

**Western Cape Government
Provincial Treasury**

**Annual Report
2011/12**

Western Cape Provincial Treasury
Office of the Chief Financial Officer
Private Bag X9165
4 Dorp Street
CAPE TOWN
8000
tel: +27 21 483 8218 **fax:** +27 21 483 4558
www.westerncape.gov.za

Afrikaans and isiXhosa versions of this publication are available on request.
Email: Theophilus.Mahlaba@westerncape.gov.za

PR 284/2012
ISBN 978-0-621-41315-1

PROVINCIAL TREASURY

Annual Report

2011/12

Mr A Winde

Minister of Finance, Economic Development and Tourism

I have the honour of submitting the Annual Report of the Provincial Treasury for the period
1 April 2011 to 31 March 2012.



.....
DR JC STEGMANN
ACCOUNTING OFFICER
DATE: 31 August 2012

CONTENTS

PART ONE: GENERAL INFORMATION	1
1.1 Vision, Mission and Values	1
1.2 Organisational Structure	2
1.3 Legislative Mandate	3
1.4 Minister's/MEC's Statement	6
1.5 Entities Reporting to the Minister.....	7
1.6 Accounting Officer's Overview	8
PART TWO: INFORMATION ON PREDETERMINED OBJECTIVES	11
2.1 Overall Performance	11
2.1.1 Voted Funds	11
2.1.2 Aim of vote.....	11
2.1.3 Strategic Outcome Oriented Goals.....	11
2.1.4 Overview of the service delivery environment for 2011/12	12
2.1.5 Overview of the organisational environment for 2011/12.....	13
2.1.6 Key policy developments and legislative changes	14
2.1.7 Departmental revenue, expenditure, and other specific topics	16
2.1.8 Departmental expenditure	17
2.1.9 Transfer payments	18
2.1.10 Public Entities	18
2.1.11 Conditional grants and earmarked funds.....	18
2.1.12 Capital investment, maintenance and asset management plan.....	19
2.1.13 Maintenance	19
2.2 Programme Performance	19
Programme 1: Administration.....	19
Programme 2: Sustainable Resource Management.....	24
Programme 3: Assets and Liabilities Management	31
Programme 4: Financial Governance	39

PART THREE: ANNUAL FINANCIAL STATEMENTS	45
Report of the Audit Committee	47
Report of the Accounting Officer	50
Report of the Auditor-General	59
Appropriation Statement	63
Notes to the Appropriation Statement	68
Statement of Financial Performance	70
Statement of Financial Position	71
Cash Flow Statement	72
Accounting Policies	73
Notes to the Annual Financial Statements	80
Disclosure notes to the Annual Financial Statements	90
Annexures to the Annual Financial Statements	100
PART FOUR: HUMAN RESOURCE MANAGEMENT	105
4.1 Service Delivery.....	105
4.2 Expenditure	112
4.3 Employment and vacancies.....	114
4.4 Job Evaluation	116
4.5 Employment Changes	117
4.6 Employment Equity.....	122
4.7 Signing of Performance Agreements by SMS Members.....	127
4.8 Filling of SMS Posts.....	127
4.9 Performance Rewards	129
4.10 Foreign Workers.....	131
4.11 Leave utilisation for the period 1 January 2011 to 31 December 2011.....	132
4.12 HIV and AIDS & Health Promotion Programmes.....	134
4.13 Labour Relations	138
4.14 Skills Development.....	139
4.15 Injury on Duty.....	140
4.16 Utilisation of Consultants	141
PART FIVE: OTHER INFORMATION	145
Acronyms	145
List of contact details	148

PART ONE: GENERAL INFORMATION

1.1 Vision, Mission and Values

Vision

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

Mission

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

Values

- The Provincial Treasury cherishes the following values:
- To give effect to the public service code of conduct.
- To be of service, to empower people.
- To be an employment equity employer.
- To be aware of, and to cultivate respect for our country's heterogeneity.
- To benefit all the people of the Western Cape.

1.2 Organisational Structure



Ministry: Finance, Economic Development and Tourism
 Minister: Mr Alan Winde
 Tel:021 483 3531
 Fax:021 483 3891
 Alan.Winde@pgwc.gov.za

Ministry: Finance, Economic Development and Tourism
 Office Manager:
 Ms T Evans
 Tel:021 483 3531
 Fax:021 483 3891

Provincial Treasury
 Head of Department
 Dr JC Stegmann
 Tel:021 483 4709
 Fax:021 483 3855
 Johan.Stegmann@pgwc.gov.za

Fiscal and Economic Services
 Head: Mr H Malilla
 Tel:021 483 6673
 Fax:021 483 4337
 Harry.Malilla@pgwc.gov.za

Governance and Asset Management
 Head:
 Vacant

Strategic and Operational Management Support
 Senior Manager:
 Ms A Smit
 Tel:021 483 3037
 Fax:021 483 3855
 Annamarie.Smit@pgwc.gov.za

Financial Management
 Chief Financial Officer
 Mr A Gildenhuys
 Tel:021 483 4623
 Fax:021 483 4558
 Andre.Gildenhuys@pgwc.gov.za

Public Policy Services
 Head:
 Mr A Phillips
 Tel:021 483 4022
 Fax:021 483 6601
 Anthony.Phillips@pgwc.gov.za

Fiscal Policy
 Senior Manager:
 Ms C Horton
 Tel:021 483 6031
 Fax:021 483 6601
 Claire.Horton@pgwc.gov.za

Provincial Government Budget Office
 Senior Manager:
 Ms M Sheraton-Korsten
 Tel:021 483 9951
 Fax:021 483 6601
 Marcia.Sheraton@pgwc.gov.za

Local Government Budget Office
 Senior Manager:
 Mr M Booysen
 Tel:021 483 3386
 Fax:021 483 4680
 MalcolmLeon.Booyesen@pgwc.gov.za

Local Government Public Finance
 Head: Mr T Arendse
 Tel:021 483 6277
 Fax:021 483 6601
 Terence.Arendse@pgwc.gov.za

Local Government Revenue and Expenditure Group 1
 Senior Manager:
 Mr F Sabbal
 Tel:021 483 4834
 Fax:021 483 4411
 Frans.Iabbal@pgwc.gov.za

Local Government Revenue and Expenditure Group 2
 Senior Manager:
 Mr M Sigabi
 Tel:021 483 4101
 Fax:021 483 4411
 Msimeliso.Sigabi@pgwc.gov.za

Provincial Government Public Finance
 Head:
 Vacant

Provincial Government Finance (Expenditure Management)
 Senior Manager:
 Ms A Plick
 Tel:021 483 4501
 Fax:021 483 4337
 Anelise.Plick@pgwc.gov.za

Infrastructure
 Senior Manager:
 Mr NB Langenhoven
 Tel:021 483 5615
 Fax: 021 483 5006
 Klaas.Langenhoven@pgwc.gov.za

Business Information and Data Management
 Senior Manager:
 Vacant

Asset Management
 Head:
 Vacant

Provincial Government Supply Chain Management
 Senior Manager:
 Ms N Ebrahim
 Tel:021 483 4748
 Fax:021 483 4671
 Nadia.Ebrahim@pgwc.gov.za

Local Government Supply Chain Management
 Senior Manager:
 Vacant

Supporting and Interlinked Financial Systems
 Senior Manager:
 Mr A Bastlaanse
 Tel:021 483 5670
 Fax:021 483 3163
 Andre.Bastlaanse@pgwc.gov.za

Financial Governance and Accounting
 Head:
 Mr A Hardien
 Tel:021 483 4550
 Fax:021 483 3707
 Aziz.Hardien@pgwc.gov.za

Local Government Accounting
 Senior Manager:
 Ms L Nxazono
 Tel:021 483 6648
 Fax:021 483 3707
 Lusanda.Nxazono@pgwc.gov.za

Provincial Government Accounting
 Senior Manager:
 Mr A Reddy
 Tel:021 483 5001
 Fax:021 483 6430
 Athienarian.Reddy@pgwc.gov.za

Financial Governance
 Senior Manager:
 Mr B Vink
 Tel:021 483 6646
 Fax:021 483 3707
 Bazil.Vink@pgwc.gov.za

ADMINISTRATION

FISCAL AND ECONOMIC SERVICES

GOVERNANCE AND ASSET MANAGEMENT

1.3 Legislative Mandate

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

Annual Division of Revenue Act

To provide for the equitable division of revenue raised nationally, inclusive of conditional grants, amongst the three spheres of government and matters incidental thereto.

Basic Conditions of Employment Act, 1997 (Act 75 of 1997)

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

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

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

Employment Equity Act, 1998 (Act 55 of 1998)

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

Executives' Members Ethics Act (Act 82 of 1998)

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

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

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

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

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

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

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

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

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

Labour Relations Act, 1995 (Act 66 of 1995)

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

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

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

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

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

Public Audit Act, 2004 (Act 25 of 2004)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Skills Development Act, 1998 (Act 97 of 1998)

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

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

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

Taxation Laws Amendment Act (Act 32 of 1999)

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

Western Cape Adjustments Appropriation Act, 2011 (Act 7 of 2011)

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

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

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

Western Cape Gambling and Racing Act, 1996 (Act 4 of 1996)

To provide regulatory prescripts to support the responsible Minister in ensuring sound financial administration and management and matters incidental thereto by the Western Cape Gambling and Racing Board.

Western Cape Law on the Powers and Privileges of the Provincial Legislature Amendment Act, 1998 (Law 3 of 1998)

To provide the Treasury with regulatory prescripts in assisting the Provincial Legislature when necessary in meeting their financial responsibilities as set out in legislation.

1.4 Minister's/MEC's Statement

Mr Alan Winde is the Minister of Finance, Economic Development and Tourism and assumed this position on the 8th of May 2009.

1.5 Entities Reporting to the Minister

In the year under review, the following entities reported to the Minister of Finance, Economic Development and Tourism:

Name of entity	Legislation	Nature of Business
Western Cape Gambling and Racing Board	Western Cape Gambling and Racing Act, 1996 (Act 4 of 1996)	To control and regulate gambling and racing within the Province of the Western Cape.
Western Cape Investment and Trade Promotion Agency, trading as Wesgro	Western Cape Investment and Trade Promotion Agency Act, 1996 (Act 3 of 1996)	Wesgro is responsible for attracting investment, growing the export capability among Western Cape based firms and marketing the Western Cape as a business destination of choice.
Cape Town Routes Unlimited	Western Cape Tourism Act, 2004 (Act 1 of 2004)	CTRU's primary mandate is to promote the region as a leading leisure and business tourism destination domestically and internationally.
Western Cape Liquor Board	National Liquor Act, 2003 (Act 59 of 2003)	The Liquor Board is primarily responsible for the regulation of the Western Cape liquor industry with an emphasis on wholesale and retail outlets. Further responsibilities assigned to the board are the promotion of responsible alcohol use as well as ensuring the sustainability of the industry while addressing the negative aspects of the liquor industry.

During the 2011/12 reporting period, the following Bills under Minister Winde's jurisdiction were submitted for the consideration of the Provincial Parliament:

Name of Bill	Passed into law
The Western Cape Adjustments Appropriation Bill, 2011 [Bill 7 of 2011]	Assented to by Premier Zille on 12/12/2011
Western Cape Unauthorised Expenditure Bill, 2012 [Bill 2 of 2012]	Assented to by Premier Zille on 30/03/2012
Western Cape Appropriation Bill, 2012 [Bill 3 of 2012]	Assented to by Premier Zille on 02/05/2012
Western Cape Additional Adjustments Appropriation Bill [Bill 4 of 2012]	Assented to by Premier Zille on 20/03/2012

Minister Winde undertook the following official visits to further his responsibilities under his co-joined economic portfolio:

Place	Date	Purpose
Luanda, Angola	25 – 28 September 2011	To lead a National trade delegation and to showcase Cape Town and the Western Cape as an investment and trade promotion destination of choice and gateway for trade into Africa.
Singapore	16 – 21 October 2011	To undertake meetings to further the following key objectives: Tourism, Arts and Commercial Entertainment; Oil and Gas; Air Access; Best practice lessons in terms of Economic Development Agencies; Trade and investment promotion.
Windhoek, Namibia	24 – 25 January 2012	To undertake a study tour around High Streets and other economic zones where liquor is sold with a view to implementing similar projects in the Western Cape to support our goal of reducing liquor abuse.

1.6 Accounting Officer's Overview

No financial year passes without its fair share of white water and smoother times. From a resource perspective, 2011/12 was a fairly comfortable year, compared to the two which came before it. However, a tightening of the fiscal environment in the latter part of the year saw the ushering in of a more strained medium term fiscal framework for the years ahead. This will require of us to find more innovative and even better methods of managing the finances of the Province and its municipalities. In line with this, we have revised our approach to the Province's budgeting process by encouraging the closer integration of the adjusted and main estimates, and of the principles impacting on both. We will adopt this new approach in the year ahead.

From a resource utilisation perspective, departments in the Province performed well, spending a combined approximate of 99.6 per cent of their adjusted budgets by year-end, with Treasury itself ending up at 99.4 per cent. These numbers are both indicative of improved spending plans and efforts, as well as a tighter fiscal framework that was imposed during the course of the year.

On the provincial side, we focused our attention on the concerns raised in the previous annual report, resulting in a completely revised and risk-based approach to supply chain matters that were built on best practice models found in a number of departments. This culminated in the issuing of a new regimen for supply chain practices, which were finalised by the Provincial Minister for Finance on 1 April 2012. At the same time, a new contractual arrangement with a current supplier includes the sophistication and implementation of an online procurement system that enhances our ability to perform checks and balances with much greater efficiency for users and suppliers alike. Both of these initiatives are to be rolled

out over the next 12 to 15 months in close liaison with departments, testing for the desired application of the new regimen as its being rolled out.

In addition, further engagements with National Treasury have been pursued to, on the one hand, refine the entire regulatory regime, and on the other, enhance the transversal financial systems. Associated with this, the Provincial Treasury also obtained the necessary approval to strengthen its own supply chain and municipal accounting line function capacity, enabling it to offer departments and municipalities a much improved support service in both these areas as suitable individuals are gradually recruited and as they grow in competence over time. More details are provided on this matter under the Organisational Environment section in Part Two.

To further assist municipalities, a partnership has been entered into with the Business School of the University of Stellenbosch (US B.Ed.) to develop bespoke training for those officials who are responsible for financial management. Early development work has been concluded and a formal launch will take place in the new year after due testing has been completed. This initiative will complement a range of other activities that have already been put in place, and will be refined in the course of the year, to strengthen our budgeting, accounting, supply chain and risk management capacity, amongst others. Most of these activities will be reviewed in the new financial year to ensure that we are achieving maximum efficiency gains.

Another aspect of capacity building was also strengthened when transfers of R3.45 million to selected non-metro municipalities were made by means of transfer payments in the first three months of 2012 to assist 15 municipalities to address identified capacity areas.

With reference to the Provincial Treasury, it is gratifying to report that we achieved an unqualified audit report with no other matters. This is an improvement on the 2010/11 audit outcome, in which we achieved an unqualified report with other matters, and is reflective of the hard work done by the Chief Financial Officer and his team. It is critical that we adopt a progressive approach to governance in order to maintain this marvelous result into the future.

I'm indebted to my management team and their staff who collectively burnt a lot of midnight oil in their endeavour to achieve the best possible outcomes in the somewhat turbulent, and ever changing, seas in which we find ourselves. My sincerest appreciation goes to a great team and to Minister Winde for his wise counsel and unwavering support.



.....
JC STEGMANN
ACCOUNTING OFFICER
DATE: 31 August 2012

PART TWO: INFORMATION ON PREDETERMINED OBJECTIVES

2.1 Overall Performance

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

2.1.1 Voted Funds

Main Appropriation R'000	Adjusted Appropriation R'000	Actual Amount Spent R'000	Under Expenditure R'000
144 976	143 420	142 619	801
Responsible Minister	Minister of Finance, Economic Development and Tourism		
Administering Department	Provincial Treasury		
Accounting Officer	Head Official Provincial Treasury and Head of Department		

2.1.2 Aim of vote

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

2.1.3 Strategic Outcome Oriented Goals

Programme 1

Assist the member of the Executive Council and the Head of Department with the delivery of the assigned functions to them.

Effective financial management of the department up to a level 3+ financial capability rating.

Programme 2

Revenue adequacy, optimisation and efficiency of revenue collection for departments and municipalities to achieve a level 3+ financial capability rating.

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

Responsive budgets for all provincial departments, municipalities and entities to achieve a level 3+ financial capability rating.

Credible budgets within departments, municipalities and entities to achieve a level 3+ financial capability rating.

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

Programme 3

Enhance departmental and municipal capacity and performance to achieve a level 3+ financial capability rating for SCM and moveable asset management.

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

Programme 4

Ensure the development of accounting practices within provincial and local government that will promote effective and efficient capturing of REAL movements/accountability and contribute towards attaining level 3 and higher auditable organisations.

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

2.1.4 Overview of the service delivery environment for 2011/12

In line with the PFMA, the Provincial Treasury has a multitude of cross cutting functions which impact on all provincial departments and entities. These include the compilation of provincial budgets and continuous monitoring of them in order to achieve both fiscal discipline and value for money spending. Similar responsibilities are entrusted to the Provincial Treasury via the MFMA regarding municipalities, but with relatively less authoritative or direct powers. The Provincial Treasury also serves as the nodal point between the Province and the National Treasury, implying that it cannot exercise its functions and powers in isolation of those vested at National level. It is also expected to maintain the delicate balance between all the different role players to ensure that optimum gains are achieved, not only for the Western Cape, but also to enhance the support and cooperative governance between the three different spheres of government.

The main key service delivery achievements for 2011/12 were:

- Strengthening of an improvement in the credibility of cash flow management arrangements to enhance the liquidity of departments and municipalities.
- Successful and uncontested renewal of the provincial bank tender to provide banking and associated services to the departments for the next five years.
- The Provincial Economic Review and Outlook 2011 (PERO) and the Medium Term Budget Statement 2012 - 2015 (MTBPS) were both tabled. These provided the basis for more responsive budgets that were more closely aligned to the 12 PSOs.

- Arising from better budget planning, economic analysis and budget policy formulation, progress was made with the development of more responsive departmental, municipal and entity budgets, contributing to improve socio-economic and service delivery within the Province.
- Concerted efforts by the Provincial Treasury, inclusive of more rigorous requirements based on actual best practice examples in departments, were put in place to assist departments, entities and municipalities in the effective and efficient management of supply chain and moveable assets from demand to disposal. Virtuous cycle assessments, covering the whole supply management cycle inclusive of corrective actions were identified for implementation in both departments and municipalities to improve efficiency in their logistical and administrative environments.
- In respect of the financial systems (BAS, PERSAL and LOGIS), a range of national enhancements were successfully implemented. In addition, a substantive category of users received targeted training to complement their user profiles and steps were taken to improve user account management across departments. The current electronic purchasing system is being upgraded during the course of the next reporting period. The latter includes the development of a new data base of service providers which should lay the basis for improving the efficiency and effectiveness of SCM in the departments.
- The roll out of the latest Generally Recognised Accounting Practice (GRAP) standards within municipalities and its modified cash-based accounting policy counterpart for provincial departments, intended to improve the standards of accounting within the Province. Furthermore, initiatives to improve the integrity of financial data as well as the competency and staffing of the financial accounting sections within CFO offices have also been undertaken.
- The Provincial Treasury also monitored the general financial management effectiveness and processes in departments and municipalities and provided assistance and training where it was required.
- The department received a clean regularity audit from the Auditor General for the reporting period and intends not only to keep the same sound and effective administration in place, but also take more concerted efforts to continue receiving clean audit outcomes in future reporting years.

2.1.5 Overview of the organisational environment for 2011/12

The first complete redesign of the Provincial Treasury took effect in April 2003. This redesign took account of the manifold challenges faced by national and provincial governments and more particularly the demands underpinning the PFMA legislation as enacted in 2000. The approach followed was a studied and conservative one as many of the concepts and new approaches to governance and financial management were in their embryonic stages of development for a country such as South Africa. Therefore it was decided that the initial structure as implemented on 1 April 2003 would be an experiential one, to be improved as further knowledge was accumulated and testing under field conditions had taken place. Consequently, over the years a number of phased improvements have been made, apart from providing for the expected MFMA responsibilities, culminating in what has become known as reconfiguration phases 1 and 2. These commenced in mid-2007. At that time a

3rd phase was anticipated, subject to objective analysis unambiguously demonstrating where strengthening/expansion of the establishment might be necessary, provided reasonable consistency of work load spread and intensity has been achieved, but dependent on critical outcomes to be attained and resources that might be available.

Given further analysis, the latest five year strategic plan and modern corporate health management requirements, together with burgeoning MFMA work, the necessity to burrow deeper into PFMA requirements and extract real and sustainable improvement in financial management, the time was right in 2011 to once again explore the Provincial Treasury's structural positioning and so designing and implementing a more optimum structural and operational configuration. The organisational development process was completed, consulted with the relevant stakeholders and approved by the Minister of Finance, Economic Development and Tourism, in his capacity as the responsible Executive Authority in terms of the provisions of the Public Service, on 8 November 2011 for implementation from 1 December 2011 onwards.

The following are the main amendments that underpin the reconfiguration 3 process:

- Within the Branch Governance and Asset Management, the Directorate Moveable Asset Management has been reconfigured into two Directorates, one dealing solely with Provincial Government and the other with Local Government Supply Chain Management.
- To address the need for a centralised component to adequately manage and structure the current widely disparate and growing information databases, a Directorate Business Information and Data Management was established.
- A new directorate Strategic and Operational Management Support to optimise the rendering of strategic and operational management support service for the Department was also created. In this regards one Director's post and 5 additional posts were created.
- Minor adjustments were also made to strengthen the directorate Financial Management especially in the SCM unit where two assistant director posts were created while the registry function was shifted to the new Directorate Business Information and Data Management as alluded to above.

2.1.6 Key policy developments and legislative changes

Programme 1

Apart from a general strengthening in governance arrangements, no fundamental strategic developments for the reporting period can be directly related to Programme 1.

Programme 2

Revenue and cash management arrangements in the province and municipalities have been strengthened inclusive of expenditure and revenue management to improve the sustainability and credibility of provincial, municipal and entity budgets and enhancement of operational efficiency and delivery on annual plans.

Cabinet approval of the Provincial Economic Review and Outlook (PERO); the Western Cape Provincial Medium Term Budget Policy Statement (WCMTBPS); the Budget Overview and the Estimates of Provincial Estimates of Revenue and Expenditure (transversal and departmental

policy priorities and budget allocations) have been some of the major drivers of policy execution of the provincial government's expenditure and delivery plans. These policy expressions were derived in the main from structured engagements with provincial departments through the two Provincial Government Medium Term Committees (PG MTECs).

Likewise, engagements with Municipalities on their draft budgets (Local Government Medium Term Committee) and structured in-year visits to municipalities supported efforts to improve the alignment between priorities as taken up in the departmental strategic plans, the Provincial Strategic Objectives (PSOs) and Integrated Development Plans of municipalities, budget allocations, and implementation plans.

Further effort was expended on assisting departments and municipalities towards the development of sustainable and credible budgets with further monitoring of the end product as part of the established In-Year Management, Monitoring and Reporting (IYM) regime. This was done to enhance the efficiency of resource use, promote financial prudence and enforce fiscal discipline, and to recommend remedial steps if and when required.

The Sustainable Resource Management Programme has also been responsible for the development and maintenance of a Provincial Infrastructure Delivery Strategy in collaboration with the relevant departments (Education, Health, Transport and Public Works and the provincial public entity; CapeNature).

Programme 3

A key focus of the programme was to give effect to the PSO12 vision and mission from a financial management perspective for supply chain, moveable asset and financial systems management in both the provincial and municipal government spheres.

A complete revision of Chapter 16A of the PTIs was concluded as that speaks to a robust internal control mechanism and mandatory SCM/Asset Management requirements for the Province. Procurement templates and checklists and framework delegations were introduced across provincial departments and a number of so-called SCM virtuous cycle assessments were conducted across departments and municipalities to enforce good governance practices and compliance.

The programme developed and implemented integrated training that speaks to SCM/AM policy within departments. The inception of and development of a structured and long-run training programme to capacitate officials within municipalities and maintain institutional SCM memory was also initiated.

There was also a focus on enforcing mandatory planning and budgetary requirements that informs procurement planning and the submission of procurement plans. Further initiatives were undertaken in respect of the setting of the governance requirements for the implementation of a central provincial supplier database and an e-procurement solution.

A web-enabled management information system (KITSO) was developed, implemented and made available to all departments to assist with reporting requirements e.g. 30 days payments, entity information, detail expenditure, asset and liability information and payment information. Management and detailed information pertaining to PERSAL are also provided to departments on a weekly/monthly basis reflecting the optimal utilisation of the system,

compensation of employee's expenditure and management of conditions of service benefits to enable departments to more effectively manage human resources.

Programme 4

The approach this year concentrated on providing provincial departments, entities and municipalities guidance to improve the standards of accounting and financial reporting. This included the roll-out of the latest Generally Recognised Accounting Practice (GRAP) standards within municipalities and public entities, and the latest accounting policy framework for provincial departments. Specific training was provided to municipalities on GRAP 17 – Property, plant and equipment as these were identified as risk areas.

Workshops were held with the relevant stakeholders within departments and public entities on both the future implementation of GRAP for departments, and the continued implementation of GRAP for public entities. Initiatives to further improve the integrity of financial data as well as the training and staffing in the financial governance unit to provide a more focused end product were implemented.

The PG accounting staff assisted departments with downloading data from the newly developed KITSO system, which will allow the drawing of monthly accounting data to better manage their budgets and accounting information. For both provincial and local government spheres, an accounting helpline function was successfully launched, allowing the submission and monitoring of complex accounting matters which would allow a consistent application approach across the provincial departments where the reporting framework is applicable or GRAP for public entities and municipalities.

From a corporate governance perspective, the unit continued to drive and impact on the Chief Risk Officer's forum and the Chief Audit Executive forum, where technical teams were set up to address the assessment criteria used in the municipal financial governance review and outlook process.

Overall, the capacity in CFO offices in both local and provincial government is on the rise and this contributed to the improvement in overall financial management capabilities and governance. The Treasury is making headway in terms of the framework and capacitation of internal control units, which would allow monitoring of the effectiveness of financial governance structures and processes in departments and municipalities.

2.1.7 Departmental revenue, expenditure, and other specific topics

Departmental Revenue Collection

The table below depicts the own revenue collected by the Provincial Treasury for the period 2008/09 to 2011/12.

The self-explanatory table below provides a breakdown of the sources of revenue per economic classification.

Table 2.1 Own revenue collected

Receipts	2008/09 Actual R'000	2009/10 Actual R'000	2010/11 Actual R'000	2011/12 Target R'000	2011/12 Actual R'000	% deviation from target
Tax revenue	323 728	308 373	322 644	297 000	350 603	18.0
Casino taxes	301 100	284 528	296 313	277 000	321 750	16.2
Horse racing taxes	22 628	23 845	26 331	20 000	28 853	44.3
Non-tax revenue	54 674	56 573	56 352	1 215	2 480	104.1
Interest	52 948	53 982	53 986	1	3	300.0
Other receipts	1 726	2 591	2 366	1 214	2 477	104.0
Financial transactions in assets and liabilities	7 280	2 045	2 615	47	4 103	8 629.8
Total departmental receipts	385 682	366 991	381 611	298 262	357 186	19.8

Only Programmes 1 and 2 collected own revenue and that is discussed in more detail below:

Programme 1: Administration – Departmental own receipts registered against this programme were insignificant, consisting mainly of commissions earned on third party payments under other miscellaneous receipts such as recoverable private telephone and data card costs.

Programme 2: Sustainable Resource Management – Own revenue from casino and horseracing taxes was adjusted upwards during 2011/12 reporting period by on average 20 per cent higher than originally budgeted for. All surplus funds were surrendered to the Provincial Revenue fund.

2.1.8 Departmental expenditure

Table 2.2 Departmental expenditure per programme

Receipts	Voted for 2011/12 R'000	Roll-overs and Adjustments R'000	Virements R'000	Total Voted R'000	Actual Expenditure R'000	Variance R'000
1. Administration	36 187	(4 811)	0	31 376	31 138	238
2. Sustainable Resource Management	59 363	2 419	0	61 782	61 331	451
3. Asset and Liabilities Management	28 781	1 381	544	30 706	30 706	0
4. Financial Governance	20 645	(545)	(544)	19 556	19 444	112
Total	144 976	(1 556)	0	143 420	142 619	801

Programme 1: Administration (99.2% actual expenditure)

The under expenditure is mainly as a result of not spending on supplier invoices that were received late and vacant posts that were not filled.

Programme 2: Sustainable Resource Management (99.3% actual expenditure)

The under expenditure is mainly as a result of not spending on supplier invoices that were received late and vacant posts that were not filled.

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

There are no variances to report on.

Programme 4: Financial Governance (99.4% actual expenditure)

The under expenditure is mainly as a result of not spending on supplier invoices that were received late and vacant posts that were not filled.

2.1.9 Transfer payments

During the year under review transfer payments were only made to Non-profit institutions and to Households as indicated in the table below. The details of the table are reflected in Part Three of the Financial Statements, note 7 and Annexures 1A, 1B,1D and 1E in paragraph 3 of this Report. Transfers to municipalities of R3.450 million was provided for in the 2011 Adjustments Estimates. This initiative was embarked on to assist selected municipalities in the rural areas to improve their financial management, improving their revenue streams, strengthening the reporting of their service delivery budget implementation plans (SDBIPs) and also the upgrading of information systems. Transfers to households were mainly funds that assisted external bursars with their studies at tertiary institutions.

In general other gifts, donations and awards are reflected in the disclosure notes and Annexures in Part Three of this document. The amounts are relatively small and are therefore not discussed further in this paragraph.

Table 2.3 Transfer payments

Name of Institution	Amount Transferred R'000	Estimate Expenditure R'000
Provinces and municipalities	3 450	3 450
Departmental agencies and accounts	83	83
Households	1 078	1 078
Gifts, donations and sponsorships made	29	29
Total	4 640	4 640

2.1.10 Public Entities

The department has one public entity namely the Western Cape Gambling and Racing Board (WCGRB) that did not receive any financial contributions from Government. The WCGRB is accountable to submit its own Annual Report to the Provincial Parliament for tabling every year.

2.1.11 Conditional grants and earmarked funds

None.

2.1.12 Capital investment, maintenance and asset management plan

The department has no capital assets of its own as these assets are managed by the Department of Transport and Public Works (TPW) and therefore no fixed asset plan exists. However, the Infrastructure Directorate within the Provincial Treasury assisted the other key provincial departments to improve the degree and quality of infrastructure delivery. This included enhanced planning and more efficient procurement methodologies. An Infrastructure Delivery Management System or the WC-IDMS has been developed and approved by the Provincial Cabinet and should set the tone for further infrastructure delivery improvements within the Province.

2.1.13 Maintenance

All maintenance for the department is generally undertaken by TPW and in cases where that department does not provide the requested services, approval is obtained from them to undertake smaller projects such as the renovation of kitchens, refurbishing of selected offices and the upgrading of a camera security system for the department. The refurbishment of the department office space is currently underway by TPW.

2.2 Programme Performance

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

Programme 1: Administration

Programme 2: Sustainable Resource Management

Programme 3: Assets and Liabilities Management

Programme 4: Financial Governance

Programme 1: Administration

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

Strategic Objectives:

- Provide support services;
- Render communication services to the Ministry;
- Assist Minister with Executive Authority role and responsibilities;
- Build competencies and enhance and maintain strategic support services;
- Provide effective and efficient support in the management of the working relationship between the department and the CSC;
- Responsive and credible budget composition and delivery for the department;
- Full and accurate reflection of all financial transactions of the department;
- Level 3 auditable supply chain management services;
- Effective internal control measures and risk mitigation; and
- Provide effective auxiliary and specialised support services.

Performance indicators and targets:

Sub-programme 1.1: Office of the Minister				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Effective and efficient support services.	Developed and implemented a set of standards.	Review and maintain standards for programme management.	Standard for programme management was reviewed and implemented.	None
	Developed and implemented a set of standards.	Develop and implement standards for secretarial and administrative services.	Standards were developed for the Management of Moveable Assets; Subsistence and Transport and Answering of Telephones.	Due to the number of secretarial and administrative services and the time required to compile, consult and approve standards, standards for all services were not completed.
An operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of services.	New target.	Develop, monitor and maintain operational plan.	Operational plan for 2011/12 was developed and maintained.	Evaluation of operational plan not completed due to capacity constraints.
Composition and implementation of a customised development plan for each staff member in line with competency requirement.	New target.	Develop, monitor and maintain development plan.	A staff training plan was developed and monitored. Six courses were attended by the staff over the duration of the financial year.	One course due to be attended by Ms T Evans and one course due to be attended by Ms S Marinus was cancelled by the service provider. Requests for training by Ms T Evans and Ms L Fester were not facilitated due to work schedules of the employees.
Effective communication, media liaison services and events co-ordination.	Implemented monthly communication plan.	Develop and implement annual communication plan, including ways of fostering relationships with media and events co-ordination.	12 monthly communication plans were compiled and executed.	Provincial Communication Strategy not finalised by Department of the Premier: Strategic Communications.
Effective strategic management and support.	Developed and implemented set of standards for strategic engagements.	Develop and implement systems to support and assist Minister to perform his role and responsibilities as MEC for Finance, Economic Development and Tourism.	Plan for MEC was successfully developed and implemented.	None

Sub-programme 1.2: Management Services				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Effective and efficient support services.	The management of TMM and QETMM meetings was performed effectively and efficiently. Manually tool was developed.	Develop and maintain systems and standards for strategic management and support to assist HOD in performing roles and responsibilities.	Developed and maintained systems and standards for strategic management and support to assist HOD in performing roles and responsibilities.	None
	Maintained and updated accurately.	Review and maintain systems and standards for programme management.	Reviewed and maintained systems and standards for programme management.	None
		Develop and implement standards for secretarial and administrative services.	Standards were developed for the Management of Moveable Assets; Subsistence and Transport, Parliamentary questions and Answering of Telephones.	Due to the number of secretarial and administrative services and the time required to compile, consult and approve standards, standards for all services were not completed.
An operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of delivery.	Developed and maintained the operational plan.	Develop, monitor and maintain operational plan and QPR reporting.	Operational plan for 2011/12 was developed and maintained.	Evaluation report not completed due to capacity constraints.
Composition and implementation of a customised development plan for each staff member in line with competency requirements for each unit.	Training plan has been put in place and rolled-out to raise the competency levels of staff.	Develop, monitor and maintain development plan.	A staff development and training plan was developed, partially implemented and monitored.	Certain courses were discontinued by service providers, some courses were fully booked and some courses could not be attended due to work commitments.
Effective communication and events co-ordination.	Implemented and maintained the communications strategy and improve services.	Develop and implement annual communication plan, including events.	Maintained communication and events were held as planned.	Capacity constraints and Provincial Communication Strategy was not available.
Monitor, assess and report on the compliance to the service delivery standards of the CSC as assigned.	New target	Full compliance	Monitored, assessed and reported on the compliance to the service delivery standards of the CSC as assigned.	None

Sub-programme 1.2: Management Services				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Periodic review of the SLA	New target	2 months prior to the end of the financial year.	Continuous assessment of SLA.	Formal review of SLA not initiated CSC.
	New target	Practicalise the SLA by the development of internal SOPs.	Actions required by managers with regard to performance management, recruitment and selection, appointment of interns and bursary applications were communicated via instructions and electronic communication.	Internal SOPs are based on CSC SOPs and SOPs for all functional areas not finalised by CSC.
Drafting and consolidation of prescribed departmental plans and reports for submission to CSC.	New target	Full compliance	Submitted input to prescribed departmental plans and reports to CSC.	None
Coordinate the appointment of members of prescribed departmental committees/transversal forums and other statutory requirements.	New target	Full compliance	Coordinated the appointment of members of prescribed departmental committees/transversal forums and other statutory requirements.	None
Serve as a nodal point between the department and the CSC pertaining to correspondence, access, services and other HR related issues.	New target	Full compliance	Full compliance to standards and processes by Corporate Relations Unit. Partial compliance to standards and processes by service provider.	Capacity constraints in CRU and CSC.

Sub-programme 1.4: Financial Management				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
APP and QPR at level 3 + reporting standards.	APP tabled with the Main Budget in line with PT dashboard at level 3.	APP tabled with the Main Budget in line with PT dashboard at level 3.	APP with Main Budget was tabled.	None
	4 QPRs with supporting narratives were submitted.	QPR for each quarter supported by narratives at level 3.	4 QPRs were submitted and discussed with AO.	None

Sub-programme 1.4: Financial Management				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Fully costed budget with minimum shifts between the main and adjustments budget and is aligned to the APP.	Target not achieved.	90% costed budget.	Many expenditure items were costed according to needs on ad hoc basis.	Systematic criteria prioritisation of items to be developed.
	12 IYM reports with supporting narratives were submitted.	12 IYM reports supported by narratives at level 3+.	12 IYM reports with narrative were achieved.	None
	Target not achieved.	Variance between main and adjustment estimates less than 2%.	Variance of 1% between main and adjusted estimates was achieved.	None
Compilation and coordination of the Annual Report.	Draft Annual Report was submitted by 31 May 2010 and the final before the end of August 2010.	Draft Annual Report by 31 May and final by 31 August at level 3.	Annual Report for 2010/11 was completed and tabled.	None
Fully functional payment system to predetermined standards.	Reviewed, refined and implemented an updated payment system.	Review, refine and implement updated payment system.	Reviewed, refined and implemented updated payment system.	None
Clearance of ledger accounts to predetermined standards.	Reviewed, refined and implemented.	Review, refine and implement.	Reviewed, refined and implemented.	None
Compile Annual Financial Statements (AFS) to pre-determined standards.	Unqualified audit report on AFS with no material misstatements and other matters as well as the mid-year report.	Unqualified audit report on AFS with no material misstatements and other matters as well as correct the midyear report.	Unqualified audit report on AFS with no material misstatements and other matters as well as correct the midyear report.	None
Demand and acquisition management to predetermined standards.	Refined, amended and implemented to meet Treasury requirements.	Refine and implement to meet Treasury requirements.	Issued Circular 21/2011 dated 24 November 2011 for requirements during the 2012/13 financial year.	None
		Share responsibility with managers to acquire goods and services pro-actively	Procurement Plan based on requirements for the 2012/13 Financial year was submitted to the Provincial Treasury on 30 April 2012.	None
		Improve bid process in accordance with PTI's.	DBAC was restructured and improved in line with SCM evolution.	None
		Ensure managers adhere to new prescripts.	SCM delegations were signed off and distributed.	None

Sub-programme 1.4: Financial Management				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Logistics management to pre-determined standards.	Fully complied to meet treasury requirements.	Full compliance to meet treasury requirements.	Finance Instruction on checklist was distributed to comply with PT requirements.	None
Execution of general internal control functions.	4 reports listing the findings, action plans and progress made.	Attain level 2 effective internal control measures.	Internal Control and Risk Management targets exceeded.	Targets exceeded but further improvements to attain level 3.
Assist AO to drive the risk management process.	New target	Attain level 2 risk management for the department.	FARMCO meeting was held on 14 March 2012. Risk Registers was ratified by the FARMCO members. Policies was reviewed for the following financial year.	None
General support services to pre-determined standards.	80% compliance	85% compliance SOP standards.	85% achieved	None

Programme 2: Sustainable Resource Management

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

Strategic Objectives:

- Build competencies, enhance and maintain the delivery of the programme;
- Full utilisation of all potential revenue sources available to provincial and local governments;
- Mechanisms for revenue collections in provincial and local governments that are optimum inclusive of cash management arrangements;
- Cash flow management improvement of provincial departments to achieve a level 3+ financial management capability;
- Monitoring and evaluation of cash flow and investment management that is sustainable and credible to enhance service delivery and improve liquidity in municipalities;
- Evaluate and improve the responsiveness of budgets within provincial departments, municipalities and entities;
- Apply economic and other analysis to inform provincial and municipal planning and budgeting processes;
- Evaluate and improve the credibility and sustainability of provincial and municipal budget;

- Monitor the implementation of provincial and municipal budget in terms of x-efficiency, financial prudence and fiscal discipline;
- Coordination of MFMA Implementation requirements; and
- Entrenching built-environment business principles and processes for effective infrastructure delivery that is aligned and contributes to optimal utilisation of government immovable assets.

Performance indicators and targets:

Sub-programme 2.1: Programme Support				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Effective and efficient support services.	Most of the SOPs were finalised, however due to time constraints a few still needs to be completed.	Develop and maintain systems and standards for strategic management and support to assist DDG in performing roles and responsibilities.	Draft standards available.	Due to time constraints, could not be finalised.
		Review and maintain systems and standards for programme management.	Draft standards available.	Due to time constraints, could not be finalised.
		Develop and implement standards for secretarial and administrative services.	Standards were developed for the Management of Moveable Assets, Subsistence and Transport, Parliamentary Questions and Answering of telephones.	Due to the number of secretarial and administrative services and the time required to compile, consult and approve standards, standards for all were not completed.
An operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of delivery.	The operational plan was finalised.	Develop, monitor and maintain operational plan and QPR reporting.	Operational plan for 2011/12 was developed and maintained and QPR reporting maintained.	Evaluation of operational plan not completed due to capacity constraints. Operational Plan for new financial year not yet developed due to delay in template formation.
Composition and implementation of a customised development plan for each staff member in line with competency requirements.	Training plans were finalised.	Develop, monitor and maintain development plan.	Developed, monitored and maintained development plan.	None

Sub-programme 2.1: Programme Support				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Maintain effective communication, transparency and events coordination.	Regular staff meetings were held where the importance of verbal and written communication were reiterated.	Maintain internal communication.	Maintained internal communication.	None

Sub-programme 2.2: Fiscal Policy				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Review of the national fiscal transfer system to provinces and local government.	Research, input and testing of new provincial fiscal framework.	Research, review of provincial funding model and input into the fiscal transfer system for provinces and local government.	Research, review of provincial funding model and input into the fiscal transfer system for provinces. Commenced with initial work on Local Government Equitable Share.	Dependence on disaggregated, reliable municipal data.
		Estimate and provide the provincial fiscal framework.	Provincial fiscal framework estimated and provided.	None
Research, monitor and advise on the sustainability and credibility of provincial own revenue sources.	Research has been concluded and legislative amendments drafted.	Assessments of departmental provincial own revenue trends and submitted policies.	Assessments of departmental provincial own revenue trends and submitted policies.	None
		Refine and conclude research on casino tax regime inclusive of approval by the Provincial Parliament.	Refinement and conclusion of casino tax regime research completed, but not approved by Provincial Parliament.	Provincial Language Policy necessitated the translation of the Western Cape Gambling and Racing Act and Western Cape Gambling and Racing Regulations into Xhosa causing a delay in the gazetting of amendments to the Act and Regulation for public comment.
	No new tax proposals have been submitted, update of fuel levy, bed and tourism departure tax not completed.	Refine and update fuel levy, bed and tourism departure tax.	Fuel Levy research updated. No update of bed and tourism departure tax.	Decision to update Motor Vehicle Licence study rather than bed and tourism departure tax due to changes in global economic environment and outlook.

Sub-programme 2.2: Fiscal Policy				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Ensure oversight and efficient management of the WCGRB to optimise revenue.	Assessment tool measuring compliance and implementation was achieved.	Governance Review of the WCGRB.	Not achieved.	Staff capacity constraints within the unit. Focus for this year has been on capacitating the unit with competent staff and skills development.
		Performance assessment reports for the WCGRB.	Performance assessment reports for the WCGRB completed.	None
Research into revenue sources/tariff structures for local government.	Preliminary research conducted and tariff database developed for selected municipalities.	Research into revenue/tariff structures and provide recommendations to encourage optimal revenue generating mechanisms for selected municipalities.	Research into revenue/tariff structures and provide recommendations to encourage optimal revenue generating mechanisms for selected municipalities.	None
Alignment of vote expenditure to vote receipts in accordance with an approved Provincial Treasury payment schedule.	The revised payment schedule made available to all departments and expenditure aligned to departmental receipts.	All votes	All Votes	None
Assessment of monthly municipal IYM and any remedial action necessary inclusive of user support and training.	All municipalities were assessed.	All municipalities	All municipalities	None
Support, assessment and advice on external borrowings by municipalities.	Monitored all municipalities for implementation of Circular 42/10.	All municipalities in accordance with PT's borrowings assessment framework.	All municipalities in accordance with PT's borrowings assessment framework.	None

Sub-programme 2.3.1: Provincial Government Budgets				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Provincial APP and budget assessments to enhance responsiveness.	14 Annual Performance Plans of departments and public entities assessed for alignment with budget.	Annual Performance Plans of all votes assessed and remedial actions identified.	Annual Performance Plans of all votes assessed and remedial actions identified.	None

Sub-programme 2.3.1: Provincial Government Budgets				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Performance reports evaluated on the implementation of budget.	56 Quarterly Performance Reports assessed and responses provided.	Quarterly Performance Reports on all departments and submissions to Cabinet and Legislature on quarterly non-financial performance.	Quarterly Performance Reports on all departments and submissions to Cabinet and Provincial Parliament on quarterly non-financial performance.	None
	14 Annual Reports and applicable entities assessed and responses provided.	Annual Reports of all votes assessed and recommendations provided.	Annual Reports of all votes assessed and recommendations provided.	None
Publication of the Provincial Economic Review and Outlook (PERO).	PERO 2010 published in November 2010.	PERO 2011 to be published by August 2011.	PERO 2011 published in September 2011.	The scope of the research was expanded and the availability of updated official data delayed the publication by 1 month.

Sub-programme 2.3.2: Local Government Budgets				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Municipal budget assessments to enhance responsiveness.	Assess municipal budgets for responsiveness against new set of criteria.	30 municipal budgets assessed for responsiveness and remedial action identified.	29 municipal budgets assessed for responsiveness and remedial action identified.	Central Karoo Municipality did not table its budget in time for the LG MTEC3 engagement.
Performance reports evaluated on the implementation of budgets and support provided to municipalities to improve performance information.	New target	SDBIP quarterly and Mid-year Reports assessments of all municipalities and submissions to Cabinet and Provincial Parliament on quarterly non-financial performance.	29 SDBIP quarterly and 30 Mid-year Reports assessments and submissions to Cabinet and Provincial Parliament on quarterly non-financial performance.	Kannaland did not produce a SDBIP within the required timeframes.
	Quarterly, bi-annual and annual reporting on the implementation of municipal budgets against set targets.	Annual Reports Assessed of all municipalities and recommendations provided.	Annual Reports Assessed of all municipalities (28 out of 30) and recommendations provided.	Oudtshoorn and Swellendam municipalities' 2010/11 Annual Reports have not been completed.
Publication of Socio-Economic Review of Local Government (SEP-LG) for 5 Districts Profiles and the Metro.	Update SEP-LG for Eden and Cape Winelands and publish SEP-LG for 4 additional regions.	Publish Socio-Economic Review of Local Government (SEP-LG) for 5 Districts and the Metro by October 2011.	Final SEP-LG working papers of 5 districts and Metro were released in December 2011.	Engaged with relevant stakeholders to submit data, clarify inconsistencies in data sets with relevant stakeholders.

Sub-programme 2.4.1: Provincial Government Finance				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Provincial budget assessments to enhance sustainability and credibility of the budget and the development and rollout of a budget management framework inclusive of user support.	28 PG MTEC assessment reports based on former trends. 4 budget implementation standard operating procedures.	Provincial budgets assessed and remedial actions identified. Develop and implement budget management framework.	14 Provincial budgets assessed and remedial actions identified. Developed and implemented budget management framework.	None
In-year monitoring reports evaluated on the implementation of the budget order to enhance x-efficiency, financial prudence and fiscal discipline in departments.	14 Monthly IYM reports and 4 Cabinet submissions assessing fiscal discipline and x-efficiency on selected items.	Monthly IYM reports and quarterly submissions to Cabinet and the Provincial Parliament.	14 Monthly IYM reports and 4 quarterly submissions to Cabinet and the Provincial Parliament.	None

Sub-programme 2.4.2 & 2.4.3: Local Government Finance (Group 1 & 2)				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Municipal budgets assessed for sustainability, credibility and ensure compliance with regulatory framework.	30 LG MTEC municipal budgets assessed against the prescribed criteria.	30 LG MTEC 3 draft budget assessment reports assessed against the refined credibility criteria.	29 LG MTEC 3 draft budget assessment reports assessed against the refined credibility criteria.	The Central Karoo DM had a different engagement as the municipality had challenges in balancing the budget.
		Refine the criteria for 12/13 financial year.	Refine the criteria for 12/13 financial year.	None
IYM reports assessed to enhance x-efficiency, financial prudence and fiscal discipline.	30 monthly IYM reports assessed. 4 quarterly reports submitted to Cabinet.	Assess 30 monthly IYM reports. Publish 4 quarterly consolidated Municipal Budget Statements. Submit 4 quarterly reports to Cabinet and Provincial Parliament.	Assess 30 monthly IYM reports. Publish 4 quarterly consolidated Municipal Budget Statements. Submit 4 quarterly reports to Cabinet and Provincial Parliament.	None
Implementation of the Selected MFMA Priorities.	Revenue and expenditure items were in line with MFMA and related policies as per the measurement tool.	Implementation of selected MFMA priorities and effective participation in inter-governmental relations structures.	Implementation of Selected MFMA priorities and effective participation in inter-governmental relations structures.	None

Sub-programme 2.4.4: Immoveable Asset Management				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Infrastructure planning processes and procedures compliant to the Infrastructure Development Improvement Programme (IDIP).	Not achieved.	Conduct assessments to determine maturity levels of departments (Education, Health and TPW (Public Works and Roads and Transport (branches)) to deliver infrastructure and identify remedial steps.	Education: Revised organisational structure (infrastructure component) was approved and job descriptions compiled. Health: Revised organisational structure (infrastructure component) was approved and most of the job descriptions compiled. Public Works: Revised organisational structure (infrastructure component) was submitted and some of the job descriptions compiled. Provincial Treasury: Revised organisational structure (infrastructure component) was submitted.	Change of approach to accommodate the HR IDIP roll-out strategy as proposed by National Treasury.
	New target	Develop a provincial infrastructure procurement framework.	The Standard for a Construction Procurement System, the Standard for an Infrastructure Delivery Management System as well as Provincial Treasury Instructions (Chapter 16 B) were finalised and issued.	A expert was appointed to assist the Department with the compilation more detailed and comprehensive documents to enhance SCM (construction procurement) compliance.
	12 Infrastructure Expenditure data files (Education; Health; Roads and Transport; and Public Works assessed for compliance to Division of Revenue Act (DoRA) including feedback to departments.	16 Infrastructure Expenditure Reports of Education, Public Works and Roads and Health are compliant to Division of Revenue Act (DORA).	16 Infrastructure Expenditure Reports (Roads & Transport, Public Works, Education and Health) were submitted in compliance with Division of Revenue Act (DORA).	None

Sub-programme 2.4.4: Immoveable Asset Management				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Infrastructure planning processes and procedures compliant to the Infrastructure Development Improvement Programme (IDIP). <i>(Continued)</i>	8 IDIP effectiveness reports. (Education and Health).	8 IDIP effectiveness reports. (Education and Health) and feedback provided to departments.	8 IDIP effectiveness reports. (4 Education and 4 Health) and feedback provided to departments.	None
Promote compliance of Departmental User Asset Management Plans, in terms of GIAMA guidelines, in collaboration with Public Works.	U-AMPS assessment conducted on twelve departments and one C-AMP assessment.	Assessment on User Asset Management Plans (U-Amp) and C-Amp conducted and feedback provided to 13 departments and Provincial Parliament.	Assessments were conducted and feedback provided on 13 draft User Asset Management Plans (U-Amp) and 2 draft Custodian Asset management Plans (C-Amps).	The Provincial Parliament did not submit a U-AMP.
Implementation of an assessment and remedial action model for closed PPP deals (bi-annual assessments).	4 Assessments reports.	Model fully implemented and applied to all closed PPP deals (four projects).	Model was fully implemented and applied to all closed PPP deals (four projects).	None
	New target	Conduct research on alternative infrastructure/ property procurement strategies/ methodologies.	Draft report compiled.	None

Programme 3: Asset and Liabilities Management

Purpose: To provide policy direction and to facilitate and enforce the effective and efficient management of financial systems, moveable assets and the supply chain management within the provincial and municipal spheres.

Strategic Objectives:

- Build competencies, enhance and maintain the delivery of the programme;
- Drive, assess and assist departments and municipalities in the effective and efficient management of supply chain and moveable assets; and
- Financial system management improvement to achieve a level 3+ financial capability rating.

Performance indicators and targets:

Sub-programme 3.1: Programme Support				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Effective and efficient support services.	Most of the SOPs were finalised, however due to time constraints a few needs to be completed.	Develop and maintain systems and standards for strategic management and support to assist DDG in performing roles and responsibilities.	Draft standards available.	Due to time constraints, could not be finalised.
		Review and maintain systems and standards for programme management.	Draft standards available.	Due to time constraints, could not be finalised.
		Develop and implement standards for secretarial and administrative services.	Standards were developed for the Management of Moveable Assets, Subsistence and Transport, Parliamentary Questions and Answering of telephones.	Due to the number of secretarial and administrative services and the time required to compile, consult and approve standards, standards for all were not completed.
An operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of delivery.	Operational plans were developed and finalised.	Develop, monitor and maintain operational plan and QPR reporting.	Operational plan for 2011/12 was developed and maintained and QPR reporting maintained.	Evaluation of operational plan not completed due to capacity constraints. Operational Plan for new financial year not yet developed due to delay in template formation.
Composition and implementation of a customised development plan for each staff member in line with competency requirements.	Training plans were implemented, and all training needs were met.	Develop, monitor and maintain development plan.	Developed, monitored and maintained development plan.	None
Maintain effective communication, transparency and events coordination.	Regular branch and staff meetings were held to keep managers and staff informed on latest developments.	Maintain internal communication.	Maintained internal communication.	None

Sub-programme 3.2.1: Moveable Asset Management: Provincial Government				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Developed key principles and guidelines in respect of SCM structures for provincial departments.	Revised target.	Develop and implement guidelines for SCM structures.	Held in abeyance.	Performance indicator held in abeyance. In liaison with NT to allow Province to issue competency dictionaries and recommended structure for SCM as a provincial requirement.
Provide training assistance, guidance and supplier development initiatives to assist departments.	<p>Helpdesk implemented.</p> <p>Report issued on implementation and query handling.</p> <p>88 Queries attended to for the year.</p> <p>Register of queries kept.</p>	Review helpdesk framework, implement improvements and maintain helpdesk.	<p>Implemented corrective measures addressed in 2010/11 final report.</p> <p>Framework Maintained:</p> <p>Identified items of transversal nature via helpdesk that were discussed at SCM Forum. Attended to and completed responses to 146 queries. Reports on performance of helpdesk concluded per quarter.</p> <p>Perception concluded with user departments and entities.</p>	None
	<p>Integrated Training Manual Completed.</p> <p>Training Interventions concluded for:</p> <p>Demand Management, NT Procurement Contract Information, SCM performance, Appointment of Consultants, 2 Asset Management and 1 x EPSi training sessions. EPSi training also included at 4 pilot sites on EPSi improvements.</p> <p>Quarterly SCM forum meetings held with departments to inculcate sharing of knowledge and develop SCM capacity.</p>	SCM Virtuous Cycle Integrated Training to all departments.	<p>5 x integrated sessions (2 x Asset Management, 1 x Acquisition & Procurement, 1 x Logistics & Contract administration and 1 x SCM). 4 x bespoke intervention training on PPPFA Regulations and compulsory registration on Western Cape Supplier Database.</p> <p>8 x PPPFA Regulations Road shows and 7 x road shows on WCSD compulsory requirements with assistance of departmental steering group and representatives.</p>	None

Sub-programme 3.2.1: Moveable Asset Management: Provincial Government				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Provide training assistance, guidance and supplier development initiatives to assist departments. (Continued)	2 supplier open days (550 suppliers trained), close-out reports concluded. Articles of the events and pictures published on the PT Website.	2 supplier open days.	2 x Supplier open days concluded at the Overberg and Central Karoo districts in which 188 and 250 suppliers attended, respectively.	None
Enforce good governance practices and compliance to SCM policies and prescripts.	12 SCM Virtuous Cycle assessments concluded inclusive of asset management. (This included 1 consolidated assessment concluded for Local govt. and Human Settlement as SCM unit is shared). 12 SCM Financial Governance Review and Outlook reports concluded for SCM and 12 for asset management.	Virtuous Cycle assessments of all departments.	Concluded assessments at Tygerberg, Paarl, Karl Bremer, GF Jooste and Worcester hospitals and Verification assessments at departments: WCED, Agriculture, DEDAT, DECAS, and Community Safety. FGRO assessments for SCM and MAM concluded at 12 departments and inputs to Cabinet submission.	Changes to work plan to reprioritise SCM improvements project and SCM reform for the Province.
	New target	SCM Provincial Treasury Instructions implemented and compliance monitored.	Interim PTIs issued. TC 63-2011. Cabinet feedback on SCM improvements tabled on 7 Dec 2011. New PTIs issued (16A and 16B) via TC 14 of 2012. Attended limited quality checks and contract expansion requests from departments as and when required.	Changes to work plan due to reprioritisation of SCM improvements and SCM reform for the Province.
	Draft AOS concluded. Draft SCM NTR/PTIs completed and submitted to management for perusal. Meeting/discussion with internal stakeholders set for 31/12/2011.	Generic AO System Implemented and identification of departmental bespoke requirements.	Provincial Focus Group established and TOR concluded. Gap analysis and stock take of SCM prescribed requirements. NT workshop on Instruction Note and on requirements for revised NTRs.	Changes to work plan due to reprioritisation of SCM improvements and SCM reform for the Province.

Sub-programme 3.2.1: Moveable Asset Management: Provincial Government				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Enforce good governance practices and compliance to SCM policies and prescripts. (Continued)	Alignment of PTI versions of the Provincial Treasury and the control group in progress. Feedback and progress report provided on an on-going basis to the Steercom; CFO forum; PTM and DG; MEC and Premier.		Issued: TC 36 on Instruction Note 32 and AO system. TC 40/2011 Guidelines on Demand Man. TC41/2011 Training on PPPFA Regs. TC 63 Revised Bidding documents. TC 61 SCM Reporting requirements. TC 64 of SCM requirements. AOs development put on hold pending issuance of PTIs Chapter 16A.	
Ensure SCM Systems integrity of data and transparency.	Terms of references and engagements with DEDAT; Municipalities external stakeholder and political stakeholders concluded to define a strategy for supplier development.	Maintain an efficient and effective reporting mechanism for SCM data in the Province that ensures data integrity and transparency.	Circular on PCI new reporting issued to departments. Statistics on bids above R100 000 published on the website monthly. Procurement stats report submitted to MEC for Finance, HOT & DDG quarterly. NT Training concluded 30/03/12 for new CRA reporting system.	None
Ensure quality and cost effective bulk buying that leverages economies of scale.	Refine and maintain model and complete the provincial spending analysis and market trends. Legal advice obtained regarding proposed amendments to transversal contract policy.	Identification and implementation of possible transversal contract needs.	Assisted DotP in the facilitation and arrangement of the EHWP contract. Reviewed Brand Communication Tender. Issued Circular to departments on communication tender. Attendance media debriefing and press conferences on communication tender. Interviewed and provided comments to Public Protector.	None

Sub-programme 3.2.2: Moveable Asset Management: Local Government				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Develop key principles and guidelines in respect of SCM structures for municipalities.	Revised target	Develop and implement guidelines for SCM structures.	Discontinued the activity; until NT finalises the documentation in respect of structures.	The unit reprioritised the targets until NT finalises its requirements.
Provide training, assistance, guidance and supplier development initiatives to assist municipalities.	Helpdesk implemented. Report issued on implementation and query handling. 103 Queries attended to for the year. Register of queries kept.	Review helpdesk framework, implement improvements and maintain helpdesk	Implemented corrective measures addressed in 2010/11 final report. Framework Maintained: Identified items of transversal nature via helpdesk that were discussed at SCM Forum. Attended to and completed responses to 117 queries. Reports on performance of helpdesk concluded per quarter.	None
	Training is being outsourced and a generic contract in respect of overall financial management training for municipalities has been concluded. Discussions with preferred service provider have taken place. Tabling of the terms of reference and specifications for the SCM training element will be finalised in the First quarter 2011/12. Facilitated and arranged PCI training.	SCM Virtuous Cycle Bespoke training interventions.	Concluded TOR with USB-ED. Approved Project plan. Work shopped draft training material with 7 pilot municipalities. Roll-out training at 3 pilot municipalities.	None

Sub-programme 3.2.2: Moveable Asset Management: Local Government				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Enforce good governance practices and compliance to SCM policies and prescripts.	Full Virtuous Cycle Assessment Tool Completed to align to redefined APP requirements.	SCM Virtuous Cycle Assessments at designated municipalities.	SCM Virtuous Cycle Assessments were conducted at the 10 municipalities: Langeberg, Swellendam, Swartland, Saldanha Bay, Kannaland; Oudtshoorn, Overberg District, Central Karoo District, Hessequa and Laingsburg Municipalities. Concluded FGRO assessments for SCM and MAM at 30 municipalities.	None
	10 SCM Compliance Assessments and 4 SCM Virtuous Cycle Assessments piloted and completed. Completed 15 LGMTEC 3 SCM Assessments. Special Task Team assessments for Swellendam and Overstrand Municipality.	12 SCM policy assessed against NT model policy framework.	12 policy assessments were completed.	None
Ensure SCM Systems integrity of data and transparency.	Engaged in monthly IYMs, BIF feedback, LGMIP, OPCA and NT reporting. SCOPA presentations. Position paper on the appointment of consultants for NT.	4 Quarterly SCM institutionalisation reports.	4 quarterly SCM Institutionalisation report completed.	None

Sub-programme 3.3: Supporting and Interlinked Financial Systems				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Number of authorised (BAS, PERSAL and LOGIS) core system users appropriately trained in accordance with their system profiles.	Target exceeded by 161 officials.	1 400 officials (approx. 33% of core users) trained to the required standards.	1 786 officials trained to the required standards.	More courses than planned, were presented mainly due to ad hoc requests.

Sub-programme 3.3: Supporting and Interlinked Financial Systems				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
The further development of PT integrated training interventions to ensure the correct and optimal utilisation of systems.	Five (5) service providers meet standards.	Scheduled 5 service providers addressing identified training needs and gaps.	Target achieved.	None
Provision of an effective user account management service to all departments/institutions to predetermined criteria.	Target exceeded by 7 departments/institutions.	All departments/institutions provided with effective user account management.	Target achieved, with the exception of Department of Health (PERSAL) which will be taken over by 1 June 2012.	Resistance from Department of Health. Letters to HOD and agreement reached.
Accessibility to management and detailed information extracted from auditor downloads that meets PT determined requirements.	Information available to all departments and Provincial Parliament.	All 13 Prov. Depts. including PT components and Provincial Parliament have direct access to management and detailed information.	Target achieved.	None
Accessibility to a fully operational helpdesk.	All queries resolved within 24 hours or less.	All queries resolved on average within a 3 hour turnaround time except calls registered with NT (LOGIK).	Target achieved.	None
The acquisition and implementation of a supply chain and asset management system that complies to predetermined requirements.	System still under development and testing by NT. In the interim investigate the possible implementation of alternative systems NT approved enhancement and supplied approved project plan.	Procurement/ acquisition and implementation of a supply chain management system at all departments that addresses: Supplier Management Quotations, Bids Contract Management	With the approval of NT, the Provincial Treasury entered into a new agreement with our current service provider Quadrem for the development of a new on-line web-based solution that addresses our requirements, which will enable suppliers to respond online to their quotations, bids and maintain their profiles.	None
		Roll out of the enhanced Logis system to all departments.	Not all the enhancements developed yet by NT.	Capacity constraints at NT.

Programme 4: Financial Governance

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

Strategic Objectives:

- Build competencies, enhance and maintain the delivery of the programme;
- Improving the standards of accounting and financial reporting within provincial departments, municipalities and their entities to a level 3+ Financial Management Capability (FMC);
- Drive departmental and municipal CFO offices to function at a level 3 financial capability rating; and
- Develop and facilitate the implementation of an effective assurance framework towards attaining level 3 financial capability rating.

Performance indicators and targets:

Sub-programme 4.1: Programme Support				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Effective and efficient support services.	Most of the SOPs were finalised, however due to time constraints a few needs to be completed.	Review and maintain systems and standards for programme management.	Draft standards available.	Due to time constraints, could not be finalised.
		Develop and implement standards for secretarial and administrative services.	Standards were developed for the Management of Moveable Assets, Subsistence and Transport, Parliamentary Questions and Answering of telephones.	Due to the number of secretarial and administrative services and the time required to compile, consult and approve standards, standards for all were not completed.
An operational plan that builds on dashboard and QPR requirements setting out milestones, desired quantum and quality of delivery.	Operational plans were developed and finalised.	Develop, monitor and maintain operational plan and QPR reporting.	Operational plan for 2011/12 was developed and maintained and QPR reporting maintained.	Evaluation of operational plan not completed due to capacity constraints. Operational Plan for new financial year not yet developed due to delay in template formation.
Composition and implementation of a bespoke development plan for each staff member in line with competency requirements.	Training plans were implemented, and all training needs were met.	Develop, monitor and maintain development plan.	Developed, monitored and maintained development plan.	None

Sub-programme 4.1: Programme Support				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Maintain effective communication, transparency and events coordination.	Regular branch and staff meetings were held to keep managers and staff informed on latest developments.	Maintain internal communication.	Maintained internal communication.	None

Sub-programme 4.2.1: Local Government Accounting				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Assess and roll out the latest accounting policy framework for accurate and complete implementation by municipalities and their entities to improve financial reporting.	22 of the 30 municipalities with unqualified Audit Reports for 2009/10.	23 of the 30 municipalities fully implemented the 2010/11 accounting reporting frameworks.	24 of the 30 municipalities fully implemented 2010/11 accounting reporting framework and obtained unqualified audit opinions.	None
	4 of the 4 municipal entities with unqualified audit report for 2009/10.	All municipal entities fully implemented the 2010/11 accounting reporting frameworks.	All municipal entities fully implemented the 2010/11 accounting reporting frameworks.	None
	New target	Interim Financial Statements (IFS) compiled and submitted by all high capacity municipalities.	IFS target was not met and the target has been reviewed and rephrased as the timing of the implementation of this project was a concern given maturity of municipalities of financial reporting.	During the research stage it was noted that it might be early stages to introduce IFS at municipal level. The project has been reviewed and rephrased. The project is now part of the 2012/13 APP.
Review the accounting systems and processes and implement strategies to improve the integrity of financial data .	New target	Assess the utilisation and adequacy of accounting systems and introduce remedial steps.	Workshops were held for 6 different municipal systems covering 28 municipalities on utilisation and adequacy of accounting systems and remedial steps.	None

Sub-programme 4.2.1: Local Government Accounting				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Improve the adequacy and functionality of Budget and Treasury Office structures of municipalities and municipal entities by ensuring the implementation of key accounting principles and guidelines.	New target	Assess the adequacy and functionality of existing accounting structure and processes to identify gaps and issue recommendations.	The target was not met fully as the project plan was amended and timelines were reviewed.	The project was found to be more involved than initially planned. The amended project plan is included as part of 2012/13 APP.
	Draft Accounting Review Working Paper for 2009 completed but not Distributed.	Compile a Financial Accounting Review for municipalities to improve financial management.	Compilation of Accounting Review was replaced by the compilation of 30 LGFGRO assessments.	None
Build and maintain competent municipal accounting units by providing training on GRAP reporting.	4 focussed training sessions.	Training sessions as scheduled.	Training was provided as scheduled.	None

Sub-programme 4.2.2: Provincial Government Accounting				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Assess and roll out the latest accounting policy framework for accurate and complete implementation by all votes to improve financial reporting.	Unqualified Audit Reports for 2009/10.	All votes fully implemented the 2011/12 accounting reporting frameworks.	2011/12 accounting reporting frameworks fully implemented.	None
	New target	Review helpdesk framework, implement improvements and maintain helpdesk.	Helpdesk framework reviewed, implemented and service maintained.	None
	Issues reported in assessment reports on the Interim Financial Statements addressed.	IFS compiled and submitted by all votes	All votes submitted IFS quarterly.	None
Review accounting systems and processes, and implement strategies to improve the integrity of financial data.	New target	Assess the utilisation and adequacy of accounting systems and processes and the introduction of remedial steps.	Provided accounting framework for the abolishment of Ordinance 3/62 and the Roads Capital Account. Performed monthly assessments on financial management indicators.	None

Sub-programme 4.2.2: Provincial Government Accounting				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Review accounting systems and processes, and implement strategies to improve the integrity of financial data. <i>(Continued)</i>	FGR&O 2010 tabled at PTM and Cabinet and issued as a working paper.	Monitor and drive the accounting FMC of all votes to a level 3 in terms of pre-determined criteria.	Financial Governance Review and Outlook 2011 compiled and tabled in Cabinet which reflects the improvement of the FMC of all votes towards level 3.	None
Ensure compliance with key accounting principles and guidelines in respect of reporting structures and responsibilities for provincial departments and entities.	New target	Develop and implement guidelines for accounting unit reporting structures.	Assessed the accounting reporting structures of two selected departments and found them to be in order.	None
Build and maintain competent accounting units within departments and entities by providing training on reporting frameworks.	Presented 4 PT integrated training interventions and consulted with possible service provider on the preparation of a bridging course towards Financial Accounting 3.	Scheduled PT Integrated training interventions on accounting frameworks.	Integrated training was provided as scheduled.	None
		Procure and establish service provider and structured training programme.	Procured service provider and provided GRAP training to departments and entities.	None
Publication of the Annual Consolidated Financial Statements.	ACFS Tabled by 8 December 2010 including follow-ups on past and new areas for strategic intervention.	Compile Provincial ACFS, inclusive of a management report and table by 31 October 2011.	First Province to compile a proper ACFS of departments.	None

Sub-programme 4.3: Corporate Governance				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011/12)	Actual (2011/12)	
Develop and implement a framework to assess the CFO offices in departments and municipalities.	Risk structure completed for the SCM and Management Accounting processes.	Develop and implement an assessment framework to assess departmental CFO structures.	Consolidated assessment tool developed to assess CFO offices.	The draft National Treasury, CFO structures were not tabled and adopted in Cabinet.
	Researched finalised.	Develop an assessment framework to assess municipal CFO structures.	Preferred BTO structure research commenced and draft documents work shopped with stakeholders.	None

Sub-programme 4.3: Corporate Governance				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011 /12)	Actual (2011/12)	
Implementation of NT Competency Frameworks for CFO offices in departments and municipalities.	New target.	Finalisation and roll out of competencies required.	A gap analysis was performed to determine whether the Key Responsibility Areas (KRA) contained within job descriptions were aligned to NT's proposed functional structure for financial management and covers the minimum functions that should be carried out in the office of the CFO to function optimally and in order for the department to comply with requirements of the PFMA.	None
Drive, monitor and evaluate the effectiveness of financial governance structures in departments and municipalities.	New target.	Develop and implement an assessment framework to assess governance structures.	Training provided to Matzikama, Beaufort West, Swartland municipalities in risk management. 4 CRO and 2 CAE fora were also held. 30 LGFGRO reports compiled for engagements with municipalities.	None
	New target.	Perform assessments on assurance structures.	30 Municipalities assessed as part of LGFGRO. 13 Departments assessed as part of PGFGRO.	None
	Guidelines of Financial Governance developed.	Develop and pilot integrated financial governance guidelines.	Draft integrated financial governance guideline developed and issued to pilot department for comment.	None
Implement and drive compliance to Regularity Frameworks.	New target.	Provincial financial legislation and policy kept relevant and dynamic.	Revised PTI in terms of Chapter 3 issued. Inventory of national and provincial circulars, guidelines and practice note were compiled.	None

Sub-programme 4.3: Corporate Governance				
Performance Indicator	Baseline (Actual Output) 2010/11	Actual Performance against Target		Reason for Variance
		Target (2011 /12)	Actual (2011/12)	
Implement and drive compliance to Regularity Frameworks. <i>(Continued)</i>	New target.	Drive Financial Management Improvement for Municipalities.	Analysed the audit reports and management letters of 27 municipalities. Prepared 2011/12 LGFMIP spread sheet to inform the support plans from PT.	None
	New target.	Drive Financial Management Improvement for Departments.	Analysed the audit reports and management letters of 13 departments. Prepared 2012/13 PGFMIP spread sheet to inform the support plans from PT.	None
Enterprise Risk Management (ERM) capacitation for municipalities.	30 Municipalities assessed.	Institutionalise ERM at all municipalities and drive capacity building initiatives at selected municipalities.	Training provided to 4 municipalities on risk management, control identification and residual risk assessments. 4 CRO and 2 CAE fora were also held where a key focus is on capacitation. 30 Assurance assessments performed for municipalities as part of LG FGRO.	None

PART THREE: ANNUAL FINANCIAL STATEMENTS

Report of the Audit Committee	47
Report of the Accounting Officer	50
Report of the Auditor-General	59
Appropriation Statement	63
Notes to the Appropriation Statement	68
Statement of Financial Performance	70
Statement of Financial Position	71
Cash Flow Statement	72
Accounting Policies	73
Notes to the Annual Financial Statements	80
Disclosures Notes to the Annual Financial Statements	90
Annexures	100

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2012**

Report of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2012.

Audit Committee Members and Attendance

In terms of Cabinet Resolution 55/2007, Provincial Treasury is served by the Governance & Administration Cluster Audit Committee. The Audit Committee consists of the members listed below and should meet at least 4 times per annum as per its approved terms of reference. During the current year 7 meetings were held.

Name of Member	Number of Meetings Attended
Mr A Amod (Chairperson up to 31 December 2011)	6
Mr Z Hoosain (Chairperson from 1 January 2012)	7
Ms J Gunther	7
Mr K Larkin	6
Mr L van der Merwe	7
Mr M Burton (Appointed 1 January 2012)	1

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

Audit Committee Responsibility

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

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

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

In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and Management with assurance that the internal controls are adequate and effective. This is achieved by a risk-based Internal Audit Plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective action.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2012**

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

Effectiveness and efficiency of risk management

The Department further matured in respect of Enterprise Risk Management. The Governance and Administration Cluster Audit Committee continues to monitor progress on a quarterly basis.

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 thereto;
- Reviewed changes to accounting policies and practices as reported in the Annual Financial Statements;
- Reviewed the Department's processes for compliance with legal and regulatory provisions;
- Reviewed the information on predetermined objectives as reported in the annual report;
- Reviewed and where appropriate, recommended changes to the interim financial statements as presented by the Department for the six months ending 30 September 2011; and
- Reviewed adjustments resulting from the audit.

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE AUDIT COMMITTEE
for the year ended 31 March 2012**

Internal Audit

The Audit Committee reports that reports for five of the six planned areas of the approved Internal Audit plan were tabled as at 31 March 2012. The outstanding report was tabled after year end.

As reported in the previous year, the Committee is of the view that further audit coverage is required and that there is a need for additional capacity to support the increased coverage of further high risk areas.

Auditor-General South Africa

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

Appreciation

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



Chairperson of the Governance and Administration Cluster Audit Committee

Date: 6 August 2012

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2012**

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

1. General review of the state of financial affairs

A culture of austerity carried through from 2009/10 to 2011/12 where the ratio of the budget expenditure on goods and services placed further challenges on the budget. The reconfiguration process was however, not implemented in 2011/12 and was only approved by the Provincial Executive on 8 November 2011. Funds provided to fill the vacant posts were therefore shifted to Goods and Services during the 2011 Adjustments Estimate and was used to fund transfers to municipalities amounting to R3.450 million and for implementing a new electronic purchasing system for all departments (R2 million) that is to be rolled out during 2012/13.

Revenue and cash management arrangements in the province and municipalities have been strengthened, inclusive of improvements in the credibility and sustainability of cash flow management arrangements and liquidity in provincial departments and municipalities.

The provincial bank tender for the provision of banking and associated services for the next 5 years was successfully concluded during the year.

A great deal of effort has gone into the development of responsive departmental, municipal and entity budgets that can contribute to improvements in socio-economic outcomes. Similarly efforts were made to improve economic and other analysis that informed planning and budgeting, budget policy formulation and better monitoring of financial and service delivery performance, in liaison with the Departments of the Premier and Local Government.

The Provincial Economic Review and Outlook 2011 (PERO) and the Medium Term Budget Statement 2012 – 2015 (WC-MTBPS) were both tabled. These provided the basis for the crafting and tabling more responsive budgets with better alignment to the 12 PSOs.

Expenditure and revenue management and monitoring of budget implementation to improve the sustainability and credibility of provincial, municipal and entity budgets has significantly improved and included steps that were introduced to enhance operational efficiency, targeting, and delivery on annual plans.

The level of infrastructure delivery, in liaison with key provincial departments, has improved and included a process that enhanced planning and more efficient procurement methodologies. The WC-IDMS has been developed and approved by

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2012**

Cabinet and this will set the basis for a structured approach to infrastructure delivery in the Province.

Concerted efforts have been made to develop, drive, assess and assist departments, entities and municipalities in the effective and efficient management of supply chain and moveable asset management. Virtuous cycle SCM assessments covering the whole cycle of supply chain management, from demand to disposal, inclusive of corrective actions identified for implementation, have been conducted at departments and municipalities and included strengthened support to departments and municipalities via training, assistance and guidance. This has resulted in the improvement of both supply and moveable asset management processes.

In respect of systems, efforts to improve financial system management were targeted on ensuring that system users are appropriately trained in accordance with their system profiles and that effective user account management was maintained.

Within provincial departments, entities and municipalities concerted efforts were made to improve the standards of accounting and financial reporting. This included the roll-out of the latest Generally Recognised Accounting Practice (GRAP) standards within municipalities and the latest accounting policy framework for provincial departments. Initiatives to further improve the integrity of financial data as well as the competency and staffing of the financial accounting sections within CFO offices have been initiated.

Overall, the capacity in CFO offices is on the rise and this contributed to the improvement in overall financial management capabilities and governance. Special efforts were undertaken to create checklists for all payments to ensure tax certificates and the overall quality of payment documentation was prepared without any deficiencies.

- Virement:

Provisional virement to date was approved by the Executive Authority during May 2012 and the Department ended with a Net saving of R801 000. The details of the shifts between the main divisions are contained in the Appropriation Statements of this document. Further changes also emanated from disclosing government motor transport as a financial lease during 2011/12 due to a reclassification of Government motor vehicle expenditure. As a result of this reclassification, expenditure was shifted from Goods and Services to Capital Assets. These costs have always been centralised under Programme 1 as the Department only have 21 vehicles that are centrally managed within Financial Management.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2012**

2. Service rendered by the Department

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

2.2 Tariff policy

Betting and Gambling

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

Functional Financial Training

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

Free Services

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

Inventories

Two types of assets are maintained on the LOGIS System, namely, an inventory of store items and one of moveable assets. Inventory items are included as assets that are reflected in the Disclosure Notes and Annexure 6 of these Statements. Stationery to the value of R180 000 was available in the stationery store as at 31 March 2012. The stationery was recorded on a first in, first out (FIFO) basis.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2012**

3. Capacity constraints

The experience, recruitment, retention and competence levels within the Provincial Treasury have steadily been improving and the department is in a much better position than in previous years. However, some challenges still remain and were in evidence over the reporting period, but with increasing exposure and learning together with training and other steps, are being addressed. The medium term competency framework designed and developed during the previous reporting period, should also assist in further raising the proficiency and professionalism within the Provincial Treasury.

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

4. Trading entities and public entities

The Provincial Treasury has only one Public Entity, namely, the Western Cape Gambling and Racing Board with its function to regulate all gambling, racing, other related activities and reports to the Minister of Finance, Economic Development and Tourism. The Head: Fiscal and Economic Services Branch is responsible for the administrative oversight of its activities. Currently the Public Entity is self-funding and does not form any contingent liability against the department. The Public Entity also submits a separate set of financial statements to the Provincial Parliament each year.

The Provincial Treasury executed its oversight functions over the WCGRB and asserted that the public entity in achieving its financial and non-financial targets during 2011/12.

5. Organisations to whom transfer payments have been made

Transfers were made to 15 municipalities early in 2012 to strengthen and assist in areas of capacity constraints that were identified by the Provincial Treasury during the reporting period. The details and amounts of the transfers are reflected in Annexure 1A of these Statements.

The Provincial Treasury made donations during March 2011 as incentives to two well performing, but less privileged schools. This was jointly driven by the Western Cape Education Department and the Treasury. An amount of R100 000 or R50 000 per school was transferred to the two schools as set out in Annexure 1E of these statements. This drive gave recognition to the selected best performing secondary schools from disadvantaged areas, which had, despite their difficult circumstances, above average academic results in mathematics, economics and accounting in grade 12.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2012**

6. Corporate governance arrangements

The Department has had an active fraud prevention policy in place since the beginning of 2008 and the policy was rewritten in 2011 and approved by the Accounting Officer. A Fraud and Risk Management Committee continued to be operative during the reporting period. The shift of the Enterprise Risk Management Unit to the Department of the Premier (DotP) also brought new challenges to the department as a new risk secretariat was created in 2011 to ensure that strategic and operational risks were appropriately managed by the Fraud and Risk Management Committee (FARMCO). The FARMCO exists since 2010 and the Enterprise Risk Management section in DotP assisted the Department in identifying risks per programme which was conducted with greater deal of success than in previous years.

7. Discontinued activities

No specific activities were discontinued during the 2011/12 financial year. The reconfiguration process in the Provincial Treasury was only approved in October 2011 and posts for a new establishment will only be approved in 2012/13.

8. Asset management

The SCM Unit of the Department completed its fifth consecutive stocktaking during March and April 2012 and the major assets were finally reconciled with the Logis System. A mid-year asset count that was undertaken during September/October 2011 assisted the department to reconcile its assets at an earlier stage before the end of the reporting period. Both major and minor assets are reflected in Disclosure Notes 28 and 29 of these Statements. The current year assets were adjusted and approval was granted by the Accounting Officer to correct the R27 000 Asset difference which is now zero.

9. Discontinued activities/activities to be discontinued

No specific activities were discontinued during the reporting period.

10. New/proposed activities

The new reconfiguration process that was approved in November 2011 will only become operative in the Department as from April 2012/13 and will be reported on in more detail in next year's financial statements.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2012**

11. Events after the reporting date

Three laptops purchased and donated to teachers during the previous reporting period were only processed and paid in 2011/12. These laptops are now included as part of the current reporting period's donation of a further three laptops to teachers that are disclosed in Annexure 1E as part of the six laptops that were donated.

12. SCOPA resolutions

Background/ Reference to audit report	Resolution	Progress
The Committee resolved that Provincial Treasury:		
	Briefs it on the Practice Notes and ensures that all departments have received it in order to comply in the current year's Annual Report; and	The status of Practice Notes was raised as an issue by the Premier with the National Minister of Finance. In which the Premier expressed the Province's stance that Practice Notes do not have the character of Law. The National Treasury concurred with the Premier's stance. It was, however agreed that the Province when drafting its Provincial Treasury Instructions (PTIs), will cover the key gaps raised in the audit process and incorporate the spirit and import of the National Treasury Regulations into the PTIs, therefore giving effect to the prescribed requirements and the Province's own specific requirements.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2012**

Background/ Reference to audit report	Resolution	Progress
		The process was tabled at Cabinet in terms of Cabinet resolutions 82/2011 and 336/2011 in April 2011 and December 2011 respectively. Communication to the departments was done via PTM, CFO Forum, SCM/AM Forum, Issuance of Treasury Circulars 36, 61 and 63 of 2011 and 14 of 2012. The agreed commitment to issue the PTI's for SCM was issued on 28 March 2012 via Treasury Circular 14/2012.
	Formulates a policy which will guide the FIU on cases which get referred to the Unit by September 2012.	The matter will be discussed in a FARMCO between the Department and the Department of the Premier's FIU Unit during July 2012.
The Committee expressed its concerns on the following:		
	The irregular expenditure totalling to R1.745 million which was only detected during the audit of procurement and contract management and based on that, it was not prevented by the Department's internal control activities; and	The Directorate: Financial Management in the Department distributed a Finance Instruction no. 16 of 2011 during September 2011 (Transaction checklist) and all payments were also checked inclusive of tax clearance certificates and SBD 4 compliance. After proper steps were instituted, irregular expenditure was condoned by the Accounting Officer.
	The under expenditure of R4.004 million which was due to non-filling of posts.	Senior level posts and deputy director posts could not be filled as competencies were not of the level expected which implied an under-spending that was higher than 2 per cent.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2012**

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

Background/Reference to audit report	Progress
1. A report on the corrective measures that Provincial Treasury has taken to improve the functioning of the Internal Audit under "Governance support" as indicated on page 52 of the Annual Report (2010/11).	Information was submitted to the SCOPA secretariat on 6 June 2012.
2. A detailed report on the external and internal challenges faced by Provincial Treasury during 2010/11, as indicated in points 1 to 4 under "General review of the stated on financial affairs" on page 54 of the Annual Report.	Information was submitted to the SCOPA secretariat on 6 June 2012.
3. The headlines of the Main Estimates for performance audits as indicated on page 54 of the Annual Report.	Information was submitted to the SCOPA secretariat on 6 June 2012.
4. A full report on the Public Private Partnership (PPPs) as indicated on page 57 of the Annual Report.	Information was submitted to the SCOPA secretariat on 6 June 2012.
5. The memorandum of agreement between the Provincial Treasury and National Treasury on discontinued activities/activities to be discontinued, as indicated on page 57 of the Annual Report.	Information was submitted to the SCOPA secretariat on 6 June 2012.
6. A report on the Minister's investigation into the R1 247 000 supply chain management irregularities as indicated on page 60 of the Annual Report.	Information was submitted to the SCOPA secretariat on 6 June 2012.
7. The list of its heritage assets.	Information was submitted to the SCOPA secretariat on 6 June 2012.

13. Interim Financial Statements

All interim Financial Statements were submitted to the Provincial Treasury on the prescribed reporting periods.

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2012

14. **Approval**

The Annual Financial Statements as set out on pages 63 to 104 have been approved by the Accounting Officer. The Annual Financial Statements and Accounting Officer's letter will be cleared with the Accounting Officer as was communicated to AGSA during their bi-weekly steering meetings.



.....
(DR) JC STEGMANN
ACCOUNTING OFFICER
DATE: 31 July 2012

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2012

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

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Western Cape Provincial Treasury set out on pages 63 to 99, which comprise the appropriation statement, the statement of financial position as at 31 March 2012, and the statement of financial performance and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

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

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. 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.
4. 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 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.

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2012

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

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the department as at 31 March 2012, and its financial performance and cash flows for the year then ended in accordance with the *Departmental Financial Reporting Framework* prescribed by the National Treasury and the requirements of the PFMA.

Emphasis of matter

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

Significant uncertainty

8. With reference to disclosure note 18 to the financial statements, the department is a defendant in a lawsuit. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Additional matters

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

Unaudited supplementary schedules

10. The supplementary information set out on pages 100 to 104 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

Financial reporting framework

11. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. The wording of my opinion on a compliance framework should reflect that the financial statements have been prepared in accordance with this framework. Section 20(2)(a) of the PAA, however, requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2012

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

13. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 20 to 44 of the annual report.
14. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.
15. The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
16. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Compliance with laws and regulations

17. I performed procedures to obtain evidence that the department has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations, as set out in the *General Notice* issued in terms of the PAA.

Internal control

18. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. I did not identify any deficiencies in internal control which I considered sufficiently significant for inclusion in this report.

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2012

OTHER REPORT

Performance audit

19. During the year under review a performance audit was conducted on the readiness of government to report on its performance. The focus of the audit is on how government institutions are guided and assisted to report on their performance, as well as the systems and processes that they have put in place. The audit is currently in the reporting phase and the findings will be reported on in a separate report.

Auditor General

Cape Town
31 July 2012



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2012**

Appropriation per programme									
Programmes	2011/12							2010/11	
	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	28 993	(1 549)	-	27 444	27 279	165	99.4	30 740	29 277
Transfers and subsidies	703	480	-	1 183	1 183	-	100.0	736	736
Payment for capital assets	1 668	1 038	-	2 706	2 633	73	97.0	3 089	3 089
Payment for financial assets	12	31	-	43	43	-	100.0	112	112
	31 376	-	-	31 376	31 138	238	99.2	34 677	33 214
2. Sustainable Resource Management									
Current payment	58 332	(7)	-	58 325	57 874	451	99.2	42 327	42 327
Transfers and subsidies	3 450	7	-	3 457	3 457	-	100.0	-	-
	61 782	-	-	61 782	61 331	451	99.3	42 327	42 327
3. Asset and Liabilities Management									
Current payment	30 162	-	544	30 706	30 706	-	100.0	34 904	33 710
	30 162	-	544	30 706	30 706	-		34 904	33 710
4. Financial Governance									
Current payment	20 100	-	(544)	19 556	19 444	112	99.4	19 596	18 249
	20 100	-	(544)	19 556	19 444	112	99.4	19 596	18 249
Total	143 420	-	-	143 420	142 619	801	99.4	131 504	127 500
Reconciliation with Statement of Financial Performance									
Add: Departmental receipts					58 924			32 214	
Actual amounts per Statement of Financial Performance (Total Revenue)					202 344			163 718	
Actual amounts per Statement of Financial Performance Expenditure						142 619			127 500

Appropriation per Economic classification									
Economic classification	2011/12							2010/11	
	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	96 456	(778)	(142)	95 536	94 973	563	99.4	91 236	89 297
Goods and services	41 131	(807)	142	40 466	40 301	165	99.6	36 311	34 246
Interest and rent on land	-	29	-	29	29	-	100.0	20	20
Transfers & subsidies									
Provinces & municipalities	3 450	-	-	3 450	3 450	-	100.0	-	-
Departmental agencies & accounts	-	83	-	83	83	-	100.0	-	-
Non-profit institutions	-	-	-	-	-	-	-	100	100
Households	703	375	-	1 078	1 078	-	100.0	634	634
Gifts and donations	-	29	-	29	29	-	100.0	2	2
Payment for capital assets									
Machinery & equipment	1 668	1 038	-	2 706	2 633	73	97.3	3 054	3 054
Heritage assets	-	-	-	-	-	-	-	35	35
Payment for financial assets									
	12	31	-	43	43	-	100.0	112	112
Total	143 420	-	-	143 420	142 619	801	99.4	131 504	127 500

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

APPROPRIATION STATEMENT
for the year ended 31 March 2012

Detail per programme 1 – Administration
for the year ended 31 March 2012

Details per Sub-Programme	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the Minister									
Current payment	5 309	(384)	-	4 925	4 925	-	100.0	4 776	4 776
Transfers and subsidies	1	-	-	1	1	-	100.0	-	-
1.2 Management Services									
Current payment	7 222	(467)	-	6 755	6 590	165	97.6	5 001	5 001
Transfers and subsidies	700	476	-	1 176	1 176	-	100.0	817	817
1.3 Corporate Services									
Current payment	-	-	-	-	-	-	-	3 683	3 683
Transfers and subsidies	-	-	-	-	-	-	-	(81)	(81)
1.4 Financial Management									
Current payment	16 462	(698)	-	15 764	15 764	-	100.0	17 280	15 817
Transfers and subsidies	2	4	-	6	6	-	100.0	-	-
Payment for capital assets	1 668	1 038	-	2 706	2 633	73	97.0	3 089	3 089
Payment for financial assets	12	31	-	43	43	-	100.0	112	112
Total	31 376	-	-	31 376	31 138	238	99.2	34 677	33 214

Programme 1 Per Economic classification	2011/12							2010/11	
	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	18 482	(126)	-	18 356	18 356	-	100.0	19 514	19 514
Goods and services	10 511	(1 452)	-	9 059	8 894	165	98.3	11 206	9 743
Interest and rent on land	-	29	-	29	29	-	100.0	20	20
Transfers & subsidies									
Departmental agencies & accounts	-	83	-	83	83	-	100.0	-	-
Non-profit institutions	-	-	-	-	-	-	-	100	100
Households	703	368	-	1 071	1 071	-	100.0	634	634
Gifts and donations	-	29	-	29	29	-	100.0	2	2
Payment for capital assets									
Machinery & equipment	1 668	1 038	-	2 706	2 633	73	97.3	3 054	3 054
Heritage assets	-	-	-	-	-	-	-	35	35
Payment for financial assets									
	12	31	-	43	43	-	100.0	112	112
Total	31 376	-	-	31 376	31 138	238	99.2	34 677	33 214

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2012**

**Detail per programme 2 – Sustainable Resource Management
for the year ended 31 March 2012**

Details per sub-programme	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Programme Support									
Current payment	3 520	328	-	3 848	3 848	-	100.0	3 024	3 024
2.2 Fiscal Policy									
Current payment	6 431	262	-	6 693	6 693	-	100.0	3 663	3 663
2.3 Budget Management									
Current payment	17 232	(448)	-	16 784	16 784	-	100.0	13 749	13 749
2.4 Public Finance									
Current payment	31 149	(149)	-	31 000	30 549	451	98.5	21 891	21 891
Transfers and subsidies	3 450	7	-	3 457	3 457	-	100.0	-	-
Total	61 782	-	-	61 782	61 331	451	99.3	42 327	42 327

Programme 2 Per Economic classification	2011/12							2010/11	
	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	40 456	(290)	-	40 166	39 715	451	98.9	28 360	28 360
Goods and services	17 876	283	-	18 159	18 159	-	100.0	13 967	13 967
Transfers & subsidies									
Provinces & municipalities	3 450	-	-	3 450	3 450	-	100.0	-	-
Households	-	7	-	7	7	-	100.0	-	-
Total	61 782	-	-	61 782	61 331	451	99.3	42 327	42 327

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2012**

**Detail per programme 3 – Asset and Liabilities Management
for the year ended 31 March 2012**

Details per sub-programme	2011/12							2010/11	
	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	1 582	(528)	-	1 054	1 054	-	100.0	1 492	998
3.2 Asset Management									
Current payment	10 314	(700)	-	9 614	9 614	-	100.0	16 074	15 373
3.3 Liabilities Management									
Current payment	-	-	-	-	-	-	-	2 535	2 535
3.4 Supporting and Interlinked Financial Systems									
Current payment	18 266	1 228	544	20 038	20 038	-	100.0	14 803	14 804
Total	30 162	-	544	30 706	30 706	-	100.0	34 904	33 710

Programme 3 Per Economic classification	2011/12							2010/11	
	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	20 177	(362)	-	19 815	19 815	-	100.0	26 395	25 201
Goods and services	9 985	362	544	10 891	10 891	-	100.0	8 509	8 509
Total	30 162	-	544	30 706	30 706	-	100.0	34 904	33 710

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2012**

**Detail per programme 4 – Financial Governance
for the year ended 31 March 2012**

Details per sub-programme	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Programme Support									
Current payment	1 323	114	-	1 437	1 437	-	100.0	1 625	1 452
4.2 Accounting Services									
Current payment	10 354	(114)	(465)	9 775	9 775	-	100.0	8 564	7 844
4.3 Norms and Standards									
Current payment	8 423	-	(79)	8 344	8 232	112	98.7	7 970	7 516
4.4 Provincial Internal Audit									
Current payment	-	-	-	-	-	-	-	1 437	1 437
Total	20 100	-	(544)	19 556	19 444	112	99.4	19 596	18 249

Programme 4 Per Economic classification	2011/12							2010/11	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	17 341	-	(142)	17 199	17 087	112	99.3	16 967	16 222
Goods and services	2 759	-	(402)	2 357	2 357	-	100.0	2 629	2 027
Total	20 100	-	(544)	19 556	19 444	112	99.4	19 596	18 249

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2012**

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-E) 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 the note on Payments for financial assets to the Annual Financial Statements.

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

4.1 Per programme

Per Programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	R'000
Administration	31 376	31 138	238	0.76
The underspending is mainly as a result of suppliers invoices that were received late and vacant posts that were not filled.				
Sustainable Resource Management	61 782	61 331	451	0.73
The underspending is mainly as a result of suppliers invoices that were received late and vacant posts that were not filled.				
Financial Governance	19 556	19 444	112	0.57
The underspending is mainly as a result of suppliers invoices that were received late and vacant posts that were not filled.				

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2012

4.2 Per economic classification

Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Current expenditure				
Compensation of employees	95 536	94 973	563	0.59
Goods and services	40 466	40 301	165	0.41
Interest and rent on land	29	29	-	-
Transfers and subsidies				
Provinces and municipalities	3 450	3 450	-	-
Departmental agencies and accounts	83	83	-	-
Households	1 078	1 078	-	-
Gifts and donations	29	29	-	-
Payments for capital assets				
Machinery and equipment	2 706	2 633	73	2.70
Payments for financial assets	43	43	-	-

The underspending on Compensation of employees was mainly due to the non-filling of deputy director posts in the Vote. The underspending on Goods and Services and Capital Assets were as a result of commitments that could not be processed in time.

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
REVENUE			
Annual appropriation	1	143 420	131 504
Departmental revenue	2	58 924	32 214
TOTAL REVENUE		202 344	163 718
EXPENDITURE			
Current expenditure			
Compensation of employees	3	94 973	89 297
Goods and services	4	40 301	34 246
Interest and rent on land	5	29	20
Total current expenditure		135 303	123 563
Transfers and subsidies			
Transfers and subsidies	7	4 640	736
Total transfers and subsidies		4 640	736
Expenditure for capital assets			
Tangible capital assets	8	2 633	3 089
Total expenditure for capital assets		2 633	3 089
Payments for financial assets	6	43	112
TOTAL EXPENDITURE		142 619	127 500
SURPLUS FOR THE YEAR		59 725	36 218
Reconciliation of Net Surplus for the year			
Voted Funds	12	801	4 004
Departmental revenue	13	58 924	32 214
SURPLUS FOR THE YEAR		59 725	36 218

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

STATEMENT OF FINANCIAL POSITION
as at 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
ASSETS			
Current Assets		1 333	5 189
Cash and cash equivalents	9	1 019	5 008
Prepayments and advances	10	-	31
Receivables	11	314	150
TOTAL ASSETS		1 333	5 189
LIABILITIES			
Current Liabilities		1 333	5 189
Voted funds to be surrendered to the Revenue Fund	12	801	4 004
Departmental revenue to be surrendered to the Revenue Fund	13	424	1 182
Bank overdraft	14	108	-
Payables	15	-	3
TOTAL LIABILITIES		1 333	5 189
NET ASSETS		-	-

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

CASH FLOW STATEMENT
for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		500 606	513 115
Annual appropriated funds received	1.1	143 420	131 504
Departmental revenue received	2	357 186	381 611
Net decrease in working capital		(136)	(40)
Surrendered to Revenue Fund		(361 948)	(382 009)
Current payments		(135 303)	(123 563)
Payments for financial assets		(43)	(112)
Transfers and subsidies paid		(4 640)	(736)
Net cash flow available from operating activities	16	(1 464)	6 655
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(2 633)	(3 089)
Net cash flows from investing activities		(2 633)	(3 089)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net decrease in cash and cash equivalents		(4 097)	3 566
Cash and cash equivalents at beginning of period		5 008	1 442
Cash and cash equivalents at end of period	17	911	5 008

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2012**

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

1. Presentation of the Financial Statements

1.1 Basis of preparation

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

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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

1.5 Comparative figures - Appropriation Statement

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2012**

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.

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

Any amount due from the National/Provincial Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.

2.2 Departmental revenue

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

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

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

3. Expenditure

3.1 Compensation of employees

3.1.1 Salaries and wages

Salaries and wages are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2012**

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

3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

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

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

3.2 Goods and services

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

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

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

3.3 Payments for financial assets

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

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

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

ACCOUNTING POLICIES
for the year ended 31 March 2012

3.4 Transfers and subsidies

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

3.5 Unauthorised expenditure

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

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

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date of approval.

3.6 Fruitless and wasteful expenditure

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

3.7 Irregular expenditure

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

4. Assets

4.1 Cash and cash equivalents

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

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

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2012**

4.2 Other financial assets

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

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

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

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.

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

4.5 Capital assets

4.5.1 Moveable assets

Initial recognition

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

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

Subsequent recognition

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

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2012**

Subsequent expenditure

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.

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

5. Liabilities

5.1 Payables

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

5.2 Contingent liabilities

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

5.3 Commitments

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

5.4 Accruals

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

5.5 Employee benefits

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

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

ACCOUNTING POLICIES
for the year ended 31 March 2012

5.6 Lease commitments

Finance lease

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

Operating lease

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

6. Receivables for departmental revenue

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

7. Related party transactions

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

8. Key management personnel

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

9. GG vehicle expenditure and commitments

The National Treasury approved a departure from the disclosure of apportioning finance lease expenditure and future financial commitments between capital and interest as prescribed by the accounting policy in paragraph 5.6 above, due to the late finalisation of the disagreement on the accounting treatment for the GG vehicles. Future finance lease commitments have been disclosed using the CPIX rate as the basis for annual increments.

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

1. Annual Appropriation

1.1 Annual Appropriation

Programmes	Final Appropriation 2011/12 R'000	Actual Funds Received 2011/12 R'000	Funds not requested/ not received 2011/12 R'000	Appropriation Received 2010/11 R'000
Administration	31 376	31 376	-	34 677
Sustainable Resource Management	61 782	61 782	-	42 327
Asset and Liabilities Management	30 706	30 706	-	34 904
Financial Governance	19 556	19 556	-	19 596
Total	143 420	143 420	-	131 504

2. Departmental Revenue

	Note	2011/12 R'000	2010/11 R'000
Tax revenue		350 603	322 644
Sales of goods and services other than capital assets	2.1	2 163	1 907
Fines, penalties and forfeits	2.2	313	459
Interest, dividends and rent on land	2.3	-	53 986
Transactions in financial assets and liabilities	2.4	4 107	2 615
Total revenue collected		357 186	381 611
Less: Own revenue included in appropriation	13	(298 262)	(349 397)
Departmental revenue collected		58 924	32 214

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department

Administrative fees

Other sales

Total

2

2 163	1 907
2 131	1 888
32	19
2 163	1 907

2.2 Fines, penalties and forfeits

Fines

Penalties

Total

2

3	5
310	454
313	459

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
2.3 Interest, dividends and rent on land	2		
Interest		-	53 986
Total		-	53 986

Note: Interest on investments went directly to the Provincial Revenue Fund in 2011/12 and not via the Vote.

2.4 Transactions in financial assets and liabilities	2		
Other Receipts including Recoverable Revenue		4 107	2 615
Total		4 107	2 615

3. Compensation of employees

3.1 Salaries and wages

Basic salary	66 067	62 023
Performance award	1 598	1 313
Service Based	91	191
Compensative/circumstantial	1 113	1 480
Periodic payments	21	4
Other non-pensionable allowances	13 995	12 750
Total	82 885	77 761

3.2 Social Contributions

Employer contributions

Pension	8 443	7 999
Medical	3 632	3 523
Bargaining council	13	14
Total	12 088	11 536

Total compensation of employees

94 973	89 297
---------------	---------------

Average number of employees

236	269
-----	-----

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012**

	Note	2011/12 R'000	2010/11 R'000
4. Goods and services			
Administrative fees		90	61
Advertising		2 162	462
Assets less than R5,000	4.1	367	389
Bursaries (employees)		338	230
Catering		322	373
Communication		861	1 058
Computer services	4.2	4 290	2 575
Consultants, contractors and agency/outsourced services	4.3	13 095	9 793
Entertainment		107	94
Audit cost – external	4.4	8 171	9 720
Inventory	4.5	2 544	4 455
Property payments	4.6	259	-
Transport provided as part of the departmental activities		44	7
Travel and subsistence	4.7	4 344	3 059
Venues and facilities		736	651
Training and staff development		661	854
Other operating expenditure	4.8	1 910	465
Total		40 301	34 246

Note: The comparative figures (2010/11) for Operating leases and Travel and subsistence have been restated with (R545 000) and R733 000 respectively due to the removal of daily tariffs not being operating leases.

4.1 Assets less than R5,000	4		
Tangible assets		367	389
Machinery and equipment		367	389
Total		367	389
4.2 Computer services	4		
SITA computer services		509	465
External computer service providers		3 781	2 110
Total		4 290	2 575

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012**

	Note	2011/12 R'000	2010/11 R'000
4.3 Consultants, contractors and agency/outsourced	4		
Business and advisory services		12 583	8 982
Legal costs		5	224
Contractors		455	540
Agency and support/outsourced services		52	47
Total		13 095	9 793
4.4 Audit cost – external	4		
Regularity audits		3 208	3 094
Performance audits		4 886	6 431
Computer audits		77	195
Total		8 171	9 720
Note: For the comparative figures, Regularity audits was reduced with R195 000 and is now reflected under Computer audits.			
4.5 Inventory	4		
Learning and teaching support material		-	64
Food and food supplies		89	71
Other consumables		43	24
Stationery and printing		2 412	4 296
Total		2 544	4 455
4.6 Property payments	4		
Property maintenance and repairs		259	-
Total		259	-
4.7 Travel and subsistence	4		
Employee costs		4 344	3 059
Domestic travel costs		3 629	2 966
International travel costs		715	93
Total		4 344	3 059
4.8 Other operating expenditure	4		
Learnerships		1 568	-
Professional bodies, membership and subscription fees		226	3
Resettlement costs		-	61
Gifts		25	-
Other		91	401
Total		1 910	465

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
5. Interest and Rent on Land			
Interest paid		29	20
Total		29	20
6. Payments for financial assets			
Material losses through criminal conduct		13	13
Theft	6.3	13	13
Other material losses written off	6.1	12	93
Debts written off	6.2	18	6
Total		43	112
6.1 Other material losses written off			
Nature of losses			
Laptop items written-off		-	29
GG Accident		-	56
Telkom interest written off		-	3
Data card usage		-	5
GG Vehicle Damages		11	-
Accommodation cancelled		1	-
Total		12	93
6.2 Debts written off	6		
Nature of debts written off			
Debts written off - Pension Fund		-	6
Debts written off - Salary overpayments		16	-
Tax debts		2	-
Total		18	6
6.3 Details of theft	6		
Nature of theft			
Stolen Laptop		13	13
Total		13	13

Note: The total value of the 2 laptops stolen in 2010/11 was R29 536.13 of which R16 171.08 is in the process of being deducted from the relevant officials.

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
7. Transfers and Subsidies			
Provinces and municipalities	Annexure 1A	3 450	-
Departmental agencies and accounts	Annexure 1B	83	-
Non-profit institutions	Annexure 1C	-	100
Households	Annexure 1D	859	634
Gifts, donations and sponsorships made	Annexure 1E	248	2
Total		4 640	736
8. Expenditure for capital assets			
Tangible assets		2 633	3 089
Heritage assets		-	35
Machinery and equipment	28	2 633	3 054
Total		2 633	3 089

8.1 Analysis of funds utilised to acquire capital assets - 2011/12

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	2 633	-	2 633
Machinery and equipment	2 633	-	2 633
Total	2 633	-	2 633

8.2 Analysis of funds utilised to acquire capital assets - 2010/11

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	3 089	-	3 089
Heritage assets	35	-	35
Machinery and equipment	3 054	-	3 054
Total	3 089	-	3 089

Note: GG vehicle daily tariff expenditure was reclassified from operating lease expenditure to finance lease expenditure in the 2011/12 AFS and hence restated for the 2010/11 comparatives.

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
9. Cash and Cash Equivalents			
Consolidated Paymaster General Account		-	226
Cash receipts		(2)	-
Disbursements		3	-
Cash on hand		3	3
Investments (Domestic)		1 015	4 779
Total		1 019	5 008
10. Prepayments and Advances			
Prepayments		-	31
Total		-	31

	Note	2011/12			Total R'000	2010/11 R'000
		Less than one year R'000	One to three years R'000	Older than three years R'000		
11. Receivables						
Claims recoverable	11.1	131	-	-	131	41
	Annexure 3					
Recoverable expenditure	11.2	117	14	20	151	74
Staff debt	11.3	4	17	-	21	-
Other debtors	11.4	(40)	42	9	11	35
Total		212	73	29	314	150

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
11.1 Claims recoverable	11		
Provincial departments		131	41
Total		131	41
11.2 Recoverable expenditure (disallowance accounts)	11		
Disallowance miscellaneous		130	3
Disall: Damages & Losses: CA		6	17
Tax debts		4	20
Income tax		4	33
Private Telephone		5	1
Sal:Reversal Control		2	-
Total		151	74
11.3 Staff debt	11		
Bursary debt		17	-
Theft of laptop		4	-
Total		21	-
11.4 Other debtors	11		
Debt receivable income		(73)	(41)
Debt receivable interest		(16)	(11)
Ex - Employees			
- Tax		4	3
- Salary		65	73
- Data card debt		3	11
- Bursary debt		28	-
Total		11	35

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
12. Voted Funds to be Surrendered to the Revenue Fund			
Opening balance		4 004	1 386
Transfer from statement of financial performance		801	4 004
Paid during the year		(4 004)	(1 386)
Closing balance		801	4 004
13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund			
Opening balance		1 182	194
Transfer from Statement of Financial Performance		58 924	32 214
Own revenue included in appropriation		298 262	349 397
Paid during the year		(357 944)	(380 623)
Closing balance		424	1 182
14. Bank Overdraft			
Consolidated Paymaster General Account		108	-
Total		108	-
15. Payables - current			
Other payables		-	3
Total		-	3
15.1 Other payables	15		
Tax refund		-	3
Total		-	3

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
16. Net cash flow available from operating activities			
Net surplus as per Statement of Financial Performance		59 725	36 218
Add back non cash/cash movements not deemed operating activities		(61 189)	(29 563)
Increase in receivables – current		(164)	7
Decrease in prepayments and advances		31	(31)
Decrease in payables – current		(3)	(16)
Expenditure on capital assets		2 633	3 089
Surrenders to Revenue Fund		(361 948)	(382 009)
Own revenue included in appropriation		298 262	349 397
Net cash flow generated by operating activities		(1 464)	6 655
17. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		(108)	226
Cash receipts		(2)	-
Disbursements		3	-
Cash on hand		3	3
Cash with commercial banks (Local)		1 015	4 779
Total		911	5 008

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000	
18. Contingent liabilities and contingent assets				
18.1 Contingent liabilities				
Liable to				
Claims against the department	Annexure 2	1 236	1 236	
Other departments (interdepartmental unconfirmed balances)	Annexure 5	-	8	
Total		1 236	1 244	
19. Commitments				
Current expenditure				
Approved and contracted		840	1 372	
Capital Expenditure (including transfers)				
Approved and contracted		36	152	
Total Commitments		876	1 524	
20. Accruals				
Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	1 264	292	1 556	555
Capital assets	112	-	112	93
Total	1 376	292	1 668	648
Listed by programme level				
Administration			1 110	482
Sustainable Resource Management			233	115
Asset and Liabilities Management			168	39
Financial Governance			157	12
Total			1 668	648
Confirmed balances with departments	Annexure 5		211	3
Confirmed balances with other government entities	Annexure 5		155	30
Total			366	33

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012**

	Note	2011/12 R'000	2010/11 R'000
21. Employee benefits			
Leave entitlement		2 102	225
Leave entitlement: credits		173	792
Service bonus (Thirteenth cheque)		2 356	2 309
Performance awards		1 667	1 536
Capped leave commitments		5 428	5 321
Total		11 726	10 183

Note: The leave entitlement credits of R173 000 represents future leave taken by officials but not qualified for yet.

22. Lease Commitments

22.1 Operating leases

Note: The comparative amount under Operating leases expenditure of R1 529 000 relating to the age analysis of the use of GG-vehicles operating lease expenditures was originally classified as a non-arm's length transaction which is now considered to be an arms length transaction.

22.2 Finance leases: Data cards, cellphones and photocopy machines

	Specialised military assets R'000	Land R'000	Buildings & other fixed structures	Machinery and equipment R'000	Total R'000
2011/12					
Not later than 1 year	-	-	-	304	304
Later than 1 year and not later than 5 years	-	-	-	347	347
Total lease commitments	-	-	-	651	651
LESS: finance costs	-	-	-	39	39
Total present value of lease liabilities	-	-	-	612	612
2010/11					
Not later than 1 year	-	-	-	118	118
Later than 1 year and not later than 5 years	-	-	-	11	11
Total lease commitments	-	-	-	129	129
LESS: finance costs	-	-	-	5	5
Total present value of lease liabilities	-	-	-	124	124

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

22.3 Future finance lease commitments: GG Vehicles

	Within 1 year R'000	2 - 5 years R'000	More than 5 years R'000
2011/12			
Total lease payments	819	2 139	442
	Within 1 year R'000	2 - 5 years R'000	More than 5 years R'000
2010/11			
Total lease payments	608	1 200	843

Note: The Provincial Treasury leases 21 vehicles from GMT. Daily tariffs are payable on a monthly basis, covering operational costs and capital costs towards the replacement of vehicles. GG vehicle daily tariff commitments were reclassified from operating lease commitments to finance lease commitments in the 2011/12 AFS and hence restated for the 2010/11 comparatives.

	2011/12 R'000	2010/11 R'000
23. Receivables for departmental revenue		
Tax revenue	31 774	26 618
Sales of goods and services other than capital assets	96	77
Fines, penalties and forfeits	95	32
Transactions in financial assets and liabilities	2 411	3 913
Total	34 376	30 640

23.1 Analysis of receivables for departmental revenue

Opening balance	30 640	27 167
Less: Amounts received	(29 755)	(26 282)
Add: Amounts recognised	33 491	29 755
Closing balance	34 376	30 640

24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

Opening balance	1 745	-
Add: Irregular expenditure - relating to prior year	-	461
Add: Irregular expenditure - relating to current year	65	1 285
Less: Amounts condoned	(9)	(1)
Irregular expenditure awaiting condonation	1 801	1 745

Analysis of awaiting condonation per age classification

Current year	60	1 285
Prior years	1 741	460
Total	1 801	1 745

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

		2011/12 R'000
24.2 Details of irregular expenditure		
Current year		
Incident	Disciplinary steps taken/criminal proceedings	
Shuttle Services - No Approval	Approval was granted for admonishment letters to be issued to the relevant managers	5
Refund for personal funds used to procure flowers	Under investigation	1
Awards without obtaining three written quotations	Cases to be submitted to Accounting Officer for condonement	59
		65
24.3 Details of irregular expenditure condoned		
Incident	Condoned by	
Catering Service - Non-compliance with regulations	Accounting Officer	3
Service Fee charged by Travel agency for Conference	Accounting Officer	1
Approval for use of shuttle services	Accounting Officer	5
		9
24.4 Details of irregular expenditure under investigation		
Incident		
Refund for personal funds used to procure flowers		1
		1
	2011/12 R'000	2010/11 R'000
25. Fruitless and wasteful expenditure		
25.1 Reconciliation of fruitless and wasteful expenditure		
Opening balance	8	-
Fruitless and wasteful expenditure – relating to prior year	-	8
Fruitless and wasteful expenditure – relating to current year	4	-
Less: Amounts condoned	(1)	-
Fruitless and wasteful expenditure awaiting condonement	11	8

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

	2011/12	2010/11
	R'000	R'000
25.2 Analysis of awaiting condonement per economic classification		
Current	11	8
Total	11	8

		2011/12
		R'000
25.3 Analysis of Current Year's Fruitless and wasteful expenditure		
Incident	Disciplinary steps taken/criminal proceedings	
Accommodation costs	Letter to HOD's office by CFO	1
Upgrade of Air ticket	None	1
Flight cancelled - Service fee	None	2
		4

26. Related party transaction

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

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

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

The Western Cape Gambling and Racing Board is the collecting agent for taxes due to the Provincial Revenue Fund via the vote of this Department.

A related party relationship exists between the Department and Government Motor Transport (GMT) with regard to the management of government motor vehicles of the Departments. This relationship is based on an arm's length transaction in terms of tariffs approved by the Provincial Treasury.

Provincial Treasury received Security Advisory Services and Security Operations from the Department of Community Safety in the Western Cape.

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

	No. of Individuals	2011/12 R'000	2010/11 R'000
27. Key management personnel			
Political office bearers (provide detail below)	1	1 566	1 492
Level 15 to 16	3	3 651	3 457
Level 14 (incl CFO if at a lower level)	4	3 789	3 286
Total		9 006	8 235

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

28. Moveable Tangible Capital Assets

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2012**

	Opening balance R'000	Current Year Adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
HERITAGE ASSETS	280	-	-	-	280
Heritage assets	280	-	-	-	280
MACHINERY AND EQUIPMENT	9 393	2 009	2 933	362	13 973
Transport assets	-	1 968	1 285	144	3 109
Computer equipment	7 019	107	1 068	198	7 996
Furniture and office equipment	1 123	(8)	386	-	1 501
Other machinery and equipment	1 251	(58)	194	20	1 367
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	9 673	2 009	2 933	362	14 253

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

28.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2012

	Cash R'000	Non-cash R'000	(Capital work- in-progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year R'000	Total R'000
MACHINERY AND EQUIPMENT	2 633	1 285	(1 038)	53	2 933
Transport assets	733	1 285	(733)	-	1 285
Computer equipment	1 015	-	-	53	1 068
Furniture and office equipment	691	-	(305)	-	386
Other machinery and equipment	194	-	-	-	194
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	2 633	1 285	(1 038)	53	2 933

28.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2012

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash received Actual R'000
HERITAGE ASSETS	-	-	-	-
MACHINERY AND EQUIPMENT	20	342	362	-
Transport assets	-	144	144	-
Computer equipment	-	198	198	-
Other machinery and equipment	20	-	20	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	20	342	362	-

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

28.3 Movement for 2010/11

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

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
HERITAGE ASSETS	245	35	-	280
Heritage assets	245	35	-	280
MACHINERY AND EQUIPMENT	10 760	2 263	3 630	9 393
Transport assets	-	619	619	-
Computer equipment	8 544	1 416	2 941	7 019
Furniture and office equipment	1 000	153	30	1 123
Other machinery and equipment	1 216	75	40	1 251
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	11 005	2 298	3 630	9 673

28.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Specialised military assets	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	140	5 097	-	5 237
Curr Year Adjustments to Prior Yr Balances	-	-	-	-	-	-
Additions	-	-	-	335	-	335
Disposals	-	-	-	47	-	47
TOTAL MINOR ASSETS	-	-	140	5 385	-	5 525
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	-	91	4 820	-	4 911
TOTAL NUMBER OF MINOR ASSETS	-	-	91	4 820	-	4 911

The additions of R335,000 includes assets purchased in 2008/09 (R929.00), 2009/10 (R9 365.68) and 2010/11 (R7 635.96) totalling R18 000 that was only identified and correctly added as minor assets during the reporting period.

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

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

	Specialised military assets	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	96	5 686	-	5 782
Curr Year Adjustments to Prior Yr Balances	-	-	29	-	-	29
Additions	-	-	15	493	-	508
Disposals	-	-	-	1 082	-	1 082
TOTAL MINOR ASSETS	-	-	140	5 097	-	5 237

28.5 Movable assets written off**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2012**

	Specialised military assets	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	13	-	13
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	13	-	13

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2011

	Specialised military assets	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	40	-	40
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	40	-	40

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

29. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2012

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

Movement for 2010/11

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

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
COMPUTER SOFTWARE	1 371	-	953	418
TOTAL INTANGIBLE CAPITAL ASSETS	1 371	-	953	418

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012**

**ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2010/11
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Witzenburg Municipality	-	-	300	300	300	-	-	-	-	-	-
Theewaterskloof Municipality	-	-	400	400	400	-	-	-	-	-	-
Laingsburg Municipality	-	-	300	300	300	-	-	-	-	-	-
Bitou Municipality	-	-	200	200	200	-	-	-	-	-	-
George Municipality	-	-	200	200	200	-	-	-	-	-	-
Overberg municipality	-	-	150	150	150	-	-	-	-	-	-
Oudtshoorn Municipality	-	-	100	100	100	-	-	-	-	-	-
Kannaland Municipality	-	-	100	100	100	-	-	-	-	-	-
Beaufort West Municipality	-	-	300	300	300	-	-	-	-	-	-
Matzikama Municipality	-	-	300	300	300	-	-	-	-	-	-
Prince Albert Municipality	-	-	200	200	200	-	-	-	-	-	-
Saldanha Bay Municipality	-	-	200	200	200	-	-	-	-	-	-
Cape Agulhas Municipality	-	-	200	200	200	-	-	-	-	-	-
Mossel Bay Municipality	-	-	200	200	200	-	-	-	-	-	-
Swartland Municipality	-	-	300	300	300	-	-	-	-	-	-
	-	-	3 450	3 450	3 450	-	-	-	-	-	-

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

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

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2010/11
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Appro- riation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Western Cape Gambling and Racing Board	-	-	83	83	83	100.0	-
	-	-	83	83	83		-

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

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2010/11
	Adjusted appropriation Act	Roll Overs	Adjustments	Total available	Actual Transfer	% of Available funds transferred	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Zola High School	-	-	-	-	-	-	50
Elsies River High School	-	-	-	-	-	-	50
Total	-	-	-	-	-		100

Note: For the 2011/12 financial year, amounts of R50 000 each were transferred as donations to two previously disadvantaged schools. See Annexure 1E for the 2011/12 financial year. All transfers to schools will in future be allocated to the Statement of Gifts, Donations and Sponsorships.

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

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2010/11
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Leave Gratuity	-	-	-	-	11		92
Bursaries to non- employees	500	-	-	500	846	169	542
Injury on duty	-	-	2	2	2	100	-
Total	500	-	2	502	859		634

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

ANNEXURE 1E
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP	2011/12	2010/11
	R'000	R'000
Paid in cash		
Gift vouchers to speakers at Library events	2	2
Books given as gifts on overseas visit	5	-
Gifts given during MEC's visit to Angola	2	-
Best performing PD Schools		
Hector Petersen High School	50	-
Livingstone High School	50	-
Essay competition		
Six (6) laptops	59	-
Cash prizes to teachers	50	-
Cash prizes to students	26	-
Gift vouchers to curriculum advisors	4	-
Total	248	2

Amounts of R50 000 were each transferred to two previously disadvantaged schools. See Annexure 1C for comparative figures in 2010/11.

ANNEXURE 2
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2012

Nature of liability	Opening balance 1 April 2011	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing balance 31 March 2012
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Khulani Personnel group	1 236	-	-	-	1 236
Total	1 236	-	-	-	1 236

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

**ANNEXURE 3
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2011/12	2010/11
		R'000	R'000
Received in cash			
Nedbank	Contribution towards Bursary awards ceremony and essay writing competition	67	-
		67	-

Note: The donation of R67 000 was in respect of essay awards ceremony which was held in the 2010/11 financial year.

**ANNEXURE 4
CLAIMS RECOVERABLE**

Government entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Department of Premier	-	16	-	-	-	16
National Dept of Correctional Services	-	23	-	-	-	23
W.C. Provincial Parliament	-	-	-	2	-	2
Dept of Economic Development and Tourism	56	-	-	-	56	-
Department of Local Government	24	-	-	-	24	-
Department of Education	51	-	-	-	51	-
Total	131	39	-	2	131	41

WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2012

**ANNEXURE 5
INTER-GOVERNMENT PAYABLES**

Government entity	Confirmed balance		Unconfirmed balance		Total	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Eastern Cape Treasury	-	2	-	-	-	2
Limpopo - Department of Agriculture	-	1	-	-	-	1
Department of Premier	39	-	-	8	39	8
Department of Social Development	39	-	-	-	39	-
Department of Education	19	-	-	-	19	-
Eastern Cape Provincial Treasury	114	-	-	-	114	-
Total	211	3	-	8	211	11
OTHER GOVERNMENT ENTITY						
Current						
Government Motor Transport	155	30	-	-	155	30
Total	155	30	-	-	155	30

**ANNEXURE 6
INVENTORY**

Note	2011/12		2010/11	
	Quantity	R'000	Quantity	R'000
Inventory				
Opening balance	6 680	155	8 623	235
Add: Additions/Purchases - Cash	24 613	1 294	27 298	1 135
(Less): Issues	(26 590)	(1 269)	(29 241)	(1 167)
Add/(Less): Adjustments	-	-	-	(48)
Closing balance	4 703	180	6 680	155

PART FOUR: HUMAN RESOURCE MANAGEMENT

4.1 Service Delivery

All departments are required to develop a Service Delivery Improvement (SDI) Plan. The following tables reflect the components of the SDI plan as well as progress made in the implementation of the plans.

Table 4.1.1 Main services and service standards provided in terms of the Service Delivery Plan, 1 April 2011 to 31 March 2012

Main services	Actual service beneficiaries	Additional beneficiaries	Standard of service	Actual achievement against standards
A professionally implemented and managed secure financial system, responsive to user functionality and information requirements, conforming to changing accounting and good governance requirements	a) Provincial Departments and their institutions b) Provincial Treasury internal units c) National Treasury d) Suppliers and SMMEs e) MEC for Finance and other Executive Authorities f) Official banker	None	The development of a risk management framework to assess security and veracity of data.	a) Maintained an uptime of 100% on all systems. b) Provided a system controller function to 80 LOGIS sites, 13 BAS departments and 12 PERSAL institutions. c) Achieved. In addition, 70 fields were identified as mandatory and monitored.
			Development and implementation of a financial operational model that enforces good governance practices.	

Main services	Actual service beneficiaries	Additional beneficiaries	Standard of service	Actual achievement against standards
			<p>Provision of timely and appropriate data and management information.</p> <p>e) Further development of the business intelligence tool to comply with user requirements.</p> <p>A fully operational helpdesk</p> <p>f) All queries received from system users are dealt with within 24 hours of receipt.</p> <p>Competent System unit internally and trained users within provincial departments</p> <p>g) Further refinement of the evaluation and capacitation plan and development of further courses as required.</p> <p>Timely identification of new system requirements and arrangement for systems adaptation.</p> <p>h) Facilitate process of integrating interventions within the Provincial Treasury.</p> <p>i) Rollout within two weeks of release.</p>	<p>e) Available to all user departments and in process of further refinement.</p> <p>f) All calls resolved and recorded within 3 hours except for calls referred to National Treasury for system changes.</p> <p>g) Achieved. 1785 system users appropriately trained in accordance with their system profiles. Target exceeded by 385 system users.</p> <p>h) 5 internal training service providers integrated and formed part of the bi-annual training programme.</p> <p>i) All new system enhancements after testing rolled out and communicated within a 2 week period.</p>

Main services	Actual service beneficiaries	Additional beneficiaries	Standard of service	Actual achievement against standards
Promote optimal financial resource allocation, in line with socio-economic realities facing municipalities	<ul style="list-style-type: none"> a) Municipalities b) Communities c) Suppliers and SMMEs d) Provincial departments and their institutions e) Premier f) MEC for Finance and other Executive Authorities g) National Treasury h) SCOPA and other standing committees i) Statistics South Africa 		<ul style="list-style-type: none"> a) Level 3+ auditable rating. <p>Rollout the Implementation of the MFMA</p> <ul style="list-style-type: none"> b) 30 SDBIP Assessments. c) Contribution to Local Government IDP indaba (ex-LGMTEC1). d) 30 LG MTEC 3 Assessments e) 30 LG MTEC 3 Visits. f) Contributions to Provincial MTEC's on municipal matters. g) Continuous research on matters affecting municipalities. h) Submissions to Cabinet, National Treasury and other relevant departments. i) Participate in IGR forums and intra-governmental forums. j) Socio economic Profiles for Metro and Central Karoo District Municipality and each local municipality within the two districts. 	<ul style="list-style-type: none"> a) Level 3+ auditable rating. b) 29 SDBIP Assessments. c) Contributions to Local Government IDP Indaba. d) 29 LG MTEC3 Assessments e) 29 LG MTEC3 Visits. f) Contributions to the Provincial MTEC's on municipal matters. g) Continuous research conducted on matters affecting municipalities. h) Submission to Cabinet, National Treasury and other relevant departments made as required. i) Participated in IGR forums and intra-governmental forums. j) Socio economic profiles done for METRO for 5 Districts.

Main services	Actual service beneficiaries	Additional beneficiaries	Standard of service	Actual achievement against standards
			<p>k) Provide training, advice and hands-on support in data management to Eden, Cape Winelands, Overberg and West Coast District Municipality.</p> <p>l) Assist municipalities in developing and publishing socio-economic profiles, as the need arises.</p> <p>m) Provide hands-on assistance in updating the profiles of municipalities.</p> <p>n) Continue to find ways to fill the data gaps.</p> <p>o) Facilitate the improvement on the quality of data.</p> <p>p) Continually search and devise methods for storing critical data sources.</p> <p>q) Facilitate spatial planning and budgeting reforms in municipalities.</p>	<p>k) Provided data to municipalities on request for preparation of strategic planning documentation</p> <p>l) Provided data to municipalities on request for preparation of strategic planning documentation</p> <p>m) Provided data to municipalities on request for preparation of strategic planning documentation.</p> <p>n) Deepening and widening of Socio-economic Profiles for Local Government (SEP-LG) by initiating Municipal Economic Research and Outlook (MERO) research.</p> <p>o) Facilitated on-going improvement on the quality of data.</p> <p>p) Linked to k, l, m, n and o above.</p> <p>q) None.</p>

Table 4.1.2 Consultation arrangements with service beneficiaries, 1 April 2011 to 31 March 2012

Type of arrangement	Actual achievements	Comments (possible deviation)
<p><u>A professionally implemented and managed secure financial system, responsive to user functionality and information requirements, conforming to changing accounting and good governance requirements</u></p>		
a) Assessments.	a) Training gaps/assessments done in respect of all system users (BAS, PERSAL and LOGIS).	
b) Visits.	b) Visits in respect of functional financial training to 150 institutions and visits in respect of operational system issues at all departments.	
c) Workshops, Seminars and Forums.	c) 4 BAS forums attended; 2 PERSAL forums attended; 2 LOGIS forums attended; 5 financial year end workshops for LOGIS and 8 reclassification workshops held.	
d) Issuing Circulars, Practice Notes and Policies.	d) 2 circulars in respect of training for the 2 semesters (Jan-June and Jul-Dec); distribution of all National circulars e.g. BAS notices, PERSAL notices and LOGIS notices and messages.	
e) Questionnaires.	e) 960 questionnaires in respect of training attendees and supervisors.	
f) Reporting and Feedback Process.	f) One-to-one discussion with management on a daily/weekly/monthly basis; quarterly reports; FA Forums; workshops; CFO forums; letters to attendees; FGRO; Annual Report.	
g) E-mails.	g) Numerous e-mails to all officials in respect of training and system-related issues.	
h) Correspondence.	h) Letters to all attendees of courses and to all departments in respect of system-related matters.	

Type of arrangement	Actual achievements	Comments (possible deviation)
<p><u>Promote optimal financial resource allocation, in line with socio-economic realities facing municipalities</u></p>		
a) LG MTECs and provincial MTECs	a) LG MTECs and provincial MTECs	
b) Assessments of Budget and Planning processes	b) Assessments of Budget and Planning processes	
c) Individual and BIF Visits	c) Individual and 20 BIF Visits	
d) Workshops, Seminars and IGR Forums	d) Workshops 3, Seminars and IGR Forums	
e) Issuing Circulars	e) 64 Circulars issued	
f) Surveys	f) Surveys conducted	
g) Reporting and Feedback Process	g) Reporting and Feedback Process	
h) Correspondence	h) Correspondence	
i) Active participation in BIF Team activities	i) Active participation in BIF Team activities	
j) Identification of issues through existing processes and follow-up procedures	j) Identification of issues through existing processes and follow-up procedures	
k) Establishing forums to resolve challenges experiences	k) Established forums to resolve challenges experiences	
l) Report back mechanism for fluid engagement between municipalities, PT, sector departments and National Departments on socio-economic challenges	l) Report back mechanism for fluid engagement between municipalities, PT, sector departments and National Departments on socio-economic challenges	
m) Established and functioning Data Management Forum	m) Not relevant anymore	

Table 4.1.3 Service delivery access strategy, 1 April 2011 to 31 March 2012

Access Strategy	Actual achievements
<p><u>A professionally implemented and managed secure financial system, responsive to user functionality and information requirements, conforming to changing accounting and good governance requirements</u></p> <p>a) The office of Provincial Treasury, Legislature Building, 7 Wale Street</p> <p>b) Nine training venues situated in:</p> <ul style="list-style-type: none"> o Golden Acre (3 venues) o Claremont (1 venue) o Kromme Rhee (2 venues) o George (1 venue) o Kuilsriver (1 venue) o Vredenburg (1 venue) 	<p>a) The office of Provincial Treasury, Legislature Building, 7 Wale Street</p> <p>b) All training venues utilised and operational. Where required, hardware replaced (PC's, printers, overhead projectors, etc.)</p>
<p><u>Promote optimal financial resource allocation, in line with socio-economic realities facing municipalities</u></p> <p>a) The office of Provincial Treasury, Legislature Building, 7 Wale Street</p> <p>b) LG MTECs</p> <p>c) Relevant Municipality</p> <p>d) Relevant provincial and national departments</p>	<p>a) The office of Provincial Treasury, Legislature Building, 7 Wale Street</p> <p>b) LG MTECs</p> <p>c) Relevant Municipality</p> <p>d) Relevant provincial and national departments</p>

Table 4.1.4 Service information tool, 1 April 2011 to 31 March 2012

Types of information tool	Actual achievements
<p><u>A professionally implemented and managed secure financial system, responsive to user functionality and information requirements, conforming to changing accounting and good governance requirements</u></p> <p>a) Issuing of circulars</p> <p>b) Continuous communication with users regarding the status of the systems and new enhancements</p> <p>c) Consultation</p>	<p>a) Achieved.</p> <p>b) & c) Standing items on Chief Financial Officers and Financial Accounting forums, as well as quarterly user meetings.</p>
<p><u>Promote optimal financial resource allocation, in line with socio-economic realities facing municipalities</u></p> <p>a) Circulars</p> <p>b) Electronic mail</p> <p>c) Assessment Reports and feedback process</p> <p>d) Minutes</p> <p>e) Correspondence</p> <p>f) Performance Reviews</p> <p>g) LG MTECs</p> <p>h) BIF Teams</p> <p>i) Quarterly IYM Visits</p> <p>j) Databases</p> <p>k) Intranet and Cape Gateway</p> <p>l) Internet</p> <p>m) Publications</p> <p>n) Utilising established forums</p>	<p>a) Circulars</p> <p>b) Electronic mail</p> <p>c) Assessment Reports and feedback process</p> <p>d) Minutes</p> <p>e) Correspondence</p> <p>f) Performance Reviews</p> <p>g) LG MTECs</p> <p>h) BIF Teams</p> <p>i) Quarterly IYM Visits</p> <p>j) Databases</p> <p>k) Intranet and Cape Gateway</p> <p>l) Internet</p> <p>m) Publications</p> <p>n) Utilising established forums</p>

Table 4.1.5 Redress mechanism, 1 April 2011 to 31 March 2012

Redress Mechanism	Actual achievements
<p><u>A professionally implemented and managed secure financial system, responsive to user functionality and information requirements, conforming to changing accounting and good governance requirements</u></p> <p>a) Training interventions b) Address training gaps of system users c) The refinement of the risk management framework</p>	<p>a), b) & c) Training needs/gaps of system users supplied to departments on a quarterly basis. 1 785 system users trained in accordance with their system profiles. Target exceeded by 385 officials.</p>
<p><u>Promote optimal financial resource allocation, in line with socio-economic realities facing municipalities</u></p> <p>a) Fostering of open communication between the departments and senior management b) LG MTECs c) Quarterly BIF Team Meetings d) Critical <i>ad-hoc</i> meetings e) Communication (telephone calls, e-mails) f) Updates via LG MTEC's and Quarterly BIF team visits g) Meetings, workshops and conferences</p>	<p>a) Fostering of open communication between the departments and senior management b) LG MTECs c) Quarterly BIF Team Meetings d) Critical <i>ad-hoc</i> meetings e) Communication (telephone calls, e-mails) f) Updates via LG MTEC's and Quarterly BIF team visits g) Meetings, workshops and conferences</p>

4.2 Expenditure

Department's budget in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 4.2.1) and by salary bands (Table 4.2.2). In particular, it provides an indication of the amount spent on personnel expenditure in terms of each of the programmes or salary bands within the department.

Table 4.2.1 Personnel expenditure by programme, 2011/12

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Goods & Services (R'000)	Personnel expenditure as a % of total expenditure	Average personnel expenditure per employee (R'000)	Number of Employees
Administration	31 138	18 356	53	9 059	58.9	278	66
Sustainable Resource Management	61 331	39 715	216	18 159	64.8	342	116
Asset and Liabilities Management	30 706	19 815	174	10 891	64.5	310	64
Financial Governance	19 444	17 087	218	2 357	87.9	300	57
Total	142 619	94 973	661	40 466	66.6	313	303

Note: The COE costs and number of employees includes the Minister.

Table 4.2.2 Personnel expenditure by salary bands, 2011/12

Salary bands	Personnel Expenditure (R'000)	% of total personnel expenditure	Average personnel expenditure per employee (R'000)	Number of Employees
Lower skilled (Levels 1 - 2)	1 112	1.2	35	32
Skilled (Levels 3 - 5)	2 729	2.9	130	21
Highly skilled production (Levels 6 - 8)	10 740	11.3	203	53
Highly skilled supervision (Levels 9 - 12)	64 238	67.3	365	176
Senior management (Levels 13 - 16)	16 567	17.4	828	20
Total	* 95 386	100	316	** 302

Notes: * The figures in **Table 4.2.1** are as per the Basic Accounting System and **Table 4.2.2** are as per the PERSAL system. The two systems are not synchronised for salary refunds in respect of staff appointments and resignations and/or transfers to and from other Departments. Accordingly there may be a difference in total expenditure reflected on these systems.

** This figure refers to all individuals remunerated during the reporting period, excluding the Minister.

The following tables provide a summary per programme (**Table 4.2.3**) and salary bands (**Table 4.2.4**), of expenditure incurred as a result of salaries, overtime, housing 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 4.2.3 Salaries, Overtime, Housing Allowance and Medical Assistance by programme, 2011/12

Programme	Salaries		Overtime		Housing Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing Allowance as a % of personnel expenditure	Amount (R'000)	Medical Assistance as a % of personnel expenditure
Administration	10 925	11.5	296	0.3	349	0.4	746	0.8
Sustainable Resource Management	28 365	29.7	289	0.3	503	0.5	1 342	1.4
Asset and Liabilities Management	13 746	14.4	49	0.05	404	0.4	949	1
Financial Governance	12 380	13.0	-	-	323	0.3	598	0.6
Total	65 416	68.6	634	0.7	1 579	1.7	3 635	3.8

Note: Salaries, overtime, housing allowance and medical assistance are calculated as a % of the total personnel expenditure mentioned in **Table 4.2.2**.

Table 4.2.4 Salaries, Overtime, Housing Allowance and Medical Assistance by salary bands, 2011/12

Salary Bands	Salaries		Overtime		Housing Allowance		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing Allowance as a % of personnel expenditure	Amount (R'000)	Medical Assistance as a % of personnel expenditure
Lower skilled (Levels 1 - 2)	134	0.1	-	-	18	0.01	20	0.02
Skilled (Levels 3 - 5)	1 554	1.6	25	0.02	134	0.1	225	0.2
Highly skilled production (Levels 6 - 8)	7 271	7.6	222	0.2	318	0.3	720	0.8
Highly skilled supervision (Levels 9 - 12)	46 967	49.2	387	0.4	1 037	1.1	2 432	2.5
Senior management (Levels 13 - 16)	9 490	9.9	-	-	72	0.1	238	0.2
Total	65 416	68.6	634	0.7	1 579	1.7	3 635	3.8

Note: Salaries, overtime, housing allowance and medical assistance are calculated as a % of the total personnel expenditure mentioned in Table 4.2.2.

4.3 Employment and vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the percentage posts vacant, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: - programme (Table 4.3.1), salary band (Table 4.3.2) and critical occupations (Table 4.3.3). Departments have identified critical occupations that need to be monitored. Table 4.3.3 provides establishment and vacancy information for the key critical occupations of the department.

Table 4.3.1 Employment and vacancies by programme, as at 31 March 2012

Programme	Number of funded posts	Number of posts filled	Vacancy rate %	Persons additional to the establishment	Persons additional as a % of number of funded posts
Administration	57	49	14	4	7
Sustainable Resource Management	110	87	20.9	3	2.7
Asset and Liabilities Management	60	52	13.3	-	-
Financial Governance	48	41	14.6	4	8.3
Total	275	229	16.7	11	4

Note: Although the department has a vacancy rate of 16.7%, it should be noted that 4% of these posts are being used for staff appointed on short- and medium term contracts, and special projects, additional to the approved establishment. This results into 12.7% of the posts being vacant.

Figure 4.3.1 Employment and Vacancies

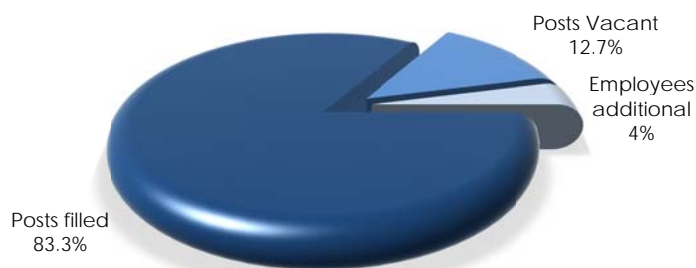


Table 4.3.2 Employment and vacancies by salary bands, as at 31 March 2012

Programme	Number of funded posts	Number of posts filled	Vacancy rate %	Persons additional to the establishment	Persons additional as a % of number of funded posts
Lower skilled (Levels 1 - 2)	1	1	-	1	100
Skilled (Levels 3 - 5)	18	15	16.7	-	-
Highly skilled production (Levels 6 - 8)	44	38	13.6	7	15.9
Highly skilled supervision (Levels 9 - 12)	189	155	18	3	1.6
Senior management (Levels 13 - 16)	23	20	13	-	-
Total	275	229	16.7	11	4

Note: The information in each case reflects the situation as at 31 March 2012. For an indication of changes in staffing patterns over the year under review, please refer to section 4.5 of this report.

Table 4.3.3 Employment and vacancies by critical occupation, as at 31 March 2012

Critical Occupations	Number of funded posts	Number of posts filled	Vacancy rate %	Persons additional to the establishment	Persons additional as a % of number of funded posts
Economist	23	17	26.1	1	4.3
Expenditure Analyst	8	6	25	-	-
Financial Analyst	23	21	8.7	-	-
Procurement Specialist	10	10	-	-	-
State Accountant	2	2	-	1	50
Total	66	56	15.2	2	3

Note: The Expenditure Analysts identified in the previous reporting period will reflect a decrease in the figure as the majority of persons translated to LG Revenue Analysts during the current reporting period.

4.4 Job Evaluation

The Public Service Regulations, 2001 as amended introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

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

Table 4.4.1 Job Evaluation, 1 April 2011 to 31 March 2012

Salary Band	Total number of posts	Number of posts evaluated	% of posts evaluated	Posts Upgraded		Posts Downgraded	
				Number	% of number of posts	Number	% of number of posts
Lower skilled (Levels 1 - 2)	1	-	-	-	-	-	-
Skilled (Levels 3 - 5)	18	-	-	-	-	-	-
Highly skilled production (Levels 6 - 8)	44	1	0.4	-	-	-	-
Highly skilled supervision (Levels 9 - 12)	189	7	2.5	-	-	-	-
Senior Management Service Band A (Level 13)	15	5	1.8	-	-	-	-
Senior Management Service Band B (Level 14)	5	3	1.1	-	-	-	-
Senior Management Service Band C (Level 15)	2	-	-	-	-	-	-
Senior Management Service Band D (Level 16)	1	-	-	-	-	-	-
Total	275	16	5.8	None			

Notes: Existing Public Service policy requires of departments to subject specifically identified posts (excluding Educator and OSD posts) to a formal job evaluation process. These include newly created posts, as well as posts where the job content has changed significantly (i.e. affected posts). This job evaluation process determines the grading and salary level of a post.

The evaluated posts in **Table 4.4.1** therefore only represent newly created and affected posts where job evaluation results were approved by the executing authority during the current reporting period. Furthermore the majority of posts on the approved establishment were evaluated during previous reporting years, and the job evaluation results are thus still applicable.

The following table provides a summary of the number of employees whose salary positions were upgraded due to their posts being upgraded.

Table 4.4.2 Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2011 to 31 March 2012

Total employees whose salary positions were upgraded due to their posts being upgraded	None
--	------

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

Table 4.4.3 Employees whose salary level exceed the grade determined by job evaluation, 1 April 2011 to 31 March 2012 (in terms of PSR 1.V.C.3)

Major Occupation	Number of employees	Job evaluation level	Remuneration on a higher salary level	Remuneration on a higher notch of the same salary level	Reason for deviation
Economist Research	1	11	12	3 rd notch increment	Attraction
Total Number of Employees whose salaries exceeded the level determined by job evaluation (including awarding of higher notches) in 2011/12.					1
Percentage of total employment					0.4

Table 4.4.4 Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2011 to 31 March 2012 (in terms of PSR 1.V.C.3)

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

4.5 Employment Changes

Turnover rates provide an indication of trends in the employment profile of the department. The following tables provide a summary of turnover rates by salary band (Table 4.5.1) and by critical occupations (Table 4.5.2). (These "critical occupations" should be the same as those listed in Table 4.3.3).

Table 4.5.1 Annual turnover rates by salary band, 1 April 2011 to 31 March 2012

Salary Band	Number of employees per band as at 31 March 2011	Turnover rate 2010/11	Appointments into the department	Transfers into the department	Terminations out of the department	Transfers out of the department	Turnover rate 2011/12
Lower skilled (Levels 1 - 2)	1	-	1	-	-	-	-
Skilled (Levels 3 - 5)	15	35	3	-	2	-	13.3
Highly skilled production (Levels 6 - 8)	47	57.8	6	-	4	3	14.9
Highly skilled supervision (Levels 9 - 12)	168	22.1	4	4	6	10	9.5
Senior Management Service Band A (Level 13)	13	31.3	1	-	-	-	-
Senior Management Service Band B (Level 14)	1	33.3	1	-	-	-	-
Senior Management Service Band C (Level 15)	2	50	-	-	-	-	-
Senior Management Service Band D (Level 16)	1	-	-	-	-	-	-
Total	248	33.4	16	4	12	13	10.1
			20		25		

Note: A transfer is when a Public Service Official moves from one department to another, on the same salary level.

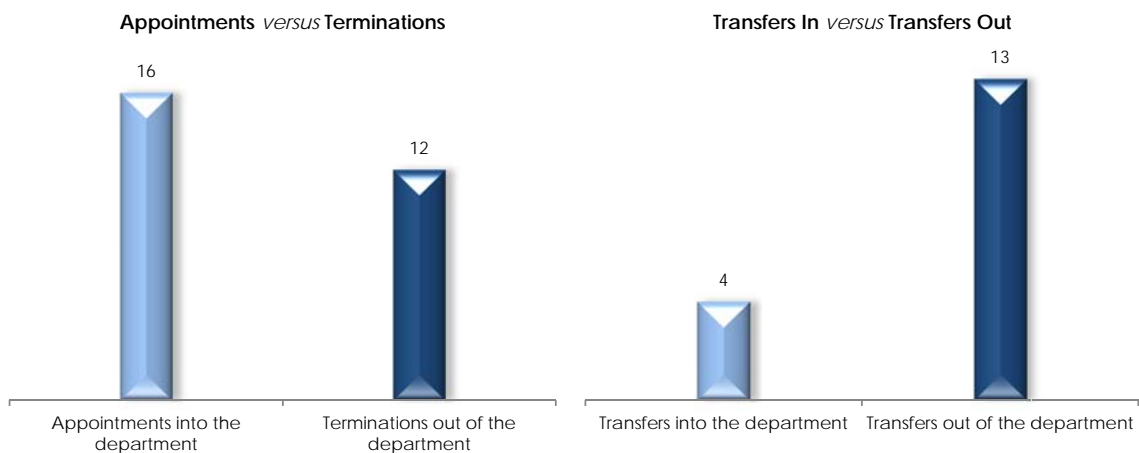
Figure 4.5.1 Appointments, Terminations and Transfers

Table 4.5.2: Annual turnover rates by critical occupation, 1 April 2011 to 31 March 2012

Critical Occupation	Number of employees per band as at 31 March 2011	Turnover rate 2010/11	Appointments into the department	Transfers into the department	Terminations out of the department	Transfers out of the department	Turnover rate 2011/12
Economist	17	7.7	1	2	-	2	11.8
Expenditure Analyst	22	15.8	-	-	-	-	-
Financial Analyst	11	20	1	1	1	-	9.1
Procurement Specialist	17	21.4	-	-	-	-	-
State Accountant	1	-	1	-	-	-	-
Total	68	16.1	3	3	1	2	4.4
			6	3			

Table 4.5.3 Staff exiting the employ of the department, 1 April 2011 to 31 March 2012

Exit Category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2011
Death	-	-	-
Resignation *	7	28	2.8
Expiry of contract	3	12	1.2
Dismissal – operational changes	-	-	-
Dismissal – misconduct	-	-	-
Dismissal – inefficiency	-	-	-
Discharged due to ill-health	1	4	0.4
Retirement	1	4	0.4
Employee initiated severance package	-	-	-
Transfers to other Public Service Departments	13	52	5.2
Total	25	100	10.1

Notes: **Table 4.5.3** identifies the various termination categories for those staff members who have left the employ of the department.

*Resignations are further discussed in **Tables 4.5.4** and **4.5.5**.

Figure 4.5.3 Staff exiting the employ of the Department**Table 4.5.4 Reasons why staff resigned, 1 April 2011 to 31 March 2012**

Resignation Reasons	Number	% of total resignations
Better remuneration	3	42.9
Undisclosed	4	57.1
Total	7	100

Table 4.5.5 Different age groups of staff who resigned, 1 April 2011 to 31 March 2012

Age group	Number	% of total resignations
Ages <19	-	-
Ages 20 to 24	-	-
Ages 25 to 29	1	14.3
Ages 30 to 34	1	14.3
Ages 35 to 39	3	42.9
Ages 40 to 44	2	28.6
Ages 45 to 49	-	-
Ages 50 to 54	-	-
Ages 55 to 59	-	-
Ages 60 to 64	-	-
Ages 65 >	-	-
Total	7	100

Figure 4.5.5 Age distribution of staff who has resigned

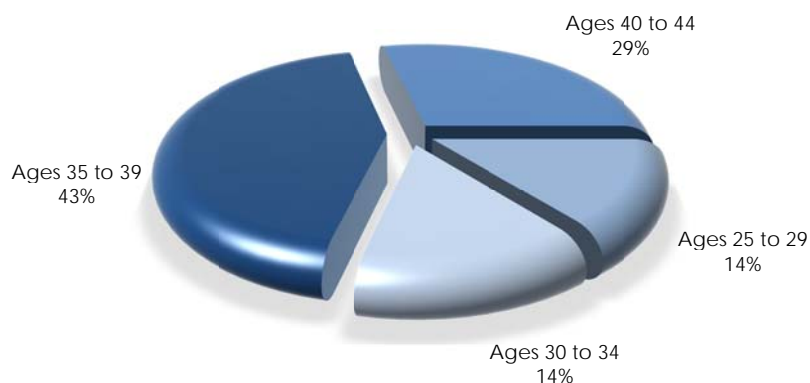


Table 4.5.6 Granting of employee initiated severance packages by salary band, 1 April 2011 to 31 March 2012

Total Number of employee initiated severance packages in 2011/12	None
--	------

Table 4.5.7 Promotions by salary band, 1 April 2011 to 31 March 2012

Salary Band	Employees as at 31 March 2011	Promotions to another salary level	Promotions as a % of employees by salary band	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1 - 2)	1	-	-	1	100
Skilled (Levels 3 - 5)	15	-	-	15	100
Highly skilled production (Levels 6 - 8)	47	-	-	35	74.5
Highly skilled supervision (Levels 9 - 12)	168	4	2.4	132	78.6
Senior management (Levels 13 - 16)	17	1	5.9	11	64.7
Total	248	5	2	194	78.2

Table 4.5.8 Promotions by critical occupation, 1 April 2011 to 31 March 2012

Critical Occupation	Employees as at 31 March 2011	Promotions to another salary level	Promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Economist	17	1	5.9	8	47.1
Expenditure Analyst	22	-	-	4	18.2
Financial Analyst	11	-	-	9	81.8
Procurement Specialist	17	-	-	11	64.7
State Accountant	1	-	-	1	100
Total	68	1	1.5	33	48.5

4.6 Employment Equity

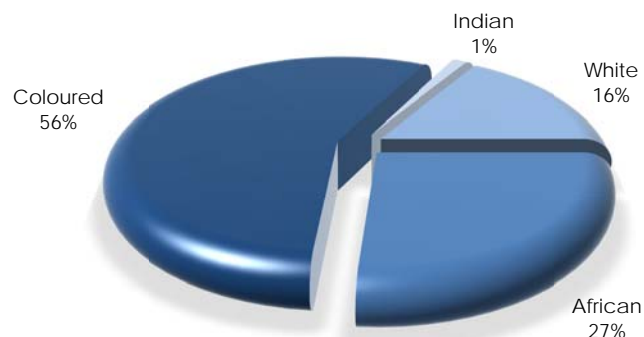
The following table provides a summary of the total workforce profile per occupational levels. Temporary employees provide the total of workers employed for three consecutive months or less. The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

Table 4.6.1 Total number of employees (including employees with disabilities) in each of the following occupational levels, as at 31 March 2012

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 14 - 16)	-	4	-	1	-	-	-	-	-	-	5
Senior management (Level 13)	1	3	1	3	1	2	1	3	-	-	15
Professionally qualified and experienced specialists and mid-management (Levels 11 - 12)	8	10	-	8	6	17	1	2	1	-	53
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 8 - 10)	14	29	-	9	23	33	-	5	-	-	113
Semi-skilled and discretionary decision making (Levels 4 - 7)	6	9	-	-	4	23	-	8	-	-	50
Unskilled and defined decision making (Levels 1 - 3)	-	2	-	-	-	2	-	-	-	-	4
Total	29	57	1	21	34	77	2	18	1	-	240
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand Total	29	57	1	21	34	77	2	18	1	-	240

Notes: Occupational levels are prescribed by the Department of Labour. Temporary employees refer to persons employed on contract for a period of 3 months or less.

The figures reflecting foreign nationals exclude non-citizens with permanent residency in the Republic of South Africa.

Figure 4.6.1 Distribution by Race (excluding foreign nationals)

The current economic active demographic target for the **Western Cape** is African - 29.7, Coloured – 51.2, Indian - 0.9 and White – 18.2.

Table 4.6.2 Total number of employees (with disabilities only) in each of the following occupational levels, as at 31 March 2012

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
<i>Top management (Levels 14 - 16)</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Senior management (Level 13)</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Professionally qualified and experienced specialists and mid-management (Levels 11 - 12)</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 8 - 10)</i>	-	-	-	1	1	1	-	1	-	-	4
<i>Semi-skilled and discretionary decision making (Levels 4 - 7)</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Unskilled and defined decision making (Levels 1 - 3)</i>	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	1	1	1	-	1	-	-	4
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand Total	-	-	-	1	1	1	-	1	-	-	4

Notes: Occupational levels are prescribed by the Department of Labour. Temporary employees refer to persons employed on contract for a period of 3 months or less.

The four (4) disabled employees reflected in the above table represent 1.7% of the department's total staff establishment.

Table 4.6.3 Recruitment, 1 April 2011 to 31 March 2012

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 14 - 16)	-	1	-	-	-	-	-	-	-	-	1
Senior management (Level 13)	-	-	-	-	1	-	-	-	-	-	1
Professionally qualified and experienced specialists and mid-management (Levels 11 - 12)	1	-	-	-	-	-	-	-	-	-	1
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 8 - 10)	1	1	-	-	2	1	-	-	-	-	5
Semi-skilled and discretionary decision making (Levels 4 - 7)	-	3	-	-	-	4	-	-	-	-	7
Unskilled and defined decision making (Levels 1 - 3)	-	-	-	-	-	1	-	-	-	-	1
Total	2	5	-	-	3	6	-	-	-	-	16
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand Total	2	5	-	-	3	6	-	-	-	-	16

Note: Recruitment refers to new employees, excluding transfers into the department, mentioned in Table 4.5.1.

Table 4.6.4 Promotions, 1 April 2011 to 31 March 2012

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 14 - 16)	-	-	-	-	-	-	-	-	-	-	-
Senior management (Level 13)	-	-	-	-	-	-	-	1	-	-	1
Professionally qualified and experienced specialists and mid-management (Levels 11 - 12)	-	-	-	-	1	2	-	-	-	-	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 8 - 10)	-	1	-	-	-	-	-	-	-	-	1

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Semi-skilled and discretionary decision making (Levels 4 - 7)	-	-	-	-	-	-	-	-	-	-	-
Unskilled and defined decision making (Levels 1 - 3)	-	-	-	-	-	-	-	-	-	-	-
Total	-	1	-	-	1	2	-	1	-	-	5
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand Total	-	1	-	-	1	2	-	1	-	-	5

Note: Promotions refer to the total number of employees promoted within the department, mentioned in **Table 4.5.7**.

Table 4.6.5 Terminations, 1 April 2011 to 31 March 2012

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 14 - 16)	-	-	-	-	-	-	-	-	-	-	-
Senior management (Level 13)	-	-	-	-	-	-	-	-	-	-	-
Professionally qualified and experienced specialists and mid-management (Levels 11 - 12)	-	-	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 8 - 10)	1	-	-	-	3	2	1	-	-	-	7
Semi-skilled and discretionary decision making (Levels 4 - 7)	-	-	-	1	2	1	-	-	-	-	4
Unskilled and defined decision making (Levels 1 - 3)	-	-	-	-	-	1	-	-	-	-	1
Total	1	-	-	1	5	4	1	-	-	-	12
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand Total	1	-	-	1	5	4	1	-	-	-	12

Note: Terminations refer to those employees who left the employ of the department, excluding transfers to other departments, mentioned in **Table 4.5.1**.

Table 4.6.6 Disciplinary actions, 1 April 2011 to 31 March 2012

Disciplinary Actions Total	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
	None										

Note: The disciplinary actions total refers to formal outcomes only.

Table 4.6.7 Skills development, 1 April 2011 to 31 March 2012

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 14 - 16)	-	-	-	-	1	1	-	-	2
Senior management (Level 13)	1	1	1	2	-	3	1	1	10
Professionally qualified and experienced specialists and mid- management (Levels 11 - 12)	10	16	1	2	5	9	-	5	48
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 8 - 10)	13	19	1	1	12	15	-	2	63
Semi-skilled and discretionary decision making (Levels 4 - 7)	1	5	-	1	3	3	-	-	13
Unskilled and defined decision making (Levels 1 - 3)	6	3	-	1	5	4	-	1	20
Total	31	44	3	7	26	35	1	9	156
Temporary employees	-	-	-	-	-	-	-	-	-
Grand Total	31	44	3	7	26	35	1	9	156

Note: The above table refers to the total number of personnel who received training, and not the number of training courses attended by individuals. For further information on the actual training provided, please refer to Table 4.14.2.

4.7 Signing of Performance Agreements by SMS Members

Table 4.7.1 Signing of Performance Agreements by SMS Members, as at 31 May 2011

SMS Level	Number of funded SMS posts per level	Number of SMS members per level	Number of signed Performance Agreements per level	Signed merit Agreements as % of SMS members per level
Head Official	1	1	1	100
Salary Level 15	2	2	2	100
Salary Level 14	4	1	1	100
Salary Level 13	14	14	13	92.9
Total	21	18	17	94.4

Note: The allocation of performance related rewards (cash bonus) for Senior Management Service is dealt with later in the report. Please refer to **Table 4.9.3**.

Table 4.7.2 Reasons for not having concluded Performance Agreements with all SMS on 31 May 2011

Reasons for not concluding Performance Agreements with all SMS
One SMS Member was newly appointed on 1 April 2011 and signed the Performance Agreement within the 3 months period after appointment.

Table 4.7.3 Disciplinary steps taken against SMS Members for not having concluded Performance Agreements on 31 May 2011

Disciplinary steps taken against SMS Members for not having concluded Performance Agreements
No disciplinary steps required, as the performance management policy allows for delayed submission of Performance Agreements in respect of newly appointed employees.

4.8 Filling of SMS Posts

Table 4.8.1 SMS posts information, as at 30 September 2011

SMS Level	Number of funded SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Head Official	1	1	100	-	-
Salary Level 15	2	2	100	-	-
Salary Level 14	4	1	25	3	75
Salary Level 13	14	14	100	-	-
Total	21	18	85.7	3	14.3

Table 4.8.2 SMS posts information, as at 31 March 2012

SMS Level	Number of funded SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Head Official	1	1	100	-	-
Salary Level 15	2	1	50	1	50
Salary Level 14	5	3	60	2	40
Salary Level 13	15	15	100	-	-
Total	23	20	87	3	13

Table 4.8.3 Advertising and Filling of SMS posts, as at 31 March 2012

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

Note: The three (3) posts not yet filled are discussed further in **Table 4.8.4**.

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

SMS Level	Reasons for non-compliance
Head Official	Not applicable
Salary Level 15	<p><u>Governance and Asset Management</u></p> <p>The post became vacant within the reporting period, and advertised within 6 months of becoming vacant. However, the candidates who applied were found not suitable for shortlisting and it was decided to re-advertise the post. The department envisages filling the vacancy within the 2012/13 reporting period.</p>
Salary Level 14	<p><u>Asset Management</u></p> <p>The post became vacant during 2010, and advertised within the current reporting period. However, the department had to embark on a re-advertising process as the number of suitable candidates was limited. Interviews were conducted with the short-listed candidates and a competency assessment process was followed. The interview process was concluded and the post will be filled within the 2012/13 reporting period.</p> <p><u>Provincial Government Public Finance</u></p> <p>The post was advertised several times without success. The department embarked on yet another re-advertising process and it is envisaged that the process will be concluded within the 2012/13 reporting period. It is currently under review as part of Reconfiguration 3.</p>
Salary Level 13	Not applicable

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

Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months
No disciplinary steps required as vacant SMS posts available were advertised.

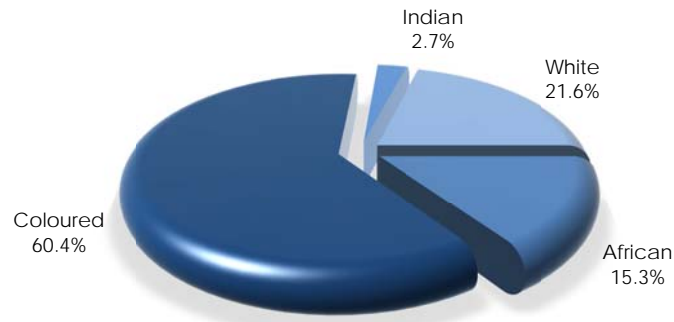
4.9 Performance Rewards

To encourage good performance, the department has granted the following performance rewards allocated to personnel for the performance period 2010/11, but paid in the financial year 2011/12. The information is presented in terms of race, gender, and disability (Table 4.9.1), salary bands (Table 4.9.2) and critical occupations (Table 4.9.3).

Table 4.9.1 Performance Rewards by race, gender, and disability, 1 April 2011 to 31 March 2012

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group	% of total within group	Cost (R'000)	Average cost per beneficiary (R/c)
African	17	68	25	178	10 491.03
Male	6	35	17.1	93	15 534.50
Female	11	33	33.3	85	7 740.05
Coloured	67	134	50	786	11 726.12
Male	22	57	38.6	309	14 063.38
Female	45	77	58.4	476	10 583.46
Indian	3	4	75	77	25 560.72
Male	1	1	100	30	30 418.80
Female	2	3	66.7	46	23 131.68
White	24	38	63.2	556	23 176.84
Male	12	21	57.1	344	28 664.81
Female	12	17	70.6	212	17 688.88
Employees with a disability	-	4	-	-	-
Total	111	248	44.8	1 597	14 386.70

Note: Special awards in terms of article 37(2)(C) is not included in the above figures. The table relates to performance rewards for the performance year 2010/11 and payments effected in the 2011/12 reporting period.

Figure 4.9.1 Distribution of beneficiaries who received performance rewards**Table 4.9.2** Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2011 to 31 March 2012

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R/c)	Cost as a % of the total personnel expenditure
Lower skilled (Levels 1 - 2)	-	1	-	-	-	-
Skilled (Levels 3 - 5)	7	15	46.7	29	4 159.51	0.03
Highly skilled production (Levels 6 - 8)	29	47	61.7	251	8 647.21	0.3
Highly skilled supervision (Levels 9 - 12)	65	168	38.7	908	13 973.26	1.2
Total	101	231	43.7	1 188	11 763.83	1.5

Note: The cost is calculated as a percentage of the total personnel expenditure for salary levels 1 - 12, reflected in Table 4.2.2.

Table 4.9.3 Performance related rewards (cash bonus), by salary band, for Senior Management Service, 1 April 2011 to 31 March 2012

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R/c)	Cost as a % of the total personnel expenditure
Senior Management Service Band A (Level 13)	8	13	61.5	263	32 886.22	1.6
Senior Management Service Band B (Level 14)	-	1	-	-	-	-
Senior Management Service Band C (Level 15)	1	2	50	42	41 620.32	0.3
Senior Management Service Band D (Level 16)	1	1	100	104	104 066.76	0.6
Total	10	17	58.8	409	40 877.69	2.5

Note: The cost is calculated as a percentage of the total personnel expenditure for salary levels 13 - 16, reflected in Table 4.2.2.

Table 4.9.4 Performance Rewards by critical occupations, 1 April 2011 to 31 March 2012

Critical Occupation	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R/c)	Cost as a % of the total personnel expenditure
Economist	5	13	38.5	121	24 108.00	0.2
Expenditure Analyst	2	5	40	24	12 068.91	-
Financial Analyst	8	13	61.5	85	10 573.49	0.1
Procurement Specialist	5	10	50	59	11 784.10	0.1
State Accountant	0	1	-	-	-	-
Total	20	42	47.6	288	14 409.31	0.4

Note: The total cost as a percentage is calculated on the total personnel expenditure for salary levels 1 - 12, reflected in Table 4.2.2.

4.10 Foreign Workers

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

Table 4.10.1 Foreign Workers by salary band, 1 April 2011 to 31 March 2012

Salary Band	1 April 2011		31 March 2012		Change	
	Number	% change	Number	% change	Number	% change
Lower skilled (Levels 1 - 2)	-	-	-	-	-	-
Skilled (Levels 3 - 5)	-	-	-	-	-	-
Highly skilled production (Levels 6 - 8)	-	-	-	-	-	-
Highly skilled supervision (Levels 9 - 12)	1	100	1	100	-	-
Senior management (Levels 13 - 16)	-	-	-	-	-	-
Total	1	100	1	100	No change	

Note: The figures above exclude non- citizens with permanent residency in the Republic of South Africa.

Table 4.10.2 Foreign Workers by major occupation, 1 April 2011 to 31 March 2012

Major Occupation	1 April 2011		31 March 2012		Change	
	Number	% change	Number	% change	Number	% change
Economist	1	100	1	100	-	-
Total	1	100	1	100	No change	

Note: The figures above exclude non- citizens with permanent residency in the Republic of South Africa.

4.11 Leave utilisation for the period 1 January 2011 to 31 December 2011

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 4.11.1) and incapacity leave (Table 4.11.2). In both cases, the estimated cost of the leave is also provided.

Table 4.11.1 Sick leave, 1 January 2011 to 31 December 2011

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	Total number of employees	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1 - 2)	-	-	2	-	-	-	-
Skilled (Levels 3 - 5)	149	74.5	16	17	94.1	9	58
Highly skilled production (Levels 6 - 8)	385	84.2	44	52	84.6	9	237
Highly skilled supervision (Levels 9 - 12)	1 247	79.7	156	176	88.6	8	1 320
Senior management (Levels 13 - 16)	67	76.1	12	20	60	6	168
Total	1 848	80.1	228	267	85.4	8	1 783

Note: The 3 year sick leave cycle started in 2010. The information in each case reflects the totals excluding incapacity leave taken by employees. For an indication of incapacity leave taken, please refer to Table 4.11.2.

Table 4.11.2 Incapacity leave, 1 January 2011 to 31 December 2011

Salary Band	Total days	% days with medical certification	Number of Employees using incapacity leave	Total number of employees	% of total employees using incapacity leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1 - 2)	-	-	-	2	-	-	-
Skilled (Levels 3 - 5)	-	-	-	17	-	-	-
Highly skilled production (Levels 6 - 8)	310	100	4	52	7.7	78	156
Highly skilled supervision (Levels 9 - 12)	-	-	-	176	-	-	-
Senior management (Levels 13 - 16)	-	-	-	20	-	-	-
Total	310	100	4	267	1.5	78	156

Notes: The leave dispensation as determined in the "Leave Determination", read with the applicable collective agreements, provides for normal sick leave of 36 working days in a sick leave cycle of three years. If an employee has exhausted his/her normal sick leave, the Employer must conduct an investigation into the nature and extent of the employee's incapacity. Such investigations must be carried out in accordance with item 10(1) of Schedule 8 of the Labour Relations Act (LRA).

Incapacity leave is not an unlimited amount of additional sick leave days at an employee's disposal. Incapacity leave is additional sick leave granted conditionally at the Employer's discretion, as provided for in the Leave Determination and PILIR.

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

Table 4.11.3 Annual Leave, 1 January 2011 to 31 December 2011

Salary Band	Total days taken	Total number employees using annual leave	Average days per employee
Lower skilled (Levels 1 - 2)	21	1	21
Skilled (Levels 3 - 5)	355	18	20
Highly skilled production (Levels 6 - 8)	976	48	20
Highly skilled supervision (Levels 9 - 12)	3 727	174	21
Senior management (Levels 13 - 16)	419	18	23
Total	5 498	259	21

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

Salary Band	Total capped leave available as at 31 December 2010	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Number of employees with capped leave as at 31 December 2011	Total capped leave available as at 31 December 2011
Lower skilled (Levels 1 - 2)	-	-	-	-	-	-
Skilled (Levels 3 - 5)	203	5	1	5	5	203
Highly skilled production (Levels 6 - 8)	631	12	5	2	13	349
Highly skilled supervision (Levels 9 - 12)	3 090	18	7	3	47	3 015
Senior management (Levels 13 - 16)	827	-	-	-	7	817
Total	4 751	35	13	3	72	4 385

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

Table 4.11.5 Leave pay-outs, 1 April 2011 to 31 March 2012

Reason	Total Amount (R'000)	Average payment per incident (R/c)	Number of incidents
Leave pay-outs for 2011/12 due to non-utilisation of leave for the previous cycle	12	12 152.66	1
Capped leave pay-outs on termination of service for 2011/12	-	-	-
Current leave pay-outs on termination of service 2011/12	-	-	-
Total	12	12 152.66	1
Total number of employees who received leave pay-outs			1

4.12 HIV and AIDS & Health Promotion Programmes

Table 4.12.1 Steps taken to reduce the risk of occupational exposure, 1 April 2011 to 31 March 2012

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
<p>The nature of the Department's work does not expose employees to increased risk of contracting HIV/AIDS. Despite the very low occupational risk, all employees have been targeted at all levels within the Department.</p>	<p>HIV/AIDS Counselling and Testing [HCT], screenings and awareness campaigns were delivered in general. The outsourced Health and Wellness contract (Employee Assistance Programme [EAP]) provides employees, their children, partners, spouses or other household members with a range of services. These services include the following:</p> <ul style="list-style-type: none"> • 24/7/365 Telephone counselling • Face to face counselling (6 + 2 session model) • Trauma and critical incident counselling • Training and targeted interventions where these were required.

Table 4.12.2 Details of Health Promotion and HIV and AIDS Programmes (tick the applicable boxes and provide the required information), 1 April 2011 to 31 March 2012

Question	Yes	No	Details, if yes
<p>1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.</p>	√		<p>Due to the corporatisation of the Employee Health and Wellness function, the Director: Organisational Behaviour, Pieter Kemp (Department of the Premier), fulfilled this role.</p>
<p>2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.</p>	√		<p>The Corporate Services Centre (CSC) within the Department of the Premier provides a transversal service to eleven (11) participating departments, including the Department of Provincial Treasury.</p> <p>A designated Employee Health and Wellness unit within the Directorate Organisational Behaviour and the Chief Directorate Organisation Development serves to promote the health and wellbeing of employees in the eleven (11) departments.</p> <p>The unit consists of a Deputy Director, three (3) Assistant Directors, three (3) team members and one (1) intern.</p> <p>Budget : R3.5 million</p>

Question	Yes	No	Details, if yes
<p>3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.</p>	√		<p>The department conducted interventions namely, Understanding and Managing Stress, Understanding and Managing Life Transitions and Manager Wellness Referral Coaching for all employees. These interventions were planned based on the trends reported quarterly through the Employee Assistance Programme [EAP] reports provided by the service provider, ICAS, for the period 2011/12. The reports were based on the utilisation of the EAP services and management information in order to target appropriate interventions to address these trends.</p> <p>The targeted interventions were aimed at improving employee engagement through awareness and educational interventions that promote healthy lifestyles and coping skills. This involves presentations to create awareness and encourage employees to have a pro-active approach to limit the impact of these problems in the workplace. The above-mentioned interventions were conducted for all employees, including managers and supervisors.</p> <p>The department also provided information sessions, as requested by various departments in the Provincial Government of the Western Cape [PGWC] to inform employees of the EHW service, how to access the Employee Assistance Programme [EAP]. Promotional material such as pamphlets, posters and brochures were distributed.</p>
<p>4. Has the department established a committee(s) as contemplated in Part VI E.5(e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.</p>	√		<p>A new Health and Wellness Steering Committee has been established with members nominated by each department. Committee members are:</p> <ul style="list-style-type: none"> • Agriculture: M Ferreira and H Jordaan (DJ) • Community Safety: A Brink; Simon Sekwadi & C Coetzee • Cultural Affairs: S Julie • Economic Development & Tourism: C Julies & P Martin • Environmental Affairs & Development Planning: M Kroese & P Visser • Health: S Newman & N van der Walt • Human Settlements: J Roberts & S Moolman • Local Government: F Matthee & W Bingham • Premier: P Kemp & Z Norushe • Provincial Treasury: B Damons • Social Development: Ms T Mtheku • Transport & Public Works: C Marx & K Love • Western Cape Education: R Oosthuizen & C Pierce

Question	Yes	No	Details, if yes
<p>5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.</p>	√		<p>The Transversal Management Framework for Employee Assistance Programmes in the Western Cape Provincial Government is in effect and was adopted by the Co-ordinating Chamber of the PSCBC for the Western Cape Province on 10 August 2005.</p> <p>DPSA has developed several national policy documents in 2007/8 that governs Employee Health and Wellness [EHW] in the Public Service and that coordinates the programmes and services in a uniform manner.</p> <p>In this regard, all employment policies make provision for fair practices, regardless of the HIV status of staff or applicants.</p> <p>During the period under review, the Department of the Premier has developed a Transversal Employee Health and Wellness policy. The draft document is being consulted.</p> <p>Further to this, the Department of Health is currently reviewing the Transversal HIV and AIDS/STI Workplace Policy and Programme that is applicable to all departments. The document is in the last stages of consultation to ensure alignment of all four pillars of the EHW Strategic Framework 2008.</p>
<p>6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.</p>	√		<p>The Department implemented existing legislative and policy frameworks as well as Monitoring and Evaluation guidelines, which have been developed by DPSA. The overarching aim of these frameworks is to protect HIV-positive employees by advocating the implementation of the Three Zeros in line with the Joint United Nations Programme on HIV & AIDS (UNAIDS). These are Educational programmes and information sessions developed to eradicate stigma and discrimination and to raise awareness through:</p> <ul style="list-style-type: none"> ▪ Zero new HIV, STI and TB infections ▪ Zero deaths associated with HIV and TB ▪ Zero discrimination <p>The department has embarked on the HCT campaign to intensify DPSA 'Know Your Epidemic and Know Your Response' campaign throughout the Western Cape. The aim is to:</p> <ul style="list-style-type: none"> ▪ Reduce HIV and TB discrimination in the workplace. This includes campaigns against unfair discrimination and empowerment of employees.

Question	Yes	No	Details, if yes
			<ul style="list-style-type: none"> ▪ Reduce unfair discrimination in access to services. This includes ensuring that the Employee Relations Directorate addresses complaints or grievances and provides training to employees. ▪ Other key elements that addressed anti HIV/AIDS discrimination issues were: Awareness Raising Programmes that were conducted, posters and pamphlets were distributed, HIV/AIDS counselling and Testing [HCT] campaigns, condom distribution, and spot talks [speak out session by HIV/AIDS positive representatives].
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	√		<p>HCT SESSIONS</p> <ul style="list-style-type: none"> ▪ The Department of Provincial; Treasury participated in one (1) screening session. ▪ 31 Employees were tested and counselled for HIV, Tuberculosis and Sexually Transmitted Infections (STI's). ▪ There were no clinical referrals for TB, HIV or any other STI.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	√		<p>The impact of health promotion programmes is indicated through information provided via the Employee Health and Wellness Contract (external EAP service provider).</p> <p>The Employee Health and Wellness Programme (EHWP) is monitored through Quarterly and Annual reporting. This reporting is provided by the External Service Provider. The most recent annual health review period was 1 April 2011 – 31 March 2012. An Annual Health Report has been provided for 6 (ICAS) Departments and an overview of all the 6 Departments have been compiled in one presentation.</p> <p>The quarterly and annual review provides a breakdown of the EHWP Human Capital Demographic i.e. age, gender, length of service, dependent utilisation, language utilisation, employee vs. manager utilisation, no. of cases.</p> <p>The review further provides amongst others service utilisation, problem profiling and trending, assessment of employee and organisational risk and the impact thereof on the individual functioning in the work place.</p>

4.13 Labour Relations

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

Table 4.13.1 Collective agreements, 1 April 2011 to 31 March 2012

Total collective agreements	None
------------------------------------	-------------

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

Table 4.13.2 Misconduct and disciplinary hearings finalised, 1 April 2011 to 31 March 2012

Total outcomes of disciplinary hearings	None
--	-------------

Note: Outcomes of disciplinary hearings refer to formal cases only.

Table 4.13.3 Types of misconduct addressed at disciplinary hearings, 1 April 2011 to 31 March 2012

Total types of misconduct	None
----------------------------------	-------------

Table 4.13.4 Grievances lodged, 1 April 2011 to 31 March 2012

Grievances lodged	Number	% of total
<i>Number of grievances resolved</i>	5	100
Number of grievances not resolved	-	-
Total number of grievances lodged	5	100

Note: Grievances lodged refers to cases that were finalised within the reporting period. Grievances not resolved refers to cases finalised, but where the outcome was not in favour of the aggrieved and found to be unsubstantiated.

Table 4.13.5 Disputes lodged with Councils, 1 April 2011 to 31 March 2012

Disputes lodged with Councils	Number	% of total
<i>Number of disputes upheld</i>	-	-
Number of disputes dismissed	-	-
Total number of disputes lodged	None	-

Note: Councils refer to the Public Service Coordinating Bargaining Council (PSCBC) and General Public Service Sector Bargaining Council (GPSSBC).

Table 4.13.6 Strike actions, 1 April 2011 to 31 March 2012

Strike actions	Number
Total number of person working days lost	1
Total cost (R'000) of working days lost	0.6
Amount (R'000) recovered as a result of no work no pay	-

Note: Strike actions include participation in organised marches. Accordingly absences could only reflect the number of hours of strike-related absences. The total cost for working days lost will be recovered in the 2012/13 reporting period.

Table 4.13.7 Precautionary suspensions, 1 April 2011 to 31 March 2012

Total precautionary suspensions	None
---------------------------------	------

Note: Precautionary suspensions refer to staff being suspended with pay whilst the case is being investigated.

4.14 Skills Development

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

Table 4.14.1 Training needs identified, 1 April 2011 to 31 March 2012

Occupational Categories	Gender	Number of employees as at 1 April 2011	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	2	-	-	-	-
	Male	13	-	3	-	3
Professionals	Female	91	-	16	1	17
	Male	82	-	202	-	202
Technicians and associate professionals	Female	7	-	-	-	-
	Male	5	-	4	-	4
Clerks	Female	30	-	85	-	85
	Male	11	-	33	-	33
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	2	-	-	-	-
Elementary occupations	Female	2	-	-	-	-
	Male	1	-	-	-	-
Sub-total	Female	135	-	101	1	102
	Male	115	-	242	-	242
Total		250	-	343	1	344
Employees with disabilities	Female	3	-	-	-	-
	Male	1	-	-	-	-

Note: The above table identifies the training needs at the start of the reporting period as per the Department's Work Place Skills Plan.

Table 4.14.2 Training provided, 1 April 2011 to 31 March 2012

Occupational Categories	Gender	Number of employees as at 31 March 2012	Training provided within the reporting period			
			Leaverships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	7	-	18	-	18
	Male	13	-	15	-	15
Professionals	Female	84	-	125	-	125
	Male	80	-	121	-	121
Technicians and associate professionals	Female	6	-	-	-	-
	Male	5	-	-	-	-
Clerks	Female	29	-	21	-	21
	Male	7	-	17	-	17
Service and sales workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Skilled agriculture and fishery workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Craft and related trades workers	Female	-	-	-	-	-
	Male	-	-	-	-	-
Plant and machine operators and assemblers	Female	-	-	-	-	-
	Male	2	-	1	-	1
Elementary occupations	Female	2	-	-	-	-
	Male	1	-	-	-	-
Sub Total	Female	131	-	164	-	164
	Male	109	-	154	-	154
Total		240	-	318	-	318
Employees with disabilities	Female	3	-	-	-	-
	Male	1	-	-	-	-

Note: The above table identifies the number of training courses attended by individuals during the period under review.

4.15 Injury on Duty

The following tables provide basic information on injury on duty.

Table 4.15.1 Injury on duty, 1 April 2011 to 31 March 2012

Total injuries on duty	None
-------------------------------	-------------

4.16 Utilisation of Consultants

Table 4.16.1 Report on consultant appointments using appropriated funds, 1 April 2011 to 31 March 2012

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in (R'000)
Human Resource Management			
ICAS	1	275	132
Ayanda Mbanga Communications	1	112	13
Soma Initiatives	1	182	18
Financial Management			
Makana	7	336	379
Budget Management: Provincial			
Bureau Economic Research (BER)	6	366	718
Budget Management: Local Government			
Corporation of Economic Research	2	72	300
Fiscal Policy			
Bureau Economic Research (BER)	12	153	939
University of Cape Town	4	120	403
Supporting and Interlinked Financial Systems			
Makana	7	322	1 082
Business Connexions	3	366	3 811
Mr AJ Du Plessis	1	183	422
Accounting Services			
Ducharme Consulting	2	13	106
Local Government Finance 1			
USB-ED	1	183	3 860
Immoveable Asset Management			
Sonderlund & Schutte Consulting Engineers	1	92	211
Management Services			
Proftrans Language Services	1	111	69
DW le Roux Vertaling# Translation	1	7	1
Zama Bekeweni	1	88	97
Sydney Z Zotwana (Swon Translator)	1	58	21
TKB Pauw	1	8	1
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
19	54	3 047	R12 583 000.00

Table 4.16.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs), 1 April 2011 to 31 March 2012

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Human Resource Management			
ICAS	51%	49%	Various staff
Ayanda Mbanga Communications	65%	75%	Various staff
Soma Initiatives	Transversal contract	Transversal contract	Transversal contract
Financial Management			
Makana	100%	100%	4
Budget Management: Provincial			
Bureau Economic Research (BER)	Not Applicable	Not Applicable	Not Applicable
Budget Management: Local Government			0
Corporation of Economic Research	0	0	0
Fiscal Policy			
Bureau Economic Research (BER)	Not Applicable	Not Applicable	Not Applicable
University of Cape Town	Not Applicable	Not Applicable	Not Applicable
Supporting and Interlinked Financial Systems			
Makana	100%	100%	4
Business Connexions	35.01%	42%	3
Mr AJ du Plessis	0	0	0
Accounting Services			
Ducharme Consulting	0	0	0
Local Government Finance 1			
USB-ED	Not Applicable	Not Applicable	Not Applicable
Immoveable Asset Management			0
Sonderlund & Schutte Consulting Engineers	0	0	0
Management Services			
Proftrans Language Services	0	0	0
DW le Roux Vertaling# Translation	0	0	0
Zama Bekeweni	100%	100%	1
Sydney Z Zotwana (Swon Translator)	100%	100%	1
TKB Pauw	0	0	0

Table 4.16.3 Report on consultant appointments using Donor funds, 1 April 2011 to 31 March 2012

Project Title	Total Number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
None			
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
None			

Table 4.16.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs), 1 April 2011 to 31 March 2012

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

PART FIVE: OTHER INFORMATION

Acronyms

ACFS	Annual Consolidated Financial Statements
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
AO	Accounting Officer
AOS	Accounting Officer System
APP	Annual Performance Plan
BAS	Basic Accounting Systems
BER	Bureau of Economic Research
BIF	Business Insight Folder
BTO	Budget Treasury Office
C-AMP	Custodian-Asset Management Plans
CAE	Chief Audit Executive
CFO	Chief Financial Officer
CPIX	Consumer Price Index (excluding Rates on Mortgage Bond)
CRA	Chief Risk Analyst
CRO	Chief Risk Officer
CRU	Corporate Relations Unit
CSC	Corporate Services Centre
CTRU	Cape Town Route Unlimited
DBAC	Departmental Bid and Adjudication Committee
DDG	Deputy Director General
DECAS	Department of Cultural Affairs and Sport
DEDAT	Department of Economic Development and Tourism
DG	Director General
DM	Demand Management
DORA	Division of Revenue Act
DotP	Department of the Premier
DPSA	Department of Public Service and Administration
EAP	Employee Assistance Programme
EPSi	Electronic Purchasing System
EHWP	Employee Health and Wellness Programme
ERM	Enterprise Risk Management
FARMCO	Fraud and Risk Management Committee
FGRO	Financial Governance Review and Outlook
FIFO	First In First Out
FIU	Forensic Investigation Unit

FMC	Financial Maturity Capability
GIAMA	Government-wide Immoveable Asset Management Act
GMT	Government Motor Transport
GRAP	Generally Recognised Accounting Practice
HCT	HIV/AIDS Counselling and Testing
HDI	Historically Disadvantaged Individual
HOD	Head of Department
HOT	Head Official Treasury
HR	Human Resource
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure Development Management System
IFS	Interim Financial Statements
IGR	Inter-Governmental Relations
IYM	In-Year Monitoring
KRA	Key Responsibility Area
LG	Local Government
LGFGRO	Local Government Financial Governance Review and Outlook
LGMIP	Local Government Financial Management Improvement Plan
LG MTEC	Local Government – Medium Term Expenditure Committee
LOGIS	Logistical Information System
LRA	Labour Relations Act
MAM	Moveable Asset Management
MEC	Member of Executive Council
MFMA	Municipal Finance Management Act
MTBPS	Medium Term Budget Policy Statement
MTEC	Medium Term Expenditure Committee
NRF	National Revenue Fund
NT	National Treasury
NTI	National Treasury Instruction
NTR	National Treasury Regulations
OSD	Occupational Specific Dispensation
PAA	Public Audit Act
PERSAL	Personnel and Salary Administration System
PERO	Provincial Economic Review and Outlook
PFMA	Public Finance Management Act
PG	Provincial Government
PG FGRO	Provincial Government Financial Governance Review and Outlook
PG MTEC	Provincial Government Medium Term Expenditure Committee
PGFMIP	Provincial Government Financial Management Improvement Plan
PGWC	Provincial Government Western Cape
PILIR	Policy on Incapacity Leave and ill-health Retirement

PPP	Public Private Partnership
PPPFA	Preferential Procurement Policy Framework Act
PRF	Provincial Revenue Fund
PSCBC	Public Service Commission Bargaining Council
PSO	Provincial Strategic Objective
PT	Provincial Treasury
PTI	Provincial Treasury Instructions
PTM	Provincial Treasury Management
QETMM	Quarterly Extended Treasury Management Meeting
QPR	Quarterly Performance Report
SDI	Service Delivery Improvement
SDBIP	Service Delivery Budget Implementation Plan
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDI	Service Delivery Improvement
SDBIP	Service Delivery Budget Implementation Plan
SEP	Socio-Economic Profile
SLA	Service Level Agreement
SMME	Small Medium and Micro Enterprise
SMS	Senior Management Service
SOP	Standard Operating Procedure
TC	Treasury Circular
TMM	Treasury Management Meeting
TOR	Term of references
TPW	Department of Transport and Public Works
U-AMP	User-Asset Management Plans
UNAIDS	United Nations Programme of HIV/AIDS
USB-ED	University of Stellenbosch Executive Development
WCED	Western Cape Education Department
WCGRB	Western Cape Gambling and Racing Board
WCSD	Western Cape Supplier Database
WC-IDMS	Western Cape Infrastructure Development Management System
WESGRO	Western Cape Investment and Trade Promotion Agency

List of Contact Details

Head Official: Provincial Treasury

Dr JC Stegmann

Tel: 021 483 4709

e-mail: Johan.Stegmann@westerncape.gov.za

Chief Financial Officer

Mr A Gildenhuis

Tel: 021 483 4623

e-mail: Andre.Gildenhuis@westerncape.gov.za

Director: Strategic and Operational Management Support

Ms A Smit

Tel: 021 483 3034

e-mail: Annamarie.Smit@westerncape.gov.za

Deputy Director: Management Accounting

Mr T Mahlaba

021 483 8218

e-mail: Theophilus.Mahlaba@westerncape.gov.za

Deputy Director: Financial Accounting

Ms U Brink

021 483 9547

e-mail: Ursula.Brink@westerncape.gov.za