



Western Cape
Government

Provincial Treasury

FOR YOU



Annual Report
2021/22

**Western Cape Government
Provincial Treasury**

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2021/22**

Provincial Treasury

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PROVINCIAL TREASURY

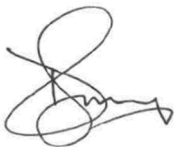
Annual Report

2021/22

Ms M Wenger

Minister of Finance and Economic Opportunities

I have the honour of submitting the Annual Report of Provincial Treasury for the period
1 April 2021 to 31 March 2022.

A handwritten signature in black ink, appearing to read 'David Savage', with a stylized flourish at the end.

DAVID SAVAGE
ACCOUNTING OFFICER
DATE: 31 August 2022

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**GENERAL
INFORMATION
PART A**

PART A: GENERAL INFORMATION

1. DEPARTMENTAL GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

4IR	Fourth Industrial Revolution
AAPC	Audit and Assurance Public Committees
ACFS	Annual Consolidated Financial Statements
ACG (CS)	Associate of Chartered Governance Institute (Chartered Secretary)
ADR	Alternative dispute resolution
AF	African Female
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
AI	Artificial Intelligence
AIDS	Acquired Immunodeficiency Syndrome
AIL	Authentic Informal Leader
AM	African Male
AM	Asset Management
AO	Accounting Officer
AOS	Accounting Officer System
APT	Automated Procurement Planning Toolkit
APP	Annual Performance Plan
ASB	Accounting Standards Board
AWA	Alternative Working Arrangement
BAS	Basic Accounting System
B-BBEE	Broad-Based Black Economic Empowerment
BCom	Bachelor of Commerce
BCompt	Baccalaureus Computationis
BEE	Black Economic Empowerment
BFP	Budget Funding Plans
BI	Business Intelligence
BIDM	Business Information and Data Management
BMC	Baseboard Management Controller
BMI	Body Mass Index
BProc	Baccalaureus Procurationis
BPR	Business Process Re-engineering
CA	Chartered Accountant
CA (SA)	Chartered Accountant (South Africa)
CAE	Chief Audit Executive
CD	Chief Director
Cel	Centre for e-Innovation
CFO	Chief Financial Officer
CFE	Certified Fraud Examiner
CGRO	Corporate Governance Review and Outlook

CIDB	Construction Industry Development Board
CKD	Central Karoo District
CF	Coloured Female
CM	Coloured Male
CoCT	City of Cape Town
CoE	Compensation of Employees
COMAF	Communication of an Audit Finding
COVID-19	Coronavirus Disease 2019
CPAC	Central Procurement Advisory Committee
CRA	Contract Registration Application
CRM	Customer Relationship Management System
CRO	Chief Risk Officer
CSC	Corporate Services Centre
CSD	Central Supplier Database
CTA	Certificate in the Theory of Accounting
CTICC	Cape Town International Convention Centre
DCAS	Department of Cultural Affairs and Sport
DDG	Deputy Director-General
DEDAT	Department of Economic Development and Tourism
DEA&DP	Department of Environmental Affairs and Development Planning
D: ERM	Directorate Enterprise Risk Management
DHS	Department of Human Settlements
DLG	Department of Local Government
DoA	Department of Agriculture
DOCS	Department of Community Safety
DoH	Department of Health
DoRA	Division of Revenue Act (annual)
DoP	Department of the Premier
DPSA	Department of Public Service and Administration
DSD	Department of Social Development
dtic	Department of Trade and Industry and Competition
DTPW	Department of Transport and Public Works
EAP	Economic Active Population
EE	Employment Equity
EHW	Employee Health and Wellness
EHWP	Employee Health and Wellness Programme
EME	Exempted Micro Enterprise
ePS	Electronic Procurement Solution
EPWP	Expanded Public Works Programme
ERM	Enterprise Risk Management
ERMCO	Enterprise Risk Management Committee

EPRE	Estimates of Provincial Revenue and Expenditure
FAQ	Frequently Asked Question
FFSS	Future Fit Skills Strategy
FIDPM	Framework for Infrastructure Delivery and Procurement Management
FY	Financial Year
G&A	Governance and Administration
GDP	Gross Domestic Product
GDPR	Gross Domestic Product (Regional)
GG	Government Garage
GPSSBC	General Public Service Sector Bargaining Council
GPW	Government Printing Works
GRAP	Generally Recognised Accounting Practice
GTAC	Government Technical Advisory Centre
GTAS	Greater Translogic Advisory Services
GTB	Government Tender Bulletin
GVA	Gross Value Added
HCT	HIV & AIDS Counselling and Testing
HDIs	Historically Disadvantaged Individuals
HIRA	Hazard Identification and Risk Assessment
HIV	Human Immunodeficiency Virus
HoD	Head of Department
HR	Human Resources
IA	Internal Audit
ICT	Information and Communication Technology
IDP	Integrated Development Plan
IF	Indian Female
IFMS	Integrated Financial Management System
IGR	Intergovernmental Relations
IIA	Institute for Internal Auditors
IM	Indian Male
IMS	Issue Management System
IRMSA	Institute of Risk Management South Africa
IPS	Integrated Procurement Solution
IRP5	Income Tax Certificate of Earnings
IT	Information Technology
ITSM	Information Technology Service Management
IYM	In-year Monitoring
JDMA	Joint District and Metropolitan Approach
LLB	Bachelor of Laws
LED	Local Economic Development
LG	Local Government

LGBO	Local Government Budget Office
LGFB	Local Government Finance
LG MTEC	Local Government Medium Term Expenditure Committee
LG SCM	Local Government Supply Chain Management
LLB	Bachelor of Laws
LOGIS	Logistical Information System
LRA	Labour Relations Act, 1995 (Act 6 of 1995)
Ltd	Limited
MAF	Municipal Accounting Forum
MBA	Master of Business Administration
MBRR	Municipal Budget and Reporting Regulations
MCS	Modified Cash Standard
M&E	Monitoring and Evaluation
MEC	Member of the Executive Council
MERO	Municipal Economic Review and Outlook
MFMA	Municipal Finance Management Act, 2003 (Act 56 of 2003)
MGRO	Municipal Governance Review and Outlook
MOA	Memorandum of Agreement
MPAC	Municipal Public Accounts Committee
MS	Microsoft
MSA	Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)
MSCOA	Municipal Standard Chart of Accounts
MSDF	Municipal spatial development framework
MTBPC	Medium Term Budget Policy Committee
MTBPS	Medium Term Budget Policy Statement
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTP	Master Tax Practitioner
NB	Abbreviation for the Latin Phrase Nota Bene, meaning "Note Well"
NDP	National Development Plan
NIPP	National Industrial Participation Programme
NT	National Treasury
OAG	Office of the Accountant-General
OCPO	Office of the Chief Procurement Officer
OHAS	Occupational Health and Safety
OPMII	Overview of Provincial and Municipal Infrastructure Investment
PAIA	Promotion of Access to Information Act, 2000
PAC	Public Accounts Committee
PAY	Premier's Advancement of Youth
PCC	Procurement Client Centre
PDO	Predetermined Objectives

PDR	Procurement disclosure report
PERMIS	Performance Management Information System
PERSAL	Personnel and Salary Administration System
PERO	Provincial Economic Review and Outlook
PFMA	Public Finance Management Act, 1999 (Act 1 of 1999)
PFS	Provincial Forensic Services
PG	Provincial Government
PGBO	Provincial Government Budget Office
PGDA	Post Graduate Diploma in Accounting
PG MTEC	Provincial Government Medium Term Expenditure Committee
PG SCM	Provincial Government Supply Chain Management
PILIR	Policy on Incapacity Leave and Ill-Health Retirement
POPIA	Protection of Personal Information Act, 2013 (Act 4 of 2013)
PPE	Personal Protective Equipment
PPF	Project Preparation Facility
PPFR	Preferential Procurement Policy Framework Regulations
PPP	Public Private Partnership
PRF	Provincial Revenue Fund
PSC	Public Service Commission
PSCBC	Public Service Commission Bargaining Council
PSP	Provincial Strategic Plan
PSR	Public Service Regulations
PSRMF	Public Service Risk Management Framework
PT	Provincial Treasury
PTI	Provincial Treasury Instruction
Pty	Proprietary
PwC	PricewaterhouseCoopers Incorporated
QAR	Quality Assurance Review
QPR	Quarterly Performance Report
RA (SA)	Designation of the Independent Regulatory Board of Auditors
RBM&E	Results-based Monitoring and Evaluation
RFI	Request for Information
SA	South Africa
SABC	South African Broadcasting Corporation
SABS	South African Bureau of Standards
SAGOV	New Tender Portal
SAHPRA	South African Health Products Regulatory Authority
SAICA	South African Institute of Chartered Accountants
SALGA	South African Local Government Association
SANSA	South African National Space Agency
SARS	South African Revenue Service

SCA	Supreme Court of Appeal
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SDIP	Service Delivery Improvement Plan
SEB	Supplier Evidence Bank
SEP	Socio-economic Profile
SHERQ	Safety, Health, Environment, Risk and Quality
SIME	Strategic Integrated Municipal Engagement
SITA	State Information Technology Agency
SMME	Small, Medium and Micro Enterprise
SMS	Senior Management Service
SOP	Standard Operating Procedure
SPLUMA	Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013)
STEERCOM	Steering Committee
STI	Sexually Transmitted Infection
Stratecon	Strategic Economic Solution
TARC	Technical Accounting and Reporting Committee
TB	Tuberculosis
TIME	Technical Integrated Municipal Engagements
TOR	Terms of Reference
TMC	Top Management Committee
U-AMP	User immovable Asset Management Plan
UIFW	Unauthorised, irregular, fruitless and wasteful
WCED	Western Cape Education Department
WCG	Western Cape Government
WC FMSG	Western Cape Financial Management Support Grant
WCGRB	Western Cape Gambling and Racing Board
WCPP	Western Cape Provincial Parliament
WCSD	Western Cape Supplier Database
WCSEB	Western Cape Supplier Evidence Bank
WC-IDMS	The Western Cape Infrastructure Delivery Management System
WESGRO	The Western Cape Tourism, Trade and Investment Promotion Agency
WHO	World Health Organization

3. FOREWORD BY THE MINISTER

The Provincial Treasury (PT) is a key driving force behind the Western Cape Government's objective to be the gold standard for good governance and transparency in South Africa.

The 2021/22 Annual Report highlights PT's achievements in the fulfilment of its legislative mandate as well as the support provided in helping the province recover from the COVID-19 crisis.

Indicative of PT's commitment to sound financial management - with an emphasis on supporting municipalities - are the 2020/21 municipal audit results which include twenty-two (22) unqualified with no findings results, five (5) unqualified with findings results, and only three (3) qualified audits.

PT's continued commitment to and implementation of the principal of fiscal sustainability was evident in the budget process with the aim of ensuring sustainable delivery of basic services, and to increase expenditure efficiency through expenditure reviews.

As the first province to publish detailed Procurement Disclosure Reports in 2020, the Provincial Treasury continued to innovate over the year under review by launching a web enabled dashboard, which provides access to all departmental procurement plans for 2022/23. This functionality will help suppliers to access and plan for future tender opportunities and make it easier for businesses - and especially small businesses - to find opportunities and prepare to participate in the procurement process.

PT's Procurement Client Centre (PCC) is another example of its commitment to improve the ease of doing business with government. The PCC provides procurement support assistance to provincial departments, entities, municipalities and suppliers through an integrated helpdesk.

To support small businesses, the helpdesk helps guide suppliers through the tender process as well as assisting suppliers with registration on the National Treasury's Central Supplier Database (CSD) and the Western Cape Supplier Evidence Bank (WCSEB).

As we reflect on this past financial year, I would especially like to acknowledge Minister David Maynier for his leadership as the responsible Minister for the period under review.

I also wish to thank Head Official of the Provincial Treasury, Mr David Savage, and the staff of the PT for their hard work, dedication and commitment to good governance across the provincial government.



MS M WENGER
MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES

DATE: 31 August 2022



Ms Mireille Wenger
Minister of Finance and
Economic Opportunities

4. REPORT OF THE ACCOUNTING OFFICER

Overview of operations

The period since the start of the COVID-19 pandemic has been the most remarkable anyone has ever experienced. The PT played a vital role in the government's economic response to the COVID-19 pandemic. Put simply, the PT stepped up to address huge new challenges and delivered the urgent support its clients needed quickly and effectively. As this year's annual report shows, the PT carried on doing that without losing sight of its core purpose - and despite facing difficult decisions along the way.



David Savage
Accounting Officer
Provincial Treasury

Departmental strategic priorities and levers

In 2021/22, the Provincial Treasury continued to respond to the challenges presented by the ongoing COVID-19 pandemic, with refocused and reprioritised efforts to ensure execution aligned to the executive priorities. These were linked to PT's strategic priorities of Effective Local Governance and Integrated Provincial Governance and the two (2) strategic focal areas of Efficient Infrastructure Investment and Strategic Supply Chain Management.

These strategic priorities and focal areas were pursued across the PT through three (3) levers. The first being talent management and the building of capacity both internally and externally with partners in departments and municipalities. With regards to knowledge management, the PT used large flows of data and turned it into usable policy choices and options for the executive. Thirdly information management, and particularly digital transformation, played a huge role in generating efficiency and effectiveness gains that was delivered in environments such as supply chain management *inter alia*.

The strategic priorities guided the alignment and prioritisation of key pieces of work in 2021/22. They also reflected the PT's commitment to directing investment towards what matters, and to monitoring the creation of value to improve the wellbeing of all citizens. Below are some of the highlights of performance during the year.

Integrated Provincial Governance

In 2020/21, the PT embedded new governance structures aimed at strengthening governance practices and operational management of cross-organisational matters which continued in the 2021/22 financial year.

The PT supported and assisted departments and public entities during the 2020/21 Regulatory Audit through Annual Financial Statement (AFS) consistency workshop(s), review of the AFS prior to submission to the Auditor-General and providing advice on responses to Communication of Audit findings. This resulted in the Western cape Government maintaining its excellent track record on audit outcomes.

During the year, the PT continued to produce the core economic and fiscal updates and financial research reports, 2021 Provincial and Municipal Economic Review and Outlooks (PERO and MERO) and 2021 Socio-Economic Profiles.

The PT supported the WCG in tabling the 2021/22 Budget that aimed to protect basic services, unlock allocative efficiency, enhance productive efficiency, and enable long-run fiscal sustainability.

The 2022 Budget Process was centred around the Medium Term Budget Policy Committee (MTBPC) and the departmental specific Provincial Government Medium Term Expenditure Committee (PG MTEC) engagements. These were integral to the broader integrated policy, planning, budgeting, and implementation cycle of the WCG, and considered the policy context and planning process aligned to the 2019 - 2024 Provincial Strategic Plan (PSP), Western Cape Recovery Plan, as well as the Strategic Plans and Annual Performance Plans of departments. These engagements therefore aided in translating departmental plans and effectively aligning the provincial budget to address the medium to long-term priorities and risks. The Western Cape Government's (WCG) budget approach comprised of three (3) phases:

- **Budget preparation:** This commenced with the annual provincial budget and governance engagements that were held in conjunction with officials from national departments, the National Treasury, and the Cabinet Bosberaad held in August 2021. These engagements set the policy context for the 2022 planning and budget process. The MTBPC 1 engagements set the framework for the departmental pre-PG MTEC 1 technical and the ministerial PG MTEC 1 discussions that focused on managing risks within the existing budget envelope and identifying areas for budget policy prioritisation. In preparation and as part of the MTBPC engagements, municipalities were engaged on how provincial programmes and initiatives will impact geographically across the Province.
- **Medium Term Budget Policy Statement (MTBPS) and Adjustments Budget:** The 2021 MTBPS outlined the risks identified for the 2022 Medium Term Expenditure Framework (MTEF), while the 2021 Adjusted Budget responded to in-year pressures and risks, supported policy priorities, and prepared the WCG for the 2022 MTEF. Provincial departments outlined their medium to long-term plans and the principles and strategy applied to key budgetary decisions in responding to service delivery pressures. The PG MTEC 1 engagements placed emphasis on the critical strategic and policy matters emanating from the MTBPC and PG MTEC technical departmental engagements that needed to be prioritised from a budgetary perspective over the 2022 MTEF.
- **Main budget:** The MTBPC 2 and the PG MTEC 2 technical and ministerial engagements form part of this final phase of the budget process and informed the finalisation of the 2022 MTEF. This required careful consideration to ensure that limited financial resources are allocated efficiently and necessitated difficult decisions to support economic and social recovery, while maintaining fiscal sustainability.

Effective local governance

For the strategic priority: Effective local governance there are two (2) areas of focus - financial stability/sustainability and growth. The vision of the former is to strengthen the accountability cycle in local government by having 30 municipalities with a sustainable service delivery impact. The two (2) key entry points are the Strategic Integrated Municipal Budgeting Engagements (SIME) and Technical Integrated Municipal Engagements (TIME) processes. The vision of the growth focal area espouses a virtuous circle of increased investment, productivity, job creation etcetera that ultimately contributes towards an increase in municipal revenue to pay for improved service delivery and infrastructure investment.

The Joint District and Metropolitan Approach (JDMA) also provided an additional platform to support municipalities and allowed the streamlining of various engagements with them. For the first time the MERO was disaggregated into separate district-specific publications to provide a more focussed overview of the challenges facing districts across the Province while simultaneously acknowledging the development potential and bespoke offerings of each district. The MERO data and infographics were extensively used by various municipal role players in their planning for the 2022/23 budget and Integrated Development Plan (IDP) cycle.

SIME were again held virtually with 30 municipalities. This provided a platform to discuss the real impact of the COVID-19 pandemic on municipal plans and budgets. A combination of the COVID-19 pressures and governance failures resulted in several municipalities adopting unfunded budgets. These municipalities were supported to develop credible Budget Funding Plans (BFP). Financial performance was closely monitored and intervening where necessary.

PT also coordinated the TIME which enabled the Provincial Treasury to progressively strengthen municipal governance through focusing on financial maturity criteria across various disciplines. Commitments emanating from TIME are monitored monthly to ensure progress is made and focused attention is given to transversal issues raised by the local sphere of government.

The Provincial Executive responded to the deteriorating position of the financial situation of Beaufort West Municipality by intervening in terms of Section 139 (5) of the Constitution. The Department worked with the National Treasury's Municipal Financial Recovery Service to review and prepare a Financial Recovery Plan (FRP) for the Municipality. On 7 March 2022 the FRP was approved by the Provincial Minister of Finance and Economic Opportunities.

The 2020/21 municipal audits were finalised before the end of March 2022. Compared to previous audit results, 24 municipalities had unchanged results, five (5) improved, and only one (1) regressed in performance. Generally Recognised Accounting Practice (GRAP) updates and consistency workshops held prior to the AFS submission assisting in the improvement in the quality of AFS's, that were submitted. These consistency workshops complement training activities to assess, review and assist in the prevention of irregularities and material financial misstatements.

Strategic Supply Chain Management

Strategic Supply Chain Management (SCM) is a focal area that cuts across both the provincial and municipal environment and has an established SCM reform strategy in the Province that is built on four (4) key pillars:

1. Governance: Strategy and control
2. Capacitation and development: Organisational structure, capacity and skill
3. Strategic procurement
4. SCM Technology: Reporting and data integrity

The PT demonstrated its commitment to the development and building of small and medium business through the provision of various support initiatives. On 31 May 2021 the Procurement Client Centre (PPC) was officially launched by the Provincial Minister of Finance and Economic Opportunities. The PPC offers a range of services to improve the ease of doing business with government, including providing procurement support assistance to provincial departments, entities, municipalities and suppliers through an integrated helpdesk guiding them through the tender process, and correctly registering on the National Treasury's Central Supplier Database (CSD) and the Western Cape Supplier Evidence Bank (WCSEB).

To demonstrate the Western Cape's commitment to transparency on public procurement the Department continued to publish a monthly and quarterly Procurement Disclosure Report (PDR). On 31 May 2021 the Minister of Finance and Economic Opportunities launched the annual PDR, the first of its kind, for the period 1 March 2020 to 31 March 2021. The annual PDR is over 200 pages long and includes over 6 400 COVID-19 expenditure transactions since the start of the pandemic (1 March 2020) as well as for the financial year (period 1 April 2020 to 31 March 2021) for the Western Cape Government.

Aligned to the overall strategy to achieve continuing improvement in value for money, enhance competitiveness of suppliers, and provide business communities with a convenient and effective medium, through which companies and individuals alike could identify and exploit business opportunities, the Department has developed an in-house eProcurement Solution (ePS) which was fully rolled-out to all departments during the financial year. The ePS is used by departments for the invitation of price quotations, the receipt thereof and the adjudication of quotations submitted by suppliers.

Procurement requirements are linked to the planning and budgeting process to ensure that these requirements are considered in the decision-making process. The Department henceforth rolled out the Automated Procurement Planning toolkit (APPT) to all 13 departments. The toolkit is linked to the budget and its goal is to improve the management of supply and movable asset management.

Efficient infrastructure Investment

Western Cape's infrastructure faces several challenges, including the need to renew ageing infrastructure, the pressures of an ageing and urbanising population, tight fiscal constraints, changing technology, the effects of climate change, and increased pressures on our natural resources.

A more coordinated, integrated, and strategic approach to planning and budgeting helped to inform the PT's response to infrastructure challenges. Infrastructure investment remained a key focus for driving economic growth and the core element of sustainability. As part of the budget documentation a supplementary publication, namely the Overview of Provincial and Municipal Infrastructure Investment (OPMII) was compiled and tabled on 14 March 2022 in the Legislature.

As part of the annual budget process the user asset management plans/infrastructure plans, the custodian asset management plan and the roads asset management plan of the respective departments are reviewed in order to inform budget allocations for infrastructure.

Overview of the Department's financial results

At the end of the 2021/22 financial year, the Department spent R289.998 million of the Adjusted Appropriation of R307.602 million resulting in a net underspending of R17.604 million or 5.7 per cent as depicted in Table 2 below. Furthermore, as depicted in Table 1, total departmental receipts amounted to R7.621 million, resulting in an overcollection of R7.545 million.

Table 1 Departmental receipts

Departmental receipts	2021/22			2020/21		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	16	36	(20)	15	43	(28)
Transfers received	1	-	1	1	-	1
Interest, dividends and rent on land	1	20	(19)	1	6	(5)
Sale of capital assets	-	-	-	-	1	(1)
Financial transactions in assets and liabilities	58	7 565	(7 507)	56	19 677	(19 621)
Total	76	7 621	(7 545)	73	19 727	(19 654)

Financial transactions in assets and liabilities recorded an overcollection of R7.507 million mainly due to the recovery of previous years' unspent provincial conditional grants paid to municipalities.

Table 2 Programme expenditure

Programme Name	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	60 451	55 508	4 943	56 325	51 594	4 731
Sustainable Resource Management	120 069	112 035	8 034	119 058	115 847	3 211
Asset Management	74 358	71 326	3 032	62 645	59 518	3 127
Financial Governance	52 724	51 129	1 595	51 477	50 434	1 043
Total	307 602	289 998	17 604	289 505	277 393	12 112

Reasons for under expenditure

The underspending in Programme 1: Administration, amounts to R4.943 million or 8.2 per cent of the Final Appropriation. The underspending was mainly as a result of the delay in the appointment of business analysts for the Business Process Re-engineering (BPR) project. In addition, due to the ongoing world-wide shortage of components for the departmentally preferred brand of computer equipment (laptops) caused by the COVID-19 pandemic, the Department amended its departmental ICT equipment standardisation list to include a second option, this resulted in a delay in the procurement and delivery of computer equipment.

The underspending in Programme 2: Sustainable Resource Management, amounts to R8.034 million or 6.7 per cent of the Final Appropriation. The underspending was mainly as a result of delays in the procurement processes for the appointment of panels of experts for municipal interventions, and to undertake and provide infrastructure-related research and advisory services. The Western Cape Municipal Financial Recovery Services grant could also not be allocated and transferred timeously to be in line with the Division of Revenue Act (DoRA) as the Financial Recovery Plan of Beaufort West Municipality was only instituted on 7 March 2022.

The underspending in Programme 3: Asset Management, amounts to R3.032 million or 4.1 per cent of the Final Appropriation. The underspending was mainly as a result of the delay in the procurement of consultancy services.

The underspending in Programme 4: Financial Governance, amounts to R1.595 million or 3 per cent of the Final Appropriation. The underspending is mainly as a result of delays in the appointment of a service provider to perform a review of the Western Cape Provincial Public Entities due to technical matters that arose during the procurement process.

Virement/Roll-overs

The Member of the Executive Council on 26 April 2022 approved a provisional virement. R64 000 was shifted from Programme 1: Administration, to Programme 4: Financial Governance, to accommodate for compensation of employees. Details of the shift can be found on the Appropriation Statement (*refer to pages 147 to 151*).

The Department requested the Provincial Treasury to approve roll-over of the following 2021/22 unspent funds to the 2022/23 financial year:

- R2.080 million for the replacement of obsolete computer equipment (laptops). Due to an ongoing world-wide shortage of components caused by the COVID-19 pandemic, the Department opted for a second viable option (brand) for which a commitment could only be raised on 31 March 2022.
- R1.205 million for the appointment of a service provider to perform a review of the Western Cape Provincial Public Entities as defined in Chapter six (6) of the Public Finance Management Act, 1999 (Act 1 of 1999). Due to technical matters raised during the bid evaluation phase of the procurement, a commitment could only be raised on 31 March 2022.
- R291 000 for Risk Management and Internal Audit services at Kannaland Municipality. The need to access the panel of experts twice, as initially the bidders were found to be non-compliant regarding the terms of reference, resulting in delaying the finalisation of the procurement of the services.

Unauthorised, fruitless, and wasteful expenditure

There was no unauthorised expenditure during the reporting period. Fruitless and wasteful expenditure amounted to R1 176. The reasons, amounts and steps taken pertaining to fruitless and wasteful expenditure are recorded in Note 23: Fruitless and wasteful expenditure of the Annual Financial Statements.

Strategic focus over the short- to medium term period

It is clear there are further challenges ahead: the outlook for the economy is changing and the WCG rightly expects all departments to become leaner, more effective and more innovative. To operate successfully, the PT will need to be agile and flexible, and tackle risks and challenges as they arise.

In the coming year/s, the PT's strategic focus over the short to medium term period will include:

- **Efficient Infrastructure Investment:** Over the 3-, 5- and 10-year horizon, the PT plans to strengthen capabilities and alignment and pursue specific reforms in the infrastructure governance environment. The PT will also deepen its spatial and analytical capabilities in the environment. Over a 5- and 10-year period the plan is to stabilise and expand investment in infrastructure by the Province as a potential of total provincial expenditure as well as a percentage of economic output in the Province. The establishment and consolidation of a well-prepared investment pipeline of investment projects – which is at the heart of the Project Preparation Facility (PPF) – established for the first-time last year, will be key. The Guidelines of the PPF will propose, *inter alia*, to consider the expansion of funding to support project preparation.

The PT will, over the medium term, start to look at leveraging improvements in infrastructure and value for money, both in terms of the local content, which is threatening to erode value for money, making potentially deleterious trade-offs, as well as looking at systems of construction procurement and alternatives within the framework of existing regulations.

- **Effective local governance:** Effective local governance, which is a collaboration between Financial Governance and Accounting, Budgets and Policy, will respond to the financial problems within the municipalities and conduct integrated municipal budget policy assessments as their two (2) prioritised policy interventions to support municipalities, especially those that are in financial crisis. As such, relevant planned outputs include numerous assessments, oversight, monitoring and research reports as well as support through municipal training initiatives on financial legal frameworks, policies and the strengthening of the understanding and application of accounting standards.
- **Strategic Supply Chain (SCM) management** focuses on people, systems, technology and value for money. Through the execution of a SCM modernisation and reform programme and focusing on the SCM governance with a resilient governance platform as one of the policy interventions; the SCM capacitation and training, strategic procurement and the SCM technology, the PT will improve service delivery and accelerate the ease of doing business. This transversal strategic priority must not be read in isolation as it integrates, interlinks and co-exists with the Integrated Provincial Governance and the Effective Local Governance Strategic priorities. Similarly, from a local government SCM perspective, improved SCM within municipalities, is a prioritised policy intervention which will be achieved through the SCM governance workstreams for all municipal districts, the SCM insight reports; procurement planning analysis and management baseline assessments.
- The strategic priority of **Integrated Provincial Governance** will look to deepen and unlock the value of governance by rigorously working through any regulatory framework changes, consider the impact across the PT units, its impact on governance and audit outcomes and to seek workable solutions with the National Treasury (NT) and the Auditor-General of South Africa (AGSA). This includes clarifying differing interpretations. Further automation and post-audit tools, such as the Municipal Finance Management Act (MFMA) and the Public Finance Management Act (PFMA) dashboarding, will be used for user-decision-making and enhanced data analysis for reporting interrogation. The alternative dispute resolution process will also be further refined as well as the finalisation

and implementation of the public entity review and guideline for managing public entities. In addition, there will be enhanced collaboration in relation to combined assurance implementation.

- **Budget Policy Reprioritisation** is a second prioritised policy intervention where economic performance and policy research and analysis will inform budget policy prioritisation and the exploration of innovative methodologies. Public Policy Services will develop a policy and budgeting monitoring tool to monitor performance in this regard.

Public Private Partnerships

The PT has an oversight role across the project cycle of Public Private Partnerships (PPPs) to determine affordability, value for money and risk transfer in project development and performs a monitoring role on the PPP transactions that have been concluded and are being implemented. The Provincial Treasury's PPP oversight role is guided by the PFMA and National Treasury Regulation 16.

While there are no PPPs within the Vote, there are currently two (2) closed provincial deals (see table below).

Registered provincial PPP projects: Closed deals

Project name	Description	Department	Start date	End date
Chapman's Peak Drive Toll Road	Design, construct, finance, operate and maintenance of Chapman's Peak Drive	Department of Transport and Public Works (DTPW)	21 May 2003	21 May 2033
CapeNature: De Hoop Nature Reserve*	The De Hoop Nature Reserve PPP project entails the upgrading of existing tourism facilities, the creation of new products and the provision of activities for tourism	Department of Environmental Affairs and Development Planning (DEA&DP) implemented by CapeNature	2 December 2009	30 year long-term contracts (with the option of renewal for another 15 years)

Note: The De Hoop PPP makes provision for additional concessionaires.

Discontinued activities/activities to be discontinued

No activities were discontinued during the 2021/22 financial year.

Supply Chain Management

Unsolicited bids

No unsolicited bids were received during the period under review.

Irregular expenditure

All possible irregular expenditure identified by or reported to Internal Control is investigated to determine responsibility and accountability. Irregular expenditure in an amount of R12 000 was identified during the post-audit process. No irregular expenditure was identified during the 2021/22 regulatory audit process. R68 901 irregular expenditure related to the 2018/19 was condoned by the Condonation Working Committee in terms of the Irregular Expenditure Framework issued by National Treasury on 25 September 2018.

Further details on irregular expenditure are available in Note 22: Irregular expenditure of the Annual Financial Statements.

Challenges within Supply Chain Management

The SCM unit that resides under the Chief Financial Officer has settled in well with the new norm of operating in a COVID-19 environment. The SCM functions will continue to focus on the streamlining of procurement processes, improving client relationships, performance management and monitoring, as well as governance and compliance enhancement.

With the ever-evolving SCM environment and functions, the human resource's structure and capacity of the unit needs to be enhanced to meet the high level of requirements.

Suppliers and bidders who do not adhere to the requirements and conditions of the terms of reference/specifications remained a challenge in the SCM, which impacted on meeting the service delivery requirements of the Department. This resulted in an increase in the number of procurement-related issues referred for legal advice and/or opinion.

In addition, the legislative environment of procurement was heavily impacted by the Constitutional Court judgment on the validity of the Preferential Procurement Regulations, 2017, which led to major delays in the finalisation of procurement processes.

Gifts and donations received in kind from non-related parties

The gift register maintained by Financial Management indicates that officials received gifts to the value of R370 in the reporting period.

Exemptions and deviations received from the National Treasury

None.

Events after the reporting date

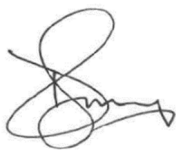
Output indicator 4.2.2.4: Publication and tabling of the Annual Consolidated Financial Statements (ACFS) reported as not achieved as at 31 March 2022 in Part B - Performance information – was subsequently achieved. This delay was due to the late inclusion of underlying departmental audit processes by the Auditor General.

Conclusion

After two (2) years as the Head Official of the PT, I remain immensely proud and privileged to lead a talented and dedicated team. They have worked with professionalism and at pace while navigating the uncertainty of COVID-19. Our vision of a responsive and inclusive Treasury that enables positive change in the lives of citizens really is what brings us to work each day. I want to acknowledge the contribution of every one of our PT officials and in the spirit of integrated governance thank all our stakeholders, provincial departments, entities and municipalities, for their support in helping us work towards this vision.

I am pleased to report on our performance for the 2021/22 financial year.

Approval and sign off



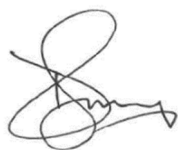
David Savage
Accounting Officer
Provincial Treasury
Date: 31 August 2022

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed throughout the Annual Report are consistent.
- The Annual Report is complete, accurate, and is free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines on annual reports issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the Modified Cash Standard and the relevant frameworks and guidelines issued by the National Treasury.
- The Accounting Officer is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.
- The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information, and the Annual Financial Statements.
- The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information, and the financial affairs of the PT for the financial year ended 31 March 2022.



David Savage
Accounting Officer
Provincial Treasury
Date: 31 August 2022

6. STRATEGIC OVERVIEW

6.1 Vision

A responsive and inclusive Treasury that enables positive change in the lives of citizens.

6.2 Mission

Promotion of cohesion and citizen centricity.

Building capacity in the public sector by being adaptive, innovative and supportive.

Integrated management and partnerships that enable the delivery of quality services in a sustainable manner.

6.3 Values

The core values of the Western Cape Government, to which the PT subscribes, are as follows:



7. LEGISLATIVE AND OTHER MANDATES

The legislative mandate within which the PT operates consists of the national and provincial legislation described below.

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

The PT is established in terms of Section 17 of the PFMA (Act 1 of 1999). Section 18 of the PFMA assigns the functions and powers of the PT which includes, inter alia: preparing and exercising control over the implementation of the provincial budget; promoting and enforcing transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities; ensuring that its fiscal policies do not materially and unreasonably prejudice national economic policies; issuing Provincial Treasury Instructions (PTIs) that are consistent with the PFMA; enforcing the PFMA and any prescribed national and provincial norms and standards; complying with the annual Division of Revenue Act (DoRA); monitoring and assessing the implementation by provincial entities of national and provincial norms and standards; assisting provincial departments and provincial public entities to build their capacity for efficient, effective and transparent financial management; investigating any system of financial management and internal control applied by a provincial department or a provincial public entity; intervening by taking appropriate steps to address serious or persistent material breach of the PFMA by a provincial department or provincial public entity; promptly providing any information required by the NT in terms of the PFMA, and do anything else that is necessary to fulfil its responsibilities effectively.

- **Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA)**

In terms of Section 5(4) of the MFMA, 2003 (Act 56 of 2003), the PT must, inter alia, monitor compliance with the MFMA by municipalities and municipal entities in the Province, monitor the preparation of municipal budgets, the monthly outcomes of these budgets, and the submission of reports by municipalities as required in terms of the MFMA. The PT may assist municipalities in the preparation of their budgets; exercise any powers, and perform any duties delegated to it by the National Treasury in terms of the MFMA; and take the appropriate steps if a municipality or municipal entity in the Province commits a breach of the MFMA.

- **Division of Revenue Act (DoRA) (Annual)**

This Act provides for the equitable division of revenue raised nationally, including conditional grants, amongst the three spheres of government and for incidental matters.

- **Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act 10 of 2009)**

This Act regulates the financial management of Parliament and provincial legislatures in a manner consistent with its status in terms of the Constitution of the Republic of South Africa, 1996.

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

This Act provides a uniform framework for the management of immovable assets that are held or used by, in this case, provincial departments, and aims to ensure the optimal coordination of the use of such immovable assets to achieve departmental service delivery objectives.

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

Amongst others, this Act defines the role of the Member of the Executive Council responsible for finance and that of the Treasury as a representative of the Provincial Government; promotes cooperation between spheres of government on fiscal, budgetary, and financial matters; and provides insight into the prescribed processes for the determination of the equitable share and allocation of revenue raised nationally and provides for related matters.

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

This Act establishes a framework for the national government, provincial governments and local governments to promote and facilitate intergovernmental relations; provides for mechanisms and procedures to facilitate the settlement of intergovernmental disputes; and provides for related matters.

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

This Act provides assistance to the Auditor-General's Office to recover outstanding audit fees and to appropriately respond or intervene on matters arising from audit reports and provides for related matters.

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

This Act provides the Treasury with a regulatory framework for enabling and assisting departments to develop and implement a preferential procurement system to benefit historically disadvantaged individuals (HDI).

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

This Act regulates 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 provides for related matters.

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

This Act provides for the organisation and administration of the Provincial Treasury and for human resource management which includes the regulation of conditions of employment, terms of office, discipline, retirement, and discharge of the PT staff members.

- **Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) (SPLUMA)**

This Act provides a framework for spatial planning and land use management in the Republic; specifies the relationship between the spatial planning and the land use management system, and other kinds of planning; provides for the inclusive, developmental, equitable, and efficient spatial planning at the different spheres of government; provides a framework for the monitoring, coordination, and review of the spatial planning and land-use management system; provides a framework for policies, principles, norms and standards for spatial development planning, and land-use management; addresses past spatial and regulatory imbalances; promotes greater consistency and uniformity in the application procedures of, and decision-making by authorities responsible for-land use decisions and development applications; provides for the establishment, functions, and operations of municipal planning tribunals; provides for the facilitation and enforcement of land-use and development measures; and provides for related matters.

- **Western Cape Appropriation Act (Annual)**

This Act provides for the appropriation of money from the Western Cape Provincial Revenue Fund for the requirements of the Province of the Western Cape; and provides for related matters.

- **Western Cape Adjustments Appropriation Act(s) (Annual)**

This Act appropriates adjusted amounts of money from the Western Cape Provincial Revenue Fund for the requirements of the Province of the Western Cape; and provides for related matters.

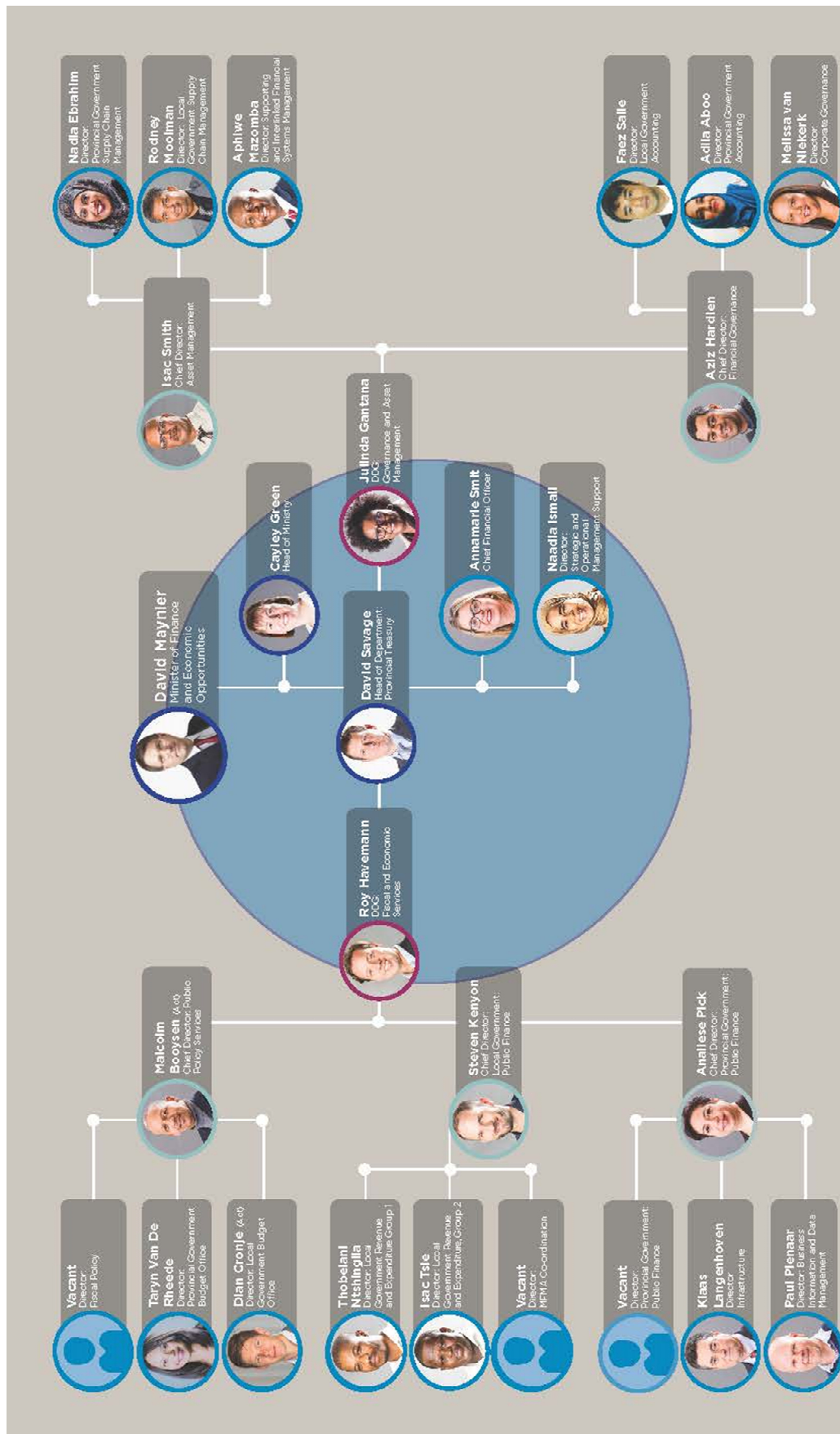
- **Western Cape Direct Charges Act, 2000 (Act 6 of 2000)**

This Act provides 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 PFMA, 1999 (Act 1 of 1999).

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

This Act provides regulatory prescripts to support the Member of the Executive Council (MEC) responsible for the Act to ensure sound financial administration by the Western Cape Gambling and Racing Board (WCGRB) and regulates gambling activities in the Western Cape.

8. ORGANISATIONAL STRUCTURE



Provincial Treasury
As at 1 March 2022



9. ENTITIES REPORTING TO THE MINISTER

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Western Cape Gambling and Racing Board	Western Cape Gambling and Racing Act	The entity has been financially self-sustainable in the past, but as from 2012/13 transfers from the Provincial Revenue Fund to the entity were necessary to assist it to perform its regulatory responsibilities	Regulation of all gambling, racing, betting, and activities incidental thereto in the Western Cape Province



**PERFORMANCE
INFORMATION**

PART B

PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the AGSA report on other legal and regulatory requirements section.

Refer to the Report of the Auditor-General, published as Part E: Financial Information on page 140.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service delivery environment

Two (2) years ago the global economy was shaken by the onset of a pandemic, when an overwhelming health crisis turned into an overwhelming economic crisis. First was the spread of a new virus variant (Omicron) in late 2021, which prompted countries to put in place new containment measures. As it turned out, the impact was smaller than initially feared. The virus proved milder than expected and so did the necessary policy-induced restraint on activity. Then there was the outbreak of the Russia-Ukraine conflict in February 2022. The war is first and foremost a humanitarian tragedy but its near-term impact on economic activity is substantial. While the after-tremors of the pandemic still reverberate, two new shocks thus hit home in the year under review: the unexpected resurgence of inflation and the tragic war in Ukraine.

This Annual Report highlights the steps that the PT has taken to respond to these challenges and to deliver on its strategic priorities.

Departmental administration and governance

The WCG established a track record of clean audits that has largely been institutionalised in departments and entities in the last 12 years. This is reflective of a deep-seated commitment to good governance in the province. PT's ninth (9th) consecutive unqualified with no findings (clean) audit outcome demonstrates the commitment at all levels of staff to good governance in the department.

2.2 Organisational environment

For the financial year that ended on 31 March 2022, the PT was led by Mr David Savage and supported by his two (2) Heads of Branches: Ms Julinda Gantana: Deputy Director-General: Governance and Asset Management, and Dr Roy Havemann: Deputy Director-General: Fiscal and Economic Services. The Fiscal and Economic Services branch is responsible for sustainable

resource management of provincial and municipal fiscal resources and the Governance and Asset Management branch is responsible for facilitating the effective and efficient management of assets and financial systems to promote accountability in financial activities and compliance with financial norms and standards.

Strategic, operational, and financial management support services are provided by the Directorates for Financial Management, and Strategic and Operational Management Support.

Changes in management

After accepting an offer for appointment as Chief Financial Officer at Chris Hani District Municipality, Mr Christopher Mapeyi left his position as Director: Local Government Revenue and Expenditure (Group 1). Mr Thobelani Ntshingila replaced him as the new director in February 2022. The PT also appointed another African Male candidate, Mr Ayanda Dakela, as Chief Director: Infrastructure. He was extremely capable and competent but unfortunately stayed for a very limited period of time before he took up an exceptional opportunity that had been offered to him on a permanent basis, which the PT could not compete with. Mr Isac Tsie was appointed in November 2021 as the new Director: Local Government Revenue and Expenditure (Group 2) while Dr Ndodana Nleya left the position of Director: Fiscal Policy to become Senior Specialist Researcher at the Office of the Public Service Commission. This post is in the process of being filled.

Culture

Our staff are our greatest asset and therefore the Culture Journey continued with a variety of activities and interventions with the intended outcomes to: build awareness of the current cultural strengths that serve the PT, and the changes that hold it back; determine the behaviours that will have the biggest impact on the way the PT does things; embed and spread critical behaviours “virally”; grow leadership consciousness; support leaders to role model critical behaviours, and equip managers with emotional intelligence capabilities.

Two (2) key drivers of change pushed the PT along the path of continual improvement. The first was the strategic priorities, which had the overarching goal of making the PT more supportive and enabling. The second was the COVID-19 pandemic, which continued to pose new challenges and also led to adaptations that allowed the PT to embrace an agile mindset. Flexibility helped the PT to adapt quickly and productively to new demands and opportunities.

PT defined a few critical behaviours which, when embraced by staff, allowed the PT to fulfil its values. It established a common language for behaviour that will lead to a performance-driven PT. The three (3) critical behaviours are the following:

- Communicate early and clearly, by giving clear directions and exploring reasons and outcomes;
- Involve all relevant people in decision-making and consult them where possible; and
- Enable people to take ownership of their work and help to remove obstacles.

Working in this way and displaying these behaviours, with a strong sense of purpose, enabled the PT to attain multiple and significant achievements during the financial year that demonstrated the commitment to departmental values. Phase 2 of the Culture Journey also focused very strongly on timeliness, quality and accountability for outcomes.

Expectations about what “work” will look like post-pandemic have changed dramatically over the past two (2) years. The PT staff continued to adopt new ways of working and embraced technology as the COVID-19 pandemic had necessitated that most staff work remotely. Digitisation and investment in diverse technology tools enabled remote working, which offered new flexibility and resiliency and helped promote a work-life balance for our staff. At the same time, remote working has helped us appreciate the value of face-to-face collaboration when possible.

To leverage the flexibility and resiliency benefits of remote work, and the value of on-site work, the PT approved an Alternative Working Arrangements (AWA) Policy which allowed staff to work remotely upon application as well as additional flexibility for working with staggered hours or in terms of a compressed work week. The AWA Policy presented new opportunities and challenges for blending on-site and remote work while continuing to enrich both in the event that the PT needed to pivot from one model to the other quickly.

Throughout the year the PT rolled out frequent staff engagement trackers, which allowed the PT to take its pulse through regular surveys to build its listening capabilities internally on a range of topics from hybrid working to well-being. Management used the results from the surveys to identify priorities, to inform decisions, and to follow-up on actions. This helped to ensure that the new ways of working were primarily advancing the Department's objectives and then determining the right level of flexibility for staff.

Diversity and inclusion

The PT remains committed to welcoming and respecting diversity across all dimensions, such as gender, race, and physical abilities. Work on the bursary and internship policies supported the PT's ability to attract and retain a diverse workforce by improving policies that help foster a culture of diversity, inclusion and fairness. A key aim is to measurably increase gender diversity especially at management level, with a 50/50 gender target to fill vacancies for senior managers. In 2021/22, we reached an overall representation of 41 per cent for female senior managers. Since 2015/16 this equates to an increase in the percentage of female senior managers from 27 per cent to 41 per cent.

The movement of staff through appointments, resignations, and retirements naturally affected the employment equity targets of the Department. The representation of African Males (AM) and Indian Males (IM) are a high priority as they are both below the proportional and numerical targets in the Employment Equity (EE) Plan. The African Female (AF) group is showing an upward trend since the inception of the EE Plan but has missed the numerical target for the period under review. The overall EE Plan implementation pattern is positive towards reaching departmental EE numerical goals. The Department is continuing to review its overall approach to attracting talent in high priority groups.

Talent management

The PT remains committed to developing a strong learning and development culture. Delivery of training programmes have been adapted to account for multi-site working. The PT made good progress against our three (3) delivery principles for learning and development:

1. e-Learning: An online platform is being used to bring together learning in different formats to suit needs.
2. Learning is inclusive and collaborative: A number of internal sessions have been designed to address requirements highlighted by staff.
3. Learning is of high quality and relevant: The effectiveness of the overall training portfolio and are monitored to ensure high quality delivery.

The PT has been running its own graduate development programme since 2006/07 aiming to develop in-house capacity and to operate as a feeder system to municipalities by encouraging graduates to apply for permanent positions both in the WCG departments and in municipalities. The programme continued to focus on attracting and facilitating the development of scarce and critical skills, targeting financially disadvantaged youth. This was supplemented by the Nedbank Essay Writing Competition with the private sector to share resources in support of socio-economic development, addressing skills shortages in the sector and maximising opportunities for learning, employment, and transformation in the financial and related disciplines.

Wellbeing/Health and Safety

The PT continuously provided opportunities to support good mental and physical health of staff. Ongoing initiatives to support wellbeing include regular guest speaker series; frequent wellbeing pulse surveys; sharing of wellbeing tips and tricks; articles; and webinars from professionals speaking about wellbeing.

Building on and improving policies and processes developed early in the COVID-19 pandemic, the PT continued to convene its internal COVID-19 Response Committee to protect the health (both mental and physical) and safety of staff. The PT continued to monitor the situation closely, carefully reassessing and adjusting settings whenever there was a change in the national (or international) environment and providing channels for staff to have their say and ask questions. Consistent, focused communications on the organisation's operations in response to the pandemic were provided.

Acting with integrity

Ethical conduct and social responsibility shape our conduct and define our responsibilities as a department. Both values are intertwined and present in everything the PT does, allowing PT to respond to the external environment and operate in a transparent, open, and respectful way. Aspiring to have the highest ethical standards allows us to build trust with our employees, stakeholders, and the wider community. As part of the PT's efforts to raise ethics awareness, it made available eLearning programmes that addresses ethics-related matters in the public sector. Staff who participated in the programme are better equipped to identify and prevent

bullying and sexual harassment, guard against all forms of discrimination, and contribute to promoting health and safety throughout the organisation.

Main risks

The PT faces a range of issues in its dual role as the WCG's Treasury Department as well as a department (Vote 3) and employer. The issues faced are diverse in nature and severity and will sometimes be determined by contextual demands and external forces over which the Department may have influence but no control. Over the course of the year, the Enterprise Risk Management Committee have actively considered such issues and risks as part of the PT's risk management framework. The PT worked hard to deliver mitigations for strategic risks throughout the financial year. The key focus was on dealing with technological risks around security, data protection and exploiting our data. Whilst there is still more to do, PT, together with the Centre for e-Innovation (CeI), has made significant progress on making information technology (IT) more resilient and secure, increasing protection against cyber-attacks and other external threats.

2.3 Service Delivery Improvement Plan (SDIP)

In accordance with the Department of Public Service and Administration (DPSA) Service Delivery Improvement Plans, Circular No. 1 of 2021, and Treasury Circular No. 13 of 2022: Programme and Guidelines for the 2021/22 Annual Report Process, there is no report for the SDIP as it relates to the financial year under review.

2.4 Key policy developments and legislative changes

On 25 August 2020 National Treasury retracted Instruction Note 5 noting the following requirements for PPE purchasing that were also applicable during the financial year:



Compliance with minimum specification as determined by the World Health Organization (WHO); National Department of Health and Department of Trade, Industry and Competition (dtic)



Prices equal to or lower than NT benchmark prices with 10% allowable variance



Registration on central supplier database and any other database as approved by NT



Suppliers of cloth masks-recommended guidelines issued for the procurement of cloth masks



Compliance with local content and production for textile, clothing, leather and footwear sector, where applicable

Normally cloth masks were not items that were purchased under PPE and only became defined under PPE during the pandemic as a direct result of global scarcity on various facemasks that as a norm were utilised as PPE items. Hence the application of local content and manufacture requirements to cloth masks added severe red tape and burdensome compliance requirements that could be averted during a pandemic.

National Treasury Regulation 16A 6.3 (c) and (d) prescribes that:

- “(c) The accounting officer or accounting authority must ensure that bids are advertised in at least the Government Tender Bulletin for a minimum period of 21 days before closure, except in urgent cases when bids may be advertised for such shorter period as the accounting officer or accounting authority may determine; and*
- (d) awards are published in the Government Tender Bulletin and other media by means of which the bids were advertised.”*

On 7 April 2015, the NT introduced a web application in the form of the eTender publication portal where all bids must be advertised, and awards must be published. This requirement was issued via NT Instruction No. 1 of 2015/16 and disseminated to accounting officers and accounting authorities via the PT Circular No. 28 of 2015. As per the NT, this application is aimed at ensuring that all potential service providers have easy access to advertised bids and are provided with an opportunity to supply goods and services. On 4 February 2021, the Government Printing Works (GPW) was reported to be offline and institutions have been unable to place bid advertisements, bid cancellations and bid awards in the Government Tender Bulletin (GTB). The PT issued Treasury Circular no. 5 of 2021 issuing the NT Instruction Note 12 of 2020/21 informing accounting officers and accounting authorities of the departure to publish bid advertisements and awards in the GTB indicating that as an interim measure, accounting officers and authorities must utilise the eTender Portal, and where deemed necessary, the institutional website or any other means available to the institution until such time that the GPW is able to publish bid advertisements and bid awards in the GTB.

Subsequently, the NT's eTender portal, being the secondary advertising medium has also been reported to be offline and this was communicated to provinces by the NT via email on 5 March 2021 and institutions were requested to utilise alternative media to advertise bid invitations, bid cancellations and bid awards. Following the communication on 5 March 2021 by the NT, the PT issued a supplementary circular communicating that the eTender portal is offline and advised institutions to utilise, and where deemed necessary, their own institutional website or any other means available until such time that the GPW and the eTender Portal is able to publish bid advertisements, bid cancellations and bid awards.

Since the issuance of the above-mentioned Instruction Notes and Circulars, departments have specifically raised concerns with the PT regarding the ability to reach the broader and intended supplier base via their websites and other media platforms. Departments have also alluded to the fact that the placement of advertisements in newspapers had not been budgeted for and would result in an unplanned and un-budgeted implication on departments. Hence the PT has established an interim mechanism to advertise bid advertisements, bid cancellations, and bid awards on the WCG Tenders website as an interim process that mirrors the GPW process utilised by state institutions currently.

National Treasury further issued Circular 1 of 2021/22 referencing cement as a commodity for local designation which had the effect of a total ban being imposed on the use of imported cement for any government-funded projects, which included both maintenance and new projects, and applied irrespective of the size or scale of the project in question, for example, under the mandatory point-scoring mechanism contained in Section 2 of the Preferential

Procurement Policy Framework, Act 5 of 2000 (hereinafter referred to as “the Act”), and rather to apply a pre-qualification criterion of a specific local content goal as an absolute bar and means by which to disqualify potential bidders should they not use 100 per cent locally sourced cement. It is the WCG's view that this requirement was invalid and unconstitutional.

The Supreme Court of Appeal in the case of *Agribusiness NPC v Minister of Finance* (1050/2019) [2020] ZASC 140 (which case is currently on appeal and awaiting judgment by the Constitutional Court), had already made this very same finding with respect to the regulations promulgated under the Act which provided an organ of state with the option to apply “pre-qualifying criteria” to advance certain designated groups, with a specific bidding condition that only one or more of the type of bidder (with a stipulated Broad-Based Black Economic Empowerment (B-BBEE) status) as described in regulation 4 (1)(a)–(vii) could submit a tender. The principled reasoning in that judgment is applicable to this circular too.

On Wednesday, 16 February 2022, the Constitutional Court handed down judgment in the application for leave to appeal against a judgment and order of the Supreme Court of Appeal. This application was brought by the National Minister of Finance (hereinafter referred to as “the Minister”) against *Afribus NPC*, and concerns the validity of the Preferential Procurement Regulations, 2017 (“Procurement Regulations” as referred to in the judgment) promulgated by the Minister on 20 January 2017, in terms of Section 5 of the Preferential Procurement Policy Framework Act, 2000 (“Procurement Act” as referred to in the judgment).

The Supreme Court of Appeal (SCA) held that the Minister's promulgation of Regulation 3(b) (determining whether pre-qualification criteria are applicable to the tender as envisaged in Regulation 4 to the tender), Regulation 4 (pre-qualification criteria for preferential procurement) and Regulation 9 (subcontracting as a condition of tender) of the Procurement Regulations was unlawful.

Due to the interconnectedness of the regulations, the SCA declared the entire Procurement Regulations invalid on the basis that the content of the Regulations exceeded the Minister's power on what could permissibly be regulated on in terms of Section 5 of the Procurement Act and Section 217 of the Constitution.

The declaration of invalidity was suspended for twelve (12) months which ended on 2 November 2021.

The matter was then heard before the Constitutional Court where the majority judgment dismissed the appeal against the SCA judgment. The majority judgment was silent on the question of remedy and did not address the specific issue of the status of the SCA's order of suspension. The minority judgment addresses the issue in footnote 28, where it asserts that “the period of suspension expired on 2 November 2021”. The Constitutional Court hence, both in its majority and minority judgments, technically did not address the issue of suspension in the body of their orders.

In response, the National Treasury has indicated that the National Minister will, on an urgent basis, be seeking confirmation from the Constitutional Court whether or not the invalidity of the Procurement Regulations has been and continues to be suspended. Confirmation will be sought by way of declaration, variation and/or clarification. In other words, guidance is required as to whether the Procurement Regulations remain valid until 15 February 2023, unless repealed sooner.

3. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOME

3.1 Progress towards the achievement of the departmental impact

Impact Statement

Sustainable financial governance and service delivery that optimally responds to citizens needs

The PT implemented Phase 2 of the Departmental Evaluation System with the conclusion of a capacity development partnership agreement for the management of the Monitoring and Evaluation (M&E) System. A prerequisite for a successful M&E system is the existence of M&E partnerships. Partnerships for M&E systems are important because they complement the Department's M&E efforts in the M&E process and act as a source of verification for whether M&E functions align to intended objectives. Partnerships also serve auditing purposes where technical working groups and other stakeholders are able to compare M&E outputs with reported outputs. The core rationale for working in partnership is that by combining the resources, skills, and competencies of two (2) units, development challenges can be addressed in a more focused, robust, and innovative manner than individual approaches. The value created by the multi-actor relationships can be seen to contribute towards transforming internal systems and structures.

Phase two of the Culture Journey focused on implementing the planned activities to integrate both formal and informal mechanisms to enable the identified Critical Behaviours to be embedded in "the way we do things". Progress was made against the key implementation focus areas, namely 360 Degree Leadership Assessments; Coaching; Leadership Behaviour Training; Identifying and workshopping with Authentic Informal Leaders; while simultaneously monitoring momentum and progress.

The implementation of the Communications Plan contributed to a healthy organisation culture. The implementation was led from the top and guided by a strong communications team that influenced behaviour and drove successful culture change. The information shared through the communications plan ensured more informed staff and citizens and contributed towards keeping government accountable.

The key contribution of Programme 2: Sustainable Resource Management to the PSP and five-year impact statement is to work with individual votes to align spending to strategic outcomes. While working with individual votes, the key transversal themes and considerations that have been incorporated in departmental plans include the Recovery Plan priorities of Jobs, Safety and Well-being, Good Governance, Citizen Engagement, Gender Budgeting, and Climate Change.

During the period under review, the WCG's budget approach comprised of three (3) phases: the Budget Preparation phase; the Medium-Term Budget Policy Statement and Adjustments Budget phase; and the Main Budget phase. This is discussed in more detail in Section 2.1 above. As an outcome of the WCG's three-phased budget approach, the departmental plans and budget submissions aim to ensure the prioritisation and alignment of projects linked to policy priorities and sustainable management of provincial risks, while demonstrating value for money efficiencies. Departments demonstrated key fiscal and non-fiscal measures to

mitigate risks at national, provincial and departmental level, which informed decision making on key projects/interventions to prioritise and where improvements in delivery processes/ expenditure composition can be achieved.

The year under review has been challenging, given various externalities as well as growing resource scarcity. Notwithstanding the aforementioned, the PT has been steadfast in its pursuit of driving good financial governance across the provincial and local government spheres. This enables effective resource mobilisation and sound fiscal management, the effective and efficient use of resources, effective financial oversight as well as building capabilities of officials to enable resilience, agility, and innovation. The PT therefore continued to take an integrated outcome-based approach to good financial governance.

The Governance and Asset Management Branch led and supported the enhancement of financial governance practices that enabled improved resource mobilisation, allocative efficiency, sound fiscal management, and the efficient and economical use of resources. This led and supported excellence in good governance practices and optimal performance to culminating in improved service delivery and public value creation; and identified good financial governance practices that can be shared across the public sector.

The Western Cape Government's SCM Strategy, which is the result of an extensive diagnostic process, is supported by Provincial Treasury Instructions and augmented by the Accounting Officer's System (AOS) for the SCM. It has played a critical role in the Province's procurement response to the COVID-19 pandemic, through providing for the necessary flexibility, agility, and partnerships that were required to facilitate quick and decisive procurement decisions, while ensuring high levels of transparency.

The use of technology, via business intelligence tools and data analysis was strengthened to present the SCM performance information to departments to better enable procurement decisions via its quarterly SCM Performance Insights Reports. The Procurement Disclosure Reports provided an ideal platform to ensure transparency and accountability in the WCG-spend for the COVID-19. The implementation of an automated procurement planning toolkit has been rolled-out to aid in better planning, with a focus on optimal utilisation of funds through procurement initiatives that have value for money outcomes.

The Procurement Client Centre (PCC) played a critical role in providing support to supplier onboarding on the central supplier database and provided support to its own Integrated Procurement Solution (IPS) and Western Cape Supplier Evidence Bank (WCSEB). The Provincial Treasury also migrated into its own in-house-developed eProcurement Solution (ePS) for quotations (for bids up to a threshold of R1 million). The range of support also included the Programmes of Support for departments, municipalities, and suppliers as well the provision and maintenance of a SCM helpdesk for departments, municipalities, public entities, and helpdesk services that manage queries and complaints.

Strategic sourcing and prudent procurement spending initiatives within departments continued to be focused on with, for example, managing the "call-offs" on the transversal security framework for the Province as well as preparing and planning for a new transversal security framework contract for the Province.

The PT has maintained its focus on improving the integrity of data in legacy information systems and implemented system security measures whilst awaiting the IFMS implementation by the NT.

A key focus remains the modernisation of the financial management system's capability to become more responsive to user needs and enhance user experience. The PT established its own data centre which enabled this Department to partake in the fourth (4th) industrial revolution (4IR), and introduce cutting-edge technologies such as Machine Learning and Artificial Intelligence (AI) to produce self-service reports which included the following:

- Automated IYM and related management dashboards;
- Staff cost forecasting tools;
- Asset management dashboards;
- Automated conflict of interest tools and reports;
- Development of the municipal vulnerability dashboards; and
- Development of the supplier evidence bank (SEB) to enable the ease of doing business in the WCG.

The period under review saw the implementation of an ePayslip initiative to twelve (12) of the thirteen (13) departments geared at driving cost efficiencies and enabling ease of access to the government payslips and IRP 5s, and cutting the costs of this service tremendously.

The PT has undergone a data maturity assessment to identify a baseline and put measures in place to improve the data governance and general use of data to enhance our efforts to outshine in our oversight mandate.

From a municipal perspective, hands-on support was provided that yielded results in the form of quality financial statements and performance reports together with the Municipal Governance Review and Outlook (MGRO) process. The coordination of the TIME have enabled the PT to progressively strengthen municipal governance through focussing on financial maturity criteria across various disciplines. Commitments emanating from the TIME are monitored monthly, to ensure progress is made and focussed attention is given to transversal issues raised by the local sphere of government. The JDMA has provided an additional platform to support municipalities and allowed the streamlining of various engagements with municipalities.

3.2 Progress towards the achievement of the departmental outcomes

Programme 1 – Administration

Outcome 1	Financial and Corporate governance improved
Progress	<p>1.1 Level of results-based monitoring and evaluation (RBM&E) maturity attained</p> <p>Programme 1 takes the lead in monitoring and evaluation at a departmental level and is embedding a results-based monitoring and evaluation philosophy within the PT to provide relevant and accurate data and information.</p> <p>The RBM&E Maturity assessment focused on data governance maturity levels for the Department. While there is much room for improvement the following progress was made:</p> <ul style="list-style-type: none"> ● Assignment of the roles of the data champion and data owners. Data owners were identified as part of the data discovery exercise. ● Sessions to raise awareness in various management meetings, with scope for further improvement. ● Work done on a data dictionary and metadata. ● Development of a municipal vulnerability dashboard that will be included in the Data Portal under municipal performance. <p>The assessment on data governance will be used to develop goals to guide the work that the Department does pertaining to its data governance programme and will ultimately contribute towards and enhance the overall levels of the RBM&E Maturity in the Department.</p> <p>1.2 Communication plan for media engagements, stakeholder liaison as well as internal staff implemented annually</p> <p>The impact of the COVID-19 pandemic on citizens, staff and resources, necessitated the re-evaluation of the communication plan in order to adapt to a changing and uncertain environment. By focussing on core campaign messages and optimal use of available communication channels, the PT continued to share research and information with stakeholders and could re-assure residents of the Western Cape that budget priorities are aimed at defeating the COVID-19, and allocations towards the Recovery Plan would support job creation as well as the safety and well-being of people in the Western Cape.</p> <p>1.3 Number of phases of the Culture Journey successfully implemented</p> <p>Phase 2 of the Culture Journey continued to be implemented throughout the financial year. Much progress was obtained against the key implementation focus areas, namely 360 Degree Leadership Assessments for the "Top 100"; Team Coaching; Leadership Behaviour Training; strengthening the Authentic Informal Leaders, while simultaneously monitoring momentum and progress towards an improved culture in the Department.</p> <p>1.4 Number of material financial management audit findings</p> <p>The continuous review and strengthening of systems, processes, and controls improved financial governance and resulted in the ninth (9th) consecutive unqualified with no findings (clean audit opinion).</p>

Programme 2 – Sustainable Resource Management

Outcome 2	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources.
Progress	<p>2.1 Degree of integrated planning, budgeting, and implementation</p> <p>During 2021/22, Programme 2: Sustainable Resource Management took further steps to strengthen improved integrated planning, budgeting, and implementation through a number of new initiatives and the strengthening of existing initiatives. The Programme actively contributed to integrated transversal initiatives relating to integrated service delivery undertaken through the VIP 5 and Integrated Service Delivery processes. The Programme participated in regular bilateral engagements at the Head of Department (HOD) level with the Department of Health (DoH), Department of Education (DoE), and Department of Human Settlements (DHS) to ensure integrated planning, budgeting, and implementation. During 2021/22, expenditures reviews were undertaken on:</p> <ul style="list-style-type: none"> ● The learner transport programme in the Western Cape Education Department (WCED); ● Commuted overtime in the DoH; ● Transfers to non-profit institutions that provide foster care services in the Department of Social Development (DSD); ● Skills programmes and projects for youth in Business Process Outsourcing in the Department of Economic Development and Tourism (DEDAT); and ● Broadband in the Department of the Premier (DotP). <p>In terms of local government budgeting, the 2021 SIME process assessed the budgets of the municipalities with the intention to identify vulnerable, stable, and growth-oriented municipalities to ensure integrated planning and budgeting. The PT also responded to municipalities facing financial difficulties, assisting with budget funding plans, and intervening where necessary.</p> <p>Finally, the first (1st) phase of reforms was finalised to better coordinate the local government and provincial government budgeting process. This included reforms to the MTEC-process.</p>

Programme 3 - Asset Management

Outcome 3	<p>Effective management and oversight of financial systems, supply chain, and movable asset management governance within the provincial and municipal spheres.</p>
Progress	<p>3.1 Sustainable Governance Systems within the SCM function in municipalities embedded</p> <p>Target has been achieved. Accumulative over the five (5) years.</p> <p>The Directorate successfully:</p> <ul style="list-style-type: none"> ● Instituted Governance Workstreams to assist municipalities with key SCM Governance challenges; ● Provided comprehensive support regarding the COVID-19 NT reporting requirements; ● Provided various SCM Training and development programmes that benefitted 1740 municipal officials; and ● Introduced an Asset Management Improvement Project in a selected municipal district with huge successes. <p>3.2 Strategies in place that addresses the gaps/needs of provincial departments, municipalities and the supplier base that conducts business with government for continuous improvement</p> <p>Strategy has been finalised for a five-year period that focuses on:</p> <ul style="list-style-type: none"> ● The SCM Governance; ● The SCM Technology; ● The SCM Capacitation and Development; and ● Strategic Sourcing. <p>An agile and adaptive response plan is implemented through three (3) support programmes that focuses on continuous improvement:</p> <ul style="list-style-type: none"> ● Support Programme for departments and public entities; ● Support Programme for municipalities; and ● Support Programme for suppliers. <p>These programmes are monitored and evaluated through annual gap analysis, quarterly reports, and an overall client support reporting on a quarterly basis.</p> <p>3.3 Procurement initiatives in place that are leveraged to meet socio-economic benefits and the needs of the citizen through departments and municipal districts</p> <p>The PT strengthened requirements for provincial departments in the demand forecasting and demand management by rolling out its automated procurement planning toolkit to all thirteen (13) provincial departments in the Province. Maintenance and management of the transversal security framework contract and further commodity clean-up exercises on the procurement system and Western Cape Supplier Evidence Bank, to facilitate better procurement analysis capability and credibility of information on the eProcurement Solution.</p>

3.4 Votes supported with embedding Good Governance principles in respect of transversally managed financial systems

Thirteen (13) votes supported.

The Supporting and Interlinked Financial Systems unit has achieved all its targets for the 2021/22 financial year and continued to strive to make use of innovation to improve the financial systems by fulfilling its mandate in respect of the financial management systems environment by providing support, assistance, and training to all provincial systems users (LOGIS, BAS and PERSAL).

The unit continued to tighten controls on the financial systems with the view of enabling the clean-up of system data to enhance the credibility of information, improvements in financial systems reporting. This ultimately enhanced analysis of information for management purposes. To improve data credibility various workshops were conducted with departments to limit or eliminate direct use of the BAS for goods and services and capital spent, and to promote the relevant logistical services.

3.5 Votes supported through the modernising and transforming of the transversally managed financial systems in keeping with the evolving needs of the Province

Thirteen (13) votes supported.

The legacy financial systems are the central and single source for data collection on expenditure trends and general asset management of movable assets in the WCG departments. The PT established its own data centre and continues to improve the data maturity within all its units. A PT data warehouse has been established with the intention of housing all financial and non-financial information. Data in the Legacy Systems has been pushed into this warehouse and processes are underway with National Treasury to allow broader access to data to enable more efficient reporting to departments. To this extent a long-term contract with a service provider has been terminated and the relevant PERSAL reports to departments are now produced by the PT staff.

Programme 4 – Financial Governance

Outcome 4	Governance transformation in departments, entities and municipalities improved
Progress	<p>4.1 Performance improvement measured by strengthened governance and accountability in provincial and municipal government</p> <p>The Programme has moved forward with initiatives to ensure the good governance plan can be sustained over time. It's not enough for us to simply deal with compliance issues; instead, we're always pushing the limits of what's possible in terms of performance by raising the bar.</p> <p>Financial statement material misstatements have been reduced to a minimum thanks in large part to the widespread use of consistency workshops.</p> <p>The Programme has produced a draft guideline for managing government public entities and brought on board help to conduct an in-depth analysis of government public entities in the Province. The purpose of this effort is to provide a comprehensive guideline for managing public entities, outlining the responsibilities of all relevant parties and helping to ensure that government continue to be well-run. We'll make sure to pass this information along to the appropriate national authorities as they explore establishing a national benchmark or set of guidelines.</p> <p>Provincial Treasury's use of the Zoho application is helping to drive digital reform. Municipalities now have a better way to get to the bottom of the issues reported by assurance providers thanks to the Programme's more dynamic mechanism for handling technical questions.</p> <p>The Department has increased the number of interactions in the MFMA arena as a response to the tumultuous past two (2) years and the realization that institutions require assistance. The Department was able to give municipalities more help thanks to MS Teams because they didn't have to pay for expensive overnight stays.</p> <p>Within its mandate, the Department exerted pressure on reporting institutions to provide readers of these publications with an accurate and balanced portrayal of events surrounding COVID-19.</p> <p>We have also started an initiative to change our corporate culture so that it better serves our customers and is in line with the PT overarching vision.</p>

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

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

The programme is further divided into the following sub-programmes:

- Sub-programme 1.1: Office of the Minister
- Sub-programme 1.2: Management Services
- Sub-programme 1.3: Financial Management

The following was the outcome for the financial year under review:

- Financial and Corporate governance improved.

Outcomes, outputs, output indicators, targets, and actual achievements

Strategic Operational Management Support

The Culture Journey deliverables continued in the period under review with a variety of activities and interventions aimed at developing leadership across the organisation through strategic leadership alignment, psychometric assessments, and feedback to raise collective leadership consciousness, leadership and team coaching, and workshops with informal leaders to embed and spread the critical behaviours “virally” across the PT.

The PT during 2021/22 implemented the second phase of the Departmental Evaluation System that comprised concluding a capacity building partnership for the management of the Departmental Evaluation System.

The total communication expenditure to fund the implementation of the Communication Plan for the 2021/22 financial year amounted to approximately R604 000.

Financial Management

The Department received an unqualified with no findings (clean) audit report for the 2021/22 financial year. The continuous monitoring of the actual expenditure against budget, compliance with financial and supply chain management norms and standards, and the early identification of risks and key areas of concern regarding the preparation of financial and non-financial reports and compliance with applicable legislation contributed to this achievement.

Outcomes, outputs, output indicators, targets and actual achievements tables

PROGRAMME 1: ADMINISTRATION									
Sub-programme 1.2: Management Services									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
1.2.1.1	Financial and Corporate Governance Improved	Monitoring and evaluation system	Number of phases of a monitoring and evaluation system implemented	New output indicator	Phase 1	Phase 2	Phase 2	None	None
1.2.1.2		Strategy execution report	Number of strategy execution milestones reached	New output indicator	New output indicator	4	4	None	None
1.2.1.3		Communication (plan) implementation report	Percentage of procured communication services implemented	New output indicator	*63%	80%	**50%	30%	There were four (4) paid campaigns planned for the 2021/22 financial year. The bursary and budget campaigns were achieved. However, due to the COVID-19 and staff capacity issues, the CAA and MERO/PERO campaigns could not be implemented.

* Method of calculation 2020/21

Numerator: Number of activities in the plan implemented (5)

Denominator: Number of planned activities for the year (8)

** Method of calculation 2021/22

Numerator: Number of activities in the plan implemented (2)

Denominator: Number of planned activities for the year (4)

Strategy to overcome areas of underperformance

The COVID-19 was an unforeseen event, but a more flexible communication plan will be implemented where changes can be made to accommodate unforeseen events. Staff will also be used more universally to ensure that capacity constraints have less severe implications.

Changes to planned targets

There were no changes to performance indicators or targets during the reporting period.

Outcomes, outputs, output indicators, targets, and actual achievements table

PROGRAMME 1: ADMINISTRATION									
Sub-programme 1.3: Financial Management									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
1.3.1.1	Financial and Corporate Governance Improved	Monitoring of expenditure against the budget	Number of in-year monitoring (IYM) reports	12	12	12	12	None	None
1.3.1.2		Complete and proper records of financial affairs in accordance with prescribed norms and standards	Number of reports on compliance with minimum financial management performance indicators	New output indicator	12	12	12	None	None
1.3.1.3		Compliance with Supply Chain Management norms and standards	Number of Supply Chain Management reports on compliance with norms and standards	New output indicator	12	12	12	None	None
1.3.1.4		Maintained an accurate asset register	Number of stock-take and asset verification reports	New output indicator	1	2	2	None	None
1.3.1.5		Identification of risks and key areas of concern regarding preparation of financial and non-financial reports and compliance with applicable legislation	Number of Status of Records Review reports	New output indicator	4	4	4	None	None

Strategy to overcome areas of underperformance

There were no areas of underperformance.

Changes to planned targets

There were no changes to performance indicators or targets during the reporting period.

Sub-programme expenditure

Sub-programme name	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1.1 Office of the Minister	6 849	6 641	208	6 565	6 562	3
1.2 Management Services	25 336	22 689	2 647	23 629	22 429	1 200
1.3 Financial Management	28 266	26 178	2 088	26 131	22 603	3 528
Total	60 451	55 508	4 943	56 325	51 594	4 731

4.2 Programme 2: Sustainable Resource Management

Purpose: To ensure the efficient and effective management of provincial and municipal financial resources.

The programme is further divided into the following sub-programmes:

- Sub-programme 2.1: Programme Support
- Sub-programme 2.2: Fiscal Policy
- Sub-programme 2.3: Budget Management
- Sub-programme 2.4: Public Finance

The following were the outcomes for the financial year under review:

- To provide management and administrative support to Programme 2: Sustainable Resource Management;
- To conduct research and advise on the management of the provincial and municipal fiscal resources;
- To promote effective resource allocation within the provincial budget through research, analysis, and advice;
- To promote effective resource allocation within municipal budgets through research, analysis, and advice;
- To improve the conformance, credibility, sustainability, and guide and monitor the efficient implementation of the provincial budget;
- To guide and monitor the implementation of municipal budgets;
- To institutionalise and standardise good practice methodologies, tools and systems for delivery, and maintenance of immovable assets; and
- To render an effective data and information management service.

The focus of the Programme during the year under review was to undertake integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources. This objective was achieved despite the significant challenges posed to the work of the Programme due to the COVID-19 pandemic. The pandemic required an innovative and agile response to ongoing pressures. This required the Programme to simultaneously shift its operations online and at the same time manage the ongoing and evolving requirements of the pandemic in its key work areas. On the provincial side, the provincial budget strategy was adapted to consider the need for an immediate response, a short-term response, and a medium-term response. On the local government side, substantially enhanced financial oversight had to be undertaken as many municipalities saw significant declines in revenue collection and incurred additional expenses related to the pandemic. This was against the backdrop that municipal finances were already under stress prior to the pandemic.

Outcomes, outputs, output indicators, targets, and actual achievements

Fiscal Policy

The Directorate met all its performance targets in respect of number of research reports, number of revenue and cash management reports and number of reports on the performance of the Western Cape Gambling and Racing Board.

The Directorate undertook a Conditional Grant review to assess the nature and impact of provincial grants and agency payments to municipalities in the Western Cape. The review is important in providing the necessary background research in order to determine the efficiency and effectiveness of transfers made to municipalities and to strengthen the efficiency and effectiveness of expenditure.

Phase 1 of the Gambling Policy Research was completed and Provincial Treasury finalised the Western Cape Gambling and Racing Nineteenth (19th) Amendment Bill, related to funding the Western Cape Gambling and Racing Board through the committee phase in the Western Cape Provincial Parliament and commenced on the drafting of the Western Cape Gambling and Racing Twentieth (20th) and Twenty-First (21st) Amendment Bills related to the relocation of outlying casinos.

Provincial Treasury, Cash Management ensured that the account of the Provincial Revenue Fund received a clean audit status from the Auditor-General South Africa. The transversal banking tender was also initiated in October 2021 and awarded to Nedbank on 19 May 2022 for a period of five (5) years.

With respect to own receipts, the Directorate provided support to the Province in regard to the estimating of own revenue outcomes and possible shortfalls related to the COVID-19 pandemic-induced lockdowns, and the accompanying economic downturn.

Support was provided to municipalities to enable effective cash management for sustainable service delivery.

Provincial Government Budget Office

The Provincial Government Budget Office (PGBO) conducted economic-, policy- and budget-related research, which informed the formulation of the provincial budget policy to ultimately recommend budget allocations in line with the strategic priorities outlined in the 2019 - 2024 PSP, the Western Cape Recovery Plan, and other applicable policies. The Provincial Economic Review and Outlook provided the evidence-based economic and socio-economic research which continues to inform policymakers, departments and municipalities on key economic issues that impact policy, planning, and budgeting.

After having tabled the National Medium Term Budget Policy Statement, the Western Cape Medium Term Budget Policy Statement (WC MTBPS) provided the framework within which the Provincial Budget was formulated and set the economic and fiscal context for the Medium Term Expenditure Framework (MTEF). The WC MTBPS outlined the risks identified for the 2022 MTEF and communicated the intended budget policy framework and budget priorities to support the delivery of the WCG's policies, programmes, and projects driving service

delivery within the Province. The 2021 Adjusted Budget responded to in-year pressures and risks, supported policy priorities and prepared the WCG for the 2022 MTEF.

The 2022 Provincial Budget was crafted in consultation with key stakeholders, taking into account the policy direction provided through the Medium Term Budget Policy Committee, Provincial Government Medium Term Expenditure Committee technical and Ministerial engagements. This required careful consideration to ensure that the limited financial resources would be allocated efficiently and necessitated difficult decisions to support economic and social recovery, while maintaining fiscal sustainability. The PGBO undertook spending reviews in partnership with relevant Provincial Treasury components, which provided evidence-based analysis to improve the cost effectiveness of public spending. The following spending reviews were piloted in the 2021/22 financial year: the Learner Transport Programme in the WCED; commuted overtime in the DoH; transfers to non-profit institutions that provide foster care services in the DSD; skills programmes and projects for youth in Business Process Outsourcing in the DEDAT; and broadband in the DotP.

Local Government Budget Office

2021 Strategic Integrated Municipal Budgeting Engagement (SIME) Process

The LGBO annually coordinates the SIME process (formerly known as the LG MTEC). This process gave effect to Sections 22 and 23 of the MFMA and Chapter 5 of the Local Government: Municipal Systems Act (MSA) that require the Provincial Government to provide views and comments on the draft budget, Integrated Development Plan (IDP), Spatial Development Framework (SDF), and any budget-related policies and documentation which must be considered by Council when tabling the aforementioned documents for approval.

The municipal budgets and associated documentation are considered to determine the extent to which it conforms, firstly to guiding legislative prescripts and secondly, is deemed to be responsive, credible, and sustainable. The SIME process provides municipalities with an opportunity to incorporate the WCG's comments and recommendations on the draft budgets, the IDPs and the SDFs before the adoption thereof by their respective councils by the end of May to end of June each year in accordance with Sections 16(1) and 24 of the MFMA and Section 25 of the MSA. Following an extensive assessment process, the inputs of the various sector departments are consolidated into single assessment reports which are then distributed to the respective municipalities for consideration ahead of an interactive engagement. The 2021 SIME processes that took place via videoconferencing between 23 April - 21 May 2021, served as a platform for the municipalities and relevant sector departments to discuss the findings and recommendations contained in the assessment reports.

The PT applied a differentiated approach in dealing with the municipalities at the 2021 SIMEs (LG MTEC). This approach acknowledged that although there are transversal risks that impact negatively on local government across the Province, each municipality does face its own and unique set of challenges which hampers growth and development. Each engagement was as such split into two (2) sections, i.e., Part 1 being a discussion on the 2021/22 SIME assessment while Part 2 focussed on planning and budgeting efforts towards economic recovery over the medium term. The discussion focused on financial sustainability; economic and financial recovery; economic growth enablers; financing for economic growth enablers; and resilience.

The WCG also took part in the NT Benchmarking engagements with the two (2) non-delegated municipalities in the Western Cape, i.e., the City of Cape Town and George Municipality.

2021 Municipal Economic Review and Outlook

The MERO is a socio-economic research publication produced annually by the PT since 2012. Together with its sister publication the PERO, the MERO informs the WCG's evidence-based approach towards integrated planning and budgeting by guiding the fair, equitable and sustainable distribution of financial resources.

The MERO starts off by providing an analysis of macro-economic performance, a future growth outlook and labour market trends at a district level. It then proceeds with a more in-depth regional economic analysis by considering the trends in sectoral growth, skills, and employment for each of the Western Cape's municipal areas. The MERO is not only a planning and budgeting tool for the public sector but aims to support private sector developments by reflecting on investment potential and comparative advantages for each local municipal area, for example, unpacking levels of specialisation in different sectors and discussing whether certain regions are importing, self-sufficient or exporting its surpluses. Importantly, the MERO also attempts to consider the influence of exogenous factors on the future growth outlook (sectoral forecasting) of local economies. This objective became particularly important in the 2021 edition of the MERO given the impact of the COVID-19 pandemic.

This year, the MERO was tabled together with the WCG's Medium Term Budget Policy Statement (MTBPS) on 6 December 2021. Tabling the MERO together with the MTBPS offered an opportunity to provide an overview of the medium-term economic growth prospects at local government level while simultaneously reflecting on how the WCG's fiscal policy proposals will address said reality. The tabling also followed shortly after the 2021 Local Government Elections, thereby providing the information needed for new councillors to set out a vision for their municipalities through the integrated development plans (IDPs), local economic development strategies and budgets.

In support of the Joint District and Metro Approach, the 2021 MERO was disaggregated into separate district-specific publications to provide a more focussed overview of the challenges facing district structures while simultaneously acknowledging the development potential and bespoke offerings of each district. The new district publications did not only contribute towards the notion of co-planning, co-budgeting and co-implementation, but empowered decision makers in their strategic policy responses aimed at ensuring a rapid and sustainable economic recovery in the post-COVID-19 environment.

The 2021 MERO once again elevated the quality of the Department's socio-economic intelligence publications, not only through the value-added content which it contained, but also the way the information was packaged. The publication was very well received by the various municipal role players who used the data and infographics extensively in their planning efforts towards the 2022/23 budget and the IDP cycle.

Socio-economic Profiles - Local Government (SEP-LG)

While the PERO and MERO undertook a high-level review and outlook of past and forecast economic developments that influenced the national, provincial and local spheres of government, the SEP-LG in turn narrowed down (municipal specific) the focus towards the various factors that impact upon local economies within the Western Cape.

By collating a wide array of socio-economic datasets sourced from various government sector departments in the Western Cape and private service providers, the SEP-LG publication served as a credible research tool. The data is collated in booklet form, steering clear of long-winded narratives, making use of infographics to present information in a manner that is visually appealing. The graphical representation of complex economic data by means of infographics will allow for meaningful interpretation of the patterns and trends of internal and external role players alike.

A unique SEP-LG publication was created for each of the 30 municipalities in the Western Cape, including each district municipality as well as the CoCT. Similarly, to the MERO, the infographics included in the 2021 SEP-LG publications were extensively incorporated in the IDPs of the various municipalities.

The SEPs are highly regarded amongst the municipal clients. So much so, that in 2019, National Treasury engaged the PT to develop a terms of reference (TOR) to roll-out such profiles for all municipalities across the various provinces. While the initial release of the profiles was delayed due to the onset of the COVID-19, the profiles were eventually completed in 2021. Provincial Treasury is extremely proud that one of our initiatives have been adopted nationally.

Quarterly Municipal Performance Assessments

In terms of Section 52 (d) of the MFMA, the Mayor of a municipality must within 30 days after the end of each quarter, submit a report to council on the implementation of the budget and the financial state of affairs of the municipality. Section 31(1)(c) of the Municipal Budget and Reporting Regulations (MBRR), furthermore requires that these reports be submitted to National Treasury and the relevant provincial treasury within five days of tabling in the council. The reports essentially assess the extent to which a municipality achieved the indicators and targets set out in their service delivery and budget implementation plan (SDBIP) approved together with its annual budget.

LGBO consider these performance assessment reports as part of its oversight mandate to monitor the implementation of municipal budgets. The reports are also considered to ensure adherence to guiding legislation and prescripts insofar as the content and layout is concerned. Recommendations and findings are significant as it provides a municipality with practical solutions as to how it can improve its non-financial performance in the next quarter. LGBO's recommendations have notably contributed towards the improvement of pre-determined objective PDO-related audit outcomes.

Municipal performance reporting for the 2nd quarter of each year is covered by Section 72 of the MFMA which deals with mid-year (6-month) performance. The assessment of these Section 72 reports is done via an integrated approach between the various units of the PT and forms part of the broader Technical Integrated Municipal Engagement (TIME) process.

The TIME process, which is technical in nature, focusses on embedding good governance practices, responding to municipalities' current governance challenges, emerging risks, and enabling optimal performance. Following consideration of a municipality's mid-year assessment, a consolidated TIME report was compiled which provides feedback on financial as well as non-financial performance. LGBO's contribution to this report is the assessment of a municipality's non-financial performance for the period ending in December of a particular year, i.e., the 2nd quarter of a municipal financial year. LGBO successfully assessed the 2021/22 mid-year reports of all 30 municipalities.

Annual Report Assessments

Section 121(1) of the MFMA states that every municipality/entity must prepare an annual report for each financial year. The annual report must be tabled before Council within seven (7) months after the end of the financial year where after Council is obliged to consider the views of the local community; the NT, the relevant provincial treasury and any provincial or national organs of state or municipalities that had made submissions on the Annual Report. The PT considered the tabled annual report and provided feedback to municipalities. A feedback report was issued to each municipality in the 2021/22 financial year.

Service Delivery and Budget Implementation Plans (SDBIP)

According to Section 53(1)(c)(ii) of the MFMA, the mayor of each municipality must annually approve a detailed plan for implementing the municipality's delivery of services and its annual budget. The MFMA and MFMA Circular No. 13 of 2005 outlines the format of a SDBIP and indicates its key components. The PT annually assesses the approved SDBIPs to ascertain conformance with the MFMA and guiding prescripts. A detailed feedback report was issued to each municipality in the 2021/22 financial year.

Local Government Finance (LGF) and Municipal Finance Management Act (MFMA) Co-ordination

The PT closely monitored municipal finances as municipalities continued to deal with the fallout from the COVID-19 pandemic, which placed significant additional strain on municipal budgets. While some municipalities were able to take advantage of the reopening and recovery, several municipalities that had been financially vulnerable before the pandemic saw a further deterioration of their finances.

Local Government Finance continued to facilitate and coordinate the implementation of the MFMA in the PT and municipalities to ensure that the objectives of the Local Government (LG) reform agenda are achieved. Implementation of the MFMA is driven through the IGR coordination between municipalities, provincial and national departments, and other related stakeholders. Key responsibilities include monitoring, support, and intervention in respect of the MFMA implementation, budget implementation, and revenue and expenditure management. In support of strengthening municipalities' financial management and budgeting practices the unit analysed and reported on the in-year revenue and expenditure management for municipalities. The impact of the COVID-19 on municipal spending continued to be monitored closely.

Municipalities were supported to ensure that their budgets and adjusted budgets for the 2021/22 financial year were funded. One (1) municipality that adopted an unfunded budget was assisted to move to a funded position in their adjustment budget. Six (6) municipalities were supported to develop Budget Funding Plans and the implementation of these was monitored. The Provincial Executive responded to the deteriorating position in the finances of Beaufort West Municipality by intervening in term of Section 139(5) of the Constitution. The PT worked with the Municipal Financial Recovery Service to review and prepare a Financial Recovery Plan for Beaufort West Municipality. This plan was approved on 7 March 2022. The Province also intervened temporarily in Central Karoo District Municipality in terms of Section 139(4) of the Constitution after they failed to adopt a budget by 1 July 2021. The intervention in Kannaland Local Municipality was terminated by the Western Cape High Court in October 2021.

Provincial Government Finance

Three (3) budgets were tabled in the 2021/22 financial year. The 2021 Adjustments Budget built on the original 2021 Medium Term Expenditure Framework (MTEF). An Additional Adjusted Estimates (2021/22 financial year) was tabled to make provision for an increase in the allocation for the Provincial Road Maintenance National Conditional Grant. The 2022 MTEF budget reflects the commitment by the Western Cape Government to ensure that expenditure priorities and interventions are aligned to provincial priorities.

Infrastructure

Given the focus on infrastructure investment and delivery, the Provincial Government tabled a supplementary publication OPMII, as part of the budget documentation on 14 March 2022. A more coordinated, integrated, and strategic approach to planning and budgeting was key to respond to the challenges of infrastructure. Infrastructure investment remained a key focus for driving economic growth and sustainability, particularly at a time of renewed commitment to fiscal consolidation and fiscal discipline. The PT monitored the infrastructure spending of the relevant departments. The COVID-19 had an impact in infrastructure delivery, especially on the availability of materials and equipment. This resulted in longer lead times and subsequent delays on some projects.

Business Information and Data Management

Business Information and Data Management (BIDM) continuously formed an integral part in managing information (especially budgetary information) through the collection and dissemination of information to the PT officials. In support of this, the centralised repository was maintained with the relevant verified data stored which assisted with decision-making and ensured the tabling of credible publications. The BIDM executed its responsibilities in relation to client interface, data collating, data and information management, and records management for Provincial Treasury.

Outcomes, outputs, output indicators, targets, and actual achievements tables

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub-programme 2.2: Fiscal Policy									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
2.2.1.1	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	Research reports on the Provincial and Local Government Fiscal System	Number of research reports on the Provincial and Local Government Fiscal System	4	4	4	4	None	None
2.2.1.2		Revenue reports	Number of Provincial revenue management reports for integrated planning, budgeting, and implementation	4(i)	4(i)	4	4	None	None
2.2.1.3		Local Government Cash Management reports	Number of Local Government Cash Management reports for integrated planning, budgeting, and implementation	4(ii)	4(ii)	4	4	None	None
2.2.1.4		Provincial Government Cash Management reports	Number of Provincial Government Cash Management reports for integrated planning, budgeting, and implementation	4(iii)	4(iii)	4	4	None	None
2.2.1.5		Reports on the performance of the WGRB	Number of reports on the performance of the WGRB for integrated planning, budgeting, and implementation	4	4	4	4	None	None

The indicators below were previously one (1) indicator in the 2020/21 financial year. The indicator was the "Number of Revenue and Cash Management Reports for integrated Planning, Budgeting and Implementation", which had a target of 12 outputs which were achieved and audited as such. In the 2021/22 financial year the indicators were split into three (3) indicators with 4 outputs each. The audited achievement of 12 outputs in the 2020/21 financial year has been disaggregated into 4 outputs for each indicator as in accordance with the amount of targets each indicator contributed to this achievement.

- (i) Number of Provincial Revenue Management Reports for Integrated Planning, Budgeting, and Implementation
- (ii) Number of Local Government Cash Management Reports for Integrated Planning, Budgeting, and Implementation
- (iii) Number of Provincial Government Cash Management Reports for Integrated Planning, Budgeting, and Implementation

Strategy to overcome areas of under performance

There are no areas of underperformance.

Changes to planned targets

There were no changes to performance indicators or targets during the reporting period.

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub-programme 2.3: Budget Management									
Element: Provincial Government Budget Office									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
2.3.1.1	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	Provincial budget policy assessment reports	Number of provincial budget policy assessment reports	28	41	28	28	None	None
2.3.1.2		Provincial budget and economic publications	Number of provincial budget and economic publications	New output indicator	3	3	3	None	None

Strategy to overcome areas of under performance

There are no areas of underperformance.

Changes to planned targets

There were no changes to performance indicators or targets during the reporting period.

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub-programme 2.3: Budget Management									
Element: Local Government Budget Office									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
2.3.2.1	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	Integrated municipal budget policy assessment reports	Number of integrated municipal budget policy assessment reports	30	30	30	29	1	The purpose of the budget assessment process is to provide feedback to municipalities on their draft budgets ahead of the adoption thereof before the start of the municipal financial year. Assessment reports are prepared for each tabled budget. The Central Karoo District Municipality did not table or adopt their 2021/22 Budget before the start of the financial year, prompting the Provincial Executive to intervene in terms of Section 139(4) of the Constitution.

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub-programme 2.3: Budget Management									
Element: Local Government Budget Office									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources								The budget was only tabled and approved after the start of the financial year hence the reason why no assessment report was compiled. 29 budgets were tabled, and the LGBO prepared 29 assessment reports.
2.3.2.2		Quarterly performance reports received, assessed	Percentage of quarterly performance reports received, assessed	100%*	100%**	100%***	100%***	None	None
2.3.2.3		Publication of the Municipal Economic Review and Outlook	Timeous publication of the Municipal Economic Review and Outlook	September 2019	October 2020	September 2021	December 2021	2 months	Tabling was due in Q2 as per APP but was deferred given multiple uncertainties regarding the date of the Local Government Elections. Request was put to the Speaker of the WCPP to table the MERO together with the 2021/22 MTBPS and 2021/22 Adjustments Budget on 30 November 2021. However, due to delays in finalising National Government allocation letters, the Western Cape Adjustments Budget was shifted from 30 November 2021 to 6 December 2021. The MERO was tabled on 6 December 2021 which was in Q3.

* Method of calculation 2019/20

Numerator: Number of quarterly performance reports assessed (118)

Denominator: Number of quarterly performance reports received (118)

** Method of calculation 2020/21

Numerator: Number of quarterly performance reports assessed (118)

Denominator: Number of quarterly performance reports received (118)

*** Method of calculation 2021/22

Numerator: Number of quarterly performance reports assessed (117)

Denominator: Number of quarterly performance reports received (117)

Strategy to overcome areas of under performance

The Provincial Treasury will continue to assess all budgets tabled before the start of the new municipal financial year and it is not foreseen that the contributing circumstances will reoccur.

Changes to planned targets

There were no changes to performance indicators or targets during the reporting period.

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub-programme 2.4: Public Finance									
Element: Provincial Government Finance									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
2.4.1.1	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	Provincial budget assessment reports	Number of provincial budget assessment reports	28	28	28	28	None	None
2.4.1.2		Expenditure reviews	Number of expenditure reviews	2	2	1	1	None	None
2.4.1.3		Quarterly reports on the implementation of the budget	Number of quarterly reports on the implementation of the budget	4	4	4	4	None	None
2.4.1.4		Provincial budget publications	Number of provincial budget publications	New output indicator	4	2	3	1	Overachieved, due to the WC having to complete an Additional Adjusted Budget due to the NT's reallocation of funding to the Province.

Strategy to overcome areas of under performance

There were no areas of underperformance.

Changes to planned targets

There were no changes to performance indicators or targets during the reporting period.

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub-programme 2.4: Public Finance									
Element: Local Government Finance (Group 1 and 2)									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
2.4.2.1	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	IYM assessment on the sustainable implementation of the municipal budget	Number of monthly IYM assessment reports on the implementation of the municipal budget	372	369	360	358	2	Central Karoo District Municipality failed to submit the IYM reports for the M03 and the M04 and submitted a Schedule G application requesting extension hence no IYM.
2.4.2.2			Number of monthly consolidated IYM assessment reports	New output indicator	New output Indicator	12	12	None	None
2.4.2.3			Number of quarterly gazettes on the state of municipal budgets	New output indicator	New output Indicator	4	4	None	None
2.4.2.4		Assessment of municipal budgets and adjustment budgets for sustainability and credibility	Number of reports on budget sustainability and credibility inputted to municipal budget assessment reports	30	30	60	59	1	Central Karoo District Municipality failed to table their draft budget by 31 March 2021 hence no assessment could be performed for the municipality.
2.4.2.5		Reports on MFMA implementation	Number of reports on MFMA implementation	4	4	4	4	None	None
2.4.2.6		Forums to strengthen intergovernmental cooperation and information sharing	Number of quarterly CFO forums	New output indicator	New output Indicator	4	4	None	None

Strategy to overcome areas of under performance

Output Indicator 2.4.2.1: Number of monthly IYM assessment reports on the implementation of the municipal budget.

Encourage municipalities to report timeously so that the PT can perform its analysis and complete the necessary reports.

Output Indicator 2.4.2.4: Number of reports on budget sustainability and credibility inputted to municipal budget assessment reports.

Act timeously in response to failures to table or adopt budgets, including providing support where necessary and intervening where appropriate.

Changes to planned targets

There were no changes to performance indicators or targets during the reporting period.

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT										
Sub-programme 2.4: Public Finance										
Element: Infrastructure										
No.	Outcome	Output	Output indicators	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations	
2.4.3.1	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	Immovable asset management plans assessed	Number of Immovable asset management plans assessed	Revised output indicator	32	32	32	None	None	
2.4.3.2		Quarterly reports on the implementation of infrastructure budgets to Cabinet	Number of quarterly reports on the implementation of infrastructure budgets to Cabinet	4	3	4	4	None	None	
2.4.3.3		Provincial budget publications	Number of provincial budget publications	New output indicator	2	2	2	2	None	None
2.4.3.4		Assessment on municipal infrastructure delivery management system	Number of assessments on municipal infrastructure delivery management system(s)	1	1	1	1	1	None	None

Strategy to overcome areas of under performance

There were no areas of underperformance.

Changes to planned targets

There were no changes to performance indicators or targets during the reporting period.

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub-programme 2.4: Public Finance									
Element: Business Information and Data Management									
No.	Outcome	Output	Output indicators	Audited actual performance 2019/20	Audited actual performance 2020/21	Planned annual target 2021/22	Actual achievement 2021/22	Deviation from planned target to actual achievement 2021/22	Reasons for deviations
2.4.4.1	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	Datasets managed	Number of datasets managed	4	4	4	4	None	None
2.4.4.2		Budget process plans managed	Number of budget process plans managed	3	3	3	3	None	None

Strategy to overcome areas of under performance

There were no areas of underperformance.

Changes to planned targets

There were no changes to performance indicators or targets during the reporting period.

Sub-programme expenditure

Sub-programme name	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
2.1 Programme Support	6 929	5 986	943	7 165	7 165	-
2.2 Fiscal Policy	39 341	38 439	902	41 909	41 265	644
2.3 Budget Management	22 339	21 719	620	17 682	17 635	47
2.4 Public Finance	51 460	45 891	5 569	52 302	49 782	2 520
Total	120 069	112 035	8 034	119 058	115 847	3 211

4.3 Programme 3: Asset Management

Purpose: To provide policy direction and to facilitate and enforce the management of provincial financial systems, supply chain and movable asset management within the provincial and municipal spheres.

The programme is further divided into the following sub-programmes:

- Sub-programme 3.1: Programme Support
- Sub-programme 3.2: Supply Chain Management
- Sub-programme 3.3: Supporting and Interlinked Financial Systems

The following are the outcomes for the financial year under review:

- Effective management and oversight of financial systems, supply chain and movable asset management governance within the provincial and municipal spheres.

Outcomes, outputs, output indicators, targets, and actual achievements

Supply Chain Management

Whilst maneuvering through a minefield of policies and prescripts issued by National government in the supply chain management realm, the PT had to maintain an imbedded and strengthened good governance platform that would allow the Province to sustain its track record in maintaining not only its audit outcomes as it relates to supply chain management, but that service delivery would not be compromised in the efforts to maintain sustainable governance requirements.

In keeping with the PT's PFMA Section 18 mandate to enforce and enable financial management as it relates to its procurement oversight in the Province as well as to accelerate, modernise, and reform supply chain management in terms of its SCM strategy, the PT achieved the following:

- Implemented programmes for departments suppliers; quarterly Client Centre performance reports; 53 SCM Insight performance reports and Quarterly Procurement Client Support performance;
- Managing and maintaining a strengthened and embedded good governance platform for the supply chain management in the Province through a revised blueprint accounting officers' system issued to manage standardisation and uniformity in the Province but at the same time providing for room to incorporate bespoke departmental requirements. A draft Executive Authority Guidelines for Procurement oversight was also issued for executive authorities in the Province. Various circulars to manage and maintain the governance platform were issued as required to ensure rational and practical implementation of prescripts;
- Strengthened requirements for provincial departments in the demand forecasting and demand management by rolling out its automated procurement planning toolkit to all thirteen (13) provincial departments in the Province. Maintenance and management of the transversal security framework contract and further commodity clean-up exercises on the procurement system and Western Cape Supplier Evidence Bank to facilitate better procurement analysis capability and credibility of information on the eProcurement Solution (ePS); and
- From a SCM-technology perspective, the Provincial Treasury has developed an in-house eProcurement Solution which was fully rolled-out to provincial departments by the end of the financial year. Our thirteen (13) provincial departments collectively advertised and managed 24 748 procurement events via the previous outsourced eProcurement system for quotations from 1 April 2021 - 31 December 2021 and 14 533 procurement events were advertised between 1 December 2021 - 31 March 2022 via the in-house-developed ePS.

At the operational level, ±13 000 queries were managed through its SCM helpdesk; 39 quarterly procurement planning assessment reports for thirteen (13) departments were produced up to the 3rd quarter with the reports now being automated in the 4th quarter that departments are now able to access themselves; Quarterly and ad hoc SCM forums, and focus groups held with departments.

- Phase 1 testing of the in-house development of the ePS was completed. The Procurement Client Support Centre was established.

The COVID-19 initiatives were transitioned to be managed within the existing governance mechanisms and the PT continued to produce monthly procurement disclosure reporting (PDR). This was expanded to include a more detailed annual report for the 2020/21 COVID-19 Procurement Disclosure as well as subsequent quarterly reports for the remaining three (3) quarters. Given that the unit has no dedicated structure in place for strategic sourcing, the unit marginally deviated from attaining all its identified targets for commodity strategies for the year under review. The Unit is in the process of putting in place a funding model to partially

approve its recommended Organisational Development (OD) structure for strategic sourcing in the new financial year.

The PT achieved all its targets for the 2021/22 financial year within the ambit of the LG SCM, while continually endeavouring to improve the SCM governance in municipalities.

The COVID-19 initiatives included the following:

- Supported municipalities with all the SCM Governance aspects during the hard lockdown period;
- Made available the provincial PPE and cloth mask databases and consulted municipalities on this matter;
- Assisted with pricing of the PPE items;
- Provided guiding circulars on all the NT SCM Governance Emergency circulars;
- Assisted municipalities with all its emergency procurement activities;
- Assisted with all the emergency procurement reporting requirements; and
- Provided comprehensive support regarding the COVID-19 NT reporting requirements.

Other initiatives included the following:

- Successfully facilitated district SCM Forums to assist municipalities with all the SCM governance challenges. Through the Local Government SCM Helpdesk the PT successfully assisted municipalities and suppliers with 1 002 queries;
- Governance Workstreams were instituted to assist municipalities with key SCM Governance challenges;
- Assisted municipalities during the audit period with hands-on support and compiled impact assessments and position papers to the National Treasury on the SCM audit challenges. The PT also engaged with the AGSA to resolve these audit challenges;
- Provided various SCM training and development programmes that benefitted 1 740 municipal officials;
- Successfully introduced the first-generation procurement planning analysis to assist municipalities with procurement planning and commodity strategies;
- Conducted Asset Management Baseline Assessments in the various municipal districts. This provided the PT with crucial information and data that will now feed into a dedicated Asset Management Project in the municipal sphere;
- Introduced an Asset Management Improvement Project in selected municipal districts with huge successes;
- Conducted assessments on municipal insight data through various sources. These analyses will assist municipalities with the SCM Governance as well as decision-making; and
- Assisted with various SCM assessment requests from the President's Hotline, the NT, Minister of Local Government, Environmental Affairs and Development Planning, municipalities, and suppliers.

Supporting and Interlinked Financial Systems (SIFS)

The PT achieved all its SIFS targets for the 2021/22 financial year and continued to strive to make use of innovation to improve the financial systems. The PT continued to fulfil its mandate in respect of the financial management systems environment by providing support, assistance, and offering online training to all provincial systems users (LOGIS, BAS and PERSAL).

The legacy of financial systems are the central and single source for data collection on expenditure trends and general asset management of movable assets in the WCG departments. The SIFS continues to make efforts to prepare for the implementation of the IFMS working with National Treasury.

The SIFS has initiated monthly engagements with the Eastern Cape and National Treasury, State Information Technology Agency (SITA), and the DPSA to drive the progress on the IFMS.

The SIFS unit continued to innovate in a number of areas while in anticipation of the IFMS. These areas include:

- Full implementation of the Asset Management Dashboard to all 13 departments;
- 12 of the 13 departments have been fully implemented on the Electronic Document Delivery system for distribution of ePayslips;
- Implemented the PT school of excellence eLearning platform, thus bringing the PT to the digital age in training and capacitation;
- Issuance of various System Circulars to support governance requirements on the use of the financial systems;
- Continual support of the financial systems to ensure secure transactability and reporting on the systems, and additional training and capacitation of existing system users; and
- The unit has also continued to build on its data enablement function by continually producing different types of management information reporting tools and dashboarding capabilities with the aim to enable insightful decision making on data residing in the financial systems.

Outcomes, outputs, output indicators, targets, and actual achievements tables

PROGRAMME 3: ASSET MANAGEMENT									
Sub-programme 3.2: Supply Chain Management - Provincial and Local Government									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
3.2.1.1	Effective management and oversight of financial systems, supply chain and movable asset management within the provincial and municipal spheres	Municipal Districts assisted with standardised SCM and Asset Management Business practices to continuously improve SCM maturity	Number of municipal districts assisted	New output indicator	5	5	5	None	None
3.2.1.2		Municipal systems insight reports	Number of districts assisted with systems insight reports by providing procurement performance information	New output indicator	5	3	3	None	None
3.2.1.3		Annually defined support programmes for departments and municipal districts	Number of support programmes implemented for departments and municipal districts	New output indicator	2	2	2	None	None
3.2.1.4		Annually defined support programme for suppliers	Number of support programmes implemented to develop and enable suppliers	New output indicator	1	1	1	None	None
3.2.1.5		Operational procurement client-support centre	Number of reports reflecting performance of the client support centre	New output indicator	3	3	3	None	None
3.2.1.6		Publication of public disclosure reports on procurement expenditure	Number of public disclosure reports	New output indicator	New output indicator	4	4	None	None

PROGRAMME 3: ASSET MANAGEMENT									
Sub-programme 3.2: Supply Chain Management - Provincial and Local Government									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
3.2.1.7	Effective management and oversight of financial systems, supply chain and movable asset management governance within the provincial and municipal spheres	Commodity procurement strategies	Number of commodity procurement strategies developed	New output indicator	3	4	3	1	Due to capacity constraints, changes that occurred in flight at the request of clients could not be managed appropriately within the control of the unit.
3.2.1.8		Provincial SCM system insight reports	Number of SCM system insight reports produced, providing procurement performance information to departments	New output indicator	53	53	53	None	None
3.2.1.9		Municipal procurement plans assessed	Number of procurement plans and supporting strategic procurement initiatives assessed for municipalities	New output indicator	10	10	10	None	None

Strategy to overcome areas of under performance

Currently, the SCM unit has capacity constraints in that it does not have a dedicated structure for strategic sourcing. The impact on the current year deliverables had the effect that in order to execute its mandate the unit had to respond to the requests from provincial departments and internal units within the PT, placing it in a position outside of its control to manage the desired deadlines, hence any changes that occurred in flight came at a risk of non-delivery. The SCM unit is currently in the process of conducting an OD investigation to address the capacity constraints that the unit has been experiencing during this financial year. This will allow for a more structured planning process that is within the unit's control.

Changes to planned targets

There were no changes to performance indicators or targets during the reporting period.

PROGRAMME 3: ASSET MANAGEMENT									
Sub-programme 3.3: Supporting and Interlinked Financial Systems									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
3.3.1.1	Effective management and oversight of financial systems, supply chain and movable asset management governance within the provincial and municipal spheres	Provincial financial systems supported and maintained	Number of votes assisted with system support	Revised output indicator	13	13	13	None	None
3.3.1.2		Capacitated and trained system users	Number of votes assisted with end user training	New output indicator	13	13	13	None	None
3.3.1.3		Evergreen Legacy Systems implemented	Number of system modules implemented	New output indicator	New output indicator	5	5	None	None
3.3.1.4		Consolidated reporting provided from financial systems	Number of votes assisted with financial reporting	Revised output indicator	13	13	13	None	None

Strategy to overcome areas of under performance

There were no areas of underperformance.

Changes to planned targets

There were no changes to performance indicators or targets during the reporting period.

Linking performance with budgets

Strategic objectives are linked to the budget programme and sub-programme.

Sub-programme expenditure

Sub-programme Name	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
3.1 Programme Support	4 960	4 672	288	4 318	4 315	3
3.2 Supply Chain Management	36 106	35 421	685	31 016	29 516	1 500
3.3 Supporting and Interlinked Financial Systems	33 292	31 233	2 059	27 311	25 687	1 624
Total	74 358	71 326	3 032	62 645	59 518	3 127

4.4 Programme 4: Financial Governance

Purpose: To promote accountability and financial governance within departments, entities and municipalities.

The programme is further divided into the following sub-programmes:

- Sub-programme 4.1: Programme Support
- Sub-programme 4.2: Accounting Services
- Sub-programme 4.3: Corporate Governance

The following were the outcomes for the financial year under review:

- Governance transformation in departments, entities, and municipalities improved.

Outcomes, outputs, output indicators, targets, and actual achievements

Accounting Services

The PT continued to ensure that the accountability cycle was not compromised by the COVID-19 pandemic, which largely persisted through the financial year ending 31 March 2022. The Programme continued with its online support, holding virtual engagements with all institutions to ensure that the COVID-19 storm was navigated with determination and purpose.

The WCG history of achieving the accolade from the AGSA as the best performing province on audit outcomes for both the local and provincial spheres of government requires constant and consistent performance and the PT plays a key role in the achievement.

For the 2020/21 financial year, twelve (12) of the fourteen (14) votes achieved clean audits and two (2) votes achieved an "unqualified audit with other matters". Seven (7) of the ten (10) entities received clean audits and three (3) entities achieved an "unqualified with other matters" audit outcome.

The 2021 municipal audits were finalised before the end of March 2022. The good audit outcomes of the prior year have been improved on where twenty-two (22) municipalities have achieved clean audits, five (5) municipalities achieved "unqualified audit with other matters" audit outcomes and three (3) municipalities had negative audit outcomes.

The repeated success of the Western Cape, as cited by the Auditor-General of South Africa, can be attributed to, amongst others:

- The institutionalisation of controls that resulted in the reduction of irregular expenditure.
- Accounting officers and authorities holding senior management accountable to improve key disciplines in the area of the reliability of submitted performance reporting.
- Leadership oversight and accountability for commitments in collaboration with oversight committees to improve/maintain audit outcomes.

The PT enabled these outcomes by:

- Successfully hosting the PFMA CFO Forum meetings, the related financial accounting forum meetings and the MFMA CFO forums. These forums were used to prepare not just for the regulatory audits, but more importantly, to advocate good governance. Annual Financial Statement consistency workshops that were hosted aimed at ensuring that institutions were supported with the best expert advice.
- Hosting the CRO and the CAE forums and partnering with the Institute of Internal Auditors to elevate governance. These forums provide a platform to discuss and provide guidance on key transversal challenges and risks in the municipal assurance environment and enables the sharing of good practices. Attendees were grateful for this level of support which could only be achieved with dedication and collaboration.
- Driving the Alternative Dispute Resolution mechanism which was finalised in June 2021 and agreed to by the NT, the AGSA and the ASB. The PT has designed a standard operating procedure to ensure all disputes are handled uniformly; however, the Province is a strong proponent of seeking all forms of alternative mechanisms of clarifying disputes before any litigation is engaged, as demanded by intergovernmental relations principles. With the delegation to condone irregular expenditure by the National Treasury to the Provincial Minister for Finance, the Province reduced the backlog requests for condonation to such an extent that most cases are current, for example, irregular expenditure as reported on 31 March 2022 which normally should be cleared by the next reporting cycle.

Corporate Governance

On the governance side, the governance engagements with departments were consolidated into the NT mid-year process, ensuring that budget preparation is aligned to good governance principles.

The PT's legal and policy unit was inundated with the need to scrutinise the plethora of legislation in the wake of the lockdown. Whilst 2021 did not see as many prescripts relating to the COVID-19 as in the previous year, other legislation was still produced, and most of the relevant legislation was engaged with to ensure that the PT is kept abreast, and in a position to make an impact before any laws or regulations were assented to or became mandatory for implementation.

The MFMA governance was realised through the TIME and the SIME processes. The TIME engagements technically evaluate the credibility of the information and processes instituted by municipalities to achieve required governance outcomes.

Continuing the PT flagship engagement was the Minister's engagement with Executive Members of Finance in all municipal councils. This complemented the work done by the South African Local Government Association (SALGA), Audit and Assurance Public Committees (AAPC) and the Department of Local Government (DLG).

The CA trainee programme also successfully produced a pool of professional chartered accountants who were recruited by both the public and private sectors. Since its inception, the academy produced several professionals that have all been employed in influential positions.

Additionally, more than 100 interns and bursars were supported through the Financial Management Capacity Building Grant and the National Treasury Municipal Financial Management Internship programme, run in partnership with the National Treasury that supplements bursaries offered by municipalities to their residents. These programmes seek to develop relevant skills sets for young people within diverse local areas as the future administrative leaders of municipalities.

Outcomes, outputs, output indicators, targets, and actual achievements tables

PROGRAMME 4: FINANCIAL GOVERNANCE									
Sub-programme 4.2: Accounting Services									
Element: Local Government Accounting									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
4.2.1.1	Governance transformation in departments, entities and municipalities improved	Oversight and monitoring of municipal financial governance	Number of municipal accounting assessment reports	30	29	30	30	None	None
4.2.1.2		Support initiatives to strengthen the understanding and application of accounting standards	Number of interventions to improve the understanding and application of accounting standards	New output indicator	6	6	8	2	In addition to the Municipal Accounting Forum (MAF) and Audit Support Meetings, the Accounting Working Committee sitting was held on 23 November 2021 during the current accelerated MFMA cycle in order to further assist municipalities with the improvement and application of accounting standards when drafting the AFS. The core purpose of this support initiative is to provide a platform to municipalities to discuss, partner, and collaborate on the impacts of the accounting prescripts in practice with our accounting experts.
4.2.1.3		Reconciliation of AFS and data strings on National Treasury LG Database to ensure credibility of audited financial data	Percentage of submitted data strings reconciled to audited AFS	New output Indicator	*0%	**100%	**100%	None	None

* Method of calculation 2020/21

Numerator: Number of reconciled returns closed off on the NT LG Database (0)

Denominator: Number of returns submitted by municipalities to the NT LG Database (0)

** Method of calculation 2021/22

Numerator: Number of reconciled returns closed off on the NT LG Database (25)

Denominator: Number of returns submitted by municipalities to the NT LG Database (25)

Strategy to overcome areas of under performance

There were no areas of underperformance.

Changes to planned targets

There were no changes to performance indicators or targets during the reporting period.

PROGRAMME 4: FINANCIAL GOVERNANCE									
Sub-programme 4.2: Accounting Services									
Element: Provincial Government Accounting									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations
4.2.2.1	Governance transformation in departments, entities and municipalities improved	Interventions held/conducted to ensure oversight and monitoring of departmental financial governance	Number of reports based on governance performance engagements held with departments	Revised output indicator	2	2	2	None	None
4.2.2.2		Departments supported on internal control initiatives	Number of internal control interventions rolled out in departments	New output indicator	5	6	8	2	The over-achievements were due to critical interventions that took place in Q1 and Q2.
4.2.2.3		Votes supported in the application of accounting frameworks and norms and standards	Number of votes assessed against the applicable accounting frameworks and norms and standards requirements	14	14	14	14	None	None
4.2.2.4		Publication and tabling of the ACFS	Publication and tabling of the ACFS is done in the required timeframe	1 month after receipt of audit report on the ACFS	1 month after receipt of audit report on the ACFS	1 month after receipt of audit report on the ACFS	-	The target is set based on receiving the audited financials of the departments, public entities and provincial revenue fund (PRF) timeously. If there is any deviation in the planned date of the receipt of the audited financial statements, the target is adjusted to accommodate the deviation from the planned date, and the final product is delivered within one (1) month of receiving all the information required for the consolidation	The audit reports for the consolidation of the public entities, the PRF and the departments were received at different times. The audit report on the public entities were received first, then the PRF, and lastly that of the departments, which were received on 13 April 2022. Throughout the process, the Speaker was informed of the changed date of tabling, as required by legislation, and the final consolidation was tabled with the Speaker on 29 April 2022.

Strategy to overcome areas of under performance

To address the timeous tabling of the consolidated annual financial statements, a submission will be made to the Speaker notifying him of any delay. The eCopy of the final consolidated annual financial statements will be submitted to Provincial Parliament when it becomes available.

Changes to planned targets

There were no changes to performance indicators or targets during the reporting period.

PROGRAMME 4: FINANCIAL GOVERNANCE										
Sub-programme 4.3: Corporate Governance										
No.	Outcome	Output	Output indicators	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Annual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/22	Reasons for deviations	
4.3.1.1	Governance transformation in departments, entities and municipalities improved	Oversight and monitoring of municipal financial governance provided to municipalities	Number of municipal governance assessment reports	Revised output indicator	30	30	30	None	None	
4.3.1.2		Municipalities supported through initiatives on municipal financial capacity building and training	Number of municipal support initiatives on municipal finance capacity building and training	10	10	10	10	None	None	
4.3.1.3		Municipalities supported through initiatives on internal audit and risk management	Number of support initiatives on internal audit and risk management	Revised output indicator	12	12	12	12	None	None
4.3.1.4		Municipalities and departments supported on financial legal frameworks and policies	Number of support initiatives to departments on financial legal frameworks and policies	4	4	1	1	None	None	
4.3.1.5		Number of support initiatives to municipalities on financial legal frameworks and policies	Revised output indicator	4	3	3	None	None		
4.3.1.6		Accredited SAICA training programme	Number of individuals that have successfully completed the SAICA training programme	New output indicator	3	4	3	1	One (1) trainee's contract has been extended to August 2022, the reason being that the core hours were not met due to ill health.	

Strategy to overcome areas of under performance

Agreement concluded with all departments to ensure trainees will complete, a minimum of 200 core hours over two (2) months and increased monitoring by the PT in respect thereof. Mechanisms were implemented at departments to enable trainees to work remotely in terms of the achievement of core hours. The inability to attain core hours is particularly due to the pandemic.

Changes to planned targets

There were no changes to performance indicators or targets during the reporting period.

Linking performance with budgets

Strategic objectives are linked to the budget programme and sub-programme.

Sub-programme expenditure

Sub-programme Name	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
4.1 Programme Support	7 578	7 480	98	6 854	6 785	69
4.2 Accounting Services	20 724	19 531	1 193	19 655	19 598	57
4.3 Corporate Governance	24 422	24 118	304	24 968	24 051	917
Total	52 724	51 129	1 595	51 477	50 434	1 043

Reporting on the Institutional Response to the COVID-19 Pandemic

The Department did not undertake any COVID-19 interventions for the year under review.

5. TRANSFER PAYMENTS

5.1 Transfer payments to public entities

The PT has one (1) public entity, namely, the WCGRB. The WCGRB received R26.256 million from the PT as a transfer payment.

Name of Public Entity	Key outputs of the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
Western Cape Gambling and Racing Board	To control and regulate gambling, racing and betting within the Province of the Western Cape	26 256	26 256	Regulate and oversight of the gambling industry in the Western Cape.

Quarterly financial and non-financial monitoring processes have been institutionalised between the Ministry, the PT and the WCGRB. The WCGRB fully complied with all the PFMA reporting requirements.

5.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2021 to 31 March 2022.

Name of transferee	Purpose for which the funds were used	Compliance with 38(1)(j) of the PFMA	Amount transferred R'000	Amount spent by the entity R'000	Reasons for the funds unspent by the entity
Various municipalities across the Western Cape Province	Western Cape Financial Management Support and Financial Management Capacity Building grants	Yes	14 788*	0	Transfer of funds to municipalities are only done during the last quarter of the financial year. Municipalities are in the preparation phase to spend the money.
Departmental agencies and accounts	South African Broadcasting Corporation (SABC) TV licences	Yes	8	8	None
Households	Bursaries, leave gratuity, and early retirement Section 16(6)	Yes	3 265	3 265	None
Gifts and donations	Donation to deceased officials' family	Yes	10	10	None

Financial assistance is provided to municipalities to improve overall financial governance within municipalities inclusive of optimisation and administration of revenue, improving the credibility and responsiveness of municipal budgets, improving municipal audit outcomes, and addressing institutional challenges. In addition, financial assistance is provided to develop financial human capacity within municipal areas to enable a sustainable local financial skills pipeline that is responsive to municipalities' requirements to enable sound and sustainable financial management and good financial governance.

The table below reflects the transfer payments, which were budgeted for in the period 1 April 2021 to 31 March 2022, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for R'000	Amount transferred R'000	Reasons why funds were not transferred
Unallocated	Western Cape Municipal Financial Recovery Services Grant	2 179	0*	Delay in receipt of the Financial Recovery Plan for Beaufort West Municipality from National Treasury

Note: The amounts transferred (R14.788 million and R0) in the two tables above are equivalent to the total amount received by municipalities in Annexure 1A of the Annual Financial Statements (refer to page 192 for more detail).

6. CONDITIONAL GRANTS

6.1 Conditional grants and earmarked funds paid

Western Cape Financial Management Support Grant

Department/Municipality to whom the grant has been transferred	Various municipalities across the Western Cape Province
Purpose of the grant	To provide financial assistance to municipalities to improve overall financial governance within municipalities inclusive of optimisation and administration of revenue, improving credibility and responsiveness of municipal budgets, improving of municipal audit outcomes, and addressing institutional challenges
Expected outputs of the grant	<ul style="list-style-type: none"> ● Strengthening of IT-systems to deliver reports required for financial management improvement ● Improvements in data quality that informs the IDP and the SDBIPs ● Support municipalities during the implementation process relating to the Municipal Standard Chart of Accounts (mSCOA) ● Support to municipalities, in concert with the DLG ICT application and linkages to financial management improvement ● Improvement in revenue streams and transparency in tariff setting ● Improvement of internal and external reporting on financial (budget) and non-financial performance (in-year reporting) information ● Compliance with regulatory requirements related to performance management and improvement in the usefulness and reliability of reported information against the PDOs ● Improvement in the SCM compliance and regulatory conformance ● Improvement in financial governance matters, e.g., (updating and creation of municipal websites, improved internal audit, and risk functioning) ● Improvement in audit outcomes (financial and non-financial)
Actual outputs achieved	<ul style="list-style-type: none"> ● Strengthened financial and IT-related systems and capacitated staff ● Improved data quality that informs the IYM, the IDP, and the SDBIPs ● Improved revenue estimation and transparency in tariff setting ● Improved internal and external reporting on budget performance ● Improved compliance with regulatory requirements related to performance management ● Improved the usefulness and reliability of reported information against the PDOs ● Improved SCM compliance and regulatory conformance ● Improved financial governance issues such as internal audit and risk management ● Improved audit outcomes
Amount per amended DoRA (R'000)	R6 938
Amount transferred (R'000)	R6 938
Reasons if amount as per DoRA not transferred	None
Amount spent by the department/municipality (R'000)	0
Reasons for the funds unspent by the entity	None

Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> ● Monitoring and management of the programme (outputs and intended outcomes) ● Transfer of funds to municipalities to assist implementation of the MFMA and its supporting regulations ● Finalise and agree on implementation plans with affected municipalities ● Periodic visits to monitor the impact and the appropriateness of the assistance in terms of the spending performance of the funds allocated and general compliance with conditions as set out in the grant framework and the MOAs
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Western Cape Financial Management Capacity Building Grant

Department/Municipality to whom the grant has been transferred	Various municipalities across the Western Cape Province
Purpose of the grant	To develop financial human capacity within municipal areas to enable a sustainable local financial skills pipeline that is responsive to municipalities' requirements to enable sound and sustainable financial management and good financial governance.
Expected outputs of the grant	<ul style="list-style-type: none"> ● Allocation to each municipality per year over a 3-year period as indicated in the allocation schedule to establish and/or augment current municipal bursary programmes that develop students and learners, with the required potential, within their respective municipal areas. ● Allocation of bursaries by municipalities over a 3-year period to at least two (2) learners within the municipal area per year for undergraduate or postgraduate studies for the academic period. Learners will be required to undertake full-time studies in areas such as finance, economics, accounting, supply chain management, internal audit and risk management, and infrastructure. ● Progress report submitted by the Municipality as per the timeframes stipulated in the Memorandum of Agreement.
Actual outputs achieved	<ul style="list-style-type: none"> ● R7.850 million transferred to municipalities for the purpose of establishing and/or augmenting current municipal bursary programmes that develop students and learners, with the required potential, within their respective municipal areas.
Amount per amended DoRA (R'000)	R7 850
Amount transferred (R'000)	R7 850
Reasons if amount as per DoRA not transferred	None
Amount spent by the department/municipality	An amount of R7.850 million was transferred to municipalities as at 31 March 2022. The amount spent by the municipalities was not yet known as at 31 March 2022 as the first reporting requirement date in terms of the amount transferred is 31 July 2022.
Reasons for the funds unspent by the entity	None

Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> ● Prepare MOAs that are aligned with intended outputs and outcomes ● Monitoring and management of the programme (outputs and intended outcomes) ● Transfer funds to municipalities to assist implementation of the MFMA and its supporting regulations with respect to capacity building to ensure good financial governance ● Periodic visits to monitor the impact and the appropriateness of the assistance in terms of the spending performance of the funds allocated and general compliance with conditions as set out in the grant framework and the MOAs
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6.2 Conditional grants and earmarked funds received

None.

7. DONOR FUNDS

7.1 Donor Funds Received

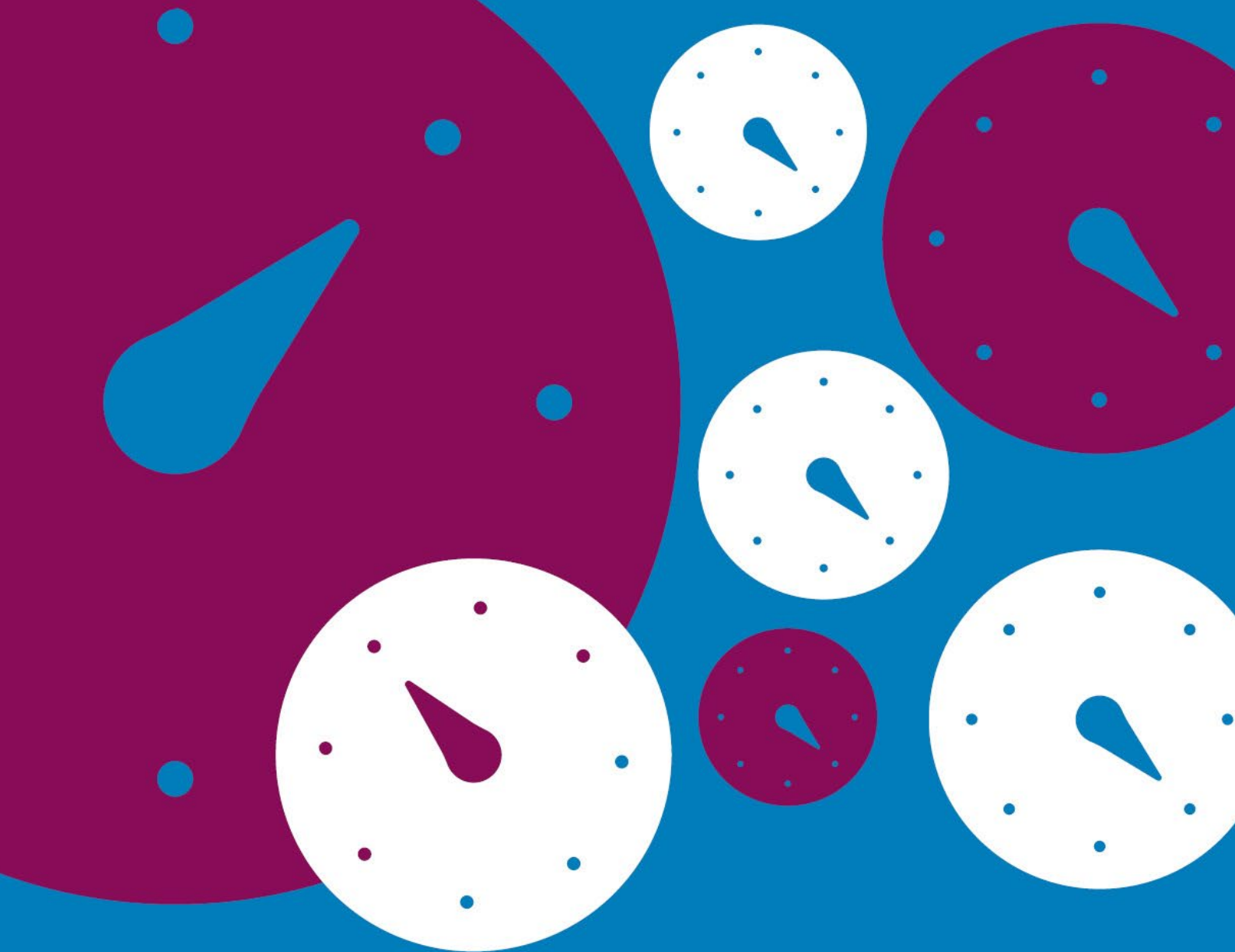
The PT did not receive any donor funding during the reporting period.

8. CAPITAL INVESTMENTS

8.1 Capital investment, maintenance and asset management plan

Provincial Treasury has no capital assets (immovable) of its own as these are managed by the Department of Transport and Public Works as the custodian. Annually it is expected of the PT to submit a User Immovable Asset Management Plan (U-AMP). Two (2) U-AMPs (draft and final) were submitted to the Department of Transport and Public Works (DTPW) during the reporting period. The U-AMP did not include any funds for capital works.

All maintenance for the PT is generally undertaken by the Department of Transport and Public Works (DTPW) and in cases where that department does not provide the requested services, approval is obtained from them (custodian) to undertake minor projects.



GOVERNANCE
PART C

PART C: GOVERNANCE

1. INTRODUCTION

The Department adheres to the requirements as set out in the PFMA and the principles of the King Report on Corporate Governance. The PT has good governance structures in place to utilise public resources effectively, efficiently, and economically.

The Department has an approved strategic plan (setting out the PT's vision, mission, impact, and outcomes to be achieved over a five-year period) and the APP (setting out what the Department intends doing in the coming financial year and during the MTEF to implement its strategic plan). Outputs, Output Indicators, and Targets are set to assist the PT in realising its outcomes as set out in the Annual Performance and Strategic Plan.

Quarterly performance reports provide progress updates on the implementation of the PT's APP and monitoring delivery against performance targets. This takes place in accordance with Chapter 5 of the Treasury Regulations and ensures that financial and non-financial performance information underpins planning, budgeting, implementation management, and accountability arrangements, alongside reporting to promote transparency and expenditure control towards the economic, efficient, and effective use of public resources.

A system of internal audit under the control and direction of the Audit Committee is in place. The Audit Committee is established as an oversight body that provides independent oversight over governance, risk management, and control processes in the PT.

Several other departmental structures are also in place and contribute to the improvement of governance. These include, amongst others, the (i) Enterprise Risk Management Committee (ERMCO); (ii) Occupational Health and Safety Committee; (iii) various Bid Committees (Specification, Evaluation, Adjudication); (iv) Information Technology Steering Committee (STEERCOM) which provides oversight relating to information technology governance and (v) Internal Control Unit.

2. RISK MANAGEMENT

The Accounting Officer (AO) for the Provincial Treasury takes responsibility for implementing Enterprise Risk Management (ERM) in accordance with the National Treasury Public Sector Risk Management Framework (PSRMF) and the Directorate Enterprise Risk Management (D: ERM) in the Department of the Premier (DotP) provides a centralised service to the Department.

An approved ERM policy, providing a framework for the embedding of risk management processes within the Department and a Strategy and Implementation Plan which monitors the performance of risk management processes throughout the financial year was in place for the 2021/22 financial year.

Enterprise Risk Management Committee responsibility

The ERMCO has complied with its responsibilities arising from Section 38 (1)(a)(i) of the Public Finance Management Act, Treasury Regulation 3.2.1 and Public Service Regulations of 2016, Chapter 2, Parts 1, 2 and 3. The ERMCO has a Terms of Reference (TOR) (approved by the ERMCO chairperson on 30 March 2021) and performed all its responsibilities as contained therein.

Enterprise Risk Management Committee members

An ERMCO is in place for the PT and comprises of selected members of the Department's senior management team. In line with its approved TOR, the ERMCO met four (4) times (quarterly) during the year under review.

The table below discloses relevant information on the ERMCO members:

Member	Position	Attended
Mr D Savage	Accounting Officer (Chairperson)	4
Dr R Havemann	DDG: Fiscal and Economic Services	4
Ms J Gantana	DDG: Governance and Asset Management	4
Mr M Booysen	Acting CD: Public Policy Services	3
Mr S Kenyon	CD: Local Government Public Finance	2
Ms A Pick	CD: Provincial Government Public Finance	2
Mr I Smith	CD: Asset Management	4
Ms N Ebrahim	Director: Provincial Government Supply Chain Management	3
Mr A Hardien	CD: Financial Governance and Accounting	4
Ms A Smit	CFO and Risk Champion	4
Ms N Ismail	Director: Strategic and Operational Management Support	4
Mr P Pienaar	Director: Business Information and Data Management	4
Ms R Cassiem	Secretariat	4

The following is an indication of other officials who attended the ERMCO meetings for the year under review:

Other attendees	Position	Attended
Ms A Haq	Director: ERM (DotP)	2
Ms G Solomons	Chief Risk Advisor: ERM (DotP)	4
Mr Y Samodien	Risk Advisor: ERM (DotP)	4
Mr M Williams	Director: Internal Audit	3
Mr A Ahmed	Deputy Director: Internal Audit	4
Ms B Cebekhulu	Director: Provincial Forensic Services (PFS)	4

Enterprise Risk Management Committee key activities

The Accounting Officer is the chairperson of the ERMCO. In executing its function, the ERMCO performed the following key activities during the year:

- Monitored the implementation as well as evaluated the extent and effectiveness of the risk management policy, strategy, and implementation plan;
- Evaluated the effectiveness of mitigating strategies to address the material risks of the Department;
- Reviewed and assisted in the identification of new and emerging risks within the Department as well as reviewing all risks outside tolerance levels for further action/attention;
- Assisted in the identification of departmental risks to be escalated to the Provincial Risk register;
- Reviewed the Fraud Prevention Plan and Fraud Prevention Implementation Plan, and recommended for approval by the Accounting Officer and progress of these were monitored on an on-going basis; and
- Monitored the Business Continuity Plan and oversight of the risks relating to the Occupational Health and Safety (OHAS) requirements.

Key risks considered and addressed during the year

The key risk areas for the PT related to the constrained fiscal environment, the ICT environment related to cyber and security attacks, and service delivery risks. These areas were exacerbated by the COVID-19 pandemic and as such, the focus was on introducing additional mitigations to manage these risk areas. Emanating from this, the following are the top strategic risks:

- Constrained fiscal outlook;
- Regression in SCM performance due to conflicting application and interpretation of national SCM prescripts;
- The limited ability of the PT to improve conformance by municipalities to laws and regulations in the SCM environment due to the inconsistent application of legislation;
- A decline in the Province's fiscal position may result in uncertainty regarding the MTEF estimates, expenditure composition, and approval of roll-over and revenue retention in adjustments budgets;
- Inability to deliver effective strategic-enabled projects (linked to the Department's business and/or ICT-strategy);
- Material misstatements in financial statements submitted by municipalities resulting in negative audit outcomes as relates to the compliance of the GRAP; and
- Readiness of votes/departments to implement and comply with the revisions in the supply chain and asset management regulatory regime that can result in negative/compromised audit outcomes.

Each Programme's risks were deliberated and debated at the quarterly ERMCO meetings. Programme managers were required to provide feedback on the progress of the implementation of the action plans to reduce the likelihood of risks materialising and/or the management of its impact should it materialise. The ERMCO also referred risks back that should be analysed more extensively and recommended additional mitigations or actions to manage risks.

The Governance and Administration Cluster Audit Committee provided oversight of the risk management processes followed by the quarterly Audit Committee meetings. Key and emerging risks were discussed and progress against the ERM Strategy and Implementation was monitored.

Key emerging risks for the following financial year

The emerging risks for the next financial year relate to:

- Constraints on supply chain units to comply with the Constitutional Court ruling on preferential procurement;
- Escalating commodity prices and availability of goods resulting from the war between Russia and Ukraine;
- Economic recovery in an increasing constrained fiscal environment due to budget cuts and the extended duration of the COVID-19 pandemic; and
- Constrained ability to deliver on the mandate due to fiscal constraints, unfilled vacancies, and staff burn out.

Conclusion

At the beginning of the financial year, several risks that could potentially influence the operation of the PT were identified. Due to the deliberations at the ERMCO, the mitigation measures put in place, and tracking the implementation of these measures allowed the PT to minimise these risks and the PT was able to achieve most of its outputs as set out in its APP.

3. FRAUD AND CORRUPTION

Fraud and corruption represent significant potential risks to the Department's assets and can negatively impact on service delivery efficiency and the Department's reputation.

The WCG adopted an Anti-Fraud and Corruption Strategy which confirms the Province's zero-tolerance stance towards fraud, theft, and corruption. In line with this strategy, the Department is committed to zero-tolerance with regard to corrupt, fraudulent or any other criminal activities, whether internal or external and vigorously pursues and prosecutes any parties who engage in such practices or attempt to do so by all legal means available.

The Department has an approved Fraud and Corruption Prevention Plan and a concomitant Fraud Prevention Implementation Plan which gives effect to the Prevention Plan.

Various channels for reporting allegations of fraud, theft, and corruption exist and these are described in detail in the Provincial Anti-Fraud and Corruption Strategy, the WCG Whistle-blowing Policy and the Departmental Fraud and Corruption Prevention Plan. Each allegation received by the Provincial Forensic Services (PFS) Unit is recorded in a Case Management System which is used as a management tool to report on progress made with cases relating to the Department and to generate statistics for the WCG and the Department.

Employees and workers who blow the whistle on suspicions of fraud, corruption, and theft are protected if the disclosure is a protected disclosure (i.e., that it meets statutory requirements of the Protected Disclosures Act, no. 26 of 2000, e.g., if the disclosure was made in good faith). The WCG Whistle-blowing Policy provides guidelines to employees and workers on how to raise concerns with the appropriate line management, specific designated persons in the WCG or external institutions, where they have reasonable grounds for believing that offences or improprieties have been or are being perpetrated in the WCG. The opportunity to remain anonymous is afforded to any person who would like to report acts of fraud, theft, and corruption, and should they do so in person, their identities are kept confidential by the person to whom they are reporting.

If, after investigation, fraud, theft or corruption is confirmed, the employee who participated in such acts is subjected to a disciplinary hearing. The WCG representative initiating the disciplinary proceedings is required to recommend dismissal of the employee concerned. Where prima facie evidence of criminal conduct is detected, a criminal matter is reported to the South African Police Services.

For the year under review, the PFS issued a Case Movement Certificate for the Department noting the following:

Cases	Number of cases
Open cases as at 1 April 2021	0
New cases (2021/22)	0
Closed cases (2021/22)	0
Open cases as at 31 March 2022	0

4. MINIMISING CONFLICT OF INTEREST

In terms of Chapter 2: Conduct, Financial Disclosure, Anti-corruption, and Ethics Management, Part 2 – Financial Disclosure of the PSR, 2016, read with the Determination on other categories of designated employees to disclose their financial interest and directive on the form, date and financial interests to be disclosed, issued by the Minister for Public Service and Administration, the financial disclosures of the SMS members were completed and submitted to the Public Service Commission (PSC) and the Department of Public Service and Administration (DPSA). Officials on salary levels 11 and 12 as well as officials within the SCM, Management Accounting, Financial Accounting units, and the PSR officers completed their financial disclosures for the period 2020/21. However, officials on salary levels 11 and 12 as well as officials within the SCM, Management Accounting, Financial Accounting units, and the PSR officers will not be required to complete their disclosures for 2021/22. It will, however, be required from officials on salary levels 9 and 10 to complete their disclosures for 2021/22 in the 2022/23 financial year.

5. CODE OF CONDUCT

Every employee appointed in terms of the Public Service Act must adhere to the Code of Conduct of the Public Sector. The Code of Conduct for the Public Service, as included in Chapter 2 of the PSR, 2016:

- Sets norms and standards in promoting integrity, whilst delivering services to the public efficiently and effectively; provides a set of standards describing the behaviour expected from our employees; and
- Guides employees in terms of what is expected of them ethically, both in their individual conduct and in their relationships with others and forms an integral part of the way we work every day.

All employees are expected to abide by the Code of Conduct. The code requires loyalty of public servants in the existing democratic order, accepting and honouring the supremacy of the Constitution, and understanding the contents and purpose of the Constitution as a mechanism to maintain and regulate the existing order. The code is furthermore strengthened by the Code of Conduct for the SCM Practitioners. All Bid Committee members and the SCM practitioners are required to declare that they will abide by the Code of Conduct for the SCM practitioners.

The explanatory manual on the Code of Conduct for Public Service is provided to all new employees and forms part of the induction programme, as this forms the main basis on which pro-active, corrective, and even disciplinary action rests.

Any contravention of the Code of Conduct is dealt with in terms of the Disciplinary Code and Procedures for the public service.

6. HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES

The OHAS, 1993 (Act 85 of 1993) as amended, imposes the responsibility on the employer to provide and maintain, as far as is reasonably practical, a healthy working environment that is safe and without risk to the health of its employees.

The PT occupies parts of buildings of which it is not the custodian, but provides and maintains, as far as possible, a working environment that is safe and without risks to the health and safety of the employees. The PT has ensured that it remains as far as possible, compliant to the OHAS Act and thus ensured statutory Section 16.1 and Section 16.2 appointments, maintained functional transversal (joint) and Departmental OHAS Committees with the necessary equipment and capacity.

During the period under review, the approved Departmental OHAS Policy Statement was on display and was also accessible to all employees. Furthermore, the OHAS Representatives attended all required training.

The Departmental OHAS function was coordinated effectively with awareness sessions that were held for all employees. The Hazard Identification and Risk Assessment (HIRA) inspection findings are implemented on an ongoing basis to ensure that the identified challenges/gaps are resolved.

The PT continues to monitor all the health and safety related matters to ensure that the workplace remains a conducive work environment. The drive for good housekeeping has intensified to ensure that the office space is a healthy environment and promotes the prevention of hazards and likely events of fire.

7. ACCESS TO INFORMATION

During the 2021/22 financial year, the Department managed the request for information in terms of the Promotion of Access to Information Act (PAIA), 2000. The Department also complied by having the revised PAIA Manual 2021 published online. No Section 32 report has yet been submitted, as the new template for reporting is still awaited by the Information Regulator (South Africa), which will only become available online at a later stage. The due date for submission is also still to be communicated to all departments. The process on how to request information from the Information Officer and necessary forms to complete and fees applicable can be accessed at the following online link: <https://www.westerncape.gov.za/provincial-treasury/about-us/promotion-access-information-pai>.

8. STANDING COMMITTEES

During the reporting period the Department provided input at the following meetings of the Budget Committee and Standing Committee on Finance, Economic Opportunities and Tourism:

Date of meeting	Committee	Subject	Response from Department
25 May 2021	Budget Committee	The Committee resolved that the Money Bills Procedure Workshop that was scheduled from 30 June to 2 July 2021 will be rescheduled to take place from 20 to 22 July 2021.	Meeting took place on 21 July 2021
22 July 2021	Budget Committee	The Committee resolved that the following briefing be scheduled: <ol style="list-style-type: none"> 1. The Financial Fiscal Commission (FFC) and the National and Provincial Treasury to brief the Committee on criteria for conditional grants to provincial and local governments; the method of collection and submission of data, and statistics for the criteria for the respective conditional grants. 2. The Financial and Fiscal Commission (FFC), National and Provincial Treasury to brief the Committee on constitutional provisions and procedures for borrowing for infrastructure. 	Meeting took place between 17 - 20 January 2022
17 - 20 January 2022	Budget Committee	The Committee resolved that Provincial Treasury provide the Committee with the following: <ol style="list-style-type: none"> 1. A copy of the Fiscal Budgetary Framework. 2. A copy of the Annual Procurement Plan. 3. A report listing the names of the grants that the Department accesses when a disaster takes place, including the list of grants that were used for the Masiphumelele Disaster that took place in December 2020. 4. A list of municipalities that borrowed money from Provincial Treasury. 	The PT provided a response to the Committee on 29 April 2022
1 September 2021	Standing Committee on Finance, Economic Opportunities and Tourism	The Committee requested the following: <ol style="list-style-type: none"> 1. The Provincial Treasury's comments on the Draft Public Procurement Bill. 2. The Supply Chain Management Policy of the Provincial Departments and Entities. 3. A copy of the Supply Chain Strategy that Provincial Treasury indicated they are in possession of. 	The PT provided a response to the Committee on 2 December 2021

Date of meeting	Committee	Subject	Response from Department
		4. A copy of the Accounting Officer Blueprint. 5. A report on the Procurement Planning Toolkits given to provincial departments and local government.	
1 September 2021	Standing Committee on Finance, Economic Opportunities and Tourism	1. Briefing by the Provincial Treasury on the Annual Public Procurement Disclosure Report, including the "value for money" aspect of public procurement and the SCM process. (The briefing should include the top ten (10) goods procured across departments in the retail space, the top ten (10) services procured across departments, and the top ten (10) costs related to building infrastructure expenditure (particularly in the construction sector and the leasing of office space), and how these costs relate to current market value). 2. Briefing by Provincial Treasury on the new "Grant Framework". 3. Briefing by Provincial Treasury on the process leading to the shortlisting of candidates to fill the vacancies on the Western Cape Gambling and Racing Board. 4. Briefing by the Service Provider on the outcome of the Probiity Reports.	Interviews were held on 8 September 2021.

9. PUBLIC ACCOUNTS COMMITTEE (PAC) RESOLUTIONS

On 3 February 2022, the PAC considered, as part of its oversight role, the 2020/21 Annual Report of the PT and noted the audit opinion of the Auditor-General regarding the Annual Financial Statements of the Department for the 2020/21 financial year, having obtained a clean audit report with no findings. This audit opinion remains the same as the audit outcome for the 2019/20 financial year, where the Department obtained a clean outcome with no findings.

The Committee made the following resolutions:

Background	Resolution	Response from Department
<p>Integrated Financial Management System (IFMS) piloting in the Western Cape</p> <p>While engaging the Audit Committee Chairperson of the Department of Cultural Affairs and Sport, the Committee noted that the IFMS piloting was still considered a risk within the Department and the Western Cape, which the Audit Committee undertook to monitor on a quarterly basis.</p>	That the Department of the Premier, as well as Provincial Treasury, brief the Committee on the status of the implementation of the IFMS in the Western Cape.	The PT briefed the Committee on 4 May 2022.

Background	Resolution	Response from Department
<p>Red Ants Security Relocation and Eviction Services (Pty) Ltd</p> <p>While engaging the Auditor-General of South Africa on the risks within the Department of Transport and Public Works for the financial year under review, it emerged that the Department of Human Settlements made use of the services of the Red Ants Security Relocation and Eviction Services based on a contract between Human Settlements and the Red Ants, but without following the process related to participating in a contract of another organ of state. Instead, the Department of Human Settlements paid the supplier and was reimbursed by the other departments.</p>	<p>That the Provincial Treasury brief the Committee on the Red Ants Security Relocation and Eviction Services (Pty) Ltd matter, including the general sourcing and implementation of transversal departmental contracts which are utilised by the WCG (e.g., transversal cleaning contracts), and how these differ from the Red Ants sourcing matter.</p>	<p>The PT briefed the Committee on 4 May 2022.</p>
<p>National instruction notes</p> <p>The Committee engaged the AGSA's comments on the instruction notes which are issued by the National Treasury on a continuous basis in terms of Section 76 of the Public Finance Management Act, No. 1 of 1999. The Committee further notes that the arrangement in the Western Cape is that the Provincial Treasury review these instruction notes and re-issue them to the various departments and entities on a selective basis. One (1) of the identified risks is that whereby material non-compliance could arise if certain national instruction notes are not complied with by departments and entities, where the necessary approval from the National Treasury to depart from them was not obtained as required by Section 79 of the PFMA.</p>	<p>That the Provincial Treasury brief the Committee on the instruction notes that were issued by National Treasury for the 2019/20 and 2020/21 financial years, including whether there were any departments and entities which deviated from the instruction notes. If such deviations occurred, the respective department/s should indicate the remedies that were introduced to mitigate future instances of deviations from instruction notes.</p>	<p>The PT briefed the Committee on 4 May 2022.</p>

List of information requested

None

10. PRIOR MODIFICATIONS TO AUDIT REPORTS

No modifications were made to prior audit reports.

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing/resolving the matter
None		

11. INTERNAL CONTROL

The Internal Control unit within the PT performed the following tasks during the year under review:

- The Unit compiled Standard Operating Procedures (SOPs) for reporting on 30-day payments, Corporate Governance Review and Outlook (CGRO), Irregular expenditure, and Fruitless and wasteful expenditure.
- Conducted an inspection on the utilisation of Government Garage (GG) Vehicles; and Transfer Payments Audit (Phase 1: review of the process before the transfer is made).
- Facilitated the monthly report on all payments which were not paid within 30 days and submitted the reports to the PFMA Compliance Unit.
- Provided the support function to the PFS Unit, including facilitating the attendance of awareness sessions by officials and assisting the PFS to update the fraud risk register.
- Investigated losses, irregular expenditure, and fruitless and wasteful expenditure cases. The irregular and fruitless and wasteful expenditure submissions were updated and brought in line with the guidelines as issued by National Treasury.
- Facilitated the review of and amendments to the Financial Manual.
- Performed post-auditing functions on the BAS and the LOGIS payments, and Travel and Subsistence claims, which ensured that payments were in accordance with prescripts that improved standards of financial administration for audit purposes. Deviations were reported on a quarterly basis to the respective units. The Department commenced with the utilisation of the web-based post-auditing database as rolled out by PG Accounting.
- Performed random checks on payments to ensure that cost containment measures were adhered to.
- Followed-up on the outstanding Internal Audit findings that were handed over to Internal Control and further pursued them in liaison with the relevant managers. Feedback was provided to the CFO, the AO and Audit Committee.
- Facilitated the 2021 CGRO process by ensuring that the responsible officials completed their sections and submitted it to the PT: PG Accounting. Updated the CGRO database on a quarterly basis that was presented at several meetings.
- Compiled the Quarterly Status of Records Review. The PT, with the assistance of the AGSA, quarterly performed reviews on the General Procedures, Financial Management, Performance Management, Performance and Contract Management, Compliance and Resource Management. The reports were submitted to the CFO and the AO. Furthermore, the reports are presented at the Quarterly Audit committee meetings.

- Provided the following secretariat functions to the ERMCO:
 - Compiled the minutes of the ERMCO meeting for each quarter;
 - Ensured that the members of the ERMCO were appointed;
 - The 2022/23 Enterprise Risk Management Strategy and Implementation Plan was updated and approved by the HOD on 30 March 2022;
 - The Terms of Reference of ERMCO for the period 2020/21 – 2024/25 approved by the HOD on 30 March 2021 is applicable to the 2021/22 financial year; and
 - The Operational Risk Register and Strategic Risk Register were updated and signed off bi-annually by the relevant SMS member and the AO.
- Quarterly submission of the IYM report, Status of Records Review, Tracking sheet, Quarterly Performance Report and the CGRO documents to the Governance and Administration Cluster Audit Committee for discussion at quarterly meetings.

12. INTERNAL AUDIT AND AUDIT COMMITTEES

Internal Audit provides management with independent, objective assurance and consulting services designed to add value and to continuously improve the operations of Provincial Treasury. It should assist the Department to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of Governance, Risk Management and Control processes. The following key activities are performed in this regard:

- Assess and make appropriate recommendations for improving the governance processes in achieving the Department's objectives;
- Evaluate the adequacy and effectiveness and contribute to the improvement of the risk management process; and
- Assist the Accounting Officer in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement.

Internal Audit work completed during the year under review for the PT included three (3) assurance audits, four (4) consulting engagements, and three (3) follow-up audits. The details of these engagements are included in the Audit Committee report.

The Audit Committee is established as an oversight body, providing independent oversight over governance, risk management and control processes in the Department, which include oversight and review of the following:

- Internal audit function;
- External audit function (AGSA);
- Departmental accounting and reporting;
- Departmental accounting policies;
- The AGSA audit and management reports;

- Departmental in-year monitoring;
- Departmental risk management;
- Internal Control;
- Pre-determined objectives; and
- Ethics, Fraud and Corruption.

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the Department	Date appointed	Date resigned	No. of meetings attended
Mr Francois Barnard (Chairperson)	BProc; BCompt (Hons); CTA; Postgraduate Diploma Auditing; MCom; CA (SA) MTP (SA)	External	N/A	1 January 2022 (2 nd term)	N/A	7
Ms Merle Kinnes	BA; LLB; Higher Certificate in Forensics Examination; Attorney of the High Court	External	N/A	1 January 2019 (2 nd term)	Contract expired 31 December 2021	5
Mr Andrew Davids	BCom; Professional Post-graduate qualification: Company Secretarial and Governance Practice, ACG(CS)	External	N/A	1 January 2020 (1 st term)	N/A	7
Ms Crystal Abdoll	BCom; BCompt (Hons); Certificate in the Theory of Accounting; CA (SA); Post-graduate Diploma: Certified Internal Auditing	External	N/A	1 March 2021 (1 st term)	N/A	7
Mr Comfort Bunting	ND: Internal Auditing; MBA	External	N/A	1 January 2022 (1 st term)	N/A	2

13. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2022.

Audit Committee responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and National Treasury Regulation 3.1. The Audit Committee also reports that it has adopted appropriate formal Terms of Reference, has regulated its affairs in compliance with the TOR, and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The Department is required to develop and maintain systems of internal control that would improve the likelihood of achieving its objectives, to adapt to changes in the environment it operates in and to promote efficiency and effectiveness of operations, supports reliable reporting and compliance with laws and regulations. The WCG adopted a Combined Assurance Framework which identifies and integrates assurance providers and assurance coverage in respect of risks. The first level of assurance is management assurance, requiring of line management to maintain effective internal controls and execute those procedures on a day-to-day basis by means of supervisory controls and taking remedial action where required. The second level of assurance is internal assurance provided by functions separate from direct line management, entrusted with assessing adherence to policies, procedures, norms, standards and frameworks. The third level of assurance is independent assurance providers that are guided by professional standards requiring the highest levels of independence.

A risk-based Combined Assurance Plan was developed for the Department, facilitated by Internal Audit, who is also an independent assurance provider. Internal Audit provides the Audit Committee and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved by an approved risk-based internal audit plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective actions.

The following internal audit engagements were approved by the Audit Committee and completed by Internal Audit during the year under review:

Assurance engagements:

- Financial Governance;
- Transfer Payments; and
- Implementation of the Irregular Expenditure Framework (the WCG Transversal IA Plan).

Consulting engagements:

- Business Process Re-engineering;
- Transfer payments: Municipality Grants review;
- Local Government: Asset Management; and
- Support to the Central Procurement Advisory Committee (the WCG Transversal IA Plan).

The above assignments were completed during the year.

The areas for improvement, as noted by Internal Audit during performance of their work, were agreed to by management. The Audit Committee monitors the implementation of the agreed actions on a quarterly basis.

In-year monitoring and monthly/quarterly report

The Audit Committee is satisfied with the content and quality of the quarterly in-year management and performance reports issued during the year under review by the Accounting Officer of the Department in terms of the National Treasury Regulations and the Division of Revenue Act.

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 AGSA and the Accounting Officer;
- reviewed the AGSA's Management Report and Management's responses thereto; and
- reviewed changes to accounting policies and practices as reported in the Annual Financial Statements.

Compliance

The Audit Committee has reviewed the Department's processes for compliance with legal and regulatory provisions. Feedback on new provisions that has an impact on the Department are provided quarterly by the Department to the Audit Committee.

Provincial Forensics Services

The Audit Committee has reviewed the reports presented by Provincial Forensic Services (PFS) on a quarterly basis. There were no matters brought to our attention that required further reporting by the Audit Committee.

Performance information

The Audit Committee has reviewed the information on predetermined objectives as reported in the Annual Report.

Report of the Auditor-General South Africa

We have on a quarterly basis reviewed the Department's implementation plan for audit issues raised in the prior year. The Audit Committee has met with the AGSA to ensure that there are no unresolved issues that emanated from the regulatory audit.

Corrective actions on the detailed findings raised by the AGSA are monitored by the Audit Committee on a quarterly basis.

The Audit Committee concurs and accepts the AGSA's opinion regarding the Annual Financial Statements and proposes that these Audited Annual Financial Statements be accepted and read together with their report.

The Audit Committee commends the Department for maintaining an unqualified audit opinion with no findings.

The Audit Committee wishes to express their appreciation to the management of the department, the AGSA and the WCG Corporate Assurance Branch for the information and co-operation that they provided to enable us to compile this report.



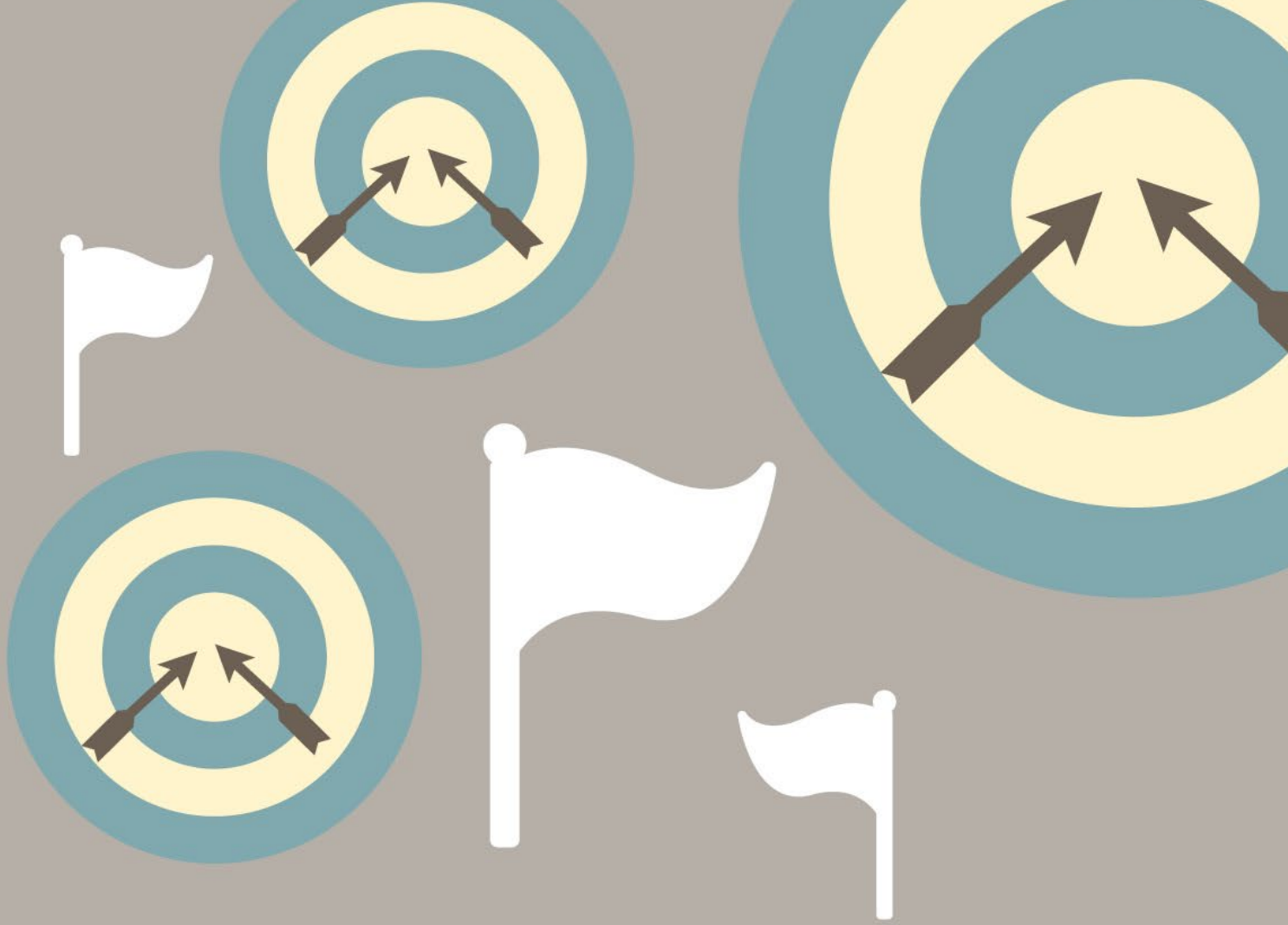
Mr Francois Barnard
Chairperson of the Governance & Administration Cluster Audit Committee
12 August 2022

14. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Has the Department/Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 to 8) with regards to the following:		
Criteria	Response Yes/No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	
Developing and implementing a preferential procurement policy?	No	<p>On 16 February 2022, the Constitutional Court handed down a judgment declaring the entire validity of the Preferential Procurement Regulations, 2017, invalid on the basis that the content of the Regulations exceeded the Minister's power on what could permissibly be regulated in terms of Section 5 of the Preferential Procurement Policy Framework Act, 2000 and Section 217 of the Constitution. Interim arrangements endorsed by Provincial Cabinet on 9 March 2022 to maintain the status quo and apply the Preferential Procurement Policy Framework Regulations (PPFR) via <u>Cabinet Minute 85 of 2022</u> was implemented with immediate effect.</p> <p>Clarification provided by the Constitutional Court on 30 May 2022 in respect of the suspension of invalidity of the regulations, confirmed that the appeal interrupted the suspension after 21 days and that the suspension continues after the judgment was handed down, and that the Regulations remain valid for the remainder of the 12-month period until 26 January 2023.</p> <p>The WCG subsequently took the decision to revert to its previous position as defined in <u>Cabinet Minute 87 of 2017</u>, i.e., apply its discretion in terms of pre-qualification criteria, i.e., Regulation 4, and in respect of Regulation 6(9)(a)-(c) and 7(9)(a)-(c); conduct empowerment assessments for all procurement above R10 million Exempted Micro Enterprise (EME) threshold and further enabling departments to lower the threshold should its analysis so dictate; and implement regional indicators to target local suppliers using the eProcurement system and simultaneously considering the rotation of suppliers.</p>

Has the Department/Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 to 8) with regards to the following:

Criteria	Response Yes/No	Discussion
		The Provincial Treasury is in the process of drafting a preferential procurement policy for the Province in consultation with the WCG Policy Focus Group and the broader SCM cadre, the CFO Forum and Provincial Top Management seeking consensus, buy-in and sign-off as a provincial policy before finalisation and issuance, and the adoption of the policy by each department.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	
Developing criteria for entering into partnerships with the private sector?	N/A	
Determining criteria for the awarding of incentives, grants, and investment schemes of Broad-Based Black Economic Empowerment?	N/A	



**HUMAN
RESOURCE
MANAGEMENT
PART D**

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

Our contribution to the work of the WCG is as a result of the persistent and often selfless, efforts of the officials within PT.

To consistently deliver improved services to the citizens of the Western Cape Province is not without its own challenges. The modern people management landscape has shifted significantly in recent years and requires complex navigation between a range of competing variables.

Apart from the fact that these variables are inter-dependent and inter-related, they are also governed by stringent rules and regulations, which prove difficult when retention and attraction initiatives are explored.

These include balancing service delivery imperatives, the attraction and retention of critical and scarce skills, workforce empowerment, career management, succession planning, employment equity and creating an enabling environment where employees are able to thrive. Furthermore, PT is required to function within an austere environment, which demands that managers consider the impact of "doing more with less".

At the start of the financial year the Culture Journey required alignment, focus and socialisation. A few targeted focus areas were put in place and allowed the culture journey to gain momentum. This included the alignment and trust between the Top 3 Executive Managers through a targeted team coaching process; the definition of Collective Symbolic Acts, all related to performance and ways of working, committed to by the Top Management; the provision of strategic simplicity by crafting a short strategy statement, leveraged in one-on-one leadership coaching discussions, and in Authentic Informal Leaders (AILs) behaviour experiment workshops. This contributed towards building a performance culture that values innovation towards building a future society. It also included engaging and leveraging the identified AILs as an advisory council, where the AILs were tasked to outline new rules of engagement, to foster better ways of working virtually and finding opportunities to embed the three (3) critical behaviours in moments that matter as key to the Department's recovery response and continued remote working approach. Various team coaching sessions were launched and critical three (3) behaviours shaped the outcomes.

Talent management is part of the culture of the Department and closely aligned with the PT's strategic plan with a distinct focus on improving staff capabilities and expertise. The Talent Management Strategy plays a vital role to ensure that strategic priorities have the required human resource capability to achieve the desired outcomes. The Talent Management team has engaged with all strategic priority leads to discuss the needs required to work toward the achievement of the various priorities' strategies.

In doing so the Department have incorporated the further identified needs into the Talent Management Strategy and departmental Workforce Plan. The alignment of plans aimed at streamlining interventions to addressing the current challenges faced with the workforce.

Despite the changing patterns and demands impacting on the modern workplace, the consistent hard work of our people, has resulted in remarkable achievements and service delivery improvement during the year under review.

2. STATUS OF PEOPLE MANAGEMENT AT THE DEPARTMENT

2.1 Departmental Workforce Planning Priorities

The role of Workforce Planning is important to ensure that the Department has the required number of people with the requisite skills, knowledge and attitudes to perform the work. Through this process the Department annually assesses its workforce profile against current and future organisational needs.

The aim of this assessment is to identify to what extent the current workforce profile addresses the key people management outcomes that would guarantee service continuity and value.

The Workforce Plan 2021 - 2026, is therefore aligned to the vision and mission of the Department's Strategic Plan.

The assumptions on which this Workforce Plan was developed are still valid and the Action Plan was reviewed to ensure that strategies (as per the listed priorities) would achieve its outcomes:

- Identifying and developing the required organisational capability;
- Values and Competency based recruitment practices (which includes the possibility of an online Application and Screening system to enhance the recruitment practices and attract the right candidates that are future and culture-fit);
- Diversify the talent pool;
- Talent and skills development for employees on new emerging skills (e.g., 4IR Meta competencies/functional and technical skills as well as behavioural skills that are critically needed to support the future-fit organisation;
- Prioritise training interventions to address Departmental Critical Competencies and Continuous Professional Development (CDP) requirements;
- Development and implementation of the Future Fit Skills Strategy (FFSS);
- Youth development programmes for assisting with creating talent pipelines (internships);
- Reconfiguration of Provincial Training Institution (PTI) into a provincial learning and innovation centre;
- EE priorities as indicated in the departmental EE Plan to guide the Recruitment and Selection decisions of the Department;
- Provide Health and Wellness interventions/services in support of employee wellbeing;
- Develop and implement the transition to a New Way of Work/WCG citizen-centric culture project; and

- The Workforce Plan has been reviewed to ensure that the Workforce Strategies and key activities remain valid and appropriate to ensure that the Department will meet its strategic mandate for the duration of the period (2021/22 - 2026/27).

2.2 Employee Performance Management

The purpose of Performance Management is to increase performance by encouraging individual commitment, accountability and motivation.

All employees are required to complete a performance agreement before 31 May each year. The agreement is, in essence, a contract between the employer and the employee containing the projects, programmes, activities, expectations and standards for the required delivery. In order to facilitate a standardised administrative process, the WCG has devised an electronic system, namely PERMIS (Performance Management Information System), that allows for the entire performance management process to be captured, monitored and managed.

The performance management process requires that a mid-year review and an annual assessment is conducted, but that the operational targets and achievements linked to the performance agreement be monitored and communicated on an ongoing basis. In instances where targets or performance expectations are not met, the gaps are addressed through the management of poor performance. In this context, a performance consulting unit has been established within the Department of the Premier (Chief Directorate: People Management Practices) to assist line managers (people managers) in dealing with poor performance. The process is developmental, however, in instances where individuals have been identified as poor performers in terms of the legislative framework, they are required to subject themselves to a developmental plan or alternatively to disciplinary action.

2.3 Employee Wellness

The WCG's transversal Employee Health and Wellness Programme (EHWP) follows a holistic approach to employee well-being and is largely preventative in nature, offering both primary and secondary services.

The EHWP is monitored through monthly utilisation reports for primary services (24/7/365 telephonic counselling service, online e-Care service and reporting) and secondary services (face-to-face counselling, trauma and critical incidents, training and targeted intervention, executive coaching, and advocacy).

A quarterly report is prepared by the Directorate: Organisational Behaviour within the DotP that provides a trend analysis of utilisation, risk identification and its impact on productivity. Furthermore, on-going reporting to the DPSA is a requirement and such reporting focuses on four (4) areas namely, HIV/AIDS, Health and Productivity, Wellness Management and SHERQ (Safety, Health, Environment, Risk and Quality).

2.4 People Management Monitoring

PT, in collaboration with the Department of the Premier monitors the implementation of a range of people management compliance indicators. The monthly Barometer Fact File, that is developed by the Chief Directorate: People Management Practices within the DotP, provides PT with regular updates on the workforce profile and other relevant people

management data to enable decision-making. The indicators include, inter alia, staff establishment information, headcount, people expenditure projections, sick leave patterns, the monetary value of annual leave credits, discipline cases, vacancy rates, staff movement, and employment equity etcetera.

3. PEOPLE MANAGEMENT OVERSIGHT STATISTICS

3.1 Personnel related expenditure

The following tables summarise the final audited expenditure per programme (Table 3.1.1) and by salary bands (Table 3.1.2).

The figures in Table 3.1.1 are drawn from the BAS and the figures in Table 3.1.2 are drawn from the PERSAL [Personnel Salary] system. The two (2) systems are not synchronised for salary refunds in respect of staff appointments and resignations and/or transfers to and from other departments. This means there may be a difference in the total expenditure reflected on these systems.

The key in the table below is a description of the Programmes within the Department. Programmes will be referred to by their number from this point forward.

Programme	Programme Designation
Programme 1	Administration
Programme 2	Sustainable Resource Management
Programme 3	Asset Management
Programme 4	Financial Governance

Table 3.1.1 Personnel expenditure by programme, 2021/22

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 remunerated
Programme 1	55 508	37 002	3 692	13 426	66.7	378	98
Programme 2	112 035	72 999	418	7 977	65.2	640	114
Programme 3	71 326	41 910	302	28 033	58.8	574	73
Programme 4	51 129	36 908	4 019	3 184	72.2	559	66
Total	289 998	188 819	8 431	52 620	65.0	538	351

Note: The number of employees refers to all individuals remunerated during the reporting period, including interns (i.e., graduate and student), but excluding the Provincial Minister. The number of employees is cumulative and not a snapshot as at a specific date.

Table 3.1.2 Personnel expenditure by salary band, 2021/22

Salary bands	Personnel Expenditure (R'000)	% of total personnel expenditure	Average personnel expenditure per employee (R'000)	Number of Employees
Interns	1 425	0.8	55	26
Lower skilled (Levels 1 - 2)	345	0.2	173	2
Skilled (Levels 3 - 5)	7 344	3.9	230	32
Highly skilled production (Levels 6 - 8)	21 214	11.3	354	60
Highly skilled supervision (Levels 9 - 12)	130 221	69.1	632	206
Senior management (Levels 13 - 16)	28 012	14.9	1 121	25
Total	188 559	100.0	537	351

Note: The number of employees refers to all individuals remunerated during the reporting period, including interns (i.e., Premier's Advancement of Youth [PAY], matric, graduate and student), but excluding the Provincial Minister. The number is cumulative and not a snapshot as at a specific date.

The following tables provide a summary per programme (Table 3.1.3) and salary bands (Table 3.1.4), of expenditure incurred as a result of salaries, overtime, housing allowance and medical assistance. These tables do not make provision for other expenditure such as Pensions, Performance Bonus and other allowances, which make up the total personnel expenditure. In each case, the table provides an indication of the percentage of the personnel expenditure that was used for these items.

Table 3.1.3 Salaries, Overtime, Housing Allowance and Medical Assistance by programme, 2021/22

	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
Programme 1	24 548	13.0	26	0.0	565	0.3	1 639	0.9
Programme 2	51 343	27.2	185	0.1	894	0.5	2 426	1.3
Programme 3	29 892	15.9	-	-	1 000	0.5	2 086	1.1
Programme 4	26 441	14.0	-	-	748	0.4	1 242	0.7
Total	132 224	70.1	212	0.1	3 208	1.7	7 392	3.9

Note: The figures in Tables 3.1.3 and 3.1.4 are drawn from the PERSAL system and not the BAS. The two (2) systems are not synchronised for salary refunds in respect of staff appointments and resignations and/or transfers to and from other departments. This means there may be a difference in the expenditure reflected on these systems, e.g. Salaries, Overtime, Housing and Medical Assistance. Further to this, the table above does not make provision for other expenditure such as Pensions, Performance Bonus and other allowances, which make up the total personnel expenditure. The above expenditure reflects for all individuals remunerated during the reporting period, including interns (Premier's Advancement of Youth (PAY), matric, graduate and student), but excluding the Provincial Minister.

Table 3.1.4 Salaries, Overtime, Housing Allowance and Medical Assistance by salary band, 2021/22

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
Interns	1 362	0.7	-	-	-	-	-	-
Lower skilled (Levels 1 - 2)	211	0.1	6	0.0	-	-	54	0.0
Skilled (Levels 3 - 5)	5 039	2.7	16	0.0	214	0.1	338	0.2
Highly skilled production (Levels 6 - 8)	14 272	7.6	110	0.1	590	0.3	1 490	0.8
Highly skilled supervision (Levels 9 - 12)	92 609	49.1	80	0.0	2 185	1.2	5 292	2.8
Senior management (Levels 13 - 16)	18 733	9.9	-	-	218	0.1	219	0.1
Total	132 224	70.1	212	0.1	3 208	1.7	7 392	3.9

Note: The figures in Tables 3.1.3 and 3.1.4 are drawn from the PERSAL [Personnel Salary] system and not the BAS. The two (2) systems are not synchronised for salary refunds in respect of staff appointments and resignations and/or transfers to and from other departments. This means there may be a difference in the expenditure reflected on these systems, e.g. Salaries, Overtime, Housing and Medical Assistance. Further to this, the table above does not make provision for other expenditure such as Pensions, Performance Bonus and other allowances, which make up the total personnel expenditure. The above expenditure reflects for all individuals remunerated during the reporting period, including interns (PAY, matric, graduate and student), but excluding the Provincial Minister.

3.2 Employment and vacancies

The following tables summarise the number of active posts on the establishment, the number of employees (excluding interns and the Provincial Minister) and the percentage active vacant posts as at the end of the financial year. This information is presented in terms of three (3) key variables, namely: Programme (Table 3.2.1), Salary Band (Table 3.2.2) and Critical Occupations (Table 3.2.3). All information in this section is provided as a snapshot as at the end of the financial year under review.

Table 3.2.1 Employment and vacancies by programme, as at 31 March 2022

Programme	Number of active posts	Number of posts filled	Vacancy rate %
Programme 1	65	65	-
Programme 2	104	104	-
Programme 3	69	69	-
Programme 4	61	59	3.3
Total	299	297	0.7

Table 3.2.2 Employment and vacancies by salary band, as at 31 March 2022

Salary Band	Number of active posts	Number of posts filled	Vacancy rate %
Lower skilled (Levels 1 - 2)	3	3	-
Skilled (Levels 3 - 5)	28	28	-
Highly skilled production (Levels 6 - 8)	50	50	-
Highly skilled supervision (Levels 9 - 12)	196	194	1.0
Senior management (Levels 13 - 16)	22	22	-
Total	299	297	0.7

Table 3.2.3 Employment and vacancies by critical occupation, as at 31 March 2022

Critical Occupations	Number of active posts	Number of posts filled	Vacancy rate %
Cash Management Analyst (LG)	5	5	-
Economist	19	19	-
Expenditure Analyst (PG)	10	10	-
Financial Analyst	16	15	6.3
Infrastructure Analyst	7	7	-
Procurement Specialist/Analyst	27	27	-
Revenue and Expenditure Analyst (LG)	15	15	-
Systems Controller	22	22	-
Total	121	120	0.8

Note: Critical occupations - refer to occupations that are critical for service delivery. If these occupations are not present in the Department, the function/services will collapse.

3.3 Job evaluation

Job evaluation was introduced as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities are required to evaluate each new post in his or her organisation or re-evaluate any post where the post mandate or content has significantly changed. This job evaluation process determines the grading and salary level of a post. It should be understood that Job Evaluation and Staff Performance Management differ in the sense that Job Evaluation refers to the value/weighting of the activities that are associated with the post and Staff Performance Management refers to the review of an individual's performance.

Table 3.3.1 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 3.3.1 Job evaluation, 1 April 2021 to 31 March 2022

Salary Band	Total number of posts as at 31 March 2022	Number of posts evaluated	% of posts evaluated	Posts Upgraded		Posts Downgraded	
				Number	Posts upgraded as a % of total posts	Number	Posts downgraded as a % of total posts
Lower skilled (Levels 1 - 2)	3	-	-	-	-	-	-
Skilled (Levels 3 - 5)	28	-	-	-	-	-	-
Highly skilled production (Levels 6 - 8)	50	-	-	-	-	-	-
Highly skilled supervision (Levels 9 - 12)	196	-	-	-	-	-	-
Senior Management Service Band A (Level 13)	15	-	-	-	-	-	-
Senior Management Service Band B (Level 14)	4	-	-	-	-	-	-
Senior Management Service Band C (Level 15)	2	-	-	-	-	-	-
Senior Management Service Band D (Level 16)	1	-	-	-	-	-	-
Total	299	-	-	-	-	-	-

Table 3.3.2 Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2021 to 31 March 2022

Beneficiaries	African	Indian	Coloured	White	Total
None					

Table 3.3.3 summarises the number of cases where salary levels exceeded the grade determined by job evaluation or where higher notches awarded to employees within a particular salary level. Each salary level consists of 12 notches. Reasons for the deviation are provided in each case.

Table 3.3.3 Employees who have been granted higher salaries than those determined by job evaluation per major occupation, 1 April 2021 to 31 March 2022

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
None					

Table 3.3.4 Profile of employees who have been granted higher salaries than those determined by job evaluation, 1 April 2021 to 31 March 2022

Beneficiaries	African	Coloured	Indian	White	Total
None					

3.4 Employment changes

Turnover rates provide an indication of trends in the employment profile of PT during the year under review. The following tables provide a summary of turnover rates by salary band (Table 3.4.1) and by critical occupation (Table 3.4.2). This section does not include information related to interns.

Table 3.4.1 Annual turnover rates by salary band, 1 April 2021 to 31 March 2022

Salary Band	Number of employees as at 31 March 2021	Turnover rate % 2020/21	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate % 2021/22
Lower skilled (Levels 1 - 2)	3	-	-	-	-	-	-
Skilled (Levels 3 - 5)	29	29.4	7	-	8	-	27.6
Highly skilled production (Levels 6 - 8)	52	10.7	6	1	8	1	17.3
Highly skilled supervision (Levels 9 - 12)	186	9.3	18	3	11	1	6.5
Senior Management Service Band A (Level 13)	15	13.3	2	-	1	1	13.3
Senior Management Service Band B (Level 14)	3	25.0	1	-	1	-	33.3
Senior Management Service Band C (Level 15)	2	-	-	-	-	-	-
Senior Management Service Band D (Level 16)	1	-	-	-	-	-	-
Total	291	12.1	34	4	29	3	11.0
			38		32		

Note: "Transfers" refer to the lateral movement of employees from one Public Service Department to another (both Provincially & Nationally). The turnover rate is determined by calculating the total exits as a percentage of the baseline (Number of employees as at 31 March 2021).

Table 3.4.2 Annual turnover rates by critical occupation, 1 April 2021 to 31 March 2022

Critical Occupation	Number of employees as at 31 March 2021	Turnover rate % 2020/21	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate % 2021/22
Cash Management Analyst (LG)	5	-	-	-	-	-	-
Economist	19	-	2	-	1	-	5.3
Expenditure Analyst (PG)	10	-	-	-	-	-	-
Financial Analyst	18	-	-	-	3	-	16.7
Infrastructure Analyst	7	12.5	1	1	1	1	28.6
Procurement Specialist/Analyst	22	28.0	4	1	-	-	-
Revenue and Expenditure Analyst (LG)	13	13.3	4	-	1	-	7.7
Systems Controller	24	-	3	-	4	-	16.7
Total	118	10.1	14	2	10	1	9.3
			16		11		

Note: "Transfers" refer to the lateral movement of employees from one Public Service Department to another (both Provincially & Nationally). The turnover rate is determined by calculating the total exits as a percentage of the baseline (Number of employees as at 31 March 2021).

Table 3.4.3 Staff leaving the employ of the Department, 1 April 2021 to 31 March 2022

Exit Category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2021
Death	2	6.3	0.7
Resignation*	11	34.4	3.8
Expiry of contract	10	31.3	3.4
Dismissal - operational changes	-	-	-
Dismissal - misconduct	1	3.1	0.3
Dismissal - inefficiency	-	-	-
Discharged due to ill-health	-	-	-
Retirement	5	15.6	1.7
Employee initiated severance package	-	-	-
Transfers to Statutory Body	-	-	-
Transfers to other Public Service departments	3	9.4	1.0
Promotion to another WCG Department	-	-	-
Total	32	100.0	11.0

Note: Table 3.4.3 identifies the various exit categories for those staff members who have left the employ of the Department.

* Resignations are further discussed in Tables 3.4.4 and 3.4.5.

Table 3.4.4 Reasons why staff resigned, 1 April 2021 to 31 March 2022

Resignation Reasons	Number	% of total resignations
Current Remuneration	1	9.1
No reason provided	8	72.7
Other Occupation	2	18.2
Total	11	100.0

Table 3.4.5 Different age groups of staff who resigned, 1 April 2021 to 31 March 2022

Age group	Number	% of total resignations
Ages <19	-	-
Ages 20 to 24	-	-
Ages 25 to 29	1	9.1
Ages 30 to 34	3	27.3
Ages 35 to 39	1	9.1
Ages 40 to 44	4	36.4
Ages 45 to 49	2	18.2
Ages 50 to 54	-	-
Ages 55 to 59	-	-
Ages 60 to 64	-	-
Ages 65 >	-	-
Total	11	100.0

Table 3.4.6 Employee initiated severance packages

Total number of employee - initiated severance packages offered in 2021/22	None
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Table 3.4.7 Promotions by salary band, 1 April 2021 to 31 March 2022

Salary Band	Number of Employees as at 31 March 2021	Promotions to another salary level	Promotions as a % of total employees	Progressions to another notch within a salary level	Notch progressions as a % of total employees
Lower skilled (Levels 1 - 2)	3	-	-	-	-
Skilled (Levels 3 - 5)	29	-	-	-	-
Highly skilled production (Levels 6 - 8)	52	-	-	-	-
Highly skilled supervision (Levels 9 - 12)	186	5	2.7	-	-
Senior management (Levels 13 - 16)	21	2	9.5	-	-
Total	291	7	2.4	-	-

Note: Promotions refer to the total number of employees who have advanced to a higher post level within the Department by applying and being successful for an advertised post through the recruitment and selection process. The information reflects the salary level of an employee after he/she was promoted. Employees who do not qualify for notch progressions are not included.

Table 3.4.8 Promotions by critical occupation, 1 April 2021 to 31 March 2022

Critical Occupation	Number of Employees as at 31 March 2021	Promotions to another salary level	Promotions as a % of total employees in critical occupations	Progressions to another notch within a critical occupation	Notch progressions as a % of total employees in critical occupations
Cash Management Analyst (LG)	5	-	-	-	-
Economist	19	-	-	-	-
Expenditure Analyst (PG)	10	-	-	-	-
Financial Analyst	18	-	-	-	-
Infrastructure Analyst	7	1	14.3	-	-
Procurement Specialist/ Analyst	22	-	-	-	-
Revenue and Expenditure Analyst (LG)	13	-	-	-	-
Systems Controller	24	-	-	-	-
Total	118	1	0.8	-	-

Note: Promotions refer to the total number of employees who have advanced to a higher post level within the Department by applying and being successful for an advertised post through the recruitment and selection process. The information reflects the salary level of an employee after he/she was promoted. Employees who do not qualify for notch progressions are not included.

3.5 Employment equity

Table 3.5.1 Total number of employees (including employees with disabilities) in each of the following occupational levels, as at 31 March 2022

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	-	-	-	2	-	1	-	-	-	-	3
Senior management (Levels 13 - 14)	3	5	-	3	-	4	2	2	-	-	19
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	21	56	1	13	32	60	1	10	-	-	194
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	8	7	-	-	12	18	-	6	-	-	51

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Semi-skilled and discretionary decision-making (Levels 3 - 5)	4	7	-	1	6	10	-	-	-	-	28
Unskilled and defined decision-making (Levels 1 - 2)	1	1	-	-	-	-	-	-	-	-	2
Total	37	76	1	19	50	93	3	18	-	-	297
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand total	37	76	1	19	50	93	3	18	-	-	297

A = African; C = Coloured; I = Indian; W = White.

Note: The figures reflected per occupational levels include all permanent, part-time and contract employees, but exclude interns. Furthermore, the information is presented by salary level and not post level. For the number of employees with disabilities, refer to Table 3.5.2.

Table 3.5.2 Total number of employees (with disabilities only) in each of the following occupational levels, as at 31 March 2022

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

A = African; C = Coloured; I = Indian; W = White.

Note: The figures reflected per occupational level include all permanent, part-time and contract employees, but exclude interns. Furthermore, the information is presented by salary level and not post level.

Table 3.5.3 Recruitment, 1 April 2021 to 31 March 2022

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	-	-	-	-	-	-	-	-	-	-	-
Senior management (Levels 13 - 14)	3	-	-	-	-	-	-	-	-	-	3
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	3	7	-	1	6	3	-	1	-	-	21
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	1	1	-	-	4	1	-	-	-	-	7
Semi-skilled and discretionary decision-making (Levels 3 - 5)	2	-	-	-	3	2	-	-	-	-	7
Unskilled and defined decision-making (Levels 1 - 2)	-	-	-	-	-	-	-	-	-	-	-
Total	9	8	-	1	13	6	-	1	-	-	38
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand total	9	8	-	1	13	6	-	1	-	-	38

A = African; C = Coloured; I = Indian; W = White.

Note: Recruitment refers to the appointment of new employees to the staff establishment of the Department, but exclude interns. The totals include transfers from other government departments and/or institutions, as per Table 3.4.1.

Table 3.5.4 Promotions, 1 April 2021 to 31 March 2022

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

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

A = African; C = Coloured; I = Indian; W = White.

Note: Promotions refer to the total number of employees who have advanced to a higher post level within the Department, by applying and being successful for an advertised post, through the recruitment and selection process as per Table 3.4.7.

Table 3.5.5 Terminations, 1 April 2021 to 31 March 2022

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	-	-	-	-	-	-	-	-	-	-	-
Senior management (Levels 13 - 14)	2	-	-	-	-	-	-	-	1	-	3
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	-	1	-	2	5	3	-	1	-	-	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	-	-	-	-	4	4	-	1	-	-	9
Semi-skilled and discretionary decision-making (Levels 3 - 5)	3	1	-	-	1	3	-	-	-	-	8
Unskilled and defined decision-making (Levels 1 - 2)	-	-	-	-	-	-	-	-	-	-	-
Total	5	2	-	2	10	10	-	2	1	-	32
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand total	5	2	-	2	10	10	-	2	1	-	32

A = African; C = Coloured; I = Indian; W = White.

Note: Terminations refer to those employees (excluding interns) who have left the employ of the Department, including transfers to other departments, as per Table 3.4.1.

Table 3.5.6 Disciplinary actions, 1 April 2021 to 31 March 2022

Disciplinary actions	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Final Written Warning	-	-	-	-	-	1	-	-	-	-	1
Desertion/Abscondment (Dismissal)	-	1	-	-	-	-	-	-	-	-	1
Not Guilty	1	-	-	-	-	-	-	-	-	-	1
Total	1	1	-	-	-	1	-	-	-	-	3
Temporary Employees	-	-	-	-	-	-	-	-	-	-	-
Grand Total	1	1	-	-	-	1	-	-	-	-	3

A = African; C = Coloured; I = Indian; W = White.

Note: The disciplinary actions total refers to formal outcomes only and not headcount. For further information on the outcomes of the disciplinary hearings and the types of misconduct addressed at disciplinary hearings, refer to Table 3.12.2 and Table 3.12.3.

Table 3.5.7 Skills development, 1 April 2021 to 31 March 2022

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15 - 16)	-	-	-	1	-	-	-	-	1
Senior management (Levels 13 - 14)	1	2	-	2	-	4	-	1	10
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	8	18	1	5	14	26	1	7	80
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	6	5	-	-	10	12	-	7	40
Semi-skilled and discretionary decision-making (Levels 3 - 5)	2	3	-	-	3	6	-	-	14
Unskilled and defined decision-making (Levels 1 - 2)	1	1	-	-	-	-	-	-	2
Total	18	29	1	8	27	48	1	15	147
Temporary employees	-	-	-	-	-	-	-	-	-
Grand total	18	29	1	8	27	48	1	15	147

A = African; C = Coloured; I = Indian; W = White.

Note: The above table refers to the total number of employees who have received training during the period under review, and not the number of training interventions attended by individuals. For further information on the actual training provided, refer to Table 3.13.2.

3.6 Signing of Performance Agreements by SMS members

Table 3.6.1 Signing of Performance Agreements by SMS Members, as at 31 May 2021

SMS Post Level	Number of active SMS posts per level	Number of SMS members per level	Number of signed Performance Agreements per level	Signed Performance Agreements as % of SMS members per level
Head of Department	1	1	1	100.0
Salary Level 15	2	2	2	100.0
Salary Level 14	4	3	3	100.0
Salary Level 13	17	15	15	100.0
Total	24	21	21	100.0

Note: This table refers to employees who are appointed as SMS members only. Employees who are remunerated higher than a SL12, but who are not SMS members have been excluded. Furthermore, the table reflects post salary details and not the individual salary level of employees. The allocation of performance-related rewards (cash bonus) for SMS members is dealt with later in the report. Refer to Table 3.8.5 in this regard.

Table 3.6.2 Reasons for not having concluded Performance Agreements with all SMS Members on 31 May 2021

Reasons for not concluding Performance Agreements with all SMS
None

Table 3.6.3 Disciplinary steps taken against SMS Members for not having concluded Performance Agreements on 31 May 2021

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

3.7 Filling of SMS posts

The tables in this section provide information on employment and vacancies as it relates to members of the SMS by salary level. It also provides information on advertising and the filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken in cases of non-compliance.

Table 3.7.1 SMS posts information, as at 30 September 2021

SMS Level	Number of active 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 of Department	1	1	100.0	-	-
Salary Level 15	2	2	100.0	-	-
Salary Level 14	5	4	80.0	1	20.0
Salary Level 13	16	14	87.5	2	12.5
Total	24	21	87.5	3	12.5

Note: This table refers to employees who are appointed as SMS members only. Employees who are remunerated higher than a SL12, but who are not SMS members have been excluded.

Table 3.7.2 SMS posts information, as at 31 March 2022

SMS Level	Number of active 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 of Department	1	1	100.0	-	-
Salary Level 15	2	2	100.0	-	-
Salary Level 14	4	4	100.0	-	-
Salary Level 13	15	15	100.0	-	-
Total	22	22	100.0	-	-

Note: This table refers to employees who are appointed as SMS members only. Employees who are remunerated higher than a SL12, but who are not SMS members have been excluded.

Table 3.7.3 Advertising and Filling of SMS posts, as at 31 March 2022

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 of Department	-	-	-
Salary Level 15	-	-	-
Salary Level 14	1	2	-
Salary Level 13	4	3	-
Total	5	5	-

Table 3.7.4 Reasons for not having complied with the filling of active vacant SMS posts – Advertised within 6 months and filled within 12 months after becoming vacant

SMS Level	Reasons for non-compliance
Head of Department	N/A
Salary Level 15	N/A
Salary Level 14	N/A
Salary Level 13	N/A

Table 3.7.5 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
None

3.8 Employee performance

The following tables note the number of staff by salary band (Table 3.8.1) and staff within critical occupations (Table 3.8.2) who received a notch progression as a result of performance management. (i.e., qualifying employees who scored between 3 - 4 in their performance ratings).

Table 3.8.1 Notch progressions by salary band, 1 April 2021 to 31 March 2022

Salary Band	Employees as at 31 March 2021	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1 - 2)	3	-	-
Skilled (Levels 3 - 5)	29	-	-
Highly skilled production (Levels 6 - 8)	52	-	-
Highly skilled supervision (Levels 9 - 12)	186	-	-
Senior management (Levels 13 - 16)	21	-	-
Total	291	-	-

Table 3.8.2 Notch progressions by critical occupation, 1 April 2021 to 31 March 2022

Critical Occupations	Employees as at 31 March 2021	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Cash Management Analyst (LG)	5	-	-
Economist	19	-	-
Expenditure Analyst (PG)	10	-	-
Financial Analyst	18	-	-
Infrastructure Analyst	7	-	-
Procurement Specialist/Analyst	22	-	-
Revenue and Expenditure Analyst (LG)	13	-	-
Systems Controller	24	-	-
Total	118	-	-

Table 3.8.3 Performance rewards by race, gender, and disability, 1 April 2021 to 31 March 2022

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2021	% of total within group	Cost (R'000)	Average cost per beneficiary (R)
African	-	79	-	-	-
Male	-	32	-	-	-
Female	-	47	-	-	-
Coloured	-	167	-	-	-
Male	-	70	-	-	-
Female	-	97	-	-	-
Indian	-	4	-	-	-
Male	-	1	-	-	-
Female	-	3	-	-	-

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2021	% of total within group	Cost (R'000)	Average cost per beneficiary (R)
White	-	36	-	-	-
Male	-	19	-	-	-
Female	-	17	-	-	-
Employees with a disability	-	5	-	-	-
Total	-	291	-	-	-

Table 3.8.4 Performance rewards (cash bonus), by salary bands for personnel below Senior Management Service level, 1 April 2021 to 31 March 2022

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2021	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of the total personnel expenditure
Lower skilled (Levels 1 - 2)	-	3	-	-	-	-
Skilled (Levels 3 - 5)	-	29	-	-	-	-
Highly skilled production (Levels 6 - 8)	-	52	-	-	-	-
Highly skilled supervision (Levels 9 - 12)	-	186	-	-	-	-
Total	-	270	-	-	-	-

Table 3.8.5 Performance rewards (cash bonus), by salary band, for Senior Management Service level, 1 April 2021 to 31 March 2022

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2021	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of the total personnel expenditure
Senior Management Service Band A (Level 13)	-	15	-	-	-	-
Senior Management Service Band B (Level 14)	-	3	-	-	-	-
Senior Management Service Band C (Level 15)	-	2	-	-	-	-
Senior Management Service Band D (Level 16)	-	1	-	-	-	-
Total	-	21	-	-	-	-

Table 3.8.6 Performance rewards (cash bonus) by critical occupation, 1 April 2021 to 31 March 2022

Critical Occupation	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2021	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of total personnel expenditure
Cash Management Analyst (LG)	-	5	-	-	-	-
Economist	-	19	-	-	-	-
Expenditure Analyst (PG)	-	10	-	-	-	-
Financial Analyst	-	18	-	-	-	-
Infrastructure Analyst	-	7	-	-	-	-
Procurement Specialist/ Analyst	-	22	-	-	-	-
Revenue and Expenditure Analyst (LG)	-	13	-	-	-	-
Systems Controller	-	24	-	-	-	-
Total	-	118	-	-	-	-

3.9 Foreign workers

The tables below summarise the employment of foreign nationals in PT in terms of salary bands (Table 3.9.1) and major occupation (Table 3.9.2). The tables also summarise changes in the total number of foreign workers in each salary band and by each major occupation.

Table 3.9.1 Foreign Workers by salary band, 1 April 2021 to 31 March 2022

Salary Band	1 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1 - 2)	-	-	-	-	-	-
Skilled (Levels 3 - 5)	-	-	-	-	-	-
Highly skilled production (Levels 6 - 8)	-	-	-	-	-	-
Highly skilled supervision (Levels 9 - 12)	-	-	-	-	-	-
Senior management (Levels 13 - 16)	1	100.0	-	-	-1	-100.0
Total	1	100.0	-	-	-1	-100.0

Note: The table above includes non-citizens with permanent residence in the Republic of South Africa.

Table 3.9.2 Foreign Workers by major occupation, 1 April 2021 to 31 March 2022

Major Occupation	1 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% change
Director	1	100.0	-	-	-1	-100.0
Total	1	100.0	-	-	-1	-100.0

Note: The table above includes non-citizens with permanent residence in the Republic of South Africa.

3.10 Leave utilisation for the period 1 January 2021 to 31 December 2021

The following tables provide an indication of the use of sick leave (Table 3.10.1) and incapacity leave (Table 3.10.2). In both instances, the estimated cost of the leave is also provided.

Table 3.10.1 Sick leave, 1 January 2021 to 31 December 2021

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)
Interns	37	73.0	8	26	30.8	5	14
Lower skilled (Levels 1 - 2)	-	-	-	2	-	-	-
Skilled (Levels 3 - 5)	166	84.9	20	33	60.6	8	115
Highly skilled production (Levels 6 - 8)	281	87.5	34	61	55.7	8	309
Highly skilled supervision (Levels 9 - 12)	845	79.1	128	205	62.4	7	1 597
Senior management (Levels 13 - 16)	98	83.7	16	26	61.5	6	326
Total	1 427	81.6	206	353	58.4	7	2 361

Note: 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 (3) years. The three-year sick leave cycle started in January 2019 and ends in December 2021. The information in each case reflects the totals excluding incapacity leave taken by employees. For an indication of incapacity leave taken, refer to Table 3.10.2.

Table 3.10.2 Incapacity leave, 1 January 2021 to 31 December 2021

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)
Interns	-	-	-	26	-	-	-
Lower skilled (Levels 1 - 2)	-	-	-	2	-	-	-
Skilled (Levels 3 - 5)	26	100.0	1	33	3.0	26	16

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)
Highly skilled production (Levels 6 - 8)	150	100.0	3	61	4.9	50	179
Highly skilled supervision (Levels 9 - 12)	20	100.0	1	205	0.5	20	29
Senior management (Levels 13 - 16)	-	-	-	26	-	-	-
Total	196	100.0	5	353	1.4	39	224

Note: 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 (3) years. If an employee has exhausted his or 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 Policy on Incapacity Leave and Ill-Health Retirement (PILIR).

Table 3.10.3 Annual Leave, 1 January 2021 to 31 December 2021

Salary Band	Total days taken	Total number employees using annual leave	Average number of days taken per employee
Interns	276	24	12
Lower skilled (Levels 1 - 2)	8	2	4
Skilled (Levels 3 - 5)	542	31	17
Highly skilled production (Levels 6 - 8)	1 101	55	20
Highly skilled supervision (Levels 9 - 12)	4 168	197	21
Senior management (Levels 13 - 16)	526	23	23
Total	6 621	332	20

Table 3.10.4 Capped leave, 1 January 2021 to 31 December 2021

Salary Band	Total capped leave available as at 31 Dec 2020	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 Dec 2021	Total capped leave available as at 31 Dec 2021
Lower skilled (Levels 1 - 2)	-	-	-	-	-	-
Skilled (Levels 3 - 5)	99	-	-	-	1	99
Highly skilled production (Levels 6 - 8)	86	14	1	14	8	72

Salary Band	Total capped leave available as at 31 Dec 2020	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 Dec 2021	Total capped leave available as at 31 Dec 2021
Highly skilled supervision (Levels 9 - 12)	1 315	136	2	68	24	1 179
Senior management (Levels 13 - 16)	255	-	-	-	3	255
Total	1 756	150	3	50	36	1 606

Note: It is possible for the total number of capped leave days to increase as employees who were promoted or transferred into the Department, retain their capped leave credits, which form part of that specific salary band and ultimately the departmental total.

Table 3.10.5 Leave pay-outs, 1 April 2021 to 31 March 2022

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave pay-outs during 2021/22 due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave pay-outs on termination of service	370	3	123 184
Current leave pay-outs on termination of service	534	19	28 103

3.11 Health Promotion Programmes, including HIV and AIDS

Table 3.11.1 Steps taken to reduce the risk of occupational exposure, 1 April 2021 to 31 March 2022

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
The nature of PT'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>Due to the COVID-19 pandemic and lockdown conditions the HIV & AIDS counselling and testing (HCT) and wellness services were suspended.</p> <p>Employee Health and Wellness Services are rendered to all employees in need and include the following:</p> <ul style="list-style-type: none"> ● 24/7/365 Telephone counselling; ● Face to face counselling (six (6) session model); ● Trauma and critical incident counselling; ● Advocacy on HIV&AIDS awareness, including online EHW services; and ● Training, coaching and targeted Interventions where these were required.

Table 3.11.2 Details of Health Promotion including HIV & AIDS Programmes, 1 April 2021 to 31 March 2022

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2016? If so, provide her/his name and position.	✓		Ms Letitia Isaacs, Acting Director: Organisational Behaviour (Department of the Premier)
2. Does the Department have a dedicated unit, or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	✓		<p>The Department of the Premier provides a transversal service to eleven (11) provincial departments, including 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 well-being of employees in the eleven (11) client departments.</p> <p>The unit consists of a Deputy Director, three (3) Assistant Directors, and two (2) EHW Practitioners.</p> <p>Budget: R3.5 million</p>
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for employees? If so, indicate the key elements/ services of this Programme.	✓		<p>The Department of the Premier has entered into a service level agreement with Metropolitan Health (external service provider) to render an Employee Health and Wellness Service to eleven (11) provincial departments.</p> <p>The following interventions were conducted: Reintegrating into work post lockdown, Adjusting to the New Way of Work, Fatigue Management during COVID-19, Dealing with Trauma Amidst COVID-19, Stress & Self-Management, Building Optimal Relationships, e-Portal Training, Mental Health Awareness, Emotional Debriefing, Financial Wellness, Trauma Management, Retirement Planning, Psychological Impact of COVID-19 (Transversal Webinar), Stress, Self-Care & Resilience (Transversal Webinar), COVID-19: Health issues & Healing Process (Transversal Webinar), Managing Your Personal Brand (Transversal Webinar), Flourishing Teams in the Workplace (Transversal Webinar) and Social Media and Your Wellbeing (Transversal Webinar).</p> <p>These interventions are based on the outbreak of the COVID-19 pandemic as well as the trends reflected in the quarterly reports and implemented to address employee needs.</p> <p>The targeted interventions for both employees and managers were aimed at personal development; promotion of healthy lifestyles; and improving coping skills. This involved presentations, workshops, group discussions to create awareness and encourage employees to have a pro-active approach to limit the impact of these problems in the workplace. Targeted interventions were also implemented to equip managers with tools to engage employees in the workplace.</p> <p>Employee Health and Wellness Information on how to access the Employee Health and Wellness (EHW) Programme was conducted.</p>

Question	Yes	No	Details, if yes
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2016? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	✓		<p>The Provincial Employee Health and Wellness Steering Committee has been established with members nominated by each department.</p> <p>Provincial Treasury is represented by Mr Brandon Damons and Mr Mziyanda Mpiyane.</p>
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	✓		<p>The Transversal Management Framework for Employee Health and Wellness Programmes in the Western Cape Government is in effect and was adopted by the Co-ordinating Chamber of the Public Service Co-ordinating Bargaining Council (PSCBC) for the Western Cape Province in December 2016.</p> <p>In this regard, all employment policies make provision for fair practices, regardless of the HIV status of staff or applicants. Workplace practices are constantly monitored to ensure policy compliance and fairness.</p> <p>Under the EHW banner, four (4) EHW Policies were approved which includes HIV & AIDS and TB Management that responds to the prevention of discrimination against employees affected and infected by HIV & AIDS and TB in the workplace.</p> <p>Further to this, the Department of Health, that is the lead department for HIV & AIDS, has approved the Transversal HIV and AIDS/STI Workplace Policy and Programme that is applicable to all departments of the Western Cape Government. The document is in line with National EHW Strategic Framework 2018 as amended.</p> <p>During the reporting period, the transversal EHW policies including the HIV, STI's and TB Management Policy have been reviewed against the DPSA policies as well as the National Strategic Plan for HIV, TB and STIs (2017 - 2022) which ensures inclusivity and elimination of discrimination and stigma against employees with HIV.</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>The Provincial Implementation Plan on HIV & AIDS, STIs and TB 2017 - 2022 has been implemented to mainstream HIV and TB and its gender and rights-based dimensions into the core mandates to reduce HIV-related stigma.</p> <p>The aim is to:</p> <ul style="list-style-type: none"> ● Reduce HIV and TB discrimination in the workplace. This included campaigns against unfair discrimination and empowerment of employees. ● Reduce unfair discrimination in access to services. This included ensuring that the Directorate Employee Relations addresses complaints or grievances relating to unfair discrimination and provides training to employees. <p>Due to the COVID-19 pandemic, the Department could not implement the planned measures to address the stigma and discrimination against those infected or perceived to be infective with HIV, which include the following:</p> <ul style="list-style-type: none"> ● Wellness Screenings (Blood pressure, Glucose, Cholesterol, TB, BMI); ● HCT Screenings; ● TB Talks and Screenings; ● Distributing posters and pamphlets; and ● Condom distribution and spot talks.

Question	Yes	No	Details, if yes
7. Does the Department encourage its employees to undergo HIV counselling and testing (HCT)? If so, list the results that you have you achieved.	✓		HCT SESSIONS: Wellness and HCT screening sessions was arranged during World AIDS day: seven (7) attendees. The poor attendance might be due to COVID-19 pandemic.
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓		The EHWP is monitored through Quarterly and Annual reporting and trend analysis can be derived through comparison of departmental utilisation and demographics i.e. age, gender, problem profiling, employee vs. manager utilisation, number of cases. Themes and trends also provide a picture of the risks and impact the EHW issues have on individual and the workplace.

3.12 Labour relations

The following provincial collective agreements were entered into with trade unions for the period under review.

Table 3.12.1 Collective agreements, 1 April 2021 to 31 March 2022

Total collective agreements	None
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Table 3.12.2 summarises the outcome of disciplinary hearings conducted within the Department for the period.

Table 3.12.2 Misconduct and disciplinary hearings finalised, 1 April 2021 to 31 March 2022

Outcomes of disciplinary hearings	Number of cases finalised	% of total
Final Written Warning	1	33.3
Desertion/Abscondment (Dismissal)	1	33.3
Not Guilty	1	33.3
Total	3	100.0
Percentage of total employment		0.9

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

Table 3.12.3 Types of misconduct addressed at disciplinary hearings, 1 April 2021 to 31 March 2022

Type of misconduct	Number	% of total
Conduct Self in Improper/Unacceptable Manner	1	33.3
Abscondment	1	33.3
Prejudices Administration of Organisation or Dept	1	33.3
Total	3	100.0

Table 3.12.4 Grievances lodged, 1 April 2021 to 31 March 2022

Grievances lodged	Number	% of total
Number of grievances resolved	6	66.7
Number of grievances not resolved	3	33.3
Total number of grievances lodged	9	100.0

Note: Grievances lodged refers to cases that were finalised within the reporting period. Grievances **not resolved** refers to cases where the outcome was **not in favour of the aggrieved**. All cases resolved and not resolved have been finalised.

Table 3.12.5 Disputes lodged with Councils, 1 April 2021 to 31 March 2022

Disputes lodged with Councils	Number	% of total
Number of disputes upheld	-	-
Number of disputes dismissed	1	100.0
Total number of disputes lodged	1	100.0

Note: Councils refer to the Public Service Co-ordinating Bargaining Council (PSCBC) and General Public Service Sector Bargaining Council (GPSSBC). When a dispute is "upheld", it means that the Council endorses the appeal as legitimate and credible in favour of the aggrieved. When a dispute is "dismissed", it means that the Council is not ruling in favour of the aggrieved.

Table 3.12.6 Strike actions, 1 April 2021 to 31 March 2022

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

Table 3.12.7 Precautionary suspensions, 1 April 2021 to 31 March 2022

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

Note: Precautionary suspensions refer to staff who were suspended with full pay, whilst the case was being investigated.

3.13 Skills development

This section highlights the efforts of PT regarding skills development. Table 3.13.1 reflects the training needs as at the beginning of the period under review, and Table 3.13.2 the actual training provided.

Table 3.13.1 Training needs identified, 1 April 2021 to 31 March 2022

Occupational Categories	Gender	Number of employees as at 1 April 2021	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers (Salary Band 13 - 16)	Female	8	-	12	-	12
	Male	13	-	19	-	19
Professionals (Salary Band 9 - 12)	Female	103	-	159	-	159
	Male	83	-	133	-	133
Technicians and associate professionals (Salary Band 6 - 8)	Female	39	-	42	-	42
	Male	13	-	17	-	17
Clerks (Salary Band 3 - 5)	Female	14	-	20	-	20
	Male	13	-	28	-	28
Elementary occupations (Salary Band 1 - 2)	Female	-	-	-	-	-
	Male	2	-	5	-	5
Sub Total	Female	164	-	233	-	233
	Male	124	-	202	-	202
Total		288	-	435	-	435
Employees with disabilities	Female	2	-	3	-	3
	Male	3	-	5	-	5

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

Table 3.13.2 Training provided, 1 April 2021 to 31 March 2022

Occupational Categories	Gender	Number of employees as at 31 March 2022	Training needs provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers (Salary Band 13 - 16)	Female	9	-	8	-	8
	Male	13	-	8	-	8
Professionals (Salary Band 9 - 12)	Female	103	-	118	-	118
	Male	91	-	95	-	95
Technicians and associate professionals (Salary Band 6 - 8)	Female	36	-	50	-	50
	Male	15	-	23	-	23
Clerks (Salary Band 3 - 5)	Female	16	-	32	-	32
	Male	12	-	8	-	8
Elementary occupations (Salary Band 1 - 2)	Female	-	-	-	-	-
	Male	2	-	2	-	2
Sub Total	Female	164	-	208	-	208

Occupational Categories	Gender	Number of employees as at 31 March 2022	Training needs provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
	Male	133	-	136	-	136
Total		297	-	344	-	344
Employees with disabilities	Female	3	-	-	-	-
	Male	3	-	-	-	-

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

3.14 Injury on duty

This section provides basic information on injuries sustained whilst being on official duty.

Table 3.14.1 Injury on duty, 1 April 2021 to 31 March 2022

Nature of injury on duty	Number	% of total
Required basic medical attention only	-	-
Temporary disablement	-	-
Permanent disablement	-	-
Fatal	-	-
Total	-	-
Percentage of total employment		-

3.15 Utilisation of consultants

Table 3.15.1 Consultant appointments using appropriated funds

Programme	Consulting Firm	Project Title	Nature of the Project	Total number of Consultants that worked on the Project	Duration: Workdays/Hours	Contract Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
Programme 1	G Kassiem	Translation Services: Editing of Overview of Provincial and Municipal Infrastructure Investment.	-	DCAS Contract	25 741 words	19	-	1
	AA Wilson	Translation Services: Provincial Treasury Promotion of Access to Information Act (PAIA) Manual.	-	DCAS Contract	11 888 words	5	-	4
	L Sullivan	Translation Services: Provincial Treasury Annual Performance Plan 2021/22 from English to Afrikaans.	-	DCAS Contract	52 563 words	39	-	4

Programme	Consulting Firm	Project Title	Nature of the Project	Total number of Consultants that worked on the Project	Duration: Workdays/ Hours	Contract Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
Programme 1	S D Gxilishe	Translation Services: Provincial Treasury Annual Performance Plan 2021/22 from English to Xhosa.	-	DCAS Contract	52 563 words	42	-	N/A
	Quantum Leap Consulting	Business Process Re-engineering (BPR).	Process Analysts	DotP Contract (2)	2 378H	1 337	-	1
	PricewaterhouseCoopers Incorporated (PwC)	Culture Journey.	To develop and implement a Culture Journey Strategy and Roadmap.	N/A	-	2 677	-	1
Programme 2	Government Technical Advisory Centre (GTAC)	Review and analysis of WCG CoE.	Review and analysis of compensation of employees of Western Cape provincial government departments and cost containment measures.	N/A	-	21	-	N/A
	Strategic Economic Solution (Stratecon)	Twentieth (20 th) and Twenty First (21 st) Comments.	To analyse the comments received with regards to the draft Western Cape Twentieth and Twenty-First Gambling and Racing Amendment Bills and accompanying Regulations.	3	-	217	-	4
	Strategic Economic Solution (Stratecon)	Research and review of the Gambling Policy of the Western Cape.	To provide background research for the review of the gambling policy for a period of 36 months.	4	12 months	813	-	4
	Gloucester Accounting Services	Probity Investigation.	Probity investigation for the four (4) nominations of the appointment of the WCGRB members.	1	-	29	-	4

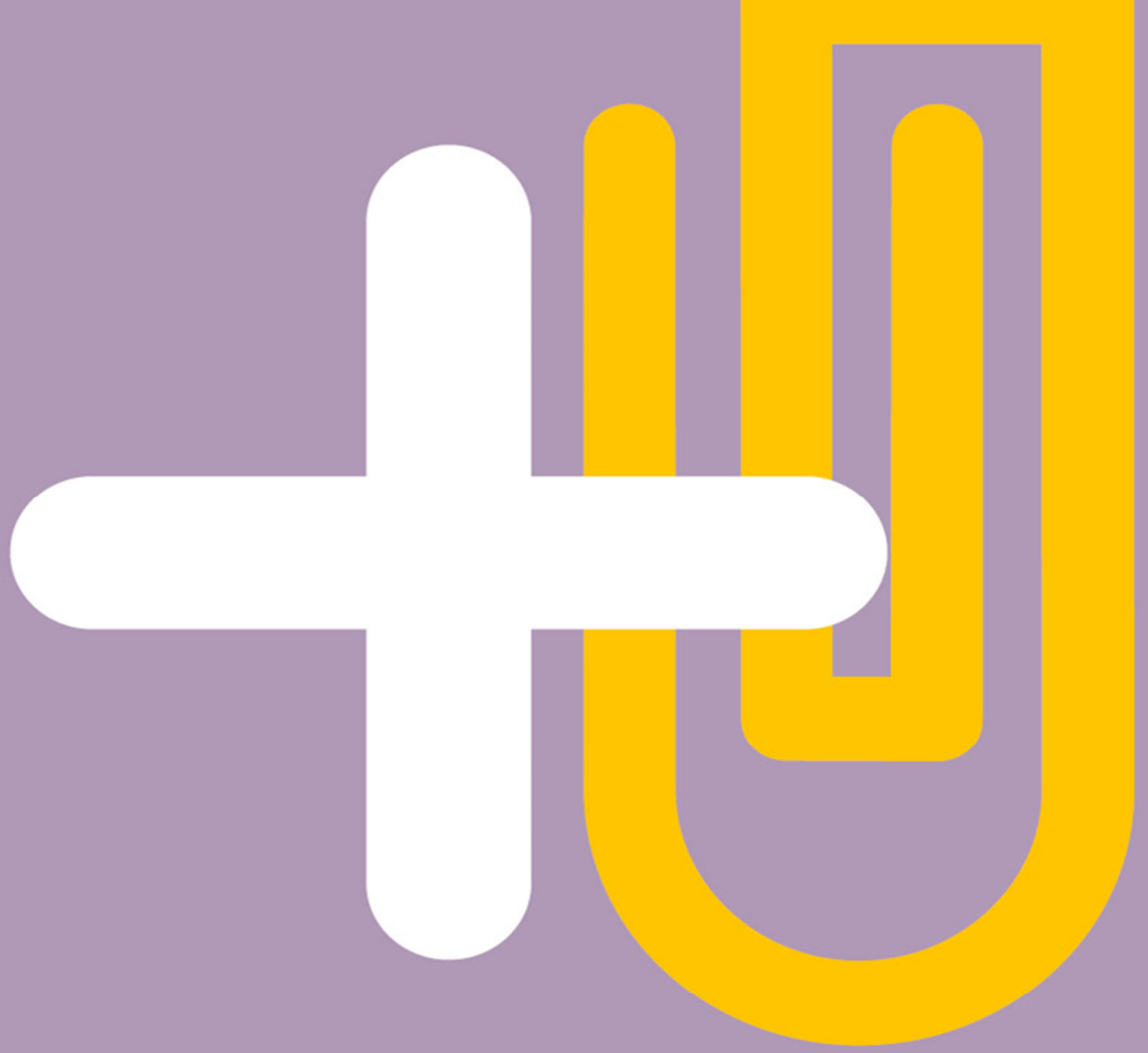
Programme	Consulting Firm	Project Title	Nature of the Project	Total number of Consultants that worked on the Project	Duration: Workdays/ Hours	Contract Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
Programme 2	Palmer Development Group	Financial Sustainability of District Municipalities in the Western Cape.	Reclassification of category C1 to C2 District Municipalities.	3	Six (6) months	375		2
	Government Technical Advisory Centre (GTAC)	Expenditure Reviews.	Spending Reviews Training: Technical Support & Capacity Building on spending review methodology.	N/A	-	682	-	N/A
	HS Business Solution	Provincial Economic Outlook and Review (PERO)	Compilation of the Provincial Economic Outlook and Review	-	-	742	-	4
	Urban-Economic Development Economists (Pty) Ltd	Municipal Economic Outlook and Review.	Conducting research and production of the MERO.	-	-	1 197	-	4
	Quantum Leap Consulting	Provision of the Solutions of Architect (Business Analyst).	Support on the execution of the Directorate's ICT Plan.	DotP Contract (1)	478H	413	-	1
	Altimax (Pty) Ltd	Training on cash flow and balance sheet budgeting for thirty (30) municipalities.	Training and Capacity Building for Municipal and Western Cape Government Officials.	-	Two (2) days	122	-	2

Programme	Consulting Firm	Project Title	Nature of the Project	Total number of Consultants that worked on the Project	Duration: Workdays/ Hours	Contract Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
Programme 3	Nasikha Business Specialist	SCM Reform.	To assists PT with Business advisory support to enable its governance strategy and to facilitate the move from conformance to performance.	2	3 288H	2 852	-	1
	Greater Translogic Advisory Services (Pty) Ltd (GTAC)	Asset Management: Capacity building through training and development.	Review, improvement, and formulation of an Asset Management system of governance and capacity building through training and development at eight (8) municipalities in the Western Cape: Overstrand, Cape Agulhas, Drakenstein, Stellenbosch, Witzenberg, Breede Valley, Langeberg and Cape Winelands District.	2	12 months	1498	-	1
	Greater Translogic Advisory Services (Pty) Ltd (GTAC)	Asset Management: Capacity building through training and development.	Review, improvement, and formulation of an Asset Management system of governance and capacity building through training and development at six (6) municipalities in the Western Cape: Bergrivier, Cederberg, Swartland, Matzikama, Saldanha Bay and West Coast District over a period of eleven (11) months.	2	Four (4) months	600	-	1

Programme	Consulting Firm	Project Title	Nature of the Project	Total number of Consultants that worked on the Project	Duration: Workdays/ Hours	Contract Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
Programme 3	State Information Technology Agency (SITA)	Gartner Subscription.	Executive Programs Leadership Team.	DotP Contract	N/A	787	-	4
	EOH Mthombo (Pty) Ltd	BizBrain	Development Services.	DotP Contract (4)	877.5H	638	-	1
	Quantum Leap Consulting	BizBrain	Development Services.	DotP Contract (2)	340.5H	276	-	1
	DLK Group (Pty) Ltd	BizBrain	Development Services.	DotP Contract (1)	919	476	-	1
	Business Connexions	PERSAL Support.	Rendering functional, technical and management support on the Personnel and Salary Administration System.	1	703 H	1 396	-	6
	State Information Technology Agency (SITA)	Implementation of the e-Learning Platform (Moodle tool).	e-Learning Platform.	-	-	698		4
	EOH Mthombo (Pty) Ltd	DIMIS.	Applications developer and Analysis Services (ICT).	DotP Contract (2)	633.5H	645		1
	DLK Group (Pty) Ltd	Oracle.	Enterprise Architecture Service (ICT).	DotP Contract (1)	1 216H	1 081		1
	DLK Group (Pty) Ltd	Business Analysts.	Applications developer and Analysis Services (ICT).	DotP Contract (6)	7 135H	3 913		1

Programme	Consulting Firm	Project Title	Nature of the Project	Total number of Consultants that worked on the Project	Duration: Workdays/ Hours	Contract Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
Programme 4	EOH Mthombo (Pty)Ltd	WC Monitoring Evaluation System.	OPS Platform (maintenance and support).	DotP Contract	N/A	231	-	1
	Ducharme Consulting	Modified Cash Standards (MCS) Training.	One day online/Virtual MCS training for eighty (80) provincial government accounting officials.	-	One (1) day	14	-	2
			MCS training for eighty (80) provincial government accounting officials.		One (1) day	25		
	Mebesko Africa	Generally Recognised Accounting Practice (GRAP).	Online GRAP training for seventy (70) Provincial Government with Provincial Treasury and Provincial Entities.	-	Two (2) days	34		N/A
	Altimax (Pty) Ltd	Generally Recognised Accounting Practice (GRAP).	Online GRAP training for seventy (70) provincial government accounting officials.	-	Two (2) days	55	-	2
	Ducharme Consulting	Generally Recognised Accounting Practice (GRAP).	Online GRAP training for eight (80) Provincial Treasury accounting and municipal accounting officials.	-	Two (2) days	89		N/A
	Altimax (Pty) Ltd		Online GRAP training for ninety (90) Provincial Treasury accounting and municipal accounting officials.	-	Two (2) days	55		2

Programme	Consulting Firm	Project Title	Nature of the Project	Total number of Consultants that worked on the Project	Duration: Workdays/ Hours	Contract Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
Programme 4	IA Professionals	Risk Management Training.	To develop training material, provide online/virtual training to municipal risk officers and champions and transfer the training skills to Provincial Treasury.	1	Three (3) days	129	-	4
	IA Professionals	Quality Assurance Review (QAR).	To perform External Quality Assessment for five (5) municipalities in Beaufort West, Matzikama, Central Karoo District, Kannaland and Laingsburg in terms of the standards of the Institute of Internal Auditor.	4	Four (4) months	629	-	4



**FINANCIAL
INFORMATION
PART E**

PART E: FINANCIAL INFORMATION

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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2022**

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Western Cape Department of Provincial Treasury set out on pages 147 to 191, which comprise the appropriation statement, statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Department of Provincial Treasury as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the Department in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

**WESTERN CAPE PROVINCE
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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2022**

Underspending of the budget

7. As disclosed in the appropriation statement, the Department materially underspent the budget by R17.6 million (2020/21: R12.1 million), with material underspending on the Administration, Sustainable Resource Management and Asset Management programmes.

Other matter

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

Unaudited supplementary schedules

9. The supplementary information set out on pages 192 to 200 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 on them.

Responsibilities of the accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS prescribed by the National Treasury and the requirements of the 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.
11. In preparing the financial statements, the accounting officer is responsible for assessing the Department's ability to continue as a going concern, disclosing, as applicable, matters relating thereto and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the Department or to cease operations, or has no realistic alternative but to do so.

Auditor-General's responsibilities for the audit of the financial statements

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2022**

13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the Department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the Department enabled service delivery; they do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the Department's annual performance report for the year ended 31 March 2022:

Programme	Pages in the Annual Performance Report
Programme 3 – Asset Management	62 to 68

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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2022**

17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not raise any material findings on the usefulness and reliability of the reported performance information for this programme:
- Programme 3: Asset Management

Other matters

19. I draw attention to the matters below.

Achievement of planned targets

20. Refer to the annual performance report on pages 66 to 68 for information on the achievement of planned targets for the year and management explanations provided for the underachievement of targets.

Report on the audit of compliance with legislation

Introduction and scope

21. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the Department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
22. I did not raise any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2022**

Other information

23. The accounting officer is responsible for the other information. The comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that have been specifically reported in this auditor's report.
24. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
25. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
26. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

27. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Auditor - General

Cape Town
31 July 2022



**WESTERN CAPE PROVINCE
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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2022**

Annexure – Auditor-General's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for the selected programme and on the Department's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
 - obtain an understanding of internal control relevant to the audit 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 Department's internal control.
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Western Cape Department of Provincial Treasury to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern.

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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2022**

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

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**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Appropriation per programme									
Voted funds and Direct charges	2021/22							2020/21	
	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
Programme									
1. ADMINISTRATION	60 515	-	(64)	60 451	55 508	4 943	91.8%	56 325	51 594
2. SUSTAINABLE RESOURCE MANAGEMENT	120 069	-	-	120 069	112 035	8 034	93.3%	119 058	115 847
3. ASSET MANAGEMENT	74 358	-	-	74 358	71 326	3 032	95.9%	62 645	59 518
4. FINANCIAL GOVERNANCE	52 660	-	64	52 724	51 129	1 595	97.0%	51 477	50 434
Programme sub total	307 602	-	-	307 602	289 998	17 604	94.3%	289 505	277 393
Statutory Appropriation									
Total	307 602	-	-	307 602	289 998	17 604	94.3%	289 505	277 393
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				7 545	-			19 654	
Actual amounts per Statement of Financial Performance (Total Revenue)				315 147				309 159	
Actual amounts per Statement of Financial Performance (Total Expenditure)				-	289 998				277 393

Appropriation per economic classification									
Economic classification	2021/22							2020/21	
	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	253 949	(859)	-	253 090	241 439	11 651	95.4%	233 651	224 944
Compensation of employees	189 863	(56)	-	189 807	188 819	988	99.5%	184 513	184 513
Goods and services	64 086	(803)	-	63 283	52 620	10 663	83.2%	49 138	40 431
Transfers and subsidies	47 366	834	-	48 200	44 327	3 873	92.0%	51 433	50 733
Provinces and municipalities	16 367	600	-	16 967	14 788	2 179	87.2%	16 488	15 788
Departmental agencies and accounts	26 264	-	-	26 264	26 264	-	100.0%	27 751	27 751
Households	4 735	234	-	4 969	3 275	1 694	65.9%	7 194	7 194
Payments for capital assets	6 261	-	-	6 261	4 181	2 080	66.8%	4 353	1 648
Machinery and equipment	6 248	13	-	6 261	4 181	2 080	66.8%	4 353	1 648
Software and other intangible assets	13	(13)	-	-	-	-	-	-	-
Payment for financial assets	26	25	-	51	51	-	100.0%	68	68
Total	307 602	-	-	307 602	289 998	17 604	94.3%	289 505	277 393

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Programme 1: ADMINISTRATION									
Sub programme	2021/22							2020/21	
	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. OFFICE OF THE MINISTER	6 852	-	(3)	6 849	6 641	208	97.0%	6 565	6 562
2. MANAGEMENT SERVICES	25 585	(188)	(61)	25 336	22 689	2 647	89.6%	23 629	22 429
3. FINANCIAL MANAGEMENT	28 078	188	-	28 266	26 178	2 088	92.6%	26 131	22 603
Total	60 515	-	(64)	60 451	55 508	4 943	91.8%	56 325	51 594

Economic classification	2021/22							2020/21	
	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	51 687	(26)	(64)	51 597	50 428	1 169	97.7%	50 486	48 460
Compensation of employees	37 183	-	(64)	37 119	37 002	117	99.7%	37 250	37 250
Goods and services	14 504	(26)	-	14 478	13 426	1 052	92.7%	13 236	11 210
Transfers and subsidies	2 541	1	-	2 542	848	1 694	33.4%	1 418	1 418
Departmental agencies and accounts	8	-	-	8	8	-	100.0%	7	7
Households	2 533	1	-	2 534	840	1 694	33.1%	1 411	1 411
Payments for capital assets	6 261	-	-	6 261	4 181	2 080	66.8%	4 353	1 648
Machinery and equipment	6 248	13	-	6 261	4 181	2 080	66.8%	4 353	1 648
Software and other intangible assets	13	(13)	-	-	-	-	-	-	-
Payment for financial assets	26	25	-	51	51	-	100.0%	68	68
Total	60 515	-	(64)	60 451	55 508	4 943	91.8%	56 325	51 594

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**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Programme 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub programme	2021/22							2020/21	
	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. PROGRAMME SUPPORT	6 929	-	-	6 929	5 986	943	86.4%	7 165	7 165
2. FISCAL POLICY	39 341	-	-	39 341	38 439	902	97.7%	41 909	41 265
3. BUDGET MANAGEMENT	22 390	(51)	-	22 339	21 719	620	97.2%	17 682	17 635
4. PUBLIC FINANCE	51 409	51	-	51 460	45 891	5 569	89.2%	52 302	49 782
Total	120 069	-	-	120 069	112 035	8 034	93.3%	119 058	115 847

Economic classification	2021/22							2020/21	
	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	86 887	(56)	-	86 831	80 976	5 855	93.3%	83 735	80 524
Compensation of employees	73 776	(56)	-	73 720	72 999	721	99.0%	71 913	71 913
Goods and services	13 111	-	-	13 111	7 977	5 134	60.8%	11 822	8 611
Transfers and subsidies	33 182	56	-	33 238	31 059	2 179	93.4%	35 323	35 323
Provinces and municipalities	6 477	-	-	6 477	4 298	2 179	66.4%	4 500	4 500
Departmental agencies and accounts	26 256	-	-	26 256	26 256	-	100.0%	27 744	27 744
Households	449	56	-	505	505	-	100.0%	3 079	3 079
Total	120 069	-	-	120 069	112 035	8 034	93.3%	119 058	115 847

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Programme 3: ASSET MANAGEMENT									
Sub programme	2021/22							2020/21	
	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. PROGRAMME SUPPORT	4 923	37	-	4 960	4 672	288	94.2%	4 318	4 315
2. SUPPLY CHAIN MANAGEMENT	36 143	(37)	-	36 106	35 421	685	98.1%	31 016	29 516
3. SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS	33 292	-	-	33 292	31 233	2 059	93.8%	27 311	25 687
Total	74 358	-	-	74 358	71 326	3 032	95.9%	62 645	59 518

Economic classification	2021/22							2020/21	
	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	72 975	-	-	72 975	69 943	3 032	95.8%	60 388	57 261
Compensation of employees	42 057	-	-	42 057	41 910	147	99.7%	39 293	39 293
Goods and services	30 918	-	-	30 918	28 033	2 885	90.7%	21 095	17 968
Transfers and subsidies	1 383	-	-	1 383	1 383	-	100.0%	2 257	2 257
Households	1 383	-	-	1 383	1 383	-	100.0%	2 257	2 257
Total	74 358	-	-	74 358	71 326	3 032	95.9%	62 645	59 518

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2022**

Programme 4: FINANCIAL GOVERNANCE									
Sub programme	2021/22							2020/21	
	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. PROGRAMME SUPPORT	7 546	-	32	7 578	7 480	98	98.7%	6 854	6 785
2. ACCOUNTING SERVICES	20 923	(220)	21	20 724	19 531	1 193	94.2%	19 655	19 598
3. CORPORATE GOVERNANCE	24 191	220	11	24 422	24 118	304	98.8%	24 968	24 051
Total	52 660	-	64	52 724	51 129	1 595	97.0%	51 477	50 434

Economic classification	2021/22							2020/21	
	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	42 400	(777)	64	41 687	40 092	1 595	96.2%	39 042	38 699
Compensation of employees	36 847	-	64	36 911	36 908	3	100.0%	36 057	36 057
Goods and services	5 553	(777)	-	4 776	3 184	1 592	66.7%	2 985	2 642
Transfers and subsidies	10 260	777	-	11 037	11 037	-	100.0%	12 435	11 735
Provinces and municipalities	9 890	600	-	10 490	10 490	-	100.0%	11 988	11 288
Households	370	177	-	547	547	-	100.0%	447	447
Total	52 660	-	64	52 724	51 129	1 595	97.0%	51 477	50 434

**WESTERN CAPE PROVINCE
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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2022**

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 - C) to the Annual Financial Statements.

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

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

3. Detail on payments for financial assets

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	%

Administration	60 451	55 508	4 943	8.18
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The underspending is mainly as a result of the delay in the appointment of business analysts for the Business Process Re-engineering (BPR) project. In addition, due to the ongoing world-wide shortage of components for the departmentally preferred brand of computer equipment (laptops) caused by the COVID-19 pandemic, the Department amended its departmental ICT equipment standardisation list to include a second option; this resulted in a delay in the procurement and delivery of computer equipment.

Sustainable Resource Management	120 069	112 035	8 034	6.69
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The underspending is mainly as a result of delays in the procurement processes for the appointment of panels of experts for municipal interventions and to undertake and provide infrastructure related research and advisory services. The Western Cape Municipal Financial Recovery Services grant could also not be allocated and transferred timeously to be in line with the DoRA as the Financial Recovery Plan (FRP) of Beaufort West Municipality was only instituted on 07 March 2022.

Asset Management	74 358	71 326	3 032	4.08
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The underspending is mainly as a result of the delay in the acquisition and activation of the additional licenses required in order to onboard the LOGIS system controllers on the new SITA BMC ITSM via DotP. In addition, provision was made for a six-month contract with two (2) resources for the provision of functional, technical and management support of PERSAL, however, the later than anticipated commencement of the contract as well as the allocation of only one (1) resource resulted in a saving. Officials were also unable to travel due to the COVID-19 protocols which were in place until the end of March 2022 and attended more meetings virtually via MS Teams resulting in a further saving.

Financial Governance	52 724	51 129	1 595	3.03
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The underspending is mainly as a result of delays in the appointment of a service provider to perform a review of the Western Cape Provincial Public Entities due to technical matters that arose during the procurement process.

**WESTERN CAPE PROVINCE
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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2022**

4.2 Per economic classification

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Approp. %
Current expenditure				
Compensation of employees	189 807	188 819	988	0.52
Goods and services	63 283	52 620	10 663	16.85
Transfers and subsidies				
Provinces and municipalities	16 967	14 788	2 179	12.84
Departmental agencies and accounts	26 264	26 264	-	-
Households	4 969	3 275	1 694	34.09
Payments for capital assets				
Machinery and equipment	6 261	4 181	2 080	33.22
Payments for financial assets	51	51	-	-

The underspending on goods and services is mainly due to delays in the procurement of the following:

- business analysts for the BPR;
- panel of experts for municipal interventions;
- panel of experts to undertake and provide infrastructure related research and advisory services;
- additional licenses required in order to onboard the LOGIS system controllers on the new SITA BMC ITSM via DotP;
- service provider to provide functional, technical and management support of the Personnel and Salary Administration System (PERSAL); and
- service provider to perform a review of the Western Cape Provincial public entities.

The underspending on Transfers and subsidies to provinces and municipalities is mainly as a result of the Western Cape Municipal Financial Recovery Services grant that could not be allocated and transferred timeously to be in line with DoRA as the FRP of the Beaufort West Municipality was only instituted on 7 March 2022.

The underspending on Transfers and subsidies to households is as a result of some students not accepting the bursaries awarded to them which resulted in savings on the provision for the external bursary programme.

The underspending on machinery and equipment is mainly as a result of the delay of the procurement of laptops due to suppliers not having the departmentally preferred brand of laptops in-stock

**WESTERN CAPE PROVINCE
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**STATEMENT OF FINANCIAL PERFORMANCE
as at 31 March 2022**

	<i>Note</i>	2021/22 R'000	2020/21 R'000
REVENUE			
Annual appropriation	1	307 602	289 505
Departmental revenue	2	7 545	19 654
TOTAL REVENUE		315 147	309 159
EXPENDITURE			
Current expenditure			
Compensation of employees	3	188 819	184 513
Goods and services	4	52 620	40 431
Total current expenditure		241 439	224 944
Transfers and subsidies			
Transfers and subsidies	6	44 327	50 733
Total transfers and subsidies		44 327	50 733
Expenditure for capital assets			
Tangible assets	7	4 181	1 648
Total expenditure for capital assets		4 181	1 648
Payments for financial assets	5	51	68
TOTAL EXPENDITURE		289 998	277 393
SURPLUS FOR THE YEAR		25 149	31 766
Reconciliation of Net Surplus for the year			
Voted funds		17 604	12 112
Annual appropriation		17 604	12 112
Departmental revenue	12	7 545	19 654
SURPLUS FOR THE YEAR		25 149	31 766

**WESTERN CAPE PROVINCE
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**STATEMENT OF FINANCIAL POSITION
as at 31 March 2022**

	<i>Note</i>	2021/22 R'000	2020/21 R'000
ASSETS		25 468	13 787
Current Assets			
Cash and cash equivalents	8	24 539	13 631
Receivables	10	929	156
Non-current assets		58	93
Receivables	10	58	93
TOTAL ASSETS		25 526	13 880
LIABILITIES		25 369	13 773
Current Liabilities			
Voted funds to be surrendered to the Revenue Fund	11	17 604	12 112
Departmental revenue to be surrendered to the Revenue Fund	12	369	1 392
Payables	13	7 396	269
TOTAL LIABILITIES		25 369	13 773
NET ASSETS		157	107
Represented by:			
Recoverable revenue		157	107
TOTAL		157	107

**WESTERN CAPE PROVINCE
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**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2022**

NET ASSETS	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Recoverable revenue			
Opening balance		107	107
Transfers:		50	-
Irrecoverable amounts written off	5.2	(24)	(20)
Debts recovered (included in departmental receipts)		(418)	(235)
Debts raised		492	255
Closing balance		<u>157</u>	<u>107</u>
TOTAL		<u><u>157</u></u>	<u><u>107</u></u>

**WESTERN CAPE PROVINCE
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**CASH FLOW STATEMENT
for the year ended 31 March 2022**

	<i>Note</i>	2021/22 R'000	2020/21 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		315 223	309 231
Annual appropriated funds received	1.1	307 602	289 505
Departmental revenue received	2	7 601	19 720
Interest received	2.2	20	6
Net decrease in working capital		6 354	292
Surrendered to Revenue Fund		(20 756)	(27 780)
Current payments		(241 439)	(224 944)
Payments for financial assets		(51)	(68)
Transfers and subsidies paid		(44 327)	(50 733)
Net cash flow available from operating activities	14	15 004	5 998
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(4 181)	(1 648)
Proceeds from sale of capital assets	2.3	-	1
Decrease in non-current receivables	10	35	19
Net cash flows from investing activities		(4 146)	(1 628)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in net assets		50	-
Net cash flows from financing activities		50	-
Net increase in cash and cash equivalents		10 908	4 370
Cash and cash equivalents at beginning of period		13 631	9 261
Cash and cash equivalents at end of period	15	24 539	13 631

**WESTERN CAPE PROVINCE
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**ACCOUNTING POLICIES
for the year ended 31 March 2022**

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

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 (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1. Basis of preparation

The financial statements have been prepared in accordance with the Modified Cash Standard.

2. Going concern

The financial statements have been prepared on a going concern basis.

3. Presentation currency

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.

4. Rounding

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

5. Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment/receipt.

**WESTERN CAPE PROVINCE
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**ACCOUNTING POLICIES
for the year ended 31 March 2022**

6. Comparative information

6.1 Prior period comparative information

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.

6.2 Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

7. Revenue

7.1 Appropriated funds

Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

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

The net amount of any appropriated funds due to/from the relevant revenue fund at the reporting date is recognised as a payable/receivable in the statement of financial position.

7.2 Departmental revenue

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

7.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and/penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the department's debt write-off policy

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2022**

8. Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

Salaries and wages are recognised in the statement of financial performance on the date of payment.

8.1.2 Social contributions

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

8.2 Other expenditure

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

8.3 Accruals and payables not recognised

Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.

8.4 Leases

8.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue.

The operating lease commitments are recorded in the notes to the financial statements.

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**ACCOUNTING POLICIES
for the year ended 31 March 2022**

8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. Finance lease payments received are recognised as departmental revenue.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

9. Cash and cash equivalents

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

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

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.

10. Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

11. Loans and receivables

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

12. Investments

Investments are recognised in the statement of financial position at cost.

**WESTERN CAPE PROVINCE
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**ACCOUNTING POLICIES
for the year ended 31 March 2022**

13. Financial assets

13.1 Financial assets (not covered elsewhere)

A financial asset is recognised initially at its cost-plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

13.2 Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

14. Payables

Payables recognised in the statement of financial position are recognised at cost.

15. Capital Assets

15.1 Movable capital assets

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

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**ACCOUNTING POLICIES
for the year ended 31 March 2022**

15.2 Intangible assets

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

16. Provisions and Contingents

16.1 Contingent liabilities

Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.

16.2 Contingent assets

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

16.3 Capital commitments

Capital commitments are recorded at cost in the notes to the financial statements.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
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**ACCOUNTING POLICIES
for the year ended 31 March 2022**

17. Unauthorised expenditure

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

18. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

19. Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed after its assessment. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is reduced from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
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**ACCOUNTING POLICIES
for the year ended 31 March 2022**

20. Changes in accounting estimates and errors

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

21. Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

22. Departures from the MCS requirements

The financial statements present fairly the Department's primary and secondary information and complies with the standards.

23. Recoverable revenue

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

24. Related party transactions

Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.

The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.

25. Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

1. Appropriation

1.1 Annual Appropriation

Programme	2021/22			2020/21		
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Final Appropriation	Appropriation received	Funds not requested/ not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	60 451	60 451	-	56 325	56 325	-
Sustainable resource management	120 069	120 069	-	119 058	119 058	-
Asset management	74 358	74 358	-	62 645	62 645	-
Financial governance	52 724	52 724	-	51 477	51 477	-
Total	307 602	307 602	-	289 505	289 505	-

2. Departmental revenue

	Note	2021/22 R'000	2020/21 R'000
Sales of goods and services other than capital assets	2.1	36	43
Interest, dividends and rent on land	2.2	20	6
Sales of capital assets	2.3	-	1
Transactions in financial assets and liabilities	2.4	7 565	19 677
Total revenue collected		7 621	19 727
Less: Own revenue included in appropriation	12	76	73
Departmental revenue collected		7 545	19 654

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department	34	40
Other sales	34	40
Sales of scrap, waste and other used current goods	2	3
Total	36	43

"Other sales" includes commission on insurances and garnishee orders as well as sale of minor assets and paper waste.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

	<i>Note</i>	2021/22	2020/21
	2	R'000	R'000
2.2 Interest, dividends and rent on land			
Interest		20	6
Total		20	6

The increase in "interest" relates to salary and bursary debts i.r.o ex-employees and ex-bursary holders.

2.3 Sales of capital assets

Tangible assets

Machinery and equipment	27	-	1
		-	1
Total		-	1

2.4 Transactions in financial assets and liabilities

Other Receipts including Recoverable Revenue		7 565	19 677
Total		7 565	19 677

Included in "other receipts" is an amount of R7 132 512 received from municipalities in respect of unspent conditional grant funds. The 2021/22 amount does not include any surplus funds from Western Cape Gambling and Racing Board (WCGRB).

2.5 Donations received in-kind (not included in the main note or sub-note)

Ten (10) licences and the implementation, maintenance and support of a donations system (SYSPRO)		-	550
Total		-	550

Donations received – in – kind were re-classified to be included in Departmental revenue in the 2021/22 financial year.

**WESTERN CAPE PROVINCE
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

2.6 Cash received not recognised (not included in the main note)

Name of entity	Amount received	2021/22	Balance
		Amount paid to the revenue fund	
	R'000	R'000	R'000
Western Cape Gambling and Racing Board	759 609	752 317	7 292
Total	759 609	752 317	7 292

**Cash received not recognised
(not included in the main note)**

Name of entity	Amount received	2020/21	Balance
		Amount paid to the revenue fund	
	R'000	R'000	R'000
Western Cape gambling and Racing Board	459 184	459 184	-
Total	459 184	459 184	-

The Provincial Treasury acts as a conduit for the Western Cape Gambling and Racing Board (WCGRB) and revenue received from the Board was paid over to the Provincial Revenue Fund (PRF).

3. Compensation of employees

3.1 Salaries and wages

	Note	2021/22	2020/21
		R'000	R'000
Basic salary		133 511	134 068
Performance award		32	38
Service Based		149	138
Compensative/circumstantial		960	1 295
Other non-pensionable allowances		30 365	25 804
Total		165 017	161 343

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022**

	<i>Note</i>	2021/22 R'000	2020/21 R'000
3.2 Social contributions	3		
Employer contributions			
Pension		16 403	16 280
Medical		7 367	6 859
Bargaining council		32	31
Total		23 802	23 170
Total compensation of employees		188 819	184 513
Average number of employees		265	267
4. Goods and services			
Administrative fees		3	4
Advertising		819	871
Minor assets	4.1	7	3
Bursaries (employees)		454	309
Catering		61	82
Communication		1 447	2 443
Computer services	4.2	8 436	3 280
Consultants: Business and advisory services		24 851	17 960
Legal services		359	1 363
Contractors		47	248
Agency and support/outsourced services		3 916	4 017
Audit cost – external	4.3	6 297	5 062
Fleet services		366	534
Consumables	4.4	362	649
Operating leases		2 255	1 810
Property payments	4.5	192	313
Rental and hiring		34	75
Travel and subsistence	4.6	302	72
Venues and facilities		159	84
Training and development		1 314	590
Other operating expenditure	4.7	939	662
Total		52 620	40 431

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	<i>Note</i>	2021/22 R'000	2020/21 R'000
4.1 Minor assets	4		
Tangible assets		7	3
Machinery and equipment		7	3
Total		7	3
4.2 Computer services	4		
SITA computer services		1 150	1 054
External computer service providers		7 286	2 226
Total		8 436	3 280
<p>Increase in External computer service providers is mainly due to payments for the development of an e-Procurement system, support and maintenance of video conference facility as well as the e-learning licences.</p>			
4.3 Audit cost-external	4		
Regularity audits		6 161	4 791
Computer audits		136	271
Total		6 297	5 062
4.4 Consumables	4		
Consumable supplies		43	481
Uniform and clothing		7	-
Household supplies		28	409
Building material and supplies		1	11
Other consumables		7	61
Stationery, printing and office supplies		319	168
Total		362	649
<p>"Other consumables" consist of gifts and awards and medical supplies. The decrease in consumables is as a result of officials working from home and less consumables being used at the office.</p>			

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	<i>Note</i>	2021/22 R'000	2020/21 R'000
4.5 Property payments	4		
Other		192	313
Total		192	313

"Other" refers to cleaning services and safeguarding and security services at the Procurement Client Centre.

4.6 Travel and subsistence	4		
Local		302	72
Total		302	72

The increase in local travel and subsistence expenditure is due to more in-person engagements after the lifting of COVID-19 regulations.

4.7 Other operating expenditure	4		
Professional bodies, membership and subscription fees		63	28
Resettlement costs		122	85
Other		754	549
Total		939	662

"Other" refers to printing and publication, courier and delivery and storage services.

5. Payments for financial assets

Material losses through criminal conduct		24	6
Theft	5.3	24	6
Other material losses written off	5.1	3	42
Debts written off	5.2	24	20
Total		51	68

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	<i>Note</i>	2021/22 R'000	2020/21 R'000
5.1 Other material losses written off	5		
Nature of losses			
Missing external hard drive		1	1
Fruitless and wasteful:			
- late cancellation of accommodation and excessive catering		-	1
- non-attendance of training		-	2
- cancellation of flight		1	-
- Telkom interest		-	1
- Air ticket/shuttle service – no show		-	7
Government garage vehicle damages		-	23
Laptop damages		1	7
Total		3	42
5.2 Debts written off	5		
Nature of debts written off			
Recoverable revenue written off			
- Bursary debt		22	4
- Salary debt		2	-
Total		24	4
Other debt written off			
- Stolen laptop		-	12
- Pension debt		-	4
Total		-	16
Total debt written off		24	20

Debts were written off as debtors could not be traced.

5.3 Details of theft	5		
Nature of theft			
Missing cartridges		-	6
Laptop		24	-
Total		24	6

A laptop was stolen from an official's house during a break-in at the official's residence.

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	<i>Note</i>	2021/22	2020/21
		R'000	R'000
6. Transfer and Subsidies	30		
Provinces and municipalities	30	14 788	15 788
Departmental agencies and accounts	<i>Annexure 1B</i>	26 264	27 751
Households	<i>Annexure 1C</i>	3 275	7 194
Total		44 327	50 733

During the Adjusted Estimate, earmarked allocations to the WCGRB and municipalities were surrendered to the Provincial Revenue Fund which resulted in decreased spending.

7. Expenditure for Capital Assets

Tangible assets		4 181	1 648
Machinery and equipment	27	4 181	1 648
Total		4 181	1 648

The increase in capital assets is due to computer equipment ordered during 2020/21, but only delivered and paid in 2021/22.

7.1 Analysis of funds utilised to acquire capital assets – 2021/22

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	4 181	-	4 181
Machinery and equipment	4 181	-	4 181
Total	4 181	-	4 181

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7.2 Analysis of funds utilised to acquire capital assets – 2020/21

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	1 648	-	1 648
Machinery and equipment	1 648	-	1 648
Total	1 648	-	1 648

	<i>Note</i>	2021/22 R'000	2020/21 R'000
7.3 Finance lease expenditure included in Expenditure for capital assets			
Tangible assets			
Machinery and equipment		1 471	1 615
Total		1 471	1 615

8. Cash and Cash Equivalents

Consolidated Paymaster General Account	24 531	13 623
Cash on hand	8	8
Total	24 539	13 631

9. Prepayments and Advances

9.1 Prepayments (Expensed)

<i>Note</i>	Amount as at 1 April 2021 R'000	Less: Received in the current year R'000	Add or Less: Other R'000	Add: Current Year prepayments R'000	Amount as at 31 March 2022 R'000
Goods and services	131	-	(131)	122	122
Total	131	-	(131)	122	122

The current year prepayment was in respect of April 2022 accommodation rental as rent is payable in advance.

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Prepayments (Expensed)

	<i>Note</i>	Amount as at 1 April 2020	Less: Received in the current year	Add or Less: Other	Add: Current Year prepayments	Amount as at 31 March 2021
		R'000	R'000	R'000	R'000	R'000
Prepayment (Expensed)						
Goods and services		1 637	-	(1 637)	131	131
Total		1 637	-	(1 637)	131	131

10. Receivables

	<i>Note</i>	2021/22			2020/21		
		Current	Non- current	Total	Current	Non- current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	10.1	77	-	77	77	-	77
Recoverable expenditure	10.2	707	-	707	7	-	7
Staff debt	10.3	101	-	101	8	-	8
Other receivables	10.4	44	58	102	64	93	157
Total		929	58	987	156	93	249

10.1 Claims recoverable

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Private enterprises	10	77	77
Total		77	77

The amount of R77 000 refers to an amount owed by Nedbank for cash prizes paid to bursary competition winners on their behalf.

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	<i>Note</i>	2021/22 R'000	2020/21 R'000
10.2 Recoverable expenditure (disallowance accounts)	10		
Payable: Advances from entities		693	-
Salary: Tax debt		-	7
Disallowance: Damages and losses		7	-
Disallowance miscellaneous		7	-
Total		<u><u>707</u></u>	<u><u>7</u></u>
<p>The amount of R693 000 refers to monies paid by the Provincial Treasury to bursary holders funded by Nedbank. Nedbank to refund the Department.</p>			
10.3 Staff debt	10		
Salary related debt		71	-
Laptops stolen/lost		-	8
Resettlement accommodation debt		30	-
Total		<u><u>101</u></u>	<u><u>8</u></u>
<p>The increase in salary debts is due to an overpayment of a Non-Pensionable Personal Allowance (NPPA).</p>			
10.4 Other receivables	10		
Ex-employees salary: Related debts		46	64
Bursary debt		56	90
Damaged Laptop		-	3
Total		<u><u>102</u></u>	<u><u>157</u></u>
11. Voted Funds to be surrendered to the Revenue Fund	11		
Opening balance		12 112	9 244
Transfer from statement of financial performance		17 604	12 112
Paid during the year		(12 112)	(9 244)
Closing balance		<u><u>17 604</u></u>	<u><u>12 112</u></u>

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	<i>Note</i>	2021/22 R'000	2020/21 R'000
12. Departmental revenue to be surrendered to the Revenue Fund	12		
Opening balance		1 392	201
Transfer from Statement of Financial Performance		7 545	19 654
Own revenue included in appropriation		76	73
Paid during the year		(8 644)	(18 536)
Closing balance		369	1 392
13. Payables – current	13		
Advances received	13.1	104	173
Other payables	13.2	7 292	96
Total		7 396	269
13.1 Advances received	13		
Other institutions	<i>Annexure 3</i>	104	173
Total		104	173
<p>"Advances received" refers to bursary monies from Nedbank paid over to the Provincial Treasury (PT), who administers the bursary programme on their behalf.</p>			
13.2 Other payables	13		
Description			
Income tax		-	10
Sal: GEHS Refund Control Account		-	86
Money received from Western Cape Gambling and Racing Board		7 292	-
Total		7 292	96
<p>The amount of R7 292 000 consists of horse racing taxes and licence fees as received from the WCGRB.</p>			

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	<i>Note</i>	2021/22	2020/21
		R'000	R'000
14. Net cash flow available from operating activities	14		
Net surplus as per Statement of Financial Performance		25 149	31 766
Add back noncash/cash movements not deemed operating activities		(10 145)	(25 768)
Increase in receivables		(773)	116
Increase in payables – current		7 127	176
Proceeds from sale of capital assets		-	(1)
Expenditure on capital assets		4 181	1 648
Surrenders to Revenue Fund		(20 756)	(27 780)
Own revenue included in appropriation		76	73
Net cash flow generated by operating activities		15 004	5 998
15. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		24 531	13 623
Cash on hand		8	8
Total		24 539	13 631

16. Contingent liabilities and contingent assets

16.1 Contingent liabilities

The Department is involved in ongoing litigation instituted by Sunwest International (Pty) Ltd, also known as Grandwest Casino and Entertainment world and Worcester Casino (Pty) Ltd. They are claiming the total amount of R46 334 448 collected by the WCGRB in respect of free play credits (Customer loyalty points) should not be included as part of the drop (Gambling taxable income) to be refunded or to reduce future gambling taxes. However, the contingent liability should not be disclosed in the financial statements of the Department as there are no past events enacted/committed by Provincial Treasury as it is independent from the Provincial Revenue Fund and WCGRB.

16.2 Contingent assets

At this stage the Department is not able to reliably measure the contingent assets in terms of the Government Employees Housing Scheme of the Individually Linked Savings Facility (ILSF), relating to resignations and termination of services.

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	<i>Note</i>	2021/22	2020/21
		R'000	R'000
17. Capital commitments			
Machinery and equipment		3 719	2 705
Total		3 719	2 705
18. Accruals and payables not recognised			
18.1 Accruals			
Listed by economic classification			
	30 Days	30+ Days	Total
			Total
Goods and services	868	-	868
Total	868	-	868
Listed by programme level			
Administration		8	69
Sustainable Resource Management		396	105
Asset Management		448	362
Financial Governance		16	36
Total		868	572
18.2 Payables not recognised			
Listed by economic classification			
	30 Days	30+ Days	Total
			Total
Goods and services	-	-	-
Total	-	-	172
Listed by programme level			
Administration		-	124
Financial Governance		-	48
Total		-	172
	<i>Note</i>	2021/22	2020/21
		R'000	R'000
<i>Included in the above totals are the following:</i>			
Confirmed balances with other departments	<i>Annex 2</i>	-	124
Total		-	124

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19. Employee benefits

	<i>Note</i>	2021/22	2020/21
		R'000	R'000
Leave entitlement		9 183	11 101
Service bonus		4 191	4 076
Capped leave		3 038	3 295
Other		1 840	3 414
Total		18 252	21 886

"Other" includes the long service awards, salary related accruals and liability for early retirement officials. At this stage, the Department is not able to reliably measure the long-term portion of the long service awards. The 2020/21 year was restated to include an amount of R1 560 260 in respect of exit gratuity for the Member of the Executive Council. No provision was made for the exit gratuity for 2021/22 as the Member of the Executive Council was appointed as the Minister of Education with effect from 15 May 2022.

20. Lease commitments

20.1 Operating lease

2021/22	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	608	552	1 160
Total lease commitments	-	-	608	552	1 160

2020/21	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	1 408	669	2 077
Later than 1 year and not later than 5 years	-	-	730	552	1 282
Total lease commitments	-	-	2 138	1 221	3 359

"Operating leases" refers to the rental of print/copy/scan machines and the rental of office accommodation.

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20.2 Finance leases

2021/22	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	1 486	1 486
Later than 1 year and not later than 5 years	-	-	-	1 208	1 208
Total lease commitments	-	-	-	2 694	2 694

2020/21	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	1 544	1 544
Later than 1 year and not later than 5 years	-	-	-	2 048	2 048
Total lease commitments	-	-	-	3 592	3 592

"Finance leases" refer to the vehicles leased from Government Motor Transport.

	<i>Note</i>	2021/22	2020/21
		R'000	R'000
21. Accrued departmental revenue			
Transactions in financial assets and liabilities		16 178	19 759
Total		16 178	19 759

21.1 Analysis of accrued departmental revenue

Opening balance	19 759	14 633
Less: amounts received	(6 472)	(11 852)
Add: amounts recorded	19 464	18 540
Other	(16 573)	(1 562)
Closing balance	16 178	19 759

"Other" consist of surplus funds to be retained by the WCGRB as approved in terms of Section 53(3) of the PFMA.

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	<i>Note</i>	2021/22 R'000	2020/21 R'000
22. Irregular expenditure			
22.1 Reconciliation of irregular expenditure			
Opening balance		69	3 017
Add: Irregular expenditure – relating to prior year		-	10
Add: Irregular expenditure – relating to current year	22.2	12	-
Less: Prior year amounts condoned	22.3	(69)	(2 958)
Closing balance		12	69
Analysis of closing balance			
Current year		12	-
Prior years		-	69
Total		12	69
22.2 Details of current and prior year irregular expenditure – added current year (under determination and investigation)			
Incident	Disciplinary steps taken/criminal proceedings	2021/22 R'000	
Non-compliance with cost containment NTR 4 of 2017/18 (No approval for booking accommodation on a higher star rating)	None	3	
Non-compliance with cost containment NTR 3 of 2017/18 (Conference attendance without approval)	None	9	
Total		12	
22.3 Details of irregular expenditure condoned			
Incident	Condoned by (relevant authority)	2021/22 R'000	
Ignite: Non-compliance with paragraph 8.2.1 of National Treasury Regulations.	Western Cape: Provincial Treasury	69	
Total		69	

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23. Fruitless and wasteful expenditure

23.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2021/22 R'000	2020/21 R'000
Opening balance		-	3
Fruitless and wasteful expenditure – relating to current year	23.2	1	1
Less: Amounts written off	23.3	(1)	(4)
Closing balance		<u>-</u>	<u>-</u>

23.2 Details of current and prior year fruitless and wasteful expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	2021/22 R'000
Air travel cancelled	None	1
Total		<u>1</u>

23.3 Details of fruitless and wasteful expenditure written off

Incident	2021/22 R'000
Air travel cancelled	1
Total	<u>1</u>

23.4 Details of fruitless and wasteful expenditures under assessment (not included in the main note)

Incident	2021/22 R'000
Non - attendance of training	7
Total	<u>7</u>

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24. Related party transactions

The Provincial Treasury occupies a building free of charge managed by the Department of Transport and Public Works. Parking space is also provided for government officials at an approved fee that is not market related.

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
- Provincial Forensic Services
- 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.

Provincial Treasury makes use of government motor vehicles managed by Government Motor Transport (GMT) based on tariffs approved by the Department of Provincial Treasury.

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

The Minister of Finance and Economic Opportunities was responsible for the following departments and entities as at 31 March 2022:

- Provincial Treasury
- Western Cape Gambling and Racing Board
- Department of Economic Development and Tourism which has the following two (2) entities under its control:
 1. Western Cape Tourism, Trade and Investment Promotion Agency (WESGRO)
 2. Saldanha Bay Industrial Development Zone Licencing Company (SBIDZ LiCo)

The Atlantis SEZ SOC Limited is also included in the Minister's Cabinet portfolio.

Key management personnel as mentioned in Note 25 also forms part of related parties.

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25. Key management personnel

	No. of Individuals	2021/22 R'000	2020/21 R'000
Political office bearer	1	1 978	1 978
Officials:			
Management	10	13 057	13 287
Total		15 035	15 265

Management includes all officials from level 14 and above, as well as the CFO at level 13, who have significant influence over the finance and operational policy decisions of the Department.

26. Non-adjusting events after reporting date

Mr David Maynier was appointed as the Provincial Minister of Finance and Economic Opportunities from 23 April 2019. On 22 April 2022, Premier Alan Winde announced that Minister Maynier would be appointed as the Provincial Minister of Education from 15 May 2022 and Ms Mireille Wenger, Chief Whip of the Majority Party in the Provincial Parliament, will be appointed as Provincial Minister of Finance and Economic Opportunities. Provincial Treasury will account for her exit gratuity liability in the 2022/23 financial year.

27. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	16 508	-	2 745	24	19 229
Computer equipment	11 168	-	2 740	24	13 884
Furniture and office equipment	2 916	-	-	-	2 916
Other machinery and equipment	2 424	-	5	-	2 429
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	16 508	-	2 745	24	19 229

An amount of R9 826 was erroneously included in computer equipment and was reversed after year-end.

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Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	6	124

The 6 major assets are under investigation as it could not be found during the stock take count in the 2021/22 financial year.

27.1 Movement for 2020/21

**MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2021**

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	16 807	-	56	355	16 508
Computer equipment	11 287	-	1	120	11 168
Furniture and office equipment	3 022	-	55	161	2 916
Other machinery and equipment	2 498	-	-	74	2 424
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	16 807	-	56	355	16 08

27.2 Minor Assets

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH
2022**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	5	-	6 141	-	6 146
Additions	-	-	-	7	-	7
Disposals	-	-	-	181	-	181
TOTAL MINOR ASSETS	-	5	-	5 967	-	5 972

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	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	1	-	3 682	-	3 683
TOTAL NUMBER OF MINOR ASSETS	-	1	-	3 682	-	3 683

Minor Capital Assets under investigation

	Number	Value R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	15	23

The 15 minor assets are under investigation as it could not be found during a stock take count held in the 2021/22 financial year.

Minor Assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2021

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	5	-	6 304	-	6 309
Prior period error						
Additions	-	-	-	3	-	3
Disposals	-	-	-	166	-	166
TOTAL MINOR ASSETS	-	5	-	6 141	-	6 146

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	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	1	-	4 110	-	4 111
TOTAL NUMBER OF MINOR ASSETS	-	1	-	4 110	-	4 111

27.3 Movable assets written-off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2022

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	25	-	25
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	25	-	25

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2021

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

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28. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
SOFTWARE	98	-	-	98
TOTAL INTANGIBLE CAPITAL ASSETS	98	-	-	98

28.1 Movement for 2020/21

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	98	-	-	-	98
TOTAL INTANGIBLE CAPITAL ASSETS	98	-	-	-	98

29. Prior period errors

29.1 Correction of prior period errors

	<i>Note</i>	Amount before error correction	Prior period error	Restated Amount
		2020/21	2020/21	2020/21
		R'000	R'000	R'000
Liabilities:				
Employee benefits – Other	19	1 854	1 560	3 414
Net effect		1 854	1 560	3 414

No provision was made for the exit gratuity of the Member of the Executive Council in the 2020/21 year.

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30. Statement of Conditional Grants and other transfers paid to municipalities

NAME OF MUNICIPALITY	2021/22							2020/21	
	GRANT ALLOCATION				TRANSFER			Division of Revenue Act	Actual transfer
	DoRA and other transfers	Roll Overs	Adjust-ments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Beaufort West	350	-	-	350	350	-	-	1 300	1 300
Bergrivier	850	-	150	1 000	1 000	-	-	300	300
Bitou	250	-	-	250	250	-	-	300	300
Breede Valley	250	-	-	250	250	-	-	1 300	1 300
Cape Agulhas	399	-	-	399	399	-	-	300	300
Cape Winelands District	-	-	-	-	-	-	-	300	-
Cederberg	1 208	-	-	1 208	1 208	-	-	800	800
Central Karoo District	350	-	-	350	350	-	-	300	300
City of Cape Town	250	-	-	250	250	-	-	300	300
Drakenstein	1 250	-	-	1 250	1 250	-	-	380	380
Eden District	1 000	-	-	1 000	1 000	-	-	2 408	2 408
George	250	-	-	250	250	-	-	800	800
Hessequa	250	-	-	250	250	-	-	300	300
Kannaland	250	-	-	250	250	-	-	300	300
Knysna	250	-	-	250	250	-	-	800	800
Laingsburg	350	-	-	350	350	-	-	1 300	1 300
Langeberg	800	-	-	800	800	-	-	300	300
Matzikama	1 091	-	-	1 091	1 091	-	-	300	300
Mosselbay	250	-	150	400	400	-	-	300	300
Oudtshoorn	250	-	-	250	250	-	-	300	300
Overberg District	250	-	150	400	400	-	-	300	300
Overstrand	250	-	150	400	400	-	-	300	300
Prince Albert	350	-	-	350	350	-	-	300	300
Saldanha Bay	250	-	-	250	250	-	-	300	300
Stellenbosch	800	-	-	800	800	-	-	300	300
Swartland	250	-	-	250	250	-	-	300	300
Swellendam	890	-	-	890	890	-	-	300	300
Theewaterskloof	250	-	-	250	250	-	-	300	300
Witzenberg	250	-	-	250	250	-	-	300	300
West Coast District	750	-	-	750	750	-	-	700	700
Unallocated	2 179	-	-	2 179	-	2 179	-	400	-
TOTAL	16 367	-	600	16 967	14 788	2 179	-	16 488	15 788

The unallocated amount could not be allocated and transferred timeously to be in line with the DORA as the FRP of the selected municipality (Beaufort West Municipality) was only instituted on 07 March 2022.

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31. Broad Based Black Economic Empowerment Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

32. COVID-19 Response Expenditure

	<i>Note</i>	2021/22	2020/21
	<i>Annexure 4</i>	R'000	R'000
Goods and services		889	2 632
Total		889	2 632

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ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds With-held	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Un-spent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Beaufort West	350	-	-	350	350	-	-	350	-	350	-	1 300	1 300
Bergriver	850	-	150	1 000	1 000	-	-	1 000	-	1 000	-	300	300
Bitou	250	-	-	250	250	-	-	250	-	250	-	300	300
Breede Valley	250	-	-	250	250	-	-	250	-	250	-	1 300	1 300
Cape Agulhas	399	-	-	399	399	-	-	399	-	399	-	300	300
Cape Winelands District	-	-	-	-	-	-	-	-	-	-	-	300	-
Cederberg	1 208	-	-	1 208	1 208	-	-	1 208	-	1 208	-	800	800
Central Karoo District	350	-	-	350	350	-	-	350	-	350	-	300	300
City of Cape Town	250	-	-	250	250	-	-	250	-	250	-	300	300
Drakenstein	1 250	-	-	1 250	1 250	-	-	1 250	-	1 250	-	380	380
Garden Route District	1 000	-	-	1 000	1 000	-	-	1 000	-	1 000	-	2 408	2 408
George	250	-	-	250	250	-	-	250	-	250	-	800	800
Hessequa	250	-	-	250	250	-	-	250	-	250	-	300	300
Kannaland	250	-	-	250	250	-	-	250	-	250	-	300	300
Knysna	250	-	-	250	250	-	-	250	-	250	-	800	800
Laingsburg	350	-	-	350	350	-	-	350	-	350	-	1 300	1 300
Langeberg	800	-	-	800	800	-	-	800	-	800	-	300	300
Matzikama	1 091	-	-	1 091	1 091	-	-	1 091	-	1 091	-	300	300
Mossel Bay	250	-	150	400	400	-	-	400	-	400	-	300	300
Oudtshoorn	250	-	-	250	250	-	-	250	-	250	-	300	300
Overberg District	250	-	150	400	400	-	-	400	-	400	-	300	300
Overstrand	250	-	150	400	400	-	-	400	-	400	-	300	300
Prince Albert	350	-	-	350	350	-	-	350	-	350	-	300	300
Saldanha Bay	250	-	-	250	250	-	-	250	-	250	-	300	300
Stellenbosch	800	-	-	800	800	-	-	800	-	800	-	300	300
Swartland	250	-	-	250	250	-	-	250	-	250	-	300	300
Swellendam	890	-	-	890	890	-	-	890	-	890	-	300	300
Theewaterskloof	250	-	-	250	250	-	-	250	-	250	-	300	300
Witzenberg	250	-	-	250	250	-	-	250	-	250	-	300	300
West Coast District	750	-	-	750	750	-	-	750	-	750	-	700	700
Unallocated	2 179	-	-	2 179	-	2 179	-	-	-	-	-	400	-
TOTAL	16 367	-	600	16 967	14 788	2 179	-	14 788	-	14 788	-	16 488	15 788

See Note 30.

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ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2020/21
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Western Cape Gambling and Racing Board	26 256	-	-	26 256	26 256	100%	27 744
SABC TV licences	8	-	-	8	8	100%	7
TOTAL	26 264	-	-	26 264	26 264		27 751

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ANNEXURE 1C

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	Adjusted Appropriation Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appro- piation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Leave gratuity	-	-	238	238	904	380%	1 510
Bursaries to non-employees	2 500	-	(3)	2 497	803	32%	1 219
Injury on duty	-	-	-	-	-	-	3
School essay writing competition – cash prizes	-	-	-	-	-	-	92
Cash donation to deceased official's family	10	-	-	10	10	100%	-
Early retirement penalties	1 559	-	-	1 559	1 558	100%	4 370
TOTAL	4 069	-	235	4 304	3 275		7 194

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ANNEXURE 1D

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2021/22 R'000	2020/21 R'000
Received in kind			
Greater Translogic Advisory Services	Ten (10) licenses and the implementation, maintenance and support of a donations system (SYSPRO)	-	550
TOTAL		-	550

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 2

INTER-GOVERNMENT PAYABLES

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2021/22	
	31/03/2022 R'000	31/03/2021 R'000	31/03/2022 R'000	31/03/2021 R'000	31/03/2022 R'000	31/03/2021 R'000	Payment date up to six (6) working days before year end	Amount R'000
GOVERNMENT ENTITY								
DEPARTMENTS								
Current								
Department of the Premier	-	124	-	-	-	124	31/03/2022	1 070
Department of Transport and Public Works	-	-	-	-	-	-	31/03/2022	239
Subtotal	-	124	-	-	-	124		1 309
TOTAL INTERGOVERNMENT PAYABLES	-	124	-	-	-	124		1 309

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ANNEXURE 3

INTER-ENTITY ADVANCES RECEIVED (Note 13)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	R'000	R'000	R'000	R'000	R'000	R'000
OTHER INSTITUTIONS						
Current						
Nedbank - bursary monies for students	-	-	104	173	104	173
Subtotal	-	-	104	173	104	173
TOTAL	-	-	104	173	104	173
Current	-	-	104	173	104	173

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ANNEXURE 4

COVID-19 RESPONSE EXPENDITURE

Per quarter and in total

Expenditure per economic classification	2021/22					2020/21
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services						2 632
Communication	406	483	-	-	889	1 846
Consumable supplies	-	-	-	-	-	422
Computer services	-	-	-	-	-	364
TOTAL COVID-19 RESPONSE EXPENDITURE	406	483	-	-	889	2 632

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ANNEXURE 5

Transport Assets as per finance lease register period ended 31 March 2022

	Opening balance R'000	Current year adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
GG Motor Vehicles	4 399	-	-	240	4 159

Transport assets as per finance lease register year ended 31 March 2021

	Opening balance R'000	Current year adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
GG Motor Vehicles	4 212	-	478	(291)	4 399

The Provincial Treasury utilised 20 Government motor vehicles during the period ended 31 March 2022, and 21 Government vehicles during the previous financial year ended 31 March 2021. The motor vehicles are leased under a finance agreement unique to the Western Cape government and the annexure aims to improve the minimum reporting requirements as per the Modified Cash Standard.

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ANNEXURE 6

IRREGULAR EXPENDITURE ANNEXURE TO THE AFS			
Description	Stage of completion	No. of cases	Total R'000
Alleged irregular expenditure - identified by Institution (A)	Stage 1		
Current year occurrences		2	12
Prior year occurrences			
Alleged irregular expenditure - identified by Auditors (B)	Stage 1		
Current year occurrences			
Prior year occurrences			
Total Alleged irregular expenditure			12
Total confirmed irregular expenditure	Stage 2	2	12
IE - no losses incurred	Stage 3		
IE - resulted in losses	Stage 3		
IE - determination in-progress	Stage 3		
IE - recovered/referred for recovery	Stage 5		
IE - irrecoverable and written-off	Stage 5		
IE - referred to PFS for further investigation	Stage 4		
IE - referred to HRF for disciplinary process	Stage 6		
IE - referred for condonation/ condoned	Stage 7	2	12
IE - referred for condonation/ condoned	Stage 7		
IE - not condoned and removed by AO/AA	Stage 7		
<p>Two cases of irregular expenditure were identified during the 2021/22 post audit process. This was a result of non-compliance with the Cost Containment Measures NTR 04 of 217/18. Furthermore, these cases were submitted to the Provincial Government Accounting Directorate for condonement.</p>			
<p>Notes</p> <p>"irregular expenditure" means expenditure, other than unauthorised expenditure, incurred in contravention of or that that is not in accordance with a requirement of any applicable legislation, including -</p> <p>(a) this Act; or</p> <p>(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of that Act; or</p> <p>(c) any provincial legislation providing for procurement procedures in that provincial government;</p> <p>Stage 1 - Discovery</p> <p>Stage 2 - Assessment</p> <p>Stage 3 - Determination</p> <p>Stage 4 - Investigation</p> <p>Stage 5 - Recovery of Losses</p> <p>Stage 6 - Disciplinary</p> <p>Stage 7 - Condonement/ Removal</p>			

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