers	2	100	-	-	-2	100
Total	2	100	2	100	-2	100

5.11. LEAVE UTILISATION FOR THE PERIOD 1 JANUARY 2009 TO 31 DECEMBER 2009

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 5.11.1) and disability leave (Table 5.11.2). In both cases, the estimated cost of the leave is also provided.

TABLE 5.11.1: Sick leave, 1 January 2009 to 31 December 2009

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	67	93	10	2	7	14
Skilled (Levels 3-5)	474	81	76	14	6	145
Highly skilled production (Levels 6-8)	1244	82	139	25	9	691
Highly skilled supervision (Levels 9-12)	2179	79	305	54	7	2,158
Senior management (Levels 13-16)	185	80	32	6	6	304
Total	4149	80	562	100	7	3,375

TABLE 5.11.2: Incapacity leave (temporary and permanent), 1 January 2009 to 31 December 2009

Salary Band	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)	65	100	3	19	22	21
Highly skilled production (Levels 6-8)	261	100	5	31	52	150
Highly skilled supervision (Levels 9-12)	195	100	8	50	24	196
Senior management (Levels 13-16)	-	-	-	-	-	-
Total	521	100	16	100	33	384

Table 5.11.3 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 5.11.3: Annual Leave, 1 January 2009 to 31 December 2009

Salary Bands	Total days taken	Average per employee
Lower skilled (Levels 1-2)	295	21
Skilled (Levels 3-5)	1665	17
Highly skilled production (Levels 6-8)	3033	19
Highly skilled supervision (Levels 9-12)	7956	22
Senior management (Levels 13-16)	974	23
Total	13923	20

TABLE 5.11.4: Capped leave, 1 January 2009 to 31 December 2009

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at	No of employees as at	Total capped leave available as at
			31 December 2009	24 December 2009	31 December 2009
Lower skilled (Levels 1-2)	-	-	-	14	107
Skilled (Levels 3-5)	26	7	7	93	613
Highly skilled production (Levels 6-8)	37	6	14	156	2127
Highly skilled supervision (Levels 9-12)	95	16	7	363	2576
Senior management (Levels 13-16)	54	27	17	44	747
Total	212	12	9	670	6172

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

TABLE 5.11.5: Leave payouts for the period 1 April 2009 to 31 March 2010

REASON	Total Amount (R'000)	Number of Employees	Average payment per employee R
Leave payout for 2009/10 due to non-utilisation of leave for the previous cycle	-	-	-
Current leave payout on termination of service for 2009/10	209,153	19	11,008
Capped leave payouts on termination of service for 2009/10	270,605	28	9,664
Total	479,759	47	10,208

5.12. HIV AND AIDS & HEALTH PROMOTION PROGRAMMES

TABLE 5.12.1: Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
NONE	

TABLE 5.12.2: Details of Health Promotion and HIV and AIDS Programmes

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	√		Ms Charlene Sheraton Acting Director
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.	√		The Department has designated one staff member. There is no fixed amount allocated to the component Transformation Management, which is responsible for HIV and AIDS intervention. This is however included in the wellness budget
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.	√		The Department reviewed its integrated Employee Wellbeing Programme (EWP), which includes the outsourced EWP. 6 refers
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	√		The Departmental HIV/AIDS committee was established in terms of the Public Service Regulations VI E. The committee consists 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 the promoting non-discrimination and equality. The committee meets on quarterly bases and has been re-established as the Employee Health and Wellness Committee, which has the same structure as mentioned above.
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.	√		A Transversal Framework Policy on HIV/AIDS /STI's has been developed and was adopted by the co-ordinating chamber of the PSCBC for the Western Cape Province on the 13 April 2005. The development of the departmental HIV/AIDS workplace programme was implemented and in final stages of review.

<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>√</p>	<p>The Department reviewed its integrated Employee Wellbeing Programme (EWP), which includes the outsourced EWP.4 refers. Other key elements are: Awareness Programmes like display of posters, distributing pamphlets e-mail messages, awareness campaigns condom promotion, newsletter articles, internal EAP.</p> <p>Peer educators, Employee Health and Wellness committee members assist to facilitate spot talks dialogue from different components within the Department of the Premier to increase awareness on HIV/AIDS.</p> <p>The Department makes use of PLWHA's to assist in HIV/AIDS awareness training to sensitise employees</p> <p>The Department's Employee Wellbeing Programme (EWP) was established in October 2005. An outsourced model is utilised and the services of the Careways Group has been procured to manage the programme .The following EWP 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 Wellbeing 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 Careways group programme is appropriately managed at all times • A comprehensive online EWP service
---	----------	---

<p>7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.</p>	√	<p>Yes Staffs are referred to local clinics or use their general practitioner if their request falls outside of the Departmental VCT (HCT) programme. During HCT staff is also provided with wallet –sized card containing all the relevant numbers for referral, including the Employee Assistance Programme toll free number.</p> <p>Lifeline and At Heart has 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. An increase by 9% of employees participated in the VCT programme campaign compared to last annual report was reported.</p>
<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>	√	<p>The implementation of the knowledge, Attitude and behaviour survey was introduced as a monitoring tool to determine the impact of the HIV/AIDS workplace programme.</p> <p>A Knowledge, Attitude and Behaviour (KAB) Questionnaire was completed to evaluate employees:</p> <ul style="list-style-type: none"> a. Need for awareness raising <ul style="list-style-type: none"> Awareness with regards to their legal rights on HIV and AIDS c. Preference with regard to counselling d. Attitude towards the importance of testing <ul style="list-style-type: none"> Knowledge regarding Occupational Health and safety in the workplace f. Identify high risk groups g. The effects of HIV and AIDS on family life, and h. General knowledge on HIV and AIDS <p>The information collated from the survey has assisted the Department in its efforts to establish an HIV and AIDS policy and priorities, plan and evaluate prevention programmes, update workshops and assess the levels of knowledge amongst employee. Spot talk sessions are created and implemented for several components within the Department of the Premier in dealing with high-risk behaviour and other related issues on HIV.</p>

5.13. LABOUR RELATIONS

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

TABLE 5.13.1: Collective agreements, 1 April 2009 to 31 March 2010

Subject Matter	Date
Nil	Nil
Disciplinary hearings – 2009/10	N/A
Total collective agreements	None

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

TABLE 5.13.2: Misconduct and disciplinary hearings finalised, 1 April 2009 to 31 March 2010

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	-	-
Verbal warning	-	-
Written warning	-	-
Final written warning	1	25
Suspension without pay	1	25
Fine	-	-
Demotion	-	-
Dismissal/ desertion	2	50
Not guilty	-	-
Case withdrawn	-	-
Total	4	100

TABLE 5.13.3: Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Absenteeism	2	50
Altered medical certificate	1	25
Prejudicing the administration, fraud, dishonesty, misutilisation of the state property	1	25
Total	4	100

TABLE 5.13.4: Grievances lodged for the period 1 April 2009 to 31 March 2010

	Number	% of Total
Number of grievances resolved	23	96
Number of grievances not resolved	1	4
Total number of grievances lodged	24	100

TABLE 5.13.5: Disputes lodged with Councils for the period 1 April 2009 to 31 March 2010

	Number	% of Total
Number of disputes upheld	-	-
Number of disputes dismissed	2	40
Total number of disputes lodged	5	100

TABLE 5.13.6: Strike actions for the period 1 April 2009 to 31 March 2010

Total number of person working days lost	-
Total cost (R'000) of working days lost	-
Amount (R'000) recovered as a result of no work no pay	-

TABLE 5.13.7: Precautionary suspensions for the period 1 April 2009 to 31 March 2010

Number of people suspended	2
Number of people whose suspension exceeded 30 days	1
Average number of days suspended	75
Cost (R'000) of suspensions	160 758

5.14. SKILLS DEVELOPMENT

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

TABLE 5.14.1: Training needs identified 1 April 2009 to 31 March 2010

Occupational Categories	Gender	Number of employees as at 1 April 2009	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	16	-	11	-	11
	Male	29	-	23	-	23
Professionals	Female	111	-	105	-	105
	Male	195	-	86	-	86
Technicians and associate professionals	Female	74	-	101	-	101
	Male	76	-	54	-	54
Clerks	Female	65	-	60	-	60
	Male	59	-	45	-	45
Elementary occupations	Female	11	-	1	-	1
	Male	14	-	8	-	8
Sub Total	Female	296	-	278	-	278
	Male	355	-	216	-	216
Total		652	-	494	-	494
<i>Employees with disabilities</i>	Female	6	-	-	3	-
	Male	11	-	-	5	-

TABLE 5.14.2: Training provided 1 April 2009 to 31 March 2010

Occupational Categories	Gender	Number of employees as at 1 April 2009	Training provided within the reporting period			Total
			Learnerships	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	16	-	13	-	13
	Male	29	-	18	-	18
Professionals	Female	111	-	137	-	137
	Male	195	-	115	-	115
Technicians and associate professionals	Female	74	-	84	-	84
	Male	76	-	150	-	150
Clerks	Female	65	-	50	-	50
	Male	59	-	49	-	49
Elementary occupations	Female	11	-	2	-	2
	Male	14	-	8	-	8
Sub Total	Female	296	-	286	-	286
	Male	355	-	340	-	340
Total		652	-	626	-	626
<i>Employees with disabilities</i>	Female	6	-		4	4
	Male	11	-		5	5

5.15. INJURY ON DUTY

The following tables provide basic information on injury on duty.

TABLE 5.15.1: Injury on duty, 1 April 2009 to 31 March 2010

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

5.15. UTILISATION OF CONSULTANTS

TABLE 5.15.1: Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value R
Conceptualise a marketing strategy for an operations centre, which will communicate Provincial Government of the Western Cape's five key delivery themes.	2	19 January 2009 to 31 May 2009	1,574,967
Data assessment process to ensure a core directory of common datasets	2	120	424,717
Quality Assurance and Technical Support to the Gender, Youth and Disability and Children Budget Statements	1	60	158,733
Results Based M&E capacity building for Provincial-wide M&E forum	1	15	287,683
Adv. AM Meyer: Legislation Project	1	903hrs.50min	424,267
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value R
4	7		2,870,369

TABLE 5.15.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Conceptualise a marketing strategy for an operations centre, which will communicate Provincial Government of the Western Cape's five key delivery themes.	50%		2

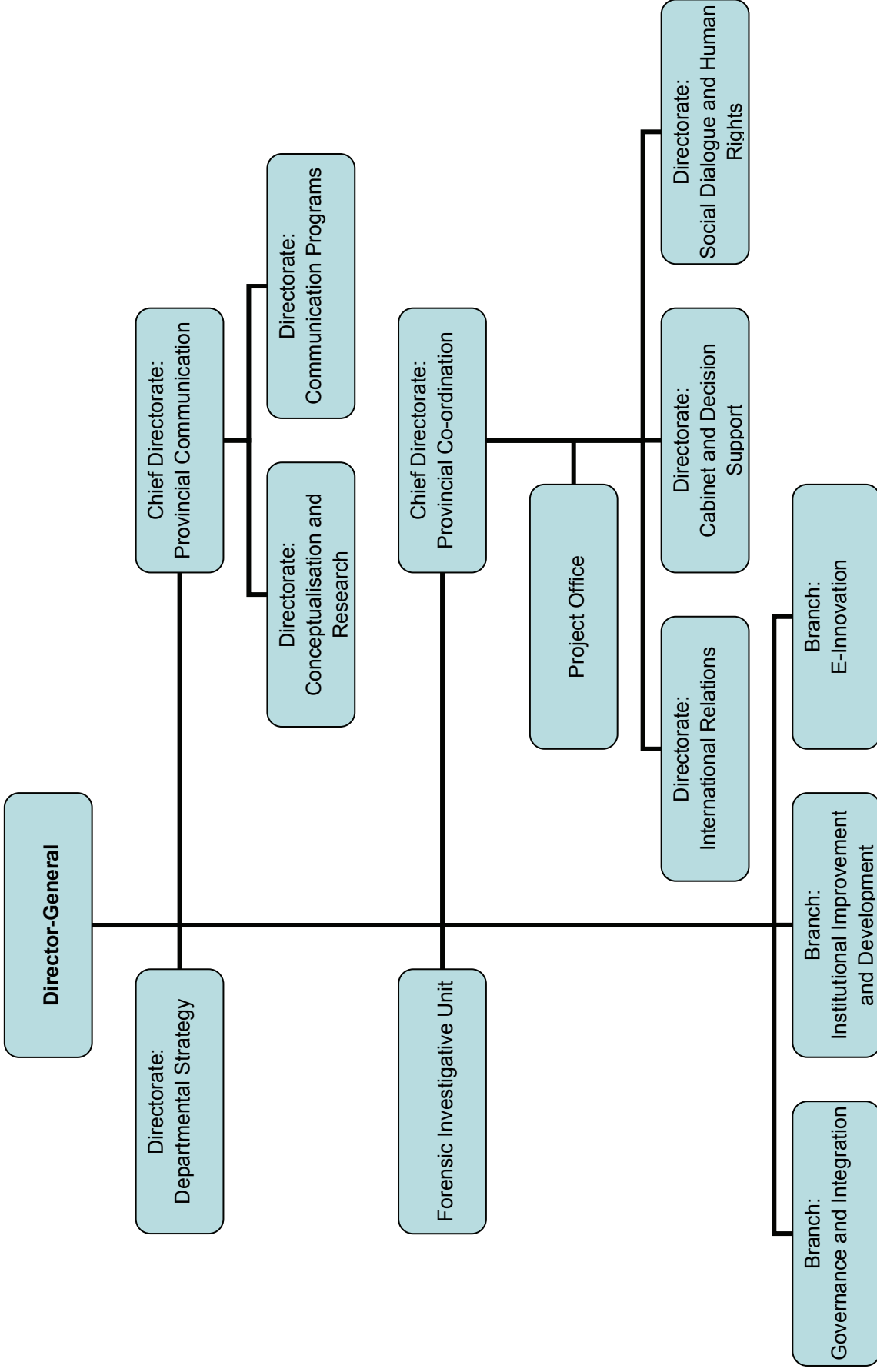
TABLE 5.15.3: Report on consultant appointments using Donor funds

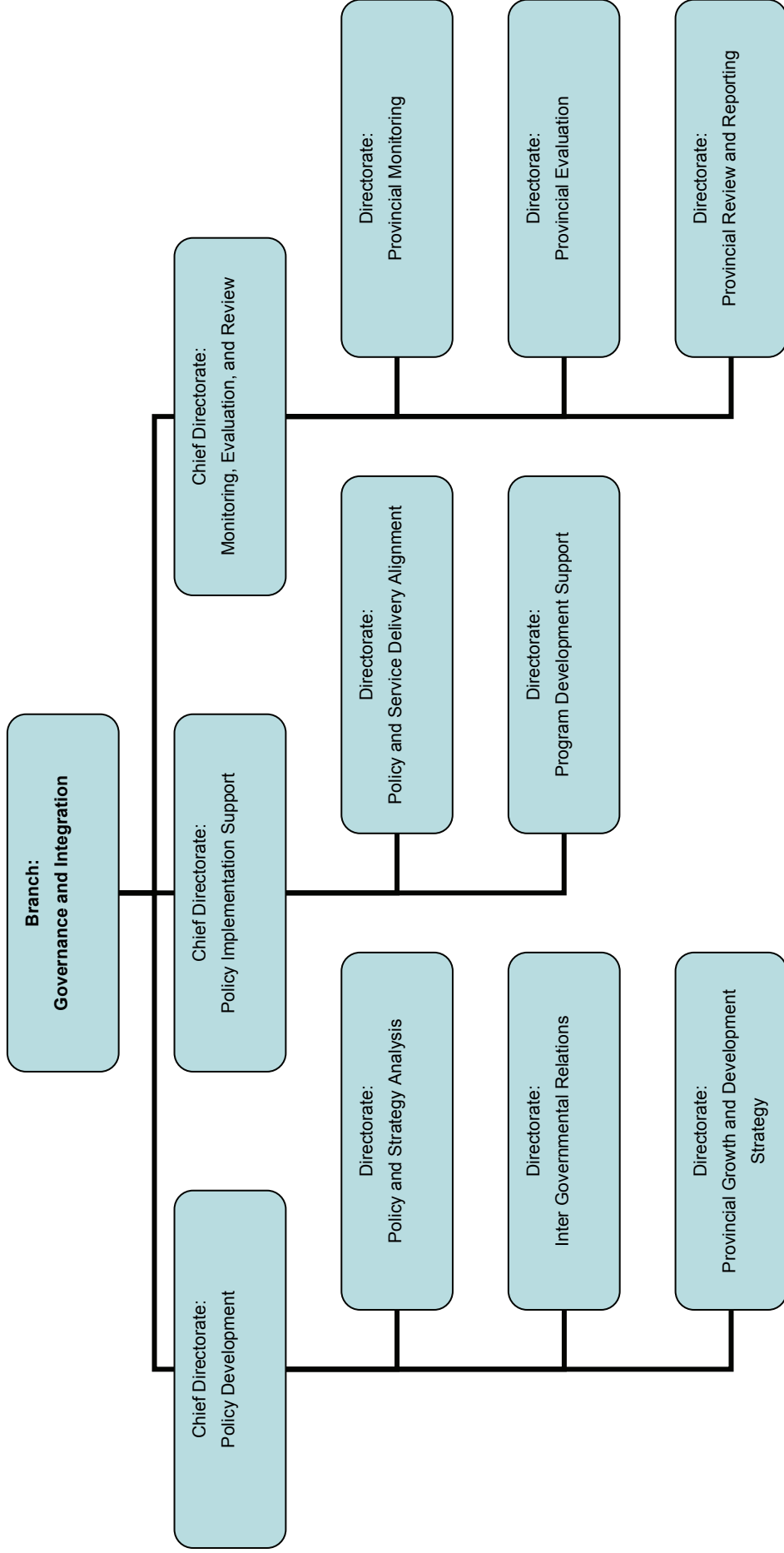
Project Title	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value R
N/A	-	-	-
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value R
N/A	-	-	-

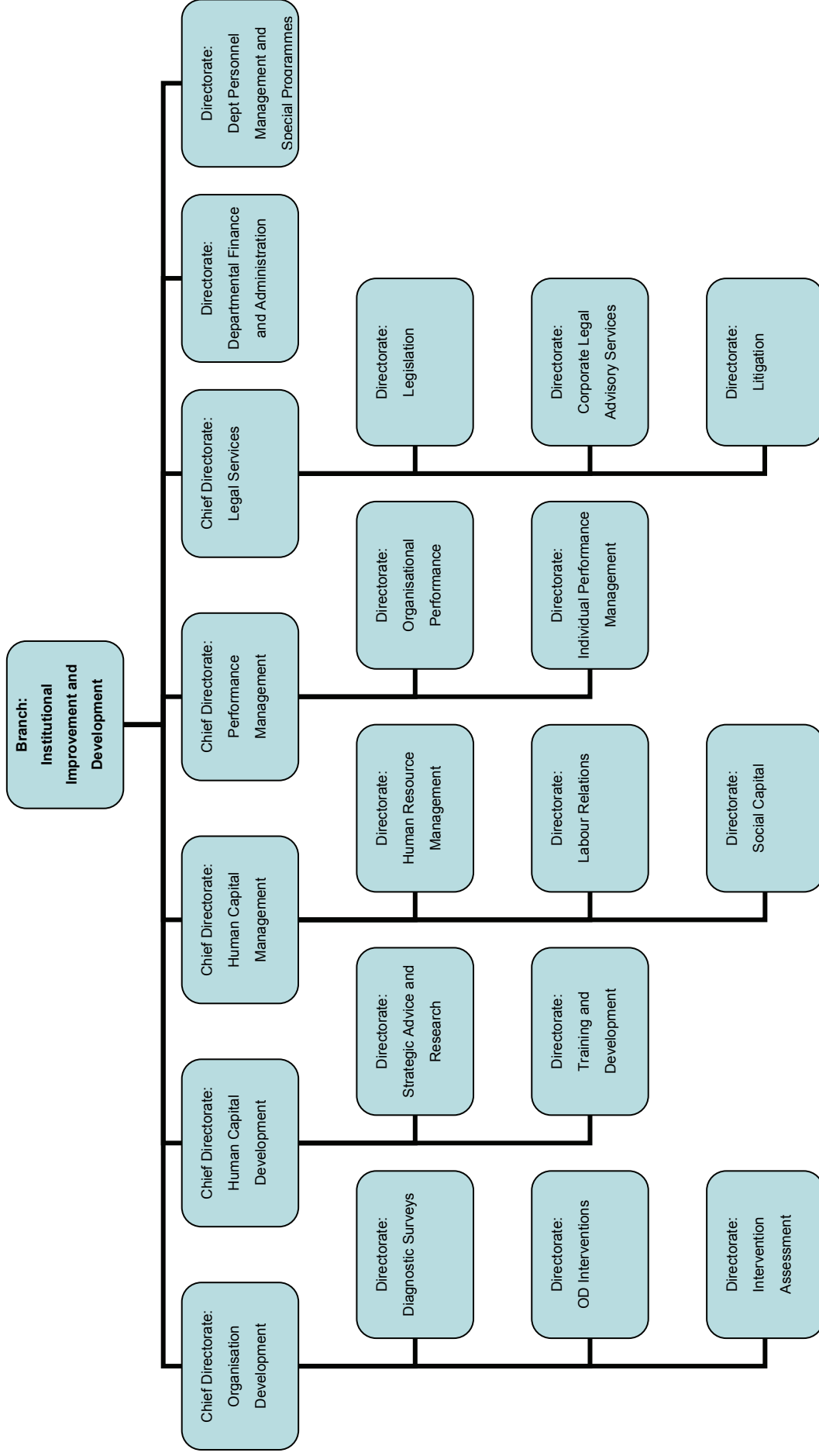
TABLE 5.15.4: Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

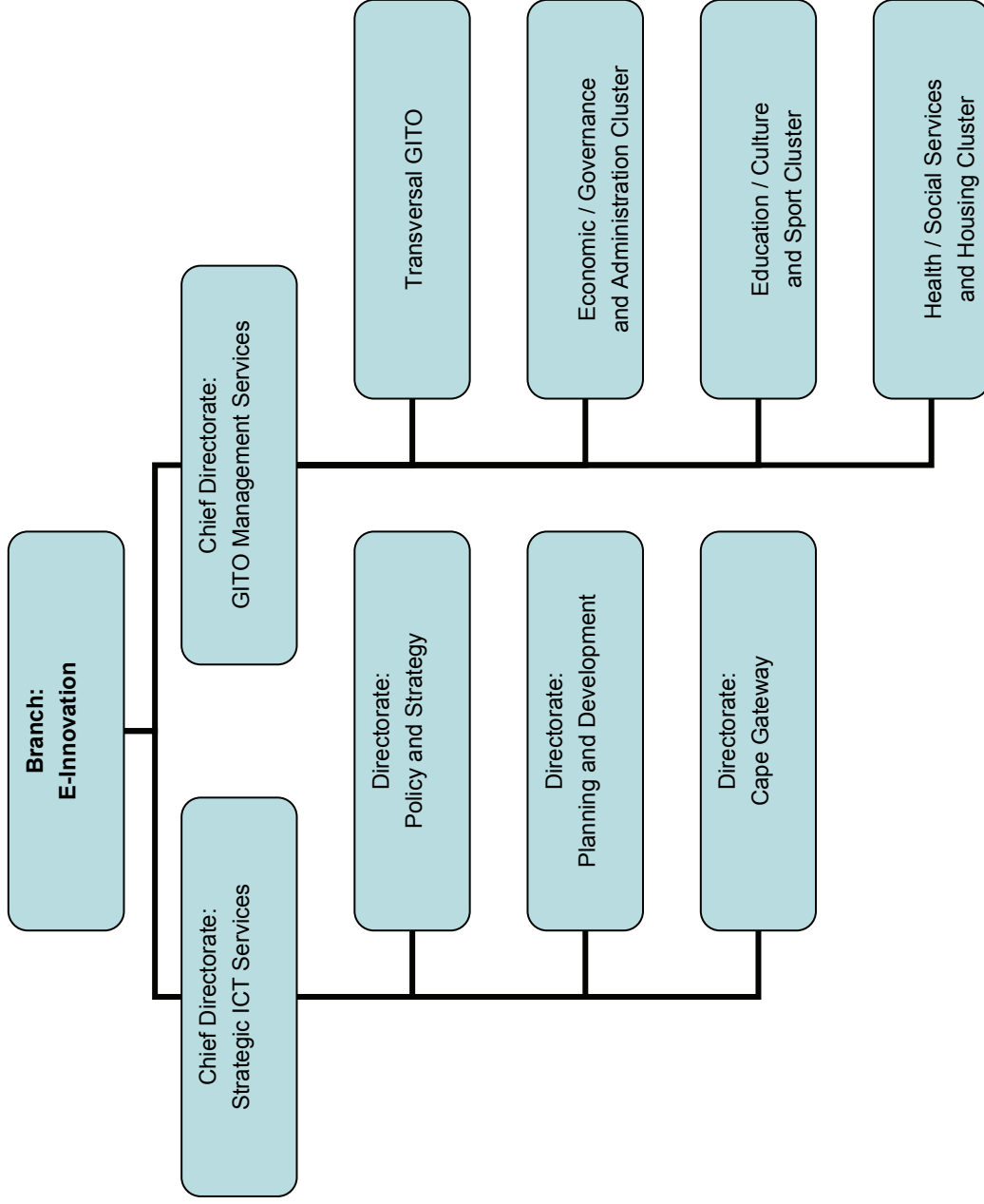
Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
N/A	-	-	-

ORGANOGRAM FOR THE 2008/09 FINANCIAL YEAR









Audit Report and Annual Financial Statements of the Western Cape Provincial Youth Commission**Note:**

The annual financial statements and report by the Auditor-General on the Western Cape Provincial Youth Commission for the period 1 April 2009 to 31 May 2009 is included herewith.

The findings of the Auditor-General relate to the opinion expressed in respect of the 2008/09 financial year. The matters raised by the Auditor-General in expressing a qualified audit opinion in respect of the 2008/09 financial year remained relevant during the first two months of the 2009/10 financial year. During April and May 2009 the disestablishment of the Western Cape Youth Commission, following the promulgation of the Western Cape Provincial Youth Commission Repeal Act was effected. During this period assets and liabilities were transferred from the Western Cape Provincial Youth Commission to the Department of the Premier as provided for in the act.

The matters raised by the Auditor-General were the subject of a forensic investigation which was not yet completed at the time of tabling this report.

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF THE WESTERN CAPE PROVINCIAL YOUTH COMMISSION FOR THE PERIOD ENDED 31 MAY 2009

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Western Cape Youth Commission which comprise the statement of financial position as at 31 May 2009, the statement of financial performance, the statement of changes in net assets and the cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 170 to 187.

The accounting authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting determined by National Treasury, as set out in note 1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and section 13(2) of the Western Cape Provincial Youth Commission Act, 2004 (Act No. 5 of 2004) and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auditor-General's responsibility

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

Basis for qualified opinion

Subsistence and travel

7. Included in retained earnings in the current year are subsistence and travel claims of the preceding financial year totalling R205 493 which had been paid to officials of the Youth Commission, for which valid supporting documentation could not be provided. This uncertainty remains unresolved and I am unable to determine the occurrence of these claims included as part of the retained earnings.

Other operating expenditure

8. Included in other operating expenditure of the preceding financial year are amounts totalling R126 996. It could not be determined whether these transactions were conducted in the normal course of business. This uncertainty is still unresolved and I remain unable to determine the occurrence of this expenditure. There is, therefore, uncertainty regarding R126 996 of the retained earnings in the current year.

Opinion

9. In my opinion, except for the possible effects of the matters described in the Basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Western Cape Provincial Youth Commission as at 31 May 2009 and its financial performance and its cash flows for the period then ended, in accordance with the basis of accounting determined by the National Treasury, as set out in note 1 to the financial statements and in the manner required by the PFMA.

Emphasis of matters

I draw attention to the following matters on which I do not express a qualified opinion:

Basis of accounting

10. The public entity's policy is to prepare financial statements on the basis of accounting determined by National Treasury, as set out in accounting policy note 1 to the financial statements.

Going concern

11. As disclosed in note 1 to the financial statements, the Western Cape Provincial Youth Commission Act, 2004 (Act No. 5 of 2004) was repealed via the *Repeal Bill B5 of 2009* issued in *Government Gazette No. 6619 of 7 April 2009*. The Commission ceased to operate with effect from 31 May 2009.

Irregular expenditure

12. As disclosed in note 16 to the financial statements, irregular expenditure to the amount of R4 579 699 was incurred, as the entity had deviated from Treasury Regulations and supply chain management principles.

Fruitless and wasteful expenditure

13. As disclosed in note 15 to the financial statements, fruitless and wasteful expenditure to the amount of R281 087 was incurred, as the entity's policies regarding limits on the usage of cell phones and telephones were not complied with and the approved classes of hired motor vehicles were disregarded.

Other matters

I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Non-compliance with applicable legislation

14. The following instances of non-compliance with applicable legislation were noted:

Public Finance Management Act and Treasury Regulations

- The entity did not have a formal fraud prevention plan or risk management policy, as required by section 51(1)(a)(i) of the PFMA read with Treasury Regulation 27.2.1.
- The accounting authority did not take effective and appropriate steps to prevent fruitless and wasteful expenditure, as required by section 51(b)(ii) of the PFMA read with Treasury Regulations 9.1.1.
- Treasury Regulation 8.2.3 requires that unless determined otherwise in a contract or other agreement, all payments due to creditors must be settled within 30 days from receipt of an invoice or, in the case of civil claims, from the date of settlement or court judgement. However, accruals to the amount of R89 244 had been outstanding for longer than 30 days.
- The entity did not follow proper procurement procedures, as required by Treasury Regulation 16A.6, which resulted in irregular expenditure.
- The entity effected a significant number of cash cheque payments, all in excess of R2 000 and did not obtain the relevant treasury approval, as required by Treasury Regulation 15.12.3.

Governance framework

15. The governance principles that impact the auditor's opinion on the financial statements relate to the responsibilities and practices of the accounting authority and executive management and are reflected in the key governance requirements addressed below:

Internal control deficiencies

16. Section 51(1)(a)(i) of the PFMA states that the accounting authority must ensure that the public entity has and maintains effective, efficient and transparent systems of financial and risk management and internal control. The table below depicts the root causes that gave rise to the deficiencies in the system of internal control, which led to the qualified opinion. The root causes are categorised according to the five components of an effective system of internal control. In some instances deficiencies exist in more than one internal control component.

Par. no.	Basis for qualified opinion	CE	RA	CA	IC	M
7.	Subsistence and travel			3		1
8.	Other operating expenditure	5				1

17. The entity's impending closing was announced on 3 April 2009, which resulted in a total breakdown of internal control mechanisms and oversight. Three members of senior management were suspended after the entity was subjected to forensic investigations instituted by the Department of the Premier. Staff morale was low as there was uncertainty about their future. All this resulted in a collapse of the governance framework, responsibility and accountability for actions being disregarded and key governance requirements not being met. The main issues driving these observations include lapses in the control environment (participation of the accounting authority in financial reporting and related

internal controls), a lack of control activities (risk evaluation) and monitoring (ongoing monitoring) by the leadership.

Key governance requirements

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

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.		■
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.		■
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.		■
Timeliness of financial statements and management information			
4.	The financial statements were submitted for auditing as per the legislated deadlines in section 55 of the PFMA.	■	
Availability of key officials during audit			
5.	Key officials were available throughout the audit process.		■
Development of and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	<ul style="list-style-type: none"> The public entity had an audit committee in operation throughout the period. 	■	
	<ul style="list-style-type: none"> The audit committee operates in accordance with approved, written terms of reference. 	■	
	<ul style="list-style-type: none"> The audit committee substantially fulfilled its responsibilities for the period, as set out in section 77 of the PFMA and Treasury Regulation 27.1.8. 	■	
7.	Internal audit		
	<ul style="list-style-type: none"> The public entity had an internal audit function in operation throughout the period. 	■	
	<ul style="list-style-type: none"> The internal audit function operates in terms of an approved internal audit plan. 	■	
	<ul style="list-style-type: none"> The internal audit function substantially fulfilled its responsibilities for the period, as set out in Treasury Regulation 27.2. 	■	

No.	Matter	Y	N
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.		■
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.		■
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	■	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used as set out in Treasury Regulation 27.2.		■
12.	Powers and duties have been assigned, as set out in section 56 of the PFMA.	■	
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.		■
14.	SCOPA resolutions have been substantially implemented.		■
Issues relating to the reporting of performance information			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.		■
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.		■
17.	A strategic plan was prepared and approved for the period under review for purposes of monitoring the performance in relation to the budget and delivery by the Western Cape Youth Commission against its mandate, predetermined objectives, outputs, indicators and targets in terms of Treasury Regulation 30.1.		■
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	■	

19. There were lapses in key governance responsibilities, as indicated in the table above. Furthermore, the closure of the entity before the start of the audit and the suspension of key senior officials affected information flow and availability of officials, despite a contingency plan being in place. These governance deficiencies are indicative of a situation where there is a breakdown in the control environment (non-participation of the accounting authority in financial reporting and related internal controls), a lack of control activities (operational controls), monitoring (ongoing monitoring) by the relevant leadership and a lack of compliance with defined control activities.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

21. 20. I have reviewed the performance information.

The accounting authority's responsibility for the performance information

22. The accounting authority has additional responsibilities as required by section 55(2)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the public entity.

The Auditor-General's responsibility

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

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

25. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the findings reported below

Findings on performance information

Non-compliance with regulatory requirements

Lack of effective, efficient and transparent systems and internal controls regarding performance management

26. The accounting authority did not ensure that the Western Cape Provincial Youth Commission has and maintains an effective, efficient and transparent system and internal controls regarding performance management, which describe and represent how the entity's processes of performance planning, monitoring, measurement, review and reporting will be conducted, organised and managed, as required in terms of section 51(1)(a)(i) of the PFMA.

Usefulness and reliability of reported performance information

27. The following criteria were used to assess the usefulness and reliability of the information on the entity's performance with respect to the objectives in its annual performance plan:

- Consistency: Has the entity reported on its performance with regard to its objectives, indicators and targets in its approved annual performance plan?
- Relevance: Is the performance information as reflected in the indicators and targets clearly linked to the predetermined objectives and mandate? Is this specific and measurable, and is the time period or deadline for delivery specified?
- Reliability: Can the reported performance information be traced back to the source data or documentation and is the reported performance information accurate and complete in relation to the source data or documentation?

The following findings relate to the above criteria:

Reported performance information not relevant

28. With regard to the programme titled, Human Resource Management:

- none of the targets were well defined or specific in clearly identifying the nature and required level of performance and examples include the following:
 - performance management
 - up to date databases
 - budget monitoring
- six of the 13 targets selected for review were not measurable in identifying the required performance, for example:
 - databases maintained
 - budget report
 - legislative and policy compliance
- none of the targets selected for review were time bound in specifying the time period or deadline for delivery as timelines were neither established nor documented in the annual performance plan.

APPRECIATION

29. The assistance rendered by the staff of the Western Cape Provincial Youth Commission during the audit is sincerely appreciated.

Auditor-General

Cape Town
19 October 2009



A U D I T O R - G E N E R A L
S O U T H A F R I C A

Auditing to build public confidence

WESTERN CAPE PROVINCIAL YOUTH COMMISSION

AUDITED ANNUAL FINANCIAL STATEMENTS

for the year ended 31 MARCH 2010

(01 April 2009 - 31 May 2009)

WESTERN CAPE PROVINCIAL YOUTH COMMISSION

**AUDITED ANNUAL FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2009**

CONTENTS	Page
Statement of financial position	170
Statement of financial performance	171
Statement of changes in net assets	172
Cash flow statement	173
Notes to the financial statements	174 - 187

The financial statements, set out on pages 170 to 187, are hereby approved by the Commission.

.....
Deputy Chairperson (Acting Chairperson)

.....
Date

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2009**

	Notes	31 May 2009 R	31 March 2009 R
ASSETS			
Non-current assets			
Plant and equipment	2	257,422	279,126
Current assets			
		314,974	66,566
Receivables	3	2,067	49,885
Cash and cash equivalents	4	294,880	1,867
Inventory	13	18,028	14,814
Total assets		572,396	345,792
NET ASSETS AND LIABILITIES			
Net assets			
Accumulated Surplus/(Deficit)		62,270	(905,575)
Non-Current Liabilities			
Finance lease liability	5	2,538	0
Current liabilities			
		507,728	1,251,367
Current portion of lease liability	5	10,195	15,309
Trade and other payables	6	437,533	1,201,058
Provisions	7	60,000	35,000
Total net assets and liabilities		572,396	345,792

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE PERIOD ENDED 31 MAY 2009**

	Notes	31 May 2009 R	31 March 2009 R
Revenue			
Government Grants	8	2,125,000	10,400,000
Interest		16,164	85,951
Total revenue		<u>2,141,164</u>	<u>10,485,951</u>
Expenditure			
		1,173,120	11,784,301
Other operating expenses	9	389,340	6,575,329
Auditors' remuneration / Accounting fees	10.1	141,270	459,846
Depreciation and amortisation	10.3	21,705	156,582
Operating lease charge	10.4	7,846	47,087
Finance lease charge	10.2	5,460	18,682
Salaries & benefits	11	607,499	4,526,776
Surplus/(Deficit)		<u>968,045</u>	<u>(1,298,350)</u>

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE PERIOD ENDED 31 MAY 2009**

	Notes	31 May 2009 R	31 March 2009 R
NET ASSETS AND RESERVES			
At beginning of year		(905,575)	392,775
Surplus/(Deficit) for year		968,045	(1,298,350)
At end of year		<u>62,270</u>	<u>(905,575)</u>

**CASH FLOW STATEMENT
FOR THE YEAR PERIOD ENDED 31 MAY 2009**

	Notes	31 May 2009 R	31 March 2009 R
A. Cash flows from operating activities		300,368	(219,905)
Receipts		2,141,164	10,485,951
Government grants		2,125,000	10,400,000
Interest received		16,164	85,951
Payments		(1,835,336)	(10,687,173)
Employee costs		(607,499)	(4,526,776)
Suppliers	12.1	(1,227,836)	(6,160,397)
Net cash outflow from operating activities	12	305,828	(201,223)
Finance costs paid		(5,460)	(18,682)
B. Cash flows from investing activities		0	(141,815)
Purchase of property, plant and equipment	2	0	(141,815)
C. Cash flows from financing activities		(7,657)	(36,299)
Proceeds from non-current liabilities raised		2,538	0
Payment of the capital element of finance lease liabilities		(10,195)	(36,299)
Net decrease in cash and cash equivalents (A+B+C)		292,711	(398,019)
Cash and cash equivalents at beginning of year		1,867	399,986
Cash and cash equivalents at end of year		294,880	1,867

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2009

1. Basis of preparation

1.1 Going Concern

The Commission shall cease operating with effect from 01 June 2009.

The Commission has no alternative but to do so because the Western Cape Provincial Youth, Act (2004) has been repealed by the Western Cape Provincial Youth Commission Act Repeal Bill (B5 - 2009), gazette 6619, dated Tuesday, 7 April 2009. The development of youth in the province has now been consolidated under the new National Youth Development Agency Act, 2008. Although the entity is ceasing to operate the financial statements have not been disclosed on a liquidation basis as the assets and liabilities on dissolution will be incorporated into the Department of the Premier.

The financial statements have been prepared in accordance with the South African Statements of Generally Accepted Accounting Practices (GAAP) including any interpretations of such Statements issued by the Accounting Practices Board, with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board replacing the equivalent GAAP Statement as follows:

Statement of GAAP replaced by Standards of GRAP

a) New Standards of GRAP:

GRAP 1	Presentation of financial statements
GRAP 2	Cash flow statements
GRAP 3	Accounting policies, changes in accountin estimates and errors
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associates
GRAP 8	Investments in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economics
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 100	Non-current Assets Held for Sale and Discontinued Operations
GRAP 101	Agriculture
GRAP 102	Intangible Assets

b) Cash flow statement

The cash flow statement can only be prepared in accordance with the direct method.

c) Specific information such as:

Receivables and payables from non-exchange transactions, including taxes and transfers, is presented separately on the statement of financial position.

d) Cash and cash equivalents

The amount and nature of any restrictions on cash balances is required to be disclosed.

e) Actual versus budget comparison has been prepared

Paragraphs 11 – 15 of GRAP 1 have not been implemented as the budget reporting standard is in the process of being developed by the international and national standard setters. Although the inclusion of budget information would enhance the usefulness of the financial statements, non-disclosure will not affect fair presentation.

f) Assets received by the Commission

Paragraph 22 of GRAP 17 has been applied in dealing with assets received by the Commission at no or nominal cost (donated or gifted) from private parties, as no similar guidance exists in the Statements of GAAP. Assets received at no or nominal cost are initially recognised at fair value. This initial recognition at fair value does not constitute a revaluation. The fair value at initial recognition is regarded to be the cost price going forward. GRAP 17 has been issued, but is not yet effective.

g) Basis of preparation

The historical cost basis has been used in preparing the financial statements, except as indicated above. Assumptions have been used that affect reported assets, liabilities, revenues and expenses, as well as contingent liabilities and assets. These estimates are based on management's knowledge of current events and actions. Actual results may differ.

1.2 Revenue recognition

Revenue other than grants, donations, project revenue and agency activities

Revenue is recognised on the accrual basis.

Interest received

Interest received is recognised on the accrual basis.

1.3 Government grants received

Grants related to operations

Grant received from the Department of the Premier: Western Cape in respect of the operations of the Commission are accounted for as revenue in the year to which they apply.

Grants related to specific expenditures

Grants related to specific expenditures are treated as conditional grants and credited against the relevant expenditures that the grants were made for.

1.4 Accounting for leases – where the Commission is a lessee

1.4.1 Operating Leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of financial performance over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

1.4.2 Finance Leases

Assets held under finance lease agreements are capitalised. Such assets are depreciated over the period of the lease. Lease finance charges are allocated to accounting periods over the duration of the leases by the even spread method at simple interest rate, which reflects the extent and cost of lease finance utilised in each accounting period.

Subsequent costs are included in the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Commission and the cost of the item can be measured reliably. These are depreciated over the remaining useful life of the asset. All other repairs and maintenance costs are charged to the statement of financial performance during the year in which they are incurred.

Depreciation on assets is calculated using the straight-line method to write off their cost to their residual values over their estimated useful lives, as follows:

Computer equipment	3 years
Computer software	2 years
Crockery and cutlery	1 year
Office furniture	6 years

1.6 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

1.7 Provisions

Provisions are recognised when the Commission has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying financial benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

1.8 Trade payables

Trade payables are carried at the fair value of the consideration to be paid in future for goods or services that has been received or supplied and invoiced or formally agreed with the supplier.

1.9 Financial Instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Commission becomes a party to the contractual provisions of the instrument.

Financial assets

The Commission's principal financial assets are bank balances and cash and other receivables.

Cash and cash equivalents

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

Financial liabilities and equity instruments

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities include trade and other payables, which are stated at cost.

1.10 Inventory

Inventory is measured at the lower of cost and net realisable value. When the net realisable value of inventory is less than its cost, inventory shall be written down to its net realisable value.

2. Property, Plant and Equipment

	Furniture & Fittings R	Computer Equipment R	Computer Software R	Office Equipment R	Cell phones R	TOTAL R
At the beginning of the year						
Cost	228,541	261,931	99,637	52,300	71,700	714,109
Accumulated Depreciation	(98,922)	(149,358)	(96,887)	(33,424)	(56,392)	(434,983)
Carrying Value at 01/04/09	129,619	112,573	2,750	18,876	15,308	279,126
Additions	0	0	0	0	0	0
Depreciation	(6,124)	(8,632)	(475)	(1,360)	(5,114)	(21,705)
At the end of the year						
Cost	228,541	261,931	99,637	52,300	71,700	714,109
Accumulated Depreciation	(105,046)	(157,990)	(97,363)	(34,784)	(61,505)	(456,688)
Carrying Value at 31/05/09	123,495	103,941	2,274	17,516	10,195	257,422

31 May 2009 31 March 2009

R R

3. Receivables

Sundry Debtors

2,067 49,885

4. Cash and cash equivalents

Cheque A/c at Absa - 4066708799
& 4967199385

294,791 1,867

Petty Cash

89 0
294,880 1,867

The above balance of R294,880 as at end of May 2009 has been paid into the bank account of the Department of the Premier.

	31 May 2009	31 March 2009
	R	R

Finance lease - 14 Cellular Phones

Finance lease obligation

10,195	15,309
--------	--------

The finance lease is in respect of cellular phones. The lease period is 2 years non-cancelable 14 contracts. These contracts commenced on the following dates: 3 on 11 February 2007, 10 on 25 September 2007 and on 01 January 2008. The liability bears interest at 27% per annum

Total lease obligation
Less: Short-term portion
Long-term lease obligation

10,195	15,309
(10,195)	(15,309)
0	0

Repayment of finance lease	Not later than 1 year	Total
Future minimum payments	16,287	26,515
Finance Costs	(6,092)	(11,206)
Net Present Value	10,195	15,309

6. Trade and other payables

Trade and other payables amount is made up of accruals still to be paid to the suppliers. Included in the amount is leave pay accrual as follows:

Trade and other payables
Leave pay accruals
Total

284,492	1,063,078
153,041	137,979
437,533	1,201,057

Financial risk factors

The activities of the Western Cape Youth Commission are expose to a variety of financial risks: credit risk, liquidity and interest risk.

a) Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure credit risk at the end of the financial year was

The ageing of trade payables at the end of the financial year was:

Current	110,821	-
30 Days	26,568	648,045
60 Days	2,000	64,012
60 Days plus	145,103	489,000
	<u>284,492</u>	<u>1,201,057</u>

b) Currency risk

There were no open forward exchanges contracts at year-end. The Commission had no exposure to foreign currency risk at the reporting date.

c) Liquidity risk

Liquidity risk is the risk that an institution cannot meet or generate sufficient cash resources to meet its payment obligations in full as they fall due. The liquidity risk is high as a result of excessive commitments made by the Commission.

The carrying amounts of financial liabilities at year end was:

Trade and other payables	284,492	1,063,078
Leave provision	153,041	137,979
	<u>437,533</u>	<u>1,201,057</u>

31 May 2009 31 March 2009
R R

The above trade and other payables amount will be paid as follow by the Department of the Premier.

Within three months 284,492 1,201,057

7. Provision

Telkom account provision

Opening balance

Movement

At end of year

35,000 0
25,000 35,000
60,000 35,000

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MAY 2009**

	31 May 2009	31 March 2009
	R	R
8 Monetary government grants received		
Operating	2,125,000	9,000,000
Conditional	0	1,400,000
	<u>2,125,000</u>	<u>10,400,000</u>
9 Operating expenses	389,340	6,575,329
Advertising	0	75,710
Bank charges	2,649	11,471
Catering	19,891	1,259,235
Communication	75,746	584,336
Consultants, contractors and special services	74,838	466,696
Conference expenses	0	12,500
Courier and postage	2,075	15,214
Design development	0	16,386
Entertainment	0	0
General expenses	43,213	51,478
Legal Fees	0	18,900
Logistics	480	500
Printing and stationery	1,922	806,912
Repairs and maintenance	0	399
Services Rendered	4,330	0
Subscriptions	0	14,521
Training	15,667	119,412
Transport costs	100,110	1,747,213
Travel and subsistence	48,419	963,266
Venues and facilities	0	411,180

9.1 Related party transactions

The Western Cape Youth Commission is a state controlled entity. The following are related parties of the Western Cape Youth Commission:

Department of the Premier of the Western Cape

The following related party transactions occurred during the year under review:

(a) Department of the Premier of the Western Cape

- operational grant (unconditional)	<u>2,125,000</u>	<u>9,000,000</u>
- conditional grant	<u>0</u>	<u>1,400,000</u>
- National Youth Event	0	2,701,752
	<u>0</u>	<u>(1,400,000)</u>
	<u>0</u>	<u>1,301,752</u>

	31 May 2009 R	31 March 2009 R
9.1.1 Material transactions from Western Cape Provincial Government		
(b) Department of Agriculture	<u>0</u>	<u>211,132</u>
(c) Department of Labour	<u>0</u>	<u>58,250</u>
9.1.2 Material transactions from the National Youth Commission		
(a) Conditional grant	<u>0</u>	<u>530,320</u>
10 Surplus from operations		
Surplus from operations is stated after taking into account the following items:		
10.1 Auditors' remuneration / Accounting fees	141,270	459,846
Audit fees	57,348	391,865
Accounting fees	83,922	67,981
10.2 Finance Costs	5,460	18,682
Finance lease interest	5,460	18,682
	21,705	156,582
10.3 Depreciation	21,705	156,582
10.4 Operating lease rentals	7,846	47,087
10.4.1 Photocopy machine	7,846	47,087

The future aggregate minimum lease payments under non-cancelable operating leases are as follows:

Operating lease commitments: Photocopy machine	82,383	90,249
Not later than 1 year	47,087	47,087
Later than 1 year and not later than 5 years	35,296	43,162

10.4.2 Lease of office Space

The operating lease in respect of the office space occupied by the Western Cape Youth Commission is not presented in the financial statements, as the Department of Transport and Public Works pays the rental on behalf of the Commission.

	31 May 2009	31 March 2009
	R	R
11 Salaries and benefits	607,499	4,526,776
Basic salary and wages	411,887	3,026,629
Bonus	14,665	64,164
Home owners allowance	6,000	33,000
Other non-pensionable allowances	11,703	90,087
Pension fund contributions	12,521	73,197
Medical aid contributions	14,316	80,821
Provisions for staff costs	-	(63,929)
Salary related expenses	121,446	1,222,807
Increase in leave pay accrual	14,961	-

The following remuneration packages are included in the salaries and benefits as stated above:

Remuneration of the Chairperson	91,532	549,184
Basic, including bonus	65,402	392,407
Allowances	26,130	156,777

The Chairperson was suspended on 03 December 2008 with full pay. The settlement agreement entered into between the Chairperson and the Commission on 14 April 2009. The Commission paid him a three months' salary for the period 01 March 2009 to 31 May 2009 in full and final settlement without further recourse and recovered the amount of R15 939,24 owed by him to the Commission.

Remuneration of the Chief Executive Officer	80,717	484,299
Basis plus bonus	56,102	336,609
Allowance	24,615	147,690

The CEO was suspended on 19 March 2009 with full pay. In terms of the settlement agreement entered into between the CEO and the Commission on 14 April 2009, the Commission paid him a three months' salary for the period 01 March 2009 to 31 May 2009 and recovered by deduction from his final salary the amount of R15 939,24 in full and final settlement of the entire dispute.

Remuneration of the Chief Financial Officer	33,389	200,335
Basic plus bonus	28,663	171,978
Allowance	1,000	6,000
Employer's contribution to UIF, Medical, Union & Pension Fund	3,726	22,357

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MAY 2009

	31 May 2009	31 March 2009
	R	R
12 Cash flows from operating activities		
Reconciliation of net cash flows from activities to surplus		
Surplus/(Deficit)	968,045	(1,298,350)
Non-cash movements		
Depreciation for the year	21,705	156,582
Movements in current assets and liabilities		
Decrease in trade and other payables	-763,525	957,528
Decrease/ Increase in provisions	25,000	35,000
Decrease in receivables	47,818	-49,779
Increase in inventory	-3,214	-2,204
Net cash flows from operating activities	<u>305,828</u>	<u>(201,223)</u>
12.1 Reconciliation of payments to suppliers		
Total expenditure per income statement excluding salaries	-555,620	-7,257,525
Depreciation	21,705	156,582
Movement in current assets and liabilities		
- Decrease in creditors	-763,525	957,528
- Increase in provisions	25,000	35,000
- Decrease in receivables	47,818	(49,779)
- Increase in inventory	-3,214	(2,204)
Payments to suppliers	<u>(1,227,836)</u>	<u>(6,160,397)</u>
13 Inventory		
The inventory includes items of stationery and computer consumables.	<u>18,028</u>	<u>14,814</u>

14 Taxation

The Commission is exempt from income taxation in terms of S10(1)(CA)(l) of the Income Tax Act, 1962. The Commission is exempt from VAT in terms of S8(2) Proviso (IV) of the Vat Act, 1991.

	31 May 2009 R	31 March 2009 R
15 Fruitless and wasteful expenditure		
Reconciliation of fruitless and wasteful expenditure		
Opening balance	251,554	0
Fruitless and wasteful expenditure – current year	29,533	251,554
Fruitless and wasteful expenditure condoned	0	0
Transfer to receivables for recovery	0	0
Fruitless and wasteful expenditure awaiting condonement	0	0
	<u>281,087</u>	<u>251,554</u>

Analysis of Current Fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings
Excessive use of telephone amounting to R28,482	The incidents have been reported to the Acting Director General.
Exceeded limits for Cell Phones amounting to R2,063	

16 Irregular Expenditure

Reconciliation of irregular expenditure

Opening balance	4,271,299	491,910
Irregular expenditure - current year	308,400	3,827,207
Irregular expenditure condoned	0	0
Transfer to receivables for recovery	0	-47,818
Irregular expenditure awaiting condonement	<u>4,579,699</u>	<u>4,271,299</u>

Analysis of Current irregular expenditure

Incident	Disciplinary steps taken/criminal proceedings
Opening balance is the irregular expenditure from the previous year.	Reported to the Acting Director General for further investigation
Irregular expenditure for the current year is due to deviations from Treasury Regulations 16A.6 and the Supply Chain Management	Reported to the Acting Director General for further investigation

17 Contingent liability

An official from the Department of the Premier procured goods and services amounting to R117, 123.00 without prior approval from the Youth Commission and the matter was reported to the Department. This resulted in a litigation against the Youth Commission and the matter is still pending.

ISBN:
FIRST PRINT
EERSTE DRUK

978-0-621-39354-5

PR 136/2010