

**Western Cape Government
Provincial Treasury**

**Annual Report
2018/19**

Provincial Treasury

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PROVINCIAL TREASURY

Annual Report 2018/19

Mr D Maynier

Minister of Finance and Economic Opportunities

I have the honour of submitting the Annual Report of the Provincial Treasury for the period
1 April 2018 to 31 March 2019.

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a horizontal line extending to the right.

JULINDA GANTANA
ACCOUNTING OFFICER

DATE: 30 August 2019

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PART A

General Information

PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

AC	Audit Committee
ACFS	Annual Consolidated Financial Statements
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
AM	Asset Management
AO	Accounting Officer
AOS	Accounting Officer System
APP	Annual Performance Plan
BAS	Basic Accounting System
BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
BER	Bureau for Economic Research
BS	Budget Statement
BTO	Budget Treasury Office
C-AMP	Custodian-Asset Management Plans
CA	Chartered Accountant
CAE	Chief Audit Executive
CAP	Compliance Acceleration Plan
CD	Chief Director
Ce-I	Centre for e-Innovation
CFO	Chief Financial Officer
CG	Conditional grant
CGRO	Corporate Governance Review and Outlook
CIDB	Construction Industry Development Board
CKD	Central Karoo District
CoCT	City of Cape Town
CoE	Compensation of Employees
COTS	Commercial Off-The-Shelf
CRA	Contract Registration Application
CRU	Corporate Relations Unit
CSC	Corporate Services Centre
CSD	Central Supplier Database
CWDM	Cape Winelands District Municipality
DBAC	Departmental Bid and Adjudication Committee

DCAS	Department of Cultural Affairs and Sport
DCF	District Council Forum
DDG	Deputy Director General
DEDAT	Department of Economic Development and Tourism
DEA&DP	Department of Environmental Affairs and Development Planning
DHS	Department of Human Settlements
DI	Departmental Instructions
DLG	Department of Local Government
DoA	Department of Agriculture
DOCS	Department of Community Safety
DoRA	Division of Revenue Act
DoTP	Department of the Premier
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DSD	Department of Social Development
e-GAP	Electronic Governance Action Plan
EDT	Education Training Development
EDU	Economic Development Unit
EEP	Employment Equity Plan
EHW	Employee Health and Wellness
EOC	Employer of Choice
EPM	Enterprise Project Management
EPS	Electronic Purchasing System
EPRE	Estimates of Provincial Revenue and Expenditure
EPWP	Expanded Public Works Programme
ERM	Enterprise Risk Management
ERMCO	Enterprise Risk Management Committee
FGRO	Financial Governance Review and Outlook
FI	Finance Instruction
FMC	Financial Management Capability
FMCM	Financial Management Capability Model
G&A	Government and Administration
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross Domestic Product
GEPF	Government Employees Pension Fund
GIAMA	Government-wide Immovable Asset Management Act

GMT	Government Motor Transport
GPSSBC	General Public Service Sector Bargaining Council
GRAP	Generally Recognised Accounting Practice
HCT	HIV & AIDS Counselling and Testing
HD	Helpdesk
HDIs	Historically Disadvantaged Individuals
HDI	Human Development Index
HOD	Head of Department
HOT	Head Official Treasury
HR	Human Resource
HRD	Human Resource Development
HRDS	Human Resource Development Strategy
HRM	Human Resource Management
ICN	Item Control Number
ICS	Improvement of Conditions of Service
ICT	Information Communication Technology
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure Delivery Management System
IDP	Infrastructure Delivery Plan
IDP	Integrated Development Plans
IDP	Individual Development Plans
IFMS	Integrated Financial Management System
IFS	Interim Financial Statements
IGR	Inter-Governmental Relations
IIA	Institute for Internal Auditors
IMFO	Institute of Municipal Finance Officers
IPS	Integrated Procurement Solution
ISA	International Standards on Auditing
IRM	Infrastructure Reporting Model
IT	Information Technology
IYM	In-Year Monitoring
KPA	Key Performance Area
LED	Local Economic Development
LG	Local Government
LGA	Local Government Accounting
LGBO	Local Government Budget Office

LG MTEC	Local Government Medium Term Expenditure Committee
LG SCM	Local Government Supply Chain Management
LOGIS	Logistical Information System
LRA	Labour Relations Act
M&E	Monitoring and Evaluation
MAM	Movable Asset Management
MCS	Modified Cash Standards
MEC	Member of Executive Council
MEDSAS	Medical Stores Administration System
MERO	Municipal Economic Review and Outlook
MFMA	Municipal Finance Management Act, 2003 (Act 56 of 2003)
M-GAP	Municipal Governance Action Plan
MGRO	Municipal Governance Review and Outlook
MISS	Minimum Information Security Standards
ML	Management Letters
MM	Municipal Manager
MOA	Memorandum of Agreement
MPAT	Monitoring Performance Assessment Tool
mSCOA	Municipal Standard Chart of Accounts
MTBPS	Medium Term Budget Policy Statement
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTFF	Medium Term Fiscal Framework
MTREF	Medium Term Revenue and Expenditure Framework
NDP	National Development Plan
NT	National Treasury
NT MTEC	National Treasury Medium Term Expenditure Committee
NTI	National Treasury Instruction
NTPSRMF	National Treasury Public Sector Risk Management Framework
NTR	National Treasury Regulation
OAG	Office of Accountant-General
OCPO	Office of the Chief Procurement Officer
OD	Organisational Development
OHAS	Occupational Health and Safety
OSD	Occupational Specific Dispensation
PAA	Public Audit Act

PAC	Public Accounts Committee
PAIA	Promotion of Access to Information Act (No 2 of 2000)
PAJA	Promotion of Administrative Justice Act (No 3 of 2000)
PAY	Premier's Advancement of Youth
PDO	Predetermined Objectives
PERMIS	Performance Management Information System
PERSAL	Personnel and Salary Administration System
PERO	Provincial Economic Review and Outlook
PES	Provincial Equitable Share
PFMA	Public Finance Management Act, 1999 (Act 1 of 1999)
PFS	Provincial Forensic Services
PG	Provincial Government
PG MTEC	Provincial Government Medium Term Expenditure Committee
PG SCM	Provincial Government Supply Chain Management
PI	Performance Indicator
PID	Project Initiation Documents
PILIR	Policy on Incapacity Leave and Ill-Health Retirement
PMDS	Performance Management Development System
PMF	Performance Management Frameworks
PMI	Performance Measure Indicator
PMU	Programme Management Unit
POPIA	Protection of Personal Information Act
PPP	Public Private Partnership
PPFA	Preferential Procurement Policy Framework Act
PPSC	Provincial Portfolio Steering Committee
PRF	Provincial Revenue Fund
PSC	Public Service Commission
PSCBC	Public Service Commission Bargaining Council
PSDF	Provincial Spatial Development Framework
PSG	Provincial Strategic Goal
PSO	Provincial Strategic Objective
PSR	Public Service Regulations
PSRMF	Public Service Risk Management Framework
PT	Provincial Treasury
PTI	Provincial Treasury Instruction
PTM	Provincial Treasury Management

PTRPA	Provincial Tax Regulation Process Act
QPR	Quarterly Performance Report
REAL	Revenue, Expenditure, Assets, and Liabilities
RSEP	Regional Socio-Economic Programme
RWOP	Remunerative Work Outside of the Public Service
SABC	South African Broadcasting Corporation
SAFSEC	South African Federation of Civil Engineering Contractors
SAIGA	Southern African Institute of Government Auditors
SAMPI	South African Multi-Dimensional Poverty Index
SAQA	South African Qualification Authority
SARS	South African Revenue Services
SCM	Supply Chain Management
SCoA	Standard Chart of Accounts
SCOF	Standing Committee on Finance
SCOPA	Standing Committee on Public Accounts
SDBIP	Service Delivery and Budget Implementation Plan
SDIP	Service Delivery Improvement Plan
SDR	Service Delivery Review
SEFA	Small Enterprise Finance Agency
SEP	Socio-economic Profile
SER	Socio-economic Review
SETA	Sector Education and Training Authority
SHEQ	Safety Health Environment and Quality
SIP	Strategic Infrastructure Plan
SIPDM	Standard for Infrastructure Procurement and Delivery Management
SITA	State Information Technology Agency
SIU	Special Investigating Unit
SLA	Service Level Agreement
SME	Small and Medium Enterprises
SMME	Small, Medium and Micro Enterprise
SMS	Senior Management Service
SP	Strategic Plan
SPMS	Staff Performance Management System
SOP	Standard Operating Procedure
SOPI	Strategic Objective Performance Indicator
TCF	Technical Committee on Finance

the dti	Department of Trade and Industry
TIME	Technical Integrated Municipal Engagements
TMM	Treasury Management Meeting
TPW	Transport and Public Works
TQM	Total Quality Management
U-AMP	User-Asset Management Plans
USB-ED	University of Stellenbosch – Executive Development
WCARS	Western Cape Archives and Records Services
WCED	Western Cape Education Department
WCG	Western Cape Government
WCGRB	Western Cape Gambling and Racing Board
WC MTBPS	Western Cape Medium Term Budget Policy Statement
WCPP	Western Cape Provincial Parliament
WCSD	Western Cape Supplier Database
WSP	Workplace Skills Plan

3. FOREWORD BY THE MINISTER

The 2018/19 Annual Report considers Provincial Treasury's progress towards delivering on its vision of Good Financial Governance, the 2014 - 2019 Provincial Strategic Plan and in particular Provincial Strategic Goal 5 which seeks to embed good governance and integrated management.

The 2019 integrated planning and budgeting process focused on the integrated management approach to ensure that key partners in respect of policy and planning, spatial planning, municipal interface and partnering were provided an opportunity to engage with provincial departments and provide inputs integral to planning and budgeting aimed at ensuring maximum citizen impact.

The constrained economic and fiscal outlook requires provincial and local government to ensure the efficient, effective and sustainable management of fiscal resource. Provincial Treasury has therefore remained committed to the principles of allocative efficiency, fiscal consolidation, fiscal discipline and fiscal sustainability in response to the need for inclusive growth and creating public value.

Good financial governance was further enhanced by dedicated and customised support and assistance provided by the Provincial Treasury to departments, municipalities and entities.

I wish to thank the Management and staff of Provincial Treasury for their dedication, professionalism and tireless commitment to the people of the Western Cape, the successful outcome of which is evidenced by the department's 98 per cent achievement of its targets, and its sixth consecutive clean audit.

Together we can ensure this government works for its citizens.



MR D MAYNIER

MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES

DATE: 30 August 2019



Mr David Maynier
Minister of Finance and
Economic Opportunities

4. REPORT OF THE ACCOUNTING OFFICER

Overview of the operations of the Department

During the 2018/19 financial year Provincial Treasury continued to focus its resources on achieving the goals, objectives and targets as set out in its Annual Performance Plan underpinned by Provincial Strategic Goal 5 - Embed good governance and integrated service delivery through partnership and spatial alignment.

The following are some of the significant achievements and challenges experienced by the Provincial Treasury during the 2018/19 financial year:



Julinda Gantana
Accounting Officer
Provincial Treasury

Departmental Administration and Governance

The Department has managed to attain another clean audit, its sixth consecutive one. This was achieved through the close monitoring of controls on a quarterly basis and a clear leadership tone to ensure a strong control environment is maintained. However, while we note this achievement, we acknowledge the recommendations by the Auditor-General to strengthen our review processes to ensure that the figures reported in the financial statements are accurate and supported by reliable evidence and do not require any adjustments due to the audit process and that management should review and monitor all laws and regulations to ensure that no instances of non-compliance occurs which might lead to irregular expenditure being incurred.

Resource Allocation and Monitoring

The weak economic environment which relates to the socio-economic and service delivery environment had implications for budget policy and public financial management. Therefore, the fiscal strategy, the budget policy and the 2019 Provincial and Municipal Budgets were informed by evidence based economic and socio-economic research.

Fiscal consolidation and discipline is part of the Western Cape Fiscal Strategy and therefore the focus remained on expenditure control within budget limits and stringent management of personnel budget.

Given the key focus on infrastructure investment and delivery a supplementary publication (Overview of Provincial and Municipal Infrastructure 2019) was published, providing a strategic overview of an infrastructure-led-growth strategy. (Refer to pages 56 to 67 for more detail.)

Supply Chain Management and Financial Systems

Within the current review period various support assistance and guidance process were strengthened as is referenced in the Service Delivery Improvement Plan (SDIP) section of this report. The use of technology, through business intelligence tools and data analyses of procurement information, was strengthened and supply chain management (SCM) performance information was provided to departments to enable better procurement planning. Transversal contracting initiatives attempted found fruition in ascertaining process efficiency gains and in potential savings but at the same time also challenged the Provincial Treasury (PT) from a resource capacity and skill perspective. Resource constraints from an overall delivery perspective, were even more dire on the local government supply chain management side due to the high attrition rate within this unit however the unit garnered support from utilising the District Approach Model and good partnering with key stakeholders.

Within the financial management systems environment, the Provincial Treasury continued to fulfil its mandate in providing assistance to all provincial systems users (LOGIS, BAS and PERSAL). In addition, the clean-up of system data in preparation for the move to the Integrated Financial Management System (IFMS) continues. (Refer to pages 68 to 76 for more detail).

Improved Corporate Governance and Accounting Practices

Provincial Treasury monitored and supported departments and municipalities, through various initiatives, to improve the understanding and application of accounting and financial reporting in line with existing reporting frameworks applicable to each sphere, as well as the requisite support on updates and changes to the reporting frameworks.

The provincial strategy of embedding good governance continued to be strengthened through the governance engagements with departments and Technical Integrated Municipal Engagements (TIME) with municipalities. This bode well in collectively dealing with complex matters through the course of our work. (Refer to pages 77 to 84 for more detail).

Overview of financial results of the Department

Table 1 Departmental receipts

Departmental Receipts	2018/19			2017/18		
	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	13	38	(25)	13	41	(28)
Transfers received	1		1	1	-	1
Interest, dividends and rent on land	1	1	-	1	4	(3)
Sale of capital assets	-	114	(114)	-	28	(28)
Financial transactions in assets and liabilities	50	6 632	(6 582)	47	8 693	(8 646)
Total	65	6 785	(6 720)	62	8 766	(8 704)

Total departmental receipts as depicted in Table 1 for the 2018/19 financial year amounted to R6.785 million of the departmental budget of R65 000. It should be noted that the original budget of R540.353 million included estimates related to the Western Cape Gambling and Racing Board (WCGRB) for Tax receipts, consisting of casino taxes and horse racing taxes; Sale of goods and services other than capital assets relating to bookmaker's licences; and Fines, penalties and forfeits consisting of court fines and penalties on court orders. In terms of paragraph 56 (a) of the Modified Cash Standard and paragraph 4.2 of the Accounting Manual for Departments amounts received by a department on behalf of an entity should not be included in the total amount of departmental revenue in the departments financial statements. The amount must be disclosed in a note "Cash received not recognised".

Prior year amounts for 2017/18 has also been adjusted (refer to Note 2.5 on page 185 for more detail).

Financial transactions in assets and liabilities recorded a surplus of R6.582 million mainly due to the surrender of previous year's surplus from the WCGRB and recovery of previous years' expenditure based on the outcome for the roll-over of unspent provincial conditional grants to municipalities.

Table 2 Programme expenditure

Programme Name	2018/19			2017/18		
	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	59 868	59 261	607	60 177	57 492	2 685
Sustainable Resource Management	123 178	121 334	1 844	136 028	132 195	3 833
Asset Management	56 679	56 068	611	53 311	51 023	2 288
Financial Governance	67 108	66 443	665	39 077	37 434	1 643
Total	306 833	303 106	3 727	288 593	278 144	10 449

Reasons for under expenditure

The underspending under Programme 1 – Administration amounts to R607 000 or 1.0 per cent of the Final Appropriation. This is mainly due to vacant posts that were not filled as planned and the appointment of fewer graduate interns than anticipated.

The underspending under Programme 2 – Sustainable Resource Management amounts to R1.844 million or 1.5 per cent of the Final Appropriation. This is mainly due vacant posts that were not filled as planned, officials who exited the department, as well as less travelling by employees.

The underspending under Programme 3 – Asset Management amounts to R611 000 or 1.1 per cent of the Final Appropriation. This is mainly due to vacant posts that were not filled as planned.

The underspending under Programme 4 – Financial Governance amounts to R665 000 or 1.0 per cent of the Final Appropriation. This is mainly due to vacant posts that were not filled as planned and the appointment of fewer Chartered Accountant (CA) interns than anticipated. In addition, one municipality requested a reduced amount for the Western Cape Financial Management Capacity Building Grant due to implementation challenges at municipal level.

Virement

The Department ended the 2018/19 financial year with an adjusted appropriation of R306.833 million of which an amount of R303.106 million was actually spent. A provisional virement was approved by the Member of the Executive Authority on 4 April 2019 and, the Department ended with a net underspending of R3.727 million or 1.2 per cent for the reporting period. The following virements were applied between the programmes and the details of the shifts below between the main divisions can be found on the Appropriation Statement (pages 156 to 167).

- R990 000 was shifted from Programme 2: Sustainable Resource Management to Programme 1: Administration to accommodate for the installation of steel shelving in the storerooms, purchase of computer equipment and office furniture, daily tariffs for government motor vehicle usage and external audits.
- R454 000 was shifted from Programme 4: Financial Governance to Programme 1: Administration to accommodate for foreign visits, operating leases and the purchase of consumable stationery items as well as Basic Accounting System (BAS), Personnel and Salary Administration System (PERSAL), and Logistical Information System (LOGIS) mainframe time.
- R308 000 was shifted from Programme 4: Financial Governance to Programme 3: Asset Management to accommodate for the increased expenditure related to the revision of Provincial Treasury Instructions (PTI's) and the Accounting Officer System (AOS), as well as support on the execution of the Information Communication Technology (ICT) Plan.

Unauthorised, fruitless and wasteful expenditure

There was no unauthorised expenditure during the reporting period. The reasons, amounts and steps taken pertaining to fruitless and wasteful expenditure is recorded in Part E: Note 23.

Future plans of the Department

For the last year of the Strategic Plan 2015 - 2020 we will continue to focus on the following key areas:

- Integrated Management to strengthen joint planning and collective impact in identified geographic space, policy area or strategic issue between the three spheres of

government and between organs of state within each sphere. As a governance approach, Integrated Management is a shift from fragmented policy development and service delivery towards governance for results through co-planning, co-budgeting and co-implementation across spheres with the overarching objective of maximising citizen impact.

- Conduct research and analysis on provincial and local government fiscal policy matters that impact on the fiscal framework of the Province.
- Departmental oversight of the Western Cape Gambling and Racing Board (WCGRB) and manage the crafting of the legislative amendments affecting the gambling sector.
- Engage on economic, policy and budget related research, which informs the formulation of the provincial budget policy to ultimately recommend budget allocations in line with the strategic priorities outlined in the 2014 – 2019 Provincial Strategic Plan and other applicable policies.
- Provide evidence-based research for the Western Cape through the Provincial Economic Review and Outlook (PERO) that informs policymakers, departments and municipalities on key economic issues that will impact policy, planning and budgeting.
- Formulate provincial budget policy priorities through the Western Cape Medium Term Budget Policy Statement (WC MTBPS) that give effect to the policy context based on the principles of the provincial fiscal strategy while managing key provincial risks.
- Provide research, advice and analysis on the regional and local economy and the provision of economic intelligence for use in municipal planning and budgeting.
- Publication of the Municipal Economic Review and Outlook (MERO) and release of Socio-Economic Profiles.
- Assess provincial and municipal budgets to improve the credibility and sustainability of the budget and monitoring the implementation of budgets to enhance accountability, efficiency and data integrity to improve the responsiveness of budgets to address socio-economic and policy objectives.
- Fiscal consolidation is part of the Fiscal Strategy and therefore the focus is on expenditure control within budget limits and stringent management of personnel budgets.
- Facilitate and coordinate the implementation of the Municipal Finance Management Act (MFMA) in Provincial Treasury and municipalities. This is done to ensure that the objectives of the Local Government reform agenda with specific reference to implementation of the Technical Committee on Finance (TCF) Game Changers is achieved.
- Being responsive to support particularly vulnerable municipalities, in respect of MFMA implementation, budget implementation and revenue and expenditure management.
- Enhancing spatial integration of data sets to promote the integration of information between spheres of government in line with Provincial Strategic Goal 5 (PSG), which in turn will require the facilitation and coordination of departmental and municipal Medium

Term Expenditure Committee (MTEC) processes and the related document flow as well as the technical refinement of treasury publications and working papers.

- Render credible and detailed system data and perform system data analysis for all Western Cape Government departments.
- Drive a centre-led approach for SCM and movable asset management (MAM) governance and performance requirements in the Province.
- Mainstream its focus on utilisation of technology as an enabler to improve SCM performance. Continued support to maintain the central supplier database to address identified key gaps, and an evidenced-based approach through improved efficiencies, governance requirements that is supported through the Provincial e-procurement solution and the continuous building of the business intelligence competence.
- Focus on sustainable procurement initiatives to drive local economic development within the respective districts through integrated planning.
- Further focus on building data analytics and business intelligence competencies to support the municipalities, specific interventions will be undertaken to improve Data Governance and ultimately enhance procurement decision-making.
- Continue to assist municipalities and related municipal entities in achieving accurate and complete recording of transactions as required by generally recognised accounting practices (GRAP), and conformance with applicable financial laws, regulations and the municipal standard chart of accounts (mSCOA). This would contribute to preventing material misstatements, irregularities and the deeper analysis of financial statements that could drive key policy decisions.
- Further facilitate the implementation of mSCOA which is the biggest reform since the implementation of the MFMA, and more specifically, drive the standard operating procedures in municipalities to ensure the regulated business processes are institutionalised.
- Additionally, drive integration, specifically on integrated reporting, and the accounting agenda in the district approach. Effort will be expended on data analytics to provide a more in-depth analysis on the annual financial statements to support governance sustainability in municipalities, and will work with the public finance unit.
- Coordinating and incrementally driving financial norms and standards. Also monitor and report quarterly on the departmental Corporate Governance Review and Outlook (CGRO) electronic governance action plans (e-GAP) to enable the progressive improvement of financial management.
- Coordinating the Municipal Governance Review and Outlook (MGRO) programme, as part of the Integration Municipal Framework and Workplan, which is an integral part of the annual Technical Integrated Municipal Engagements, seeking to progressively drive the maturity criteria across various disciplines to achieve maturity in governance. A large part of the ensuing year will be to look at performance criteria, and assessing how, as PT, we can support municipalities who cannot attract the required talent, especially in the rural areas.

Public Private Partnerships

The responsibilities of Provincial Treasury are to provide an oversight role over the project cycle of the potential Public Private Partnerships (PPPs) to determine affordability, value for money and risk transfer and a monitoring role on PPP close deals. PT is guided by the Public Finance Management Act (PFMA) and the National Treasury Regulation 16 to fulfil its oversight role in terms of PPPs.

While there are no PPPs within the vote, there are currently three provincial PPPs (see table below) that have been awarded within the Provincial Government and are monitored by Provincial Treasury.

Registered Provincial PPP projects: Closed deals

Project name	Description	Department	Start date	End date
Chapman's Peak Drive Toll Road	Design, construct, finance, operations and maintenance of Chapman's Peak Drive.	Department of Transport and Public Works	21 May 2003	21 May 2033
WC Rehabilitation Centre and Lentegeur Hospital	Provision of estate maintenance, medical and non-medical equipment, hard & soft facilities management and related services in respect of the Western Cape Rehabilitation Centre and Lentegeur Psychiatric Hospital.	Department of Health	1 March 2007	31 March 2020
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 & Development Planning and implemented by CapeNature	2 December 2009	30 year long-term contracts (with the option of renewal for another 15 years)

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 identified during the regulatory audit process are under investigation and will be dealt with in terms of the Irregular Expenditure Framework issued by National Treasury on 25 September 2018.

Further details on irregular expenditure is available in Part E: Note 22.

Challenges within SCM

The main challenge relating to supply chain management is capacity. A number of officials exited the unit during the reporting period, the vacancy rate as at 31 March 2018 was thirty-

eight per cent (38%). All vacant posts are currently in the recruitment and selection process. The ongoing identification and implementing of innovative ways to improve employees' skills and knowledge is still a SCM focus area.

The national supply chain management reform process impacts on supply chain management within the Department. National Treasury (NT) issued a number of instruction notes on which the Provincial Treasury raised a number of areas of concern. The matters of concern remain unresolved and therefore seen as non-compliance with laws and regulations by the Auditor-General. Provincial Treasury and National Treasury were requested to resolve the matters of concern.

The SCM unit will continue to improve existing controls and implement new control measures to ensure compliance to all laws and regulations and prevent irregular expenditure.

Gifts and Donations received in kind from non-related parties

The Department did not receive any in kind goods and services from parties other than related parties during the period under review.

In total, gifts to the amount of R4 680.00 were received by officials during the reporting period which are disclosed in the gift register maintained within the Financial Management section of the Department.

Exemptions and deviations received from the National Treasury

No exemptions and deviations were requested from the National Treasury.

Events after the reporting date

There were no events after the reporting period.

Conclusion

I would like to take this opportunity to express my sincere appreciation and gratitude to the entire team finance for their support. Without their hard work, dedication and commitment to excellence the progress we have made would not have been possible.

In spirit of integrated management, I would also like to acknowledge the contribution of our stakeholders in the various departments, entities and municipalities for their continued partnership with us.

Approval and sign off



Julinda Gantana
Accounting Officer
Provincial Treasury
Date: 28 August 2019

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 the annual report as 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 Department for the financial year ended 31 March 2019.

Yours faithfully



Julinda Gantana
Accounting Officer
Provincial Treasury
Date: 30 August 2019

6. STRATEGIC OVERVIEW

6.1 Vision

Good financial governance.

6.2 Mission

To improve governance through:

Enhancing accountability and oversight;

Creating public value;

Enabling delivery of quality services through partnerships; and

Capacity building in public sector finance.

6.3 Values

The core values of the Western Cape Government, to which the department subscribed, are the following:



Caring

To care for those we serve and work with



Competence

The ability and capacity to do the job we are appointed to do



Accountability

We take responsibility



Integrity

To be honest and do the right thing



Innovation

To be open to new ideas and develop creative solutions to problems in a resourceful way



Responsiveness

To serve the needs of our citizens and employees

7. LEGISLATIVE AND OTHER MANDATES

The full list of acts and laws as cited in section 4 of the Strategic Plan remain applicable although new regulations have been issued under the auspices of the Preferential Procurement Policy Framework Act.

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

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

The Provincial Treasury 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 Provincial Treasury and it inter alia include the following: preparing and exercising control over the implementation of the provincial budget; promote and enforce 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 of provincial treasury instructions not inconsistent 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 of provincial entities of national and provincial norms and standards; assisting provincial departments and provincial public entities in building 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 provide any information required by NT in terms of the PFMA and do anything further that is necessary to fulfil its responsibilities effectively.

Municipal Finance Management Act, 2003 (Act 56 of 2003)

In terms of section 5(4) of the MFMA, 2003 (Act 56 of 2003) the Provincial Treasury 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; it may assist municipalities in the preparation of their budgets; further exercise any powers, perform any duties delegated to it by the National Treasury in terms of the MFMA and may take appropriate steps if a municipality or municipal entity in the Province commits a breach of the MFMA.

Annual Division of Revenue Act

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

Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No. 10 of 2009)

To regulate the financial management of Parliament and provincial legislatures in a manner consistent with its status in terms of the Constitution.

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

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

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

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

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

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

Public Audit Act, 2004 (Act 25 of 2004), as amended

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

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

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

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

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

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

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

Western Cape Additional Adjustments Appropriation Act, (2015/16 Financial Year) (Act 2 of 2016)

To appropriate additional adjusted amounts of money from the Provincial Revenue Fund in respect of funds that have become available for the requirements of the Province of the Western Cape in respect of the 2015/16 financial year; and to provide for matters incidental thereto.

Western Cape Adjustments Appropriation Act, 2015 (Act 4 of 2015)

To appropriate adjusted amounts of money from the Provincial Revenue Fund for the requirements of the Province of the Western Cape in respect of the financial year ending 31 March 2016; and to provide for matters incidental thereto.

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

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

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

To provide regulatory prescripts to support the Member of the Executive Council responsible for the Act to ensure sound financial administration by the Western Cape Gambling and Racing Board, in regulating the gambling activities in the Province and to provide for matters connected therewith.

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

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

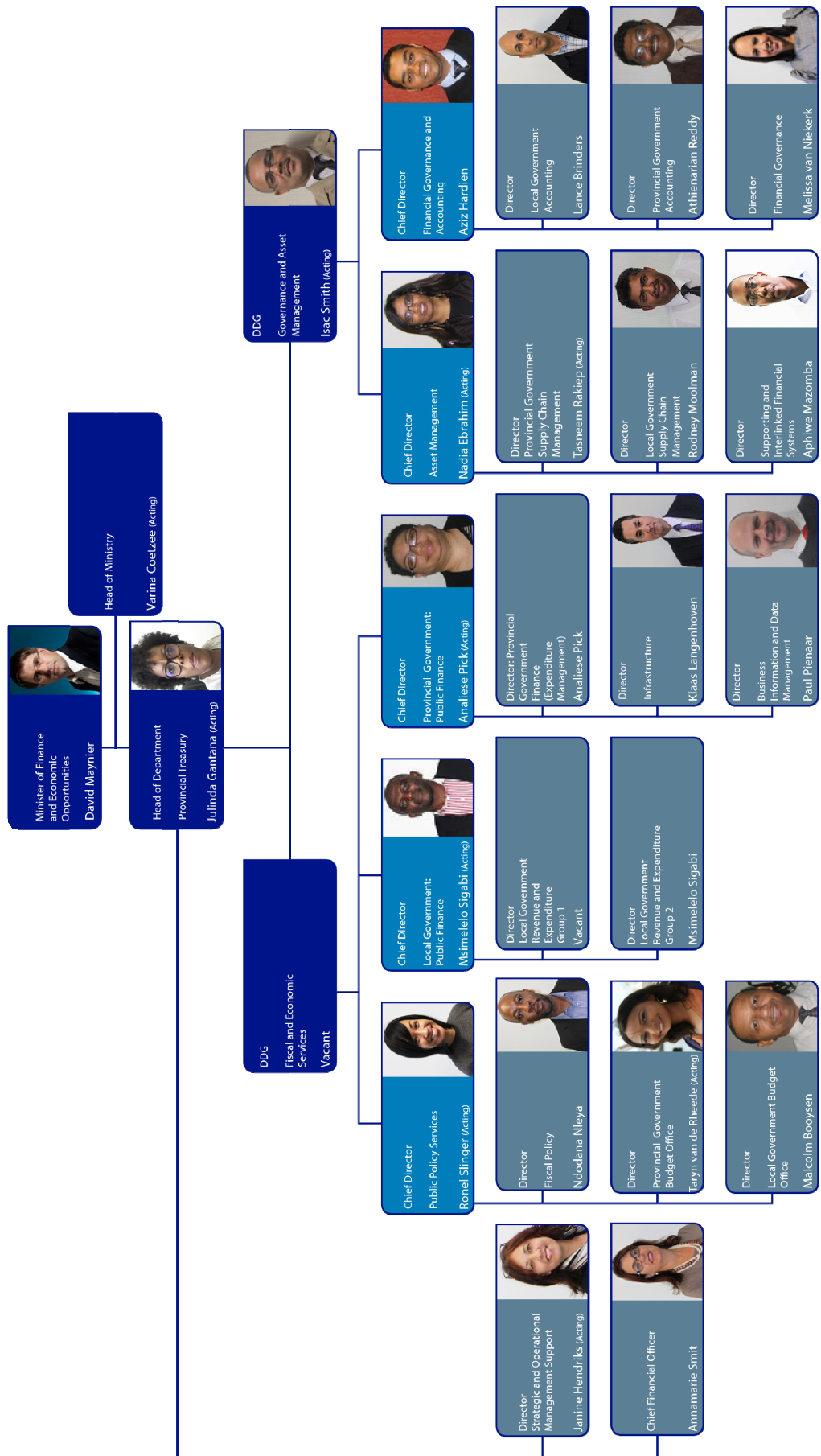
8. ORGANISATIONAL STRUCTURE

Organogram

As at 1 June 2019



BETTER TOGETHER.



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 of 2012/13 and beyond transfers from the Provincial Revenue Fund to the Entity were necessary to assist it in performing its regulatory responsibilities.	Regulation of all gambling, racing and activities incidental thereto in the Western Cape Province.

PART B

Performance Information

PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa (AGSA) 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 Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 149 of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

A weak economic outlook was expected for South Africa as the World Bank estimated growth at 0.8 per cent in 2018 with growth in 2019 forecasted to grow by 1.1 per cent. However, even with the acceleration in 2019, real gross domestic product growth is expected to remain below population growth and real income per capita is expected to contract for the fifth consecutive year. A sharp slowdown in economic growth was expected for the Western Cape in 2018 with growth estimated at -0.1 per cent. Much of this expected contraction in output was due to the impact of the drought on the economy and in particular in the agriculture, forestry and fisheries sector. The main risks for the Western Cape remains crime, climate change, drought, water, energy and public transport which will be amplified by a large increase in its expected population. Long-term trends also indicate that the provincial population is estimated to grow by 20 per cent over the next 11 years, reaching 7.9 million in 2030. The extent and pace of population growth will rapidly increase service demand pressures on all spheres of government.

The fiscal environment continues to be adversely impacted by the weaker economic environment and lower than anticipated national tax revenue, which has, led to larger projected fiscal deficits and higher government debt.

The Provincial Treasury's key focus was aimed at improving core transversal functions to drive governance efficiencies and enhancing good financial governance, within the current fiscal constraints and various national reform processes. These processes continued to place tremendous pressure on the Provincial Treasury, not only to manage and mitigate the transversal risks and implementation challenges emanating out of these reform process, but

also to provide provincial departments and municipalities with the desired level of support, assistance and guidance required to meet implementation requirements and to sustain previous clean audit outcomes.

Provincial Strategic Goal 5 aims to embed good governance and integrated service delivery through partnerships and spatial alignment. To this end, the Provincial Treasury's approach focused on providing transversal support to Western Cape Government departments and municipalities by ensuring effective and efficient financial governance, financial sustainability and fiscal discipline within the Western Cape. The Provincial Treasury continued to drive enhanced governance through initiatives which improve financial capability maturity levels or financial norms and standards from a financial governance and systems perspective, while enhancing opportunities for capacity building at a Provincial and Municipal level.

The Provincial Treasury maintained its focus on driving Integrated Management across WCG departments and between WCG and municipalities by continuing to promote integrated planning, budgeting and service delivery. The principles of Integrated Management therefore underpinned the Department's approach to embed good financial governance in the Western Cape. The approach was further refined with the updated 2017 Integrated Work Plan which aims to strengthen joint planning, alignment and collective impact in an identified geographic space across all three spheres of government. The focus was therefore on streamlining processes of real joint planning and budgeting across the two spheres of government and strengthening the joint review of municipal and provincial implementation and performance through evidence-based practices. To this end, the Provincial Treasury has taken an integrated approach to the Provincial and Local Government Medium Term Expenditure Committees (MTEC) and therefore strengthened the responsiveness of the provincial and municipal planning and budgeting process with a view to strengthen the next generation Integrated Development Plan's (IDP's) of municipalities, effective 1 July 2017. It has also further refined the Technical Integrated Municipal Engagements (TIME) to better address municipal governance and service delivery challenges.

As defined in the 2017/18 Annual Report in giving effect to the PSG 5 goal statement is was a 5-year trajectory to: Embed Good Governance and Integrated Service Delivery through Partnerships and Spatial Alignment. The key priorities identified for an integrated governance approach are as follows:

- Efficient, effective and responsive local and provincial governance;
- Integrated management within the WCG, between the WCG and municipalities, with internal and external partners; and
- Embedding good governance performance through the established governance platforms (i.e. PTM/MM Fora; CFO Fora; Financial and Management Accounting Forums, SCM Fora and focus Groups and the District modular approach for municipalities).

Key initiatives towards delivery of the Provincial Strategic Goal 5 objectives included and remained the following:

- Compiled an Overview of Provincial and Municipal Infrastructure to facilitate integrated planning and budgeting between the two spheres of government;
- Developing and Implementing the Integrated Work Plan for Provincial and Municipal Integration;
- Implementing Integrated Management across the various phases of the planning and budgeting process including the PG MTEC and LG MTEC engagements;
- Driving the principles of evidence-based practices through the 2018 Provincial and Municipal Economic Review and Outlook;
- Integrated Governance Performance Reviews through quarterly assessments and/or engagements with departments and the MGRO process with municipalities and the enablement of support plans through the e-Gap and Municipal Governance Action Plan (M-Gap) tools;
- Maintenance and optimisation of the SCM strategy for WCG and local municipalities; and
- Enhancing current financial systems in the absence of the IFMS to improve financial reporting.

The evolved integrated approach and model as redefined in 2017/18 through Quarterly Governance Engagements for departments and the Technical Integrated Municipal Engagements (TIME) for municipalities continued to mature in process, which provided for better integration, partnerships and joint response plans.

The demand to investigate or assess governance issues as they relate to tender processes and governance specific challenges within certain municipalities in the Province, continued to escalate and place pressure on the Financial Governance and Local Government Supply Chain Management (LG SCM) Directorates to deliver to the demands placed on them given their strained capacity within the current austere environment.

Provincial Treasury's governance efforts for provincial departments are supported and underpinned by the transversal financial systems. During 2014, the Western Cape Government agreed to support the piloting of the IFMS by the National Treasury, however the originally communicated deadlines for the IFMS did not materialise and National Treasury indicated that implementation would only start now in the 2020/21 financial year. This context remained the same for the 2018/19 financial year with no significant movement. The Provincial Treasury continued to engage with National Treasury in this regard. In the meantime, the Provincial Treasury has continued to do preparatory work in terms of data clean-up and enablement in preparation for the IFMS in respect of 13 provincial departments and to assist departments with improving the integrity of data in the legacy systems to strengthen its financial systems and to ensure smooth migration to IFMS when implemented. The Directorate also continued to perform its core function in respect of the user account management and capacitation and development to sustain and manage the governance requirements on the legacy systems.

Both Provincial and Local Government Supply Chain Management continued to work under an austere environment with the SCM reform process continuing to be a challenge. Whilst

fully meeting the strategic objective, performance indicators and planned targets as they relate to assessments conducted and to strategic sourcing initiatives undertaken.

The use of technology via business intelligence tools and data analyses of procurement information was sustained, strengthened and developed further, as well as the maintenance of the SCM Helpdesk and the SCM Fora from a client support perspective.

The National Treasury issued a number of draft documents for commentary in respect of Strategic Procurement Framework, Participation in any contract arranged by means of a Competitive Bidding Process by any other Organ of State, National Travel Policy Framework and Contract Management Framework and Guidelines, which to date has not been issued posing a number of challenges and unresolved issues within the procurement environment which poses risks to the ability of departments to comply. Local content instructions, tax compliance requirements and g-Commerce refinements continued to assail the already regulatory intensive procurement environment. The National Treasury Central Supplier Database has intermittently not been operational with no concomitant risk mitigation being put in place to support governance requirements. The Province has in these instances benefitted from maintaining the Western Cape Supplier Database as a dual mechanism to sustain its own governance and risk mitigation processes.

Changes to Accounting Standards by the Accounting Standards Board, the second year of implementation of the mSCOA Regulations, the continued roll-out of improved transparency in relation to accounting reporting based on the Modified Cash Standards and the Accounting Manual for Departments inevitably impacted on the performance of PT's stakeholders. Departments and Municipalities required continuous support and guidance with the implementation of these improvements, which the programme specific support catered for.

Considerable effort went into the business reform that affected municipalities under the banner of mSCOA and in an attempt to support the municipalities, a substantial amount of resources was allocated to assist with mSCOA implementation.

The effects of the leadership changes still had an effect on some municipalities, which culminated in additional requests for support in the domain of local government financial management. In the provincial government space, differing interpretations on accounting continued, the end result being 1 department receiving a qualification that was a carry through from the prior year, but a general upward trend toward clean governance from the other departments and entities was sustained.

2.2 SERVICE DELIVERY IMPROVEMENT PLAN

The Department completed a Service Delivery Improvement Plan (SDIP) through the provision of a supply chain management helpdesk (i.e. for support assistance and guidance) to provincial departments, provincial public entities, municipalities, municipal entities and suppliers with the objective to outline key services (i.e. "how to do business with the Western Cape Government"), addressing gaps and areas of improvement within procurement, and defining standards for the delivery of procurement as a service and a lever to enable service delivery.

The tables below highlight the service delivery plan and the achievements to date:

Main service and standards

Main Services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
1. To provide SCM advice and assistance to departments, municipalities and to potential and current suppliers through the helpdesk service	<ul style="list-style-type: none"> Provincial Departments Public Entities Municipalities Suppliers 	<p>a) Maintenance of 95% consistency in standard of SCM issues, complaints, queries successfully resolved.</p> <p>b) 75% of service beneficiaries indicated satisfaction with the level and standard of service provided.</p>	<p>a) Maintenance of 95% consistency in standard of SCM issues, complaints, queries successfully resolved.</p> <p>b) 80% of the service beneficiaries indicated satisfaction with the level and standard of service provided.</p>	<p>PG SCM:</p> <ul style="list-style-type: none"> An average of 96.5% of queries received during the financial year were resolved within specified timeframes. A total of 2 232 queries were successfully attended to. 608 in respect of CSD, 247 was SCM related and 1 377 in respect of the IPS. <p>LG SCM:</p> <ul style="list-style-type: none"> 69.5% of a total of 392 queries received were successfully resolved within specified timeframes. The reason for not meeting the desired standard is due to the fact that the unit experienced a high turnover in resource capacity which fluctuated between 46% - 50% capacity, with critical posts being unable to be filled as the turnover rate was faster in movement than the ability to fill posts. <p>PG SCM:</p> <ul style="list-style-type: none"> Perception surveys were conducted for all quarters of the financial year. 100% of service beneficiaries indicated their satisfaction with the level and standard of service provided.

*Current/Actual Standard of Service – As per base year 0 performance level column in Approved SDIP 2018 - 2021.

*Desired standard of service – As per 2018/19 desired in the Approved SDIP 2018 - 2021.

*Actual achievement – for 2018/19 as per quarterly reports progress.

Main Services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
				LG SCM: <ul style="list-style-type: none"> Given the constrained capacity as indicated previously, perception survey's will be implemented as from Quarter 1 of the 2019/20 financial year to ensure that clients are satisfied with the level of responsiveness to the demands of the service provided by LG SCM.
2. Conduct interventions to assist departments, municipalities and potential and current suppliers to upskill them on public sector procurement requirements	<ul style="list-style-type: none"> Provincial Departments Municipalities Suppliers Public Entities 	N/A	a) 16 Interventions to assist on public sector procurement requirements.	a) PG SCM Target achieved: <ul style="list-style-type: none"> Two (2) interventions in respect of Empowerment Impact Assessments concluded at DCAS and DEA&DP. Two (2) IPS training interventions held at DSD and DCAS. Seven (7) Procurement Planning interventions held with DoA, DHS, DSD (2), DTPW, DCAS and DotP. One (1) Security Framework Agreement Awareness session held with all 13 departments. Two (2) Impact assessments concluded on key SCM issues: NT transversal contracts and NT draft travel framework. One (1) Security Framework Agreement systems enablement intervention with all 13 departments.

* Current/Actual Standard of Service – As per base year 0 performance level column in Approved SDIP 2018 - 2021.

* Desired standard of service – As per 2018/19 desired in the Approved SDIP 2018 - 2021.

* Actual achievement – for 2018/19 as per quarterly reports progress.

Main Services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
				<ul style="list-style-type: none"> One (1) i-Develop training needs analysis tool intervention held with DCAS. <p><u>Additional Achievement:</u></p> <p>For provincial departments: (6)</p> <ul style="list-style-type: none"> Six (6) Procurement Planning interventions held with DOCS, LG, WCED, DotP and DSD (2). <p>For suppliers: (11)</p> <ul style="list-style-type: none"> One (1) Smart Procurement World Conference held at GrandWest Casino. One (1) Security Framework Agreement Awareness session held in the Cape Metro with all service providers on the Framework agreement. Three (3) sessions were held in the Overberg, Cape Winelands District and West Coast Districts to create awareness in respect of the Province's Security Services Framework Agreement and Catering Strategy including CSD & WCSD database registration.

* Current/Actual Standard of Service – As per base year 0 performance level column in Approved SDIP 2018 - 2021.

* Desired standard of service – As per 2018/19 desired in the Approved SDIP 2018 - 2021.

* Actual achievement – for 2018/19 as per quarterly reports progress.

Main Services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
	<ul style="list-style-type: none"> Provincial Departments Municipalities Suppliers Public Entities 	N/A	<p>b) 98% Service beneficiaries indicated satisfaction.</p> <p>a) Five (5) interventions to assist on public sector procurement requirements.</p>	<ul style="list-style-type: none"> Four (4) interventions that required co-partnering with departments were held in Langebaan, George and the Cape Metro (2). These were in respect of National Treasury's Central Supplier Database and e-Portal support as well as on the Province's own IPS. Two (2) sessions were held in the Eden and Central Karoo District to create awareness in respect of the Province's Security Services Framework Agreement and Catering Strategy including database registration. One (1) Security Framework Agreement Awareness session. <p>b) 100% Client satisfaction was recorded for all events.</p> <p>a) LG SCM Target Achieved:</p> <ul style="list-style-type: none"> One (1) x SIPDM Infrastructure Model Policy implementation intervention- Mossel Bay Municipality. Three (3) x SCM Reform interventions (Bespoke training, Infrastructure, Local Content and Production, CSD & e-Portal) – Garden Route & Hessequa municipalities.

* Current/Actual Standard of Service – As per base year 0 performance level column in Approved SDIP 2018 - 2021.

* Desired standard of service – As per 2018/19 desired in the Approved SDIP 2018 - 2021.

* Actual achievement – for 2018/19 as per quarterly reports progress.

Main Services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
				<ul style="list-style-type: none"> One (1) x e-Portal intervention - Drakenstein Municipality. <p><u>Additional Achievement:</u></p> <ul style="list-style-type: none"> One (1) x Bid Committee training - Garden Route District. One (1) x Specialised SCM Governance intervention assessment – Laingsburg. One (1) x Participation of five districts in Demand Management & Procurement Planning training. One (1) x Financial Diagnostic intervention assessment – Knysna in partnership with Public Finance and Department of Local Government (DLG). Continuous intervention on the Back to Basic Program within the CKD area during the quarter in partnership with Public Finance and Department of Local Government. One (1) x Data Analytics intervention training: Garden Route and Overberg District and to Provincial Treasury officials. One (1) x Contract Management intervention training for management: 5 municipal districts.

* Current/Actual Standard of Service - As per base year 0 performance level column in Approved SDIP 2018 - 2021.

* Desired standard of service – As per 2018/19 desired in the Approved SDIP 2018 - 2021.

* Actual achievement – for 2018/19 as per quarterly reports progress.

Main Services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
			b) 98% Service beneficiaries indicated satisfaction.	<ul style="list-style-type: none"> One (1) x Physical Asset Management in Public Sector intervention training: five (5) municipal districts. One (1) x Specialised SCM Governance intervention workshop: Laingsburg. b) 100% of Service beneficiaries indicated satisfaction with the level and standard of service.

Batho Pele Arrangements with Beneficiaries (Consultation, Access etc.)

1. Provide SCM advice and assistance to departments, municipalities and to potential and current suppliers through the helpdesk service

Targeted/Desired arrangements 2018/19	Actual arrangements 2018/19
<p>Consultation: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <p>a) Maintaining the current quality achieved in 2017 - 2018:</p> <p>PG SCM</p> <ul style="list-style-type: none"> Workshops Written correspondence Telephonically Emails One-on-one meetings District Council Forum (DCF) for municipalities Provincial & Local SCM Forums Municipal Chief Financial Officers (CFO) Forum Monthly meetings with the Department of Economic Development and Tourism on economic aspects of procurement 	<p>Consultation: The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>(a) Standards met</p>

* Current/Actual Standard of Service – As per base year 0 performance level column in Approved SDIP 2018 - 2021.

* Desired standard of service – As per 2018/19 desired in the Approved SDIP 2018 - 2021.

* Actual achievement – for 2018/19 as per quarterly reports progress.

Targeted/Desired arrangements 2018/19	Actual arrangements 2018/19
<ul style="list-style-type: none"> Specific focus group meetings relating to SCM policy and governance; Strategic Sourcing (Demand Management); and SCM Capacitation and Development held. <p>LG SCM</p> <ul style="list-style-type: none"> Workshops Written correspondence Telephonically Emails During the Supplier Open Days Roadshows One-on-one meetings Provincial & Local SCM Forums Municipal Chief Financial Officers (CFO) Forum. District Visits (District Approach strategy): This has been aligned with our new District Approach Model, where we visit district municipalities and service the entire district at a central geo position/locality. <p>b) Skype for business</p> <p>c) Quarterly SCM Capacitation and Development Focus Group and work stream meetings</p>	<p>LG SCM</p> <p>a) Facilitated a benchmarking exercise between the Department of Transport and Public Works (TPW), ESKOM (Blouberg Plant) and LG SCM officials on the implementation of Framework Agreements and SIPDM.</p>
<p>Courtesy: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <p>a) Maintained quality achieved in 2017-18</p> <p>PG SCM</p> <ul style="list-style-type: none"> Management Email Telephonically Written correspondence Verbal communication Face-to-face 99% of queries concluded within the allocated timeframes of the Helpdesk framework. Meeting with suppliers as and when required. 	<p>Courtesy: The desired arrangements were met however both units had challenges in meeting the allocated targeted timeframes:</p> <p>PG SCM</p> <p>a) 96.5% of queries concluded within the allocated timeframes of the Helpdesk framework.</p>

* Current/Actual Standard of Service – As per base year 0 performance level column in Approved SDIP 2018 - 2021.

* Desired standard of service – As per 2018/19 desired in the Approved SDIP 2018 - 2021.

* Actual achievement – for 2018/19 as per quarterly reports progress.

Targeted/Desired arrangements 2018/19	Actual arrangements 2018/19
<p>LG SCM</p> <ul style="list-style-type: none"> • Management • Email • Telephonically • Written correspondence • Face-to-face • LG SCM: Helpdesk • Red Tape Reduction Call Centre • Evaluation questionnaires • Verbal communication. • Face-to-face during the district visits. <p>b) Meeting desired target for the period and quality standard for the period</p>	<p>LG SCM</p> <p>a) LG SCM concluded 69.5% of queries within the allocated timeframes. The reason for non-performance to the desired standard has been indicated in the main service and standards feedback in this report.</p>
<p>Access: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <p>a) Via Provincial Legislature Building, 7 Wale Street, Cape Town</p>	<p>Access: The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>a) Dedicated space at the Cape Access Centre (4 Dorp Street, Cape Town) utilised to assist suppliers with CSD registration.</p> <p>b) Assisted suppliers and departments by responding to queries raised via the dedicated Helpdesks (CSD, SCM and IPS). A total of 2 232 queries were successfully attended to; 608 in respect of CSD, 247 was SCM related and 1 377 in respect of the IPS.</p> <p>LG SCM</p> <p>a) Assisted municipalities and suppliers on a range of SCM related queries via the dedicated Helpdesk (392 queries successfully addressed).</p>
<p>Openness and Transparency: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <p>a) Maintaining the current quality achieved in 2017 - 2018:</p> <p>PG SCM</p> <ul style="list-style-type: none"> • Telephone • Written correspondence • Email • One-on-one meetings • Annual Report • Workshops 	<p>Openness and Transparency: The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>a) Utilisation of an e-procurement system to invite quotations;</p> <p>b) Utilisation of PT website to publish policies, guidelines, procurement instructions and templates; and</p> <p>c) Perception surveys conducted for all queries received.</p>

* Current/Actual Standard of Service – As per base year 0 performance level column in Approved SDIP 2018 - 2021.

* Desired standard of service – As per 2018/19 desired in the Approved SDIP 2018 - 2021.

* Actual achievement – for 2018/19 as per quarterly reports progress.

Targeted/Desired arrangements 2018/19	Actual arrangements 2018/19
<ul style="list-style-type: none"> • District Council Forum (DCF) for municipalities • Provincial & Local SCM Forums • Municipal Chief Financial Officers (CFO) Forum • Utilisation of an e-procurement system to invite quotations in which leads and tenders are advertised; • Publication of tender awards on National Treasury e-Portal; and • Utilisation of PT Website to publish policies and guidelines, procurement instructions and templates. <p>LG SCM</p> <ul style="list-style-type: none"> • Telephonically • Written correspondence • Email • One-on-one meetings • Annual Report • During the Supplier Open Days (evaluation questionnaires) • Supplier Open Day Report • Supplier Open Day Article (departmental website) • Press/Media Article • Workshops • Roadshows • Local Government District SCM Forums and SCM indaba • Municipal Chief Financial Officers (CFO) Forum <p>Apart from:</p> <ul style="list-style-type: none"> b) Supplier Open Day Report - as all reports are directly issued to municipalities and not published on the departmental Website. c) Utilisation of shared-drive to store information and create institutional memory d) Quarterly reporting e) FAQs on website f) Implementation of an issue management system 	<p>LG SCM</p> <ul style="list-style-type: none"> a) Procurement planning reports and system insight reports per department concluded.

* Current/Actual Standard of Service – As per base year 0 performance level column in Approved SDIP 2018 - 2021.

* Desired standard of service – As per 2018/19 desired in the Approved SDIP 2018 - 2021.

* Actual achievement – for 2018/19 as per quarterly reports progress.

Targeted/Desired arrangements 2018/19	Actual arrangements 2018/19
<p>Value for money: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <p>a) Provide support and assistance to all Western Cape Provincial departments, Public entities and the Public</p>	<p>Value for money: The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>a) Performance information provided to departments in terms of supply chain management on a quarterly basis in order to improve planning and decision making processes; and</p> <p>b) Provided tools to departments to ensure efficiency gains in departmental procurement planning and procurement processes.</p> <p>LG SCM</p> <p>a) Provide templates and tools to municipalities, municipal entities, suppliers and other local government organisations to improve procurement efficiencies.</p>

2. Conduct interventions to assist departments, municipalities and potential and current suppliers to upskill them on public sector procurement requirements

Targeted/Desired arrangements 2018/19	Actual arrangements 2018/19
<p>Consultation: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <p>a) Maintaining the current quality achieved in 2017 - 2018</p> <ul style="list-style-type: none"> • Workshops • Written correspondence • Telephonically • Emails • One-on-one meetings • District Council Forum (DCF) • Provincial & Local SCM Forums <p>b) Skype for business</p> <p>c) Quarterly SCM Capacitation and Development Focus Group and work stream meetings</p>	<p>Consultation: The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>a) Regular preparatory meetings held key stakeholders and staff in respect of supplier development initiatives.</p> <p>b) Debriefing session held with all stakeholders who attended awareness sessions (roadshow) held in 5 districts.</p>

* Current/Actual Standard of Service – As per base year 0 performance level column in Approved SDIP 2018 - 2021.

* Desired standard of service – As per 2018/19 desired in the Approved SDIP 2018 - 2021.

* Actual achievement – for 2018/19 as per quarterly reports progress.

Targeted/Desired arrangements 2018/19	Actual arrangements 2018/19
	<p>LG SCM</p> <ul style="list-style-type: none"> a) Regular preparation/operational meetings held with PT staff and 1 x Asset Management Forum meeting. b) Diagnostic engagement with Knysna Municipality in collaboration with the Department of Local Government (DLG), Department of Environmental Affairs and Development Planning (DEA&DP), LG Sector Departments, internal PT units. c) Engagements with suppliers, Department of Economic Development and Tourism (DEDAT), South African Revenue Services (SARS), Department of Trade and Industry (DTI), LG officials, LG SCM to assist with compliance requirements for SCM. d) Engagement with Drakenstein Municipality on the supplier development and Local Economic Development (LED) program (Case Study). e) Debriefing session held on with all stakeholders who attended awareness sessions (roadshows held in 5 districts). f) Assisted and guided the implementation of SCM on the mSCOA project with National Treasury and PT mSCOA project team.
<p>Courtesy: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Maintained quality achieved in 2017-18 <ul style="list-style-type: none"> • Management • Email • Telephonically • Written correspondence • Verbal communication • Face-to-face • Advised departments and suppliers on the utilisation of the National Treasury e-Portal and CSD. b) Meeting desired target for the period and quality standard for the period 	<p>Courtesy: The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <ul style="list-style-type: none"> a) 100% client satisfaction recorded for all events. <p>LG SCM</p> <ul style="list-style-type: none"> a) 100% client satisfaction recorded for all events. b) Concluded 65% of queries within the allocated timeframes. The reason for not meeting the desired standard has been indicted in the feedback provided in the main service and standards of this report.

* Current/Actual Standard of Service – As per base year 0 performance level column in Approved SDIP 2018 - 2021.

* Desired standard of service – As per 2018/19 desired in the Approved SDIP 2018 - 2021.

* Actual achievement – for 2018/19 as per quarterly reports progress.

Targeted/Desired arrangements 2018/19	Actual arrangements 2018/19
<p>Access: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <p>a) Via Provincial Legislature Building, 7 Wale Street, Cape Town</p>	<p>Access: The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>a) Dedicated space at the Cape Access Centre (4 Dorp Street, Cape Town) to assist suppliers with CSD registration.</p> <p>b) Assisted 2 232 suppliers and departments by access through responding to queries raised via the dedicated Helpdesks (CSD, SCM and IPS).</p> <p>c) Assisted 1 674 CSD registration at 4 Dorp Street, Cape Town (287); at Langebaan, 21 in George, 111 in Observatory (27); Grand West Arena, 27 in Athlone (125), at Moorreesburg, 37 in Mfuleni (21) and 273 suppliers with CSD/WCSD registration at the awareness sessions held in 5 districts.</p> <p>d) A total of 697 suppliers attended the Security Services Framework Agreement and Catering Strategy awareness sessions in the 5 districts.</p> <p>LG SCM</p> <p>a) Assisted 683 suppliers with CSD registration at 4 Dorp Street, Cape Town (287), via dedicated helpdesk (123) and through awareness sessions (roadshow) held in 5 districts (273).</p> <p>b) Assisted municipalities with the HR information/files uploaded to the CSD system.</p> <p>c) A total of 697 suppliers attended the awareness sessions (roadshow) held in 5 districts.</p>

* Current/Actual Standard of Service – As per base year 0 performance level column in Approved SDIP 2018 - 2021.

* Desired standard of service – As per 2018/19 desired in the Approved SDIP 2018 - 2021.

* Actual achievement – for 2018/19 as per quarterly reports progress.

Targeted/Desired arrangements 2018/19	Actual arrangements 2018/19
<p>Openness and Transparency: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <p>a) Maintaining the current quality achieved in 2017 - 2018</p> <ul style="list-style-type: none"> • Telephonically • Written correspondence • Email • One-on-one meetings • Annual Report • Workshops • District Council Forum (DCF) • Provincial and Local SCM Forums • Advised suppliers of the tender information on the National Treasury e-Portal. <p>b) Utilisation of shared-drive to store information and create institutional memory</p> <p>c) Quarterly reporting</p> <p>d) FAQs on website</p> <p>e) Implementation of an issue management system</p>	<p>Openness and Transparency: The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>a) Advised on access to tender information on the National Treasury e-Portal and in terms of any requested information in terms of the Promotion of Access to Information Act 2000 (Act 2 of 2000);</p> <p>b) Utilisation of an e-procurement system to invite quotations;</p> <p>c) Utilisation of PT website to publish policies, guidelines, procurement instructions and templates; and</p> <p>d) FAQs being prepared will be finalised and uploaded on the website in the 2019/20 financial year.</p> <p>LG SCM</p> <p>a) Advised on access to tender information on the National Treasury e-Portal and in terms of any requested information in terms of the Promotion of Access to Information Act 2000 (Act 2 of 2000)</p>
<p>Value for money: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <p>a) Provide support and assistance to all Western Cape Provincial Departments, Public entities and the Public</p>	<p>Value for money: The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>a) Review of departmental spend and procurement activities in terms of procurement planning;</p> <p>b) Provided tools to departments to ensure efficiency gains in departmental procurement processes;</p> <p>c) Training of officials and suppliers on security framework agreement and procurement/IPS requirements;</p> <p>LG SCM</p> <p>a) Provided templates and tools to municipalities, municipal entities, suppliers and other local government organisations.</p>

* Current/Actual Standard of Service – As per base year 0 performance level column in Approved SDIP 2018 - 2021.

* Desired standard of service – As per 2018/19 desired in the Approved SDIP 2018 - 2021.

* Actual achievement – for 2018/19 as per quarterly reports progress.

Service Delivery Information Tool

1. Provide SCM advice and assistance to departments, municipalities and to potential and current suppliers through the helpdesk service

Targeted/Desired arrangements 2018/19	Actual arrangements 2018/19
<p>Information: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <p>a) Quality achieved in 2017 - 2018 maintained</p> <p>PG SCM</p> <ul style="list-style-type: none"> • Departmental website • Annual Report • One-on-one meetings • Information sessions • District Council Forum (DCF) • Provincial & Local SCM Forums • Municipal Chief Financial Officers (CFO) Forum <p>LG SCM</p> <ul style="list-style-type: none"> • Departmental website • Annual Report • One-on-one meetings • Information sessions • Municipal Chief Financial Officers (CFO) Forum • Media Adverts • Hosting Supplier Open Days • Supplier Open Day Report • Press/Media • Telephonically • Written correspondence • Email • SCM Indaba • SCM Indaba Report <p>b) SCM District forum to mainstream information</p> <p>c) SCM Forum and Capacitation and Development Focus Group.</p>	<p>Information: The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>a) Information is stored on a register in an excel format and a quarterly helpdesk; performance report is produced to assess gaps within the procurement environment and training needs.</p> <p>LG SCM</p> <p>a) SCM forums and District SCM/LED Forums and Time engagements and MGRO process.</p>

* Current/Actual Standard of Service – As per base year 0 performance level column in Approved SDIP 2018 - 2021.

* Desired standard of service – As per 2018/19 desired in the Approved SDIP 2018 - 2021.

* Actual achievement – for 2018/19 as per quarterly reports progress.

2. Conduct interventions to assist departments, municipalities and potential and current suppliers to upskill them on public sector procurement requirements

Targeted/Desired arrangements 2018/19	Actual arrangements 2018/19
<p>Information: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <p>a) Quality achieved in 2017 - 2018 maintained</p> <ul style="list-style-type: none"> Departmental website Annual Report One-on-one meetings Information sessions District Council Forum (DCF) Provincial & Local SCM Forums <p>b) SCM District forum to mainstream information.</p> <p>c) SCM Forum and Capacitation and Development Focus Group.</p>	<p>Information: The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>a) Information is stored on a register in an excel format and a quarterly helpdesk performance report is produced to assess gaps within the procurement environment and training needs.</p> <p>LG SCM</p> <p>a) District SCM/LED Forum meetings to share procurement information.</p> <p>b) Sharing of information via MFMA Circulars, email correspondence and focus groups.</p> <p>c) TIME engagements and MGRO process.</p>

Complaints Mechanism

(1) Provide SCM advice and assistance to departments, municipalities and to potential and current suppliers through the helpdesk service

Targeted/Desired arrangements 2018/19	Actual arrangements 2018/19
<p>Redress: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <p>Through official channels i.e.:</p> <p>a) Maintaining the current quality achieved in 2017 - 2018</p> <p>PG SCM</p> <ul style="list-style-type: none"> Management Face-to-face Verbal communication Written correspondence Email <p>LG SCM</p> <ul style="list-style-type: none"> Management Face-to-face Verbal Communication Written Correspondence Email Evaluation Questionnaires LG SCM: Helpdesk <p>b) Maintain a complaints register</p>	<p>Redress: The desired arrangements were met and in additional the following were achieved:</p> <p>PG SCM</p> <p>a) 21 Complaints were received for the financial year from suppliers in respect of SCM related matters which have been resolved with the suppliers and departments concerned (where applicable).</p>

* Current/Actual Standard of Service – As per base year 0 performance level column in Approved SDIP 2018 - 2021.

* Desired standard of service – As per 2018/19 desired in the Approved SDIP 2018 - 2021.

* Actual achievement – for 2018/19 as per quarterly reports progress.

(2) Conduct interventions to assist departments, municipalities and potential and current suppliers to upskill them on public sector procurement requirements

Targeted/Desired arrangements 2018/19	Actual arrangements 2018/19
<p>Redress: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <p>Through official channels i.e.:</p> <p>a) Maintaining the current quality achieved in 2017-18</p> <ul style="list-style-type: none"> • Management • Face-to-face • Verbal Communication • Written Correspondence • Email <p>b) Maintain a complaints register.</p>	<p>Redress: The desired arrangements were met and in addition the following were achieved:</p> <p>a) 21 complaints were received for the financial year from suppliers in respect of SCM related matters which have been resolved with the suppliers and departments concerned (where applicable).</p>

* Current/Actual Standard of Service – As per base year 0 performance level column in Approved SDIP 2018 - 2021.

* Desired standard of service – As per 2018/19 desired in the Approved SDIP 2018 - 2021.

* Actual achievement – for 2018/19 as per quarterly reports progress.

2.3 Organisational environment

The current organisational structure consists of three hundred and thirty-three (333) approved posts. As at 31 March 2019, only two hundred and sixty-one (261) posts were filled.

Despite the high vacancy rate, the Provincial Treasury was still able to fully achieve fifty-eight (58) of the fifty-nine (59) programme performance indicators, while one (1) programme performance indicator was partially achieved. Of the fifty-eight (58) performance indicators achieved, three (3) were overachieved. This achievement can be attributed to the commitment and dedication of the employees of the Provincial Treasury.

2.4 Key policy developments and legislative changes

During the reporting period, there were no major key policy developments and/or legislative changes that affected the mandate of the Provincial Treasury. The National Treasury issued a notice proposing that Provincial Treasuries facilitate provincial transversal contracts for certain contracts previously arranged by the National Treasury for transversal utilisation by national and provincial departments. Provinces were requested to indicate its willingness to take over the facilitation and arrangement of these contracts. The contracts identified for decentralisation could not be procured by the Provincial Treasury as transversal contracts for the Province, due to structural capacity constraints, utilisation by the provincial departments and the aesthetic needs of departments. The broader implication of National Treasury's drive to decentralise national transversal contracts to provinces is being evaluated and considered particularly in terms of the ability and capacity of the Provincial Treasury to respond to the need.

In 2018, the National Treasury review of infrastructure service delivery systems resulted in the development of the One Infrastructure Delivery Management System (1-IDMS). The IDMS Version 4 is scheduled for release in the 2019/20 financial year with a greater focus on the 'full lifecycle' of infrastructure assets and additional modules to reflect a comprehensive

generic approach to infrastructure asset management in all spheres of government. The IDMS remains a living system, and further refinements, incremental improvements and enhancements are anticipated to be made over time.

National Treasury is in the process of revising the Treasury Regulations. This has had a number of iterations, and once it is issued, it may introduce a number of new requirements and challenges that may affect the operations of departments. The Treasury is iteratively in the process of workshopping some of the changes that it anticipates and placing on record its comments, recommendations and challenges with the National Treasury.

The review of the current SCM legislative framework by National Treasury is underway. The aim is to have a single set of public procurement legislation addressing all the legislative and regulatory inefficiency in the system.

The Implementation Preferential Procurement Policy Framework Regulations as they relate to local content implementation continued to challenge the SCM environment. Cost Containment and Transversal contract requirements continued to place pressure on an already austere environment. The Central Supplier Database and its inability to remain functional and online proved to be problematic from a service delivery perspective, necessitating the dual running of the Western Cape Supplier Database to maintain and sustain the governance requirements for SCM so that the Province's clean audit status for SCM is not compromised. G-commerce, and Construction Industry Development Board (CIDB) standards and the 1-IDMS proved technically challenging for municipalities and for departments in terms of conflicting requirements with the Standards for Infrastructure and Procurement Delivery Management (SIPDM). Transfer Payments re-classification requirements also impacted on the business requirement of departments and municipalities and how such expenditure must be treated from as re-classified from a goods and services perspective. These changes in the instructions from National Treasury resulted in interpretation challenges with AGSA. In the latter part of March 2019, the amendments to the Public Audit Act was passed by Parliament and assented to by the President. These amendments grant the auditor general additional powers, and will have an impact on the manner in which audits, and more specifically, consequence management, is addressed. The amendments have to be studied, and all PT stakeholders will be informed of the impact these amendments will have in the 2019/20 and ensuing financial years. The AGSA has advised that they are still in the process of unpacking the amendments to the Act.

National Treasury issued a revised framework for Irregular Expenditure, which grants delegations to provinces to deal with long-outstanding irregular expenditure matters, and is in the final stages of revising the frameworks for Fruitless and Wasteful and Unauthorised Expenditure.

2018 saw increased disagreements on audit opinions, and to stem this tide, Provincial Treasury is leading the initiative to establish a country approved alternative dispute resolution mechanism. The WCPT has a firm view that litigation should be the absolute last resort after all IGR structures have been exhausted, and it is for this reason that it is spearheading the alternative dispute resolution mechanisms.

3. STRATEGIC OUTCOME ORIENTATED GOALS

Programme 1 – Administration

Strategic Outcome Orientated Goal 1	Efficient and effective departmental governance support services.
Progress	Departmental governance support services were further improved.

Programme 2 – Sustainable Resource Management

Strategic Outcome Orientated Goal 2	Effective, efficient and sustainable management of provincial and municipal fiscal resources.
Progress	<p>Provincial Treasury prepared the provincial budget within a constrained economic and fiscal environment.</p> <p>The budget is underpinned by the Western Cape Government's Fiscal Strategy towards delivery on the Provincial Strategic Plan, which is</p> <ul style="list-style-type: none"> ■ Allocative efficiency to achieve a balanced allocation of resources that reflects the priorities of government and considers programme effectiveness based on evidence. ■ Fiscal sustainability from a provincial perspective focuses on maintaining stability in key government programmes and managing risks in a constrained economic and fiscal environment. Therefore, the focus is on appropriate balancing of fiscal aggregated in a manner that ensures a sustainable fiscal position in the medium to long term. ■ Fiscal consolidation entails reducing government expenditure and/or increasing revenue. ■ Fiscal discipline ensures that all provincial departments and entities remain within budget limits and avoids irregular, fruitless and wasteful expenditure. <p>Municipalities were assisted in the preparation of their budgets through the annual planning and budget process. The Provincial Treasury monitored, supported and reported on the efficient and effective implementation of both provincial and municipal fiscal resources.</p>

Programme 3 – Asset Management

Strategic Outcome Orientated Goal 3	Financial systems, supply chain and movable asset governance within the provincial and municipal spheres.
Progress	Departments and municipalities were assisted to maintain good governance practices and to prepare and implement the necessary SCM and financial systems reforms. The National Treasury further granted approval for the Province to continue with its e-Procurement system for a further 3 years. Key developments on data mining and dash boarding into SCM performance information has been pivotal on the provincial side in achieving the move from conformance to performance.

Programme 4 – Financial Governance

Strategic Outcome Orientated Goal 4	To embed good governance through financial management improvement and capacity building initiatives for departments, entities and municipalities.
Progress	The departments and municipalities were assisted to maintain good governance and accounting practices through programme interventions that ensured compliance with accounting and corporate governance norms and standards.

All Provincial Treasury's initiatives, notably Governance Quarterly Engagements and TIME Engagements are processes that are directly in support of Chapter 13 of the National Development Plan (NDP) – Building a capable and developmental state. These mechanisms have continued to be used; with specific alignment to the integrated management approach adopted by the WCG and has proved to yield better results for planning, execution and reporting.

These initiatives assisted provincial departments and municipalities on the path to a capable and developmental state enabling enhanced socio-economic opportunities; support the development of expertise, better systems and processes to reduce inefficiencies and maintain a high adherence to ethics; and build a government that is accountable to its people.

Provincial Treasury assisted and supported provincial departments and municipalities to improve their management practices, financial practices and operational systems to achieve National Outcome 9: A responsive, accountable, effective and efficient local government system and National Outcome 12: An efficient, effective and development orientated public service.

Considerable energy and effort was expended in supporting municipalities with their mSCOA implementation, a business reform that proved to be more complex than what was initially anticipated and which still poses a number of implementation challenges due to uncharted territory, which still needs to be unpacked for practical and effective implementation. The Provincial Treasury is committed to supporting and working with National Treasury to work through these implementation challenges and finding practical solutions, which at present is utilising significant municipal and Provincial Treasury resources.

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 were the strategic objectives for the financial year under review:

- To provide ministerial support services;
- To improve corporate management processes; and
- To provide financial administrative services to the Department.

Strategic objectives, performance indicators, planned targets and actual achievements

The Office of the Minister achieved all its performance objectives. The Minister was therefore able to effectively discharge his executive responsibilities.

The quarterly monitoring and reporting on the implementation of the Workforce Plan improved the human resources management processes within the Department. This contributed to no audit findings on human resources management for the year under review.

Performance planning, monitoring and reporting processes were maintained during the 2018/19 financial year. All prescribed non-financial plans and reports were submitted according to set requirements and timeframes. This contributed to an unqualified audit opinion, where the reported performance information for the selected programmes, i.e. Programme 2: Sustainable Resource Management and Programme 4: Financial Governance was useful and reliable in all material aspects in accordance with the identified performance management and reporting requirements.

Financial Management achieved all its performance indicators. This contributed to the achievement of an unqualified with no material findings audit opinion for the 2018/19 financial year.

Strategic objectives:

PROGRAMME 1: ADMINISTRATION								
Sub-programme 1.1: Office of the Minister								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
1.	Number of reports to monitor compliance with statutory and executive requirements	New SOPI	4	4	4	4	None	None

Performance indicators:

Sub-programme 1.1: Office of the Minister								
Programme performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
1.1	Number of formal engagements with the Department on meeting statutory and executive requirements	Revised PI	Revised PI	8	8	8	None	None
1.2	Number of formal engagements with the Western Cape Gambling and Racing Board on meeting statutory and executive requirements	New PI	Revised PI	4	4	4	None	None
1.3	Number of meetings/ engagements with the Consul Generals, members of the Diplomatic Corps and incoming foreign delegations	Revised PI	Revised PI	7	7	7	None	None

Strategy to overcome areas of under performance

There are no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 1: ADMINISTRATION								
Sub-programme 1.2: Management Services								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
2.	Number of material Human Resource Management and Performance Management audit findings	0	0	0	0	0	None	None

Performance indicators:

Sub-programme 1.2: Management Services								
Programme performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
2.1	Number of prescribed performance plans and reports submitted	6	7	6	6	6	None	None
2.2	Number of reports on the implementation of the Workforce Plan	Revised PI	4	4	4	4	None	None

Strategy to overcome areas of under performance

There are no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 1: ADMINISTRATION								
Sub-programme 1.3: Financial Management								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
3.	Number of material financial management audit findings	0	0	0	0	0	None	None

Performance indicators:

Sub-programme 1.3: Financial Management								
Programme performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
3.1	Number of IYM reports	12	12	12	12	12	None	None
3.2	Number of Budget submissions	4	4	4	4	4	None	None
3.3	Number of Corporate reports	4	4	4	4	4	None	None

Strategy to overcome areas of under performance

There are no areas of under performance.

Changes to planned targets

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

Sub-programme expenditure

Sub-programme name	2018/19			2017/18		
	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	6 162	6 091	71	6 511	6 078	433
1.2 Management Services	26 722	26 390	332	26 826	25 100	1 726
1.3 Financial Management	26 984	26 780	204	26 840	26 314	526
Total	59 868	59 261	607	60 177	57 492	2 685

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 strategic objectives 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 physical infrastructure delivery and maintenance of immovable assets; and
- To render an effective data and information management service.

Strategic objectives, performance indicators, planned targets and actual achievements

Fiscal Policy

Research and analysis forms the basis on which fiscal policy is developed. Research undertaken include a focus on the provincial and local government fiscal framework including the implications of the current economic environment and how it impacts on the fiscal sustainability of the provincial government and municipalities. The focus included translating the research and analysis into budget policy formulation and fiscal framework of the Province and formulation of the Provincial Fiscal Strategy. The Fiscal Strategy combines elements of revenue and expenditure management to deliver a balanced and sustainable budget. On the Local Government front, the focus included strengthening research and fiscal policy to inform intergovernmental discussions on fiscal policy matters and the integration between fiscal and budget policy.

The monitoring, analysis and reporting on the provincial revenue, inclusive of cash management, plays a key role in giving effect to the Fiscal Strategy in support of the principles of fiscal sustainability, fiscal consolidation and fiscal discipline. The Directorate also supports the promotion of good governance within the Western Cape Gambling and Racing Board through monitoring and reporting on the performance of the WCGRB and fulfilling strategic oversight responsibilities.

Budget Management

The Provincial Government Budget Office conducted economic, policy and budget related research and analysis, which informed the formulation of provincial budget policy and recommended allocations in line with government's strategic priorities, outlined in the 2014 - 2019 Provincial Strategic Plan and other applicable policies. The Directorate focused on the alignment of policy, planning and budgeting. The 2019 integrated planning and budgeting process focussed on the integrated management approach to ensure that key partners in respect of policy and planning, spatial planning, municipal interface and partnering were provided an opportunity to engage with provincial departments and provide inputs integral to planning and budgeting aimed at ensuing maximum citizen impact.

Evidence-based economic and socio-economic research contained in the annual Provincial Economic Review and Outlook and the Municipal Economic Review and Outlook publications, informs policymakers, departments and municipalities on key economic issues that impacts policy, planning and budgeting.

The 2018 Fiscal Policy Seminar, hosted by the Provincial Minister of Finance and attended by experts in government, private sector and academia, provided an interactive platform to engage on topics related to economic and fiscal policy matters contributing toward a Fiscal Strategy for growth and creating maximum citizen impact within a constrained economic environment. Annually in November, post the tabling of 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. The WC MTBPS

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. To strengthen the coordination and alignment between planning, budgeting and implementation for service delivery impact, the Directorate has been focusing on programme and project effectiveness and performance with the aim of assessing allocative efficiency, responsiveness and the effectiveness of the budget in terms of the policy and delivery context.

The 2019 Provincial Budget was crafted in consultation with key stakeholders, taking into account the policy direction provided through Provincial Government Medium Term Expenditure Committee engagements and other strategic engagements with Western Cape municipalities to further drive joint planning and execution.

The Local Government Budget Office (LGBO) provides research, advice and analysis on the regional and local economy and the provision provides economic intelligence for use in the municipal planning and budgeting process. The LGBO facilitated the updates of the Integrated Work Plan (under the auspices of Provincial Strategic Goal 5: Work Group 4), most notably the introduction of a Work Group Implementation Plan. The Unit assessed the annual budgets of municipalities and provided recommendations to improve the budget responsiveness as well as allocative efficiency of the budgets to give effect address to socio-economic and policy objectives. The Unit also supported the municipal budget process by coordinating the Local Government Medium Term Expenditure Committee (LG MTEC) engagements.

Furthermore, the Unit also monitors the implementation of municipal budgets through the Service Delivery and Budget Implementation Plans (SDBIPs) of municipalities. The final approved SDBIPs are evaluated to ensure legislative compliance after which the approved SDBIPs form the basis for quarterly and half-year non-financial performance monitoring against the set targets contained in the approved SDBIP and detailed feedback is given to each municipality.

The Local Government Budget Office conducted evidenced-based economic and socio-economic research contained in the Municipal Economic Review and Outlook and localised Socio-Economic Profiles (SEP) to aid municipalities with the formulation of their annual budgets and review of their Integrated Development Plans (IDPs).

Public Finance

Fiscal consolidation and discipline is part of the Western Cape Governments Fiscal Strategy, thus the focus remained on expenditure control within budget limits and stringent management of personnel budgets. The compilation of the adjusted estimates and main budget estimates lays the opportunity to ensure fiscal sustainability. Provincial Government Finance assessed provincial budgets to improve the credibility and sustainability of the budget and monitored the implementation of budgets to enhance accountability, efficiency and data integrity.

The 2018/19 integrated planning and budgeting process focused on the integrated management approach to ensure spatial planning, municipal interface and maximum citizen impact. Local Government Finance continued to facilitate and coordinate the

implementation of the MFMA in Provincial Treasury and municipalities to ensure that the objectives of the Local Government reform agenda are achieved. Implementation of the MFMA is driven through IGR coordination between municipalities, provincial and national departments and other related stakeholders. Key responsibilities include monitoring, support and intervention in respect of 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.

Given the focus on infrastructure investment and delivery, the Provincial Government tabled a supplementary publication (Overview of Provincial and Municipal Infrastructure Investment 2019), as part of the budget documentation on 5 March 2019. The publication provides a strategic overview of an infrastructure-led-growth strategy. A more coordinated, integrated and strategic approach to planning and budgeting was key to respond in a comprehensive manner to the challenges of infrastructure. Increased Infrastructure led growth remained the key focus for driving economic growth and core element of sustainability, particularly at a time of renewed commitment to fiscal consolidation and fiscal discipline. The unit monitored the infrastructure spending of designated departments and supported the Western Cape Ministerial Infrastructure Coordinating Committee, under the chairmanship of the Provincial Minister of Finance, for the efficient and effective delivery of infrastructure in the Province.

Business Information and Data Management forms an integral part in driving the development of the knowledge information management system for the Provincial Treasury. A centralised repository was maintained that assisted with decision-making and ensures the tabling of credible publications. As enabler for the Programme the component executed its responsibilities in relation to client interface, data collating, data and information management and records management for the department.

Strategic objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT								
Sub-programme 2.1: Programme Support								
	Strategic objective performance indicator	Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
4.	Percentage of Programme 2 – Sustainable Resource Management's programme performance indicator targets achieved	100%	100%* 25/25	100%** 25/25	100%*** 24/24	100%*** 24/24	None	None

* Method of calculation 2016/17:
Numerator: Number of achieved performance indicator targets (25)
Denominator: Number of planned performance indicator targets (25)

** Method of calculation 2017/18
Numerator: Number of achieved performance indicator targets (25)
Denominator: Number of planned performance indicator targets (25)

*** Method of calculation 2018/19
Numerator: Number of achieved performance indicator targets (24)
Denominator: Number of planned performance indicator targets (24)

Performance indicators:

Sub-programme 2.1: Programme Support								
Programme performance indicator		Audited/Actual Achieved			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
4.1	Number of quarterly performance reports for Programme 2 – Sustainable Resource Management submitted	4	4	4	4	4	None	None

Strategy to overcome/areas of under performance

There are no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT								
Sub-programme 2.2: Fiscal Policy								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
5.	Number of fiscal policy reports	20	20	20	20	20	None	None

Performance indicators:

Sub-programme 2.2: Fiscal Policy								
Programme performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
5.1	Number of research reports on the Provincial and Local Government Fiscal System	4	4	4	4	4	None	None

Sub-programme 2.2: Fiscal Policy								
Programme performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
5.2	Number of Provincial Revenue reports	4	4	4	4	4	None	None
5.3	Number of Cash Management Reports	8	8	8	8	8	None	None
5.4	Number of reports on the performance of the WCGRB	4	4	4	4	4	None	None

Strategy to overcome areas of under performance

There are no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT								
Sub-programme 2.3: Budget Management								
Element: Provincial Government Budget Office								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
6.	Timeous publication of the Overview of Provincial Revenue and Expenditure	March 2016	March 2017	March 2018	March 2019	March 2019	None	None

Performance indicators:

Sub-programme 2.3: Budget Management Element: Provincial Government Budget Office								
Programme performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
6.1	Number of provincial budget policy assessment reports	28	28	28	28	28	None	None
6.2	Timeous publication of the Provincial Economic Review and Outlook	October 2015	September 2016	29 September 2017	September 2018	September 2018	None	None
6.3	Timeous publication of the Medium Term Budget Policy Statement	November 2015	November 2016	23 November 2017	November 2018	November 2018	None	None

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT Sub-programme 2.3: Budget Management Element: Local Government Budget Office								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
7.	Number of municipal budgets with effective resource allocations	Revised	30	30	30	30	None	None

Performance indicators:

Sub-programme 2.3: Budget Management								
Element: Local Government Budget Office								
Programme performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
7.1	Number of municipal budget policy assessment reports	30	30	30	30	30	None	None
7.2	Percentage of Quarterly Performance Reports received, assessed	100%	100%*	100%**	100%***	100%***	None	None
7.3	Timeous publication of the Municipal Economic Review and Outlook	October 2015	September 2016	29 September 2017	September 2018	September 2018	None	None

* Method of calculation 2016/17:

Numerator: Number of quarterly performance reports assessed (120)

Denominator: Number of quarterly performance reports received (120)

** Method of calculation 2017/18

Numerator: Number of quarterly performance reports assessed (120)

Denominator: Number of quarterly performance reports received (120)

*** Method of calculation 2018/19

Numerator: Number of quarterly performance reports assessed (119)

Denominator: Number of quarterly performance reports received (119)

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT								
Sub-programme 2.4: Public Finance								
Element: Provincial Government Finance								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
8.	Timeous tabling of the Estimates of Provincial Revenue and Expenditure	March 2016	March 2017	March 2018	March 2019	March 2019	None	None

Performance indicators:

Sub-programme 2.4: Public Finance								
Element: Provincial Government Finance								
Programme performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
8.1	Number of provincial budget assessment reports	28	28	28	28	28	None	None
8.2	Number of expenditure reviews	1	1	1	2	2	None	None
8.3	Number of quarterly reports on the implementation of the budget	4	4	4	4	4	None	None

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT Sub-programme 2.4: Public Finance Element: Local Government Finance (Groups 1 and 2)								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
9.	Number of quarterly reports on the implementation of municipal budgets	4	4	4	4	4	None	None

Performance indicators:

Sub-programme 2.4: Public Finance Element: Local Government Finance (Groups 1 and 2)								
Programme performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
9.1	Number of monthly IYM assessment reports on the implementation of the municipal budget	372	372	372	372	372	None	None
9.2	Number of Municipal budget assessment reports	30	30	30	30	30	None	None
9.3	Number of reports on MFMA implementation	4	4	4	4	4	None	None

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT								
Sub-programme 2.4: Public Finance								
Element: Infrastructure								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
10.	Number of assessments on the institutionalisation of the IDMS	5	5	5	5	5	None	None

Performance indicators:

Sub-programme 2.4: Public Finance								
Element: Infrastructure								
Programme performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
10.1	Number of asset management plans assessed	28	28	30	34	34	None	None
10.2	Number of Infrastructure expenditure reports assessed	72	72	78	84	84	None	None
10.3	Number of infrastructure project delivery assessments	10	10	10	10	10	None	None
10.4	Number of quarterly reports on the implementation of infrastructure budgets to Cabinet	New PI	4	4	4	4	None	None
10.5	Number of developed and tested infrastructure delivery management system(s) in municipalities	Revised PI	2	1	1	1	None	None

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

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

Strategic objectives:

Programme 2: SUSTAINABLE RESOURCE MANAGEMENT Sub-programme 2.4: Public Finance Element: Business Information and Data Management								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
11.	An available central repository	1	1	1	1	1	None	None

Performance indicators:

Sub-programme 2.4: Public Finance Element: Business Information and Data Management								
Programme performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
11.1	Number of datasets managed	4	4	4	4	4	None	None
11.2	Number of budget process plans managed	3	3	3	3	3	None	None

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

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

Sub-programme expenditure

Sub-programme name	2018/19			2017/18		
	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	6 539	6 172	367	7 004	6 343	661
2.2 Fiscal Policy	41 896	41 625	271	31 714	30 972	742
2.3 Budget Management	20 751	20 667	84	17 977	17 338	639
2.4 Public Finance	53 992	52 870	1 122	79 333	77 542	1 791
Total	123 178	121 334	1 844	136 028	132 195	3 833

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 strategic objectives for the financial year under review:

- To provide management and administrative support to Programme 3 - Asset Management;
- To maintain and implement the supply chain and asset management strategy for the Province by providing policy direction and support, assistance and guidance to departments;
- To provide policy guidance and facilitating the management of supply chain and asset management practices in municipalities; and
- To provide for the implementation, management and oversight of provincially operated financial systems and the migration to the IFMS.

Strategic objectives, performance indicators, planned targets and actual performance

Supply Chain Management

Both the Provincial and Local Government SCM Units fully met their strategic objectives performance indicators and planned targets and in particular instances, overachieved due to training/ support interventions identified and emanating out of observations made by the Provincial Treasury in the quarterly assessments of procurement planning of departments. The overachievement also relates to supplier interventions held in municipal districts to create awareness on the Province's existing transversal Security Services Framework Agreement, the proposed Catering Strategy as well as the added focus and implementation requirements in respect of the National Treasury's Central Supplier Database (CSD), e-Tender portal and the Province's own Integrated Procurement Solution (IPS).

The use of technology, via business intelligence tools and data analyses of procurement information, was strengthened to present SCM performance information to departments to enable better procurement governance requirements and to support improving procurement planning initiatives within departments. Procurement planning and further enablement through the development of empowerment impact assessment criteria and toolkits was a key focus to enable departments with using procurement as a lever for Small, Medium and Micro Enterprise (SMME) development. The Provincial Treasury has also played an instrumental role in the development of draft 1 of the Economic Procurement Policy for the Province.

Helpdesk support through query handling, SCM opinions and redress on supplier and practitioner queries emanated in the main due to the added focus on CSD registration, local content, Broad Based Black Economic Empowerment (B-BBEE) requirements, conflict of interest and SCM operational requirements. The SCM Forum was used to capacitate, create awareness and manage the changes in the SCM environment for the provincial sphere. The i-Develop training needs analysis was concluded for nine participating departments which included assessments of 217 practitioners. Gap analyses were concluded by the Provincial Treasury per department taking into account the training gaps emanating from the i-Develop assessments (for participating departments) as well as other sources of intelligence maintained by the Provincial Treasury, including the SCM helpdesk, SCM insight (performance) reports and compliance assessment reports as well as external assurance reports e.g. Audit and Monitoring Performance Assessment Tool (MPAT) reports. Going forward the Provincial Treasury will determine the Education Training Development (EDT) solutions for further roll-out in collaboration with the Provincial Training Institute (PTI).

Both units participated and contributed to the Western Cape Smart Procurement Conference. Through this conference, challenges posed by SCM compliance requirements were shared, learnings from both an institutional and business perspective were exchanged and the successful implementation of projects and programmes were showcased in how procurement contributes to economic development.

The Local Government Supply Chain Management unit continued with its core mandate to assist all municipal districts to improve Supply Chain Management and continued to make in-roads to the district approach.

The LG SCM unit made significant strides in SCM Training and Capacity as it spearheaded the short course in Municipal Asset Management. The success of the training programme is the building block for the implementation of the governance structures within municipalities.

Significant achievements were attained despite resource capacity challenges by the Directorate: Provincial Government SCM in which a total of 2 232 queries were received from provincial departments, entities and suppliers and were successfully dealt with for the financial year. Six (6) additional procurement planning interventions were held with identified departments to the targeted sixteen (16) interventions. Six (6) additional supplier interventions to the targeted five (5) interventions were held. Four (4) of which required co-partnering with other departments in respect of providing support on the National Treasury's Central Supplier Database and e-Portal as well as on the Province's own Integrated Procurement Solution. Two (2) of which were held in municipal districts to create awareness in respect of the Province's Framework Agreement for Security Services and proposed Catering Strategy. This also formed part of the Service Delivery Improvement Plan (SDIP) of the Department. The Directorate: Local Government SCM partnered on some of these interventions as well as held the SCM Indaba as indicated above. Other significant achievements include the baseline skills development assessments that were concluded for nine (9) departments (i.e. i-Develop) and the in-roads made in the utilisation of business intelligence tools to produce performance information for departments.

Supporting and Interlinked Financial Systems

There has been slow progress by National Treasury with the implementation of the IFMS. NT indicated that in the 2019/20 financial year implementation will start with the new Oracle e-Business Suite which is essentially the IFMS. Provincial Treasury has held a number of engagements with NT to ensure that it aligns with the above-mentioned plans.

The Supporting and Interlinked Financial Systems unit continued to sustain and address improvements and efficiencies within its business model in achieving its strategic objectives targets set as for the 2018/19 financial year. There were no significant changes to the articulation of targets and deliverables as compared to the previous financial year as the focus was internal in respect of business process improvement and business continuity within the unit. Hence, the unit continued to fulfil its mandate in providing assistance to all provincial system users (LOGIS, BAS, PERSAL) with user management services and continually training and capacitating system users to ensure that there is quality and optimal use of the above transversal systems as it is its core business to do so.

The clean-up of system data in preparation for the eventual move to the IFMS has been a key focus area. In the 2018/19 financial year, the focus has been on assisting the 13 Provincial Departments with cleaning up of dated commitments, inventory, consumables and Item Control Number (ICN) reporting levels in preparation and readiness for the IFMS Project implementation. The Directorate has realised the importance of the system data and ensures that it produces reports that are custom made to assist departments with decision-making tools. To this end the unit made strides in developing its internal capacity to focus and to reorganise itself to be able to support the data Management function.

Strategic objectives:

Programme 3: ASSET MANAGEMENT								
Sub-programme 3.1: Programme Support								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
12.	Percentage of Programme 3 - Asset Management's programme performance indicator targets achieved	100%	92%* 12/13	100%** 13/13	100%*** 13/13	100%*** 13/13	None	None

* Method of calculation 2016/17:

Numerator: Number of achieved performance indicator targets (12)

Denominator: Number of planned performance indicator targets (13)

** Method of calculation 2017/18

Numerator: Number of achieved performance indicator targets (13)

Denominator: Number of planned performance indicator targets (13)

*** Method of calculation 2018/19

Numerator: Number of achieved performance indicator targets (13)

Denominator: Number of planned performance indicator targets (13)

Performance indicators:

Sub-programme 3.1: Programme Support								
Programme performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
12.1	Number of quarterly performance reports for Programme 3 - Asset Management submitted	4	4	4	4	4	None	None

Strategy to overcome areas of under performance

There are no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 3: ASSET MANAGEMENT								
Sub-programme 3.2: Supply Chain Management								
Element: Supply Chain Management: Provincial Government								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
13.	Number of departments assisted to continuously improve management of supply chain and moveable assets	13	13	13	13	13	None	None

Performance indicators:

Sub-programme 3.2: Supply Chain Management								
Element: Supply Chain Management: Provincial Government								
Programme performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
13.1	Number of interventions performed to assist departments with the continuous improvements of their supply chain and asset management systems	Revised PI	Revised PI	31	16	22	6	Overachieved by concluding six additional departmental interventions as a result of observations made by the Provincial Treasury in the quarterly procurement planning assessments of departments, which necessitated interventions to improve departmental procurement planning processes.
13.2	Number of SCM/AM and SCM system assessment reports	Revised PI	Revised PI	169	108	108	None	None
13.3	Number of interventions for strategic sourcing implementation	Revised PI	4	3	1	1	None	None

Sub-programme 3.2: Supply Chain Management								
Element: Supply Chain Management: Provincial Government								
Programme performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
13.4	Number of supplier engagement sessions held to develop and educate suppliers	4	19	16	5	11	6	Overachieved by hosting six additional supplier development initiatives. Four were in respect of the National Treasury's Central Supplier Database registration and e-Portal support as well as on the Provinces own Integrated Procurement Solution that required co-partnering with departments. Two were in respect of sessions held in the Districts to create awareness of the Province's existing Framework Agreement for Security Services and proposed Catering Strategy.

Strategy to overcome areas of under performance

There are no areas of under performance.

Changes to planned targets

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

Strategic objectives:

Programme 3: ASSET MANAGEMENT Sub-programme 3.2: Supply Chain Management Element: Supply Chain Management: Local Government								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
14.	Number of municipalities assisted to improve management of supply chain and assets	30	30	30	30	30	None	None

Performance indicators:

Sub-programme 3.2: Supply Chain Management Element: Supply Chain Management: Local Government								
Programme performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
14.1	Number of municipal SCM and MAM Virtuous Cycle assessment reports	22	10	10	10	10	None	None
14.2	Number of Municipal Districts assisted with the implementation of the model policy for infrastructure procurement	Revised PI	Revised PI	Revised PI	5	5	None	None
14.3	Number of Municipal Districts assisted with structured training interventions and capacity building	Revised PI	Revised PI	Revised PI	5	5	None	None

Sub-programme 3.2: Supply Chain Management								
Element: Supply Chain Management: Local Government								
Programme performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
14.4	Number of Municipal Districts assisted with asset management business processes	Revised PI	Revised PI	Revised PI	5	5	None	None
14.5	Number of Municipal Districts assisted with localisation of procurement	New PI	5	5	5	5	None	None

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

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

Strategic objectives:

Programme 3: ASSET MANAGEMENT								
Sub-programme 3.4: Supporting and Interlinked Financial Systems								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
15.	Number of votes assisted to effectively utilise the suite of financial systems	14	14	14	13	13	None	None

Performance indicators:

Sub-programme 3.4: Supporting and Interlinked Financial Systems								
Programme performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
15.1	Number of institutions provided with user account management service i.r.o. provincially operated financial systems	125	152	147	122	122	None	None
15.2	Number of votes assisted with the data maintenance planning and preparation i.r.o. all provincially operated financial systems for migration to the IFMS	Revised PI	Revised PI	Revised PI	13	13	None	None
15.3	Number of votes assisted in providing and analysing data	New PI	New PI	14	13	13	None	None

Strategy to overcome areas of under performance

There were no areas of under performance.

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	2018/19			2017/18		
	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	2 676	2 676	-	4 113	3 727	386
3.2 Supply Chain Management	24 865	24 624	241	23 202	22 792	410
3.3 Supporting and Interlinked Financial Systems	29 138	28 768	370	25 996	24 504	1 492
Total	56 679	56 068	611	53 311	51 023	2 288

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 strategic objectives for the financial year under review:

- To provide management and administrative support to Programme 4 – Financial Governance;
- To improve the understanding and application of accounting standards and financial reporting within municipalities;
- Improved application of accounting practices in line with the reporting frameworks, provincial consolidated financial statements tabled and improved financial governance; and
- To develop, monitor and advise on norms and standards of corporate governance within municipalities and financial legislation in departments.

Strategic objectives, performance indicators, planned targets and actual achievements

Accounting Services

The Local Government Accounting Directorate has met two (2) of its three (3) planned targets, except for the target relating to the reports submitted for the MGRO engagements. The reason for not meeting the target is explained in the table below. The focus was to continue supporting municipalities in complying with the municipal standard chart of accounts (mSCOA) regulations and GRAP accounting standards. The Directorate provided support through the issuing of GRAP checklists and quality reviews of annual financial statements received prior to it being submitted to the assurance providers by municipalities. The Directorate also provided GRAP training to municipal officials. The mSCOA support provided has also been integral to the municipalities in complying with the regulations.

The Directorate Provincial Government Accounting and Compliance has met all its planned targets and exceeded the target for training by providing an additional training on the Modified Cash Standard for the 2018/19 financial year. The implementation of accounting frameworks based on the Modified Cash Standard for Departments and the GRAP Standards for entities have been stable, yielding consistent audit outcomes.

Treasury conducted two quarterly governance engagements with departments. These focussed mainly on the Fiscal Strategy, SCM, Financial and Systems reform processes and the Province's ability to respond to these reforms. A co-created response plan that speaks to good financial governance with the respective departments on critical issues raised at the engagements was finalised.

Corporate Governance

The Directorate Corporate Governance achieved all its planned targets for the 2018/19 financial year. The Directorate provided focused training to municipalities and departmental officials, the importance of consequence management in the municipal sphere, in preparation of AGSA's new audit focus area for municipal officials for the year under review. These initiatives were identified as governance gaps during the MGRO 2017/18 assessments.

Furthermore, renewed focus was placed on strengthening specific technical areas such as risk champion training, risk management training, internal audit and disciplinary board members training.

This Directorate played an instrumental role in spearheading the Technical Integrated Municipal Engagements (TIME), which inculcated a methodology of aligning provincial and local government financial policy, planning and implementation throughout the financial year on review to ensure a continuation and inculcation of support plans identified. These engagements involved Provincial Treasury, the Department of Local Government, Department of Environmental Affairs and Development Planning, select sector departments and municipalities. TIME was conducted during February 2019.

The Unit further institutionalised the Mayco members of finance/finance minister workshop, ensuring that the municipal political oversight is appropriately informed in the areas of finance.

Strategic objectives:

PROGRAMME 4: FINANCIAL GOVERNANCE								
Sub-programme 4.1: Programme Support								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
16.	Percentage of Programme 4 – Financial Governance's programme performance indicator targets achieved	100%	100%* 15/15	100%** 13/13	100%*** 14/14	93%*** 13/14	7%	It was anticipated that an engagement would be held with the City of Cape Town (CoCT) when the target was set. However, this did not occur due to the CoCT being non-delegated, National Treasury led the engagement with CoCT. This target will be adjusted going forward.

* Method of calculation 2016/17:

Numerator: Number of achieved performance indicator targets (12)

Denominator: Number of planned performance indicator targets (13)

** Method of calculation 2017/18

Numerator: Number of achieved performance indicator targets (13)

Denominator: Number of planned performance indicator targets (13)

*** Method of calculation 2018/19

Numerator: Number of achieved performance indicator targets (13)

Denominator: Number of planned performance indicator targets (14)

Performance indicators:

Sub-programme 4.1: Programme Support								
Programme performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
16.1	Number of quarterly performance reports for Programme 4 - Financial Governance submitted	4	4	4	4	4	None	None

Strategy to overcome areas of under performance

Based on the area of underperformance recorded above, a performance indicator in the LGA unit has to be re-defined to ensure that it falls within the control of the unit, and is based on the differentiated model to the non-delegated municipalities.

Changes to planned targets

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

Strategic objectives:

Programme 4: FINANCIAL GOVERNANCE Sub-programme 4.2: Accounting Services Element: Local Government Accounting								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
17.	Number of municipalities supported to comply with the GRAP standards	30	30	30	30	30	None	None

Performance indicators:

Sub-programme 4.2: Accounting Services Element: Local Government Accounting								
Programme performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
17.1	Number of Municipalities supported with the accounting reporting framework	30	30	30	30	30	None	None
17.2	Number of Reports submitted for MGRO engagements	New PI	Revised PI	Revised PI	30	29	1	It was anticipated that an engagement would be held with the City of Cape Town when the target was set. However, this did not occur due to the CoCT being non-delegated, National Treasury led the engagement with CoCT. This target will be adjusted going forward.

Sub-programme 4.2: Accounting Services								
Element: Local Government Accounting								
Programme performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
17.3	Number of municipalities monitored and supported with mSCOA implementation	New PI	New PI	New PI	30	30	None	None

Strategy to overcome areas of under performance

Based on the areas of underperformance recorded above, the target has to be re-defined to ensure that it falls within the control of the unit, and is based on the differentiated model to the non-delegated municipalities.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 4: FINANCIAL GOVERNANCE								
Sub-programme 4.2: Accounting Services								
Element: Provincial Government Accounting and Compliance								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
18.	Number of votes assisted to comply with financial accounting and governance norms and standards	14	14	14	14	14	None	None

Performance indicators:

Sub-programme 4.2: Accounting Services								
Element: Provincial Government Accounting and Compliance								
Programme performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
18.1	Number of votes assessed against the applicable accounting and norms and standards requirements	14	14	14	14	14	None	None
18.2	Number of accounting training interventions	5	5	6	5	6	1	A need was identified for additional training on the Modified Cash Standard
18.3	Timeous Publication and tabling of the ACFS	1 month after receipt of audited AFS	1 month after receipt of audited ACFS	Audited ACFS tabled on 29 January 2018	1 month after receipt of audit report on the ACFS	1 month after receipt of audit report on the ACFS	None	None
18.4	Number of CGRO Cabinet submissions coordinated	4	4	4	4	4	None	None
18.5	Number of quarterly governance engagements with departments	New PI	New PI	2	2	2	None	None

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

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

Strategic objectives:

Programme 4: FINANCIAL GOVERNANCE								
Sub-programme 4.3: Corporate Governance								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
19	Number of municipalities assisted to improve corporate governance	30	30	30	30	30	None	None

Performance indicators:

Sub-programme 4.3: Corporate Governance								
Programme performance indicator		Audited/Actual Achievement			Planned target 2018/19	Actual achievement 2018/19	Deviation from planned target to actual achievement for 2018/19	Comment on deviations
		2015/16	2016/17	2017/18				
19.1	Number of municipal support initiatives on integrated capacity building and training	15	10	10	10	10	None	None
19.2	Number of municipal MGRO assessment reports	2	1	28	28	29	1	A TIME assessment and engagement report was compiled for George Municipality
19.3	Number of municipal support initiatives on Governance, Risk and Control	20	12	12	12	12	None	None
19.4	Number of municipalities supported with a financial delegation framework	Revised PI	Revised PI	Revised PI	4	4	None	None
19.5	Number of initiatives to support the Departments on the Financial Review Framework	New PI	New PI	New PI	2	2	None	None

Strategy to overcome areas of under performance

There were no areas of under performance.

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	2018/19			2017/18		
	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	9 710	9 388	322	6 377	5 741	636
4.2 Accounting Services	31 499	31 306	193	19 597	18 873	724
4.3 Corporate Governance	25 899	25 749	150	13 103	12 820	283
Total	67 108	66 443	665	39 077	37 434	1 643

5. TRANSFER PAYMENTS**5.1 Transfer payments to public entities**

The Department has one public entity, namely the Western Cape Gambling and Racing Board (WCGRB). The WCGRB received R26.864 million from the Provincial Treasury as a transfer payment.

Name of Public Entity	Services rendered by 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 and racing within the Province of the Western Cape	26 864	26 864	Regulate and oversight of the gambling industry in the Western Cape

Quarterly financial and non-financial monitoring processes have been institutionalised between the Ministry, Provincial Treasury 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 2018 to 31 March 2019.

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	Financial management support and capacity building grant	Yes	37 951*	6 196	None
Departmental agencies and accounts	SABC TV licences	Yes	5	5	None
Households	Bursaries and leave gratuity	Yes	4 031	4 031	None
Gifts and donations	Best performing Previously Disadvantaged School & Essay writing competition as well as donation to deceased officials' family	Yes	196	196	None

Financial assistance is provided to municipalities to improve overall financial governance within municipalities inclusive of optimising and administration of revenue, improving the credibility and responsiveness of municipal budgets, improving of 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 2018 to 31 March 2019, 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
Swellendam municipality	Financial management capacity building grant	R360	R240*	Swellendam Municipality joined the capacity building grant programme a year later than the other municipalities and therefore requested a reduced amount, compared to what was gazetted, in order for them to establish the programme.

Note: * The amounts transferred (R37.951 million and R240 000) in the two tables above is equivalent to the total amount received by municipalities in Annexure 1A of the Annual Financial Statement (Refer to page 208 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 optimising 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 Integrated Development Plan (IDP) and SDBIPs. Support municipalities during the implementation process relating to the Municipal Standard Chart of Accounts (mSCOA). Support to municipalities, in concert with Department of Local Government ICT application and linkages to financial management improvement. Improvement in revenue streams and transparency in tariff setting. Improvement to 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 Predetermined Objectives (PDOs). Improvement in Supply Chain Management 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, IDP and 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 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)	R27.511
Amount transferred (R'000)	R27.511
Reasons if amount as per DoRA not transferred	None
Amount spent by the department/municipality (R'000)	R6.196
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 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 to conditions as set out in the grant framework and Memorandum of Agreements (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 with progressive growth over the MTEF 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 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, infrastructure, or in areas that give effect to the priority outcomes of the Provincial Strategic Goal (PSG) (particularly PSG 5), National Outcomes 5, 9 and 12. 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"> R10.680 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)	R10.800
Amount transferred (R'000)	R10.680
Reasons if amount as per DoRA not transferred	1 Municipality had requested a reduced amount due to it only being the second year of participation.
Amount spent by the department/municipality (R'000)	An amount of R10.680 million was transferred to municipalities as at 31 March 2019. The amount spent by the municipalities was not yet known as at 31 March 2019 as the first reporting requirement date in terms of the amount transferred is 31 July 2019.
Reasons for the funds unspent by the entity	None
Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> Prepare Memorandum of Agreement (MOA) 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 to conditions as set out in the grant framework and MOAs.

6.2 Conditional grants and earmarked funds received

None.

7. DONOR FUNDS

7.1 Donor Funds Received

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

8. CAPITAL INVESTMENTS

8.1 Capital investment, maintenance and asset management plan

The Department 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 Department to submit an Immovable User Asset Management Plan (U-AMP). Two U-AMPs were submitted to TPW during the reporting period. The U-AMP did not include any funds for capital works.

The Western Cape Infrastructure Delivery Management System (WC-IDMS) as approved by the Provincial Cabinet as well as the Standard for the Standard for Infrastructure Procurement and Delivery Management (SIPDM), are systematically rolled-out and should assist with further infrastructure delivery improvements within the Province. This included enhanced planning and more efficient procurement methodologies. The Infrastructure Directorate within the Provincial Treasury assisted the relevant provincial departments in this regard.

All maintenance for the Department is generally undertaken by TPW and in cases where that Department does not provide the requested services, approval is obtained from them (Custodian) to undertake minor projects.

PART C

Governance

PART C: GOVERNANCE

1. INTRODUCTION

The Department maintained high standards in terms of the requirements as set out in the PFMA and the principles of the King Report on Corporate Governance. The Department has good governance structures in place to effectively, efficiently and economically utilise state resources, which is funded by the taxpayer.

2. RISK MANAGEMENT

The Accounting Officer (AO) for 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 strategic support service to the Department.

In compliance with the National Treasury Public Sector Risk Management Framework and to further embed risk management within the Department, the Provincial Top Management of the Western Cape Government (WCG) has adopted the ERM Policy Statement which sets out the WCG's overall intention with regard to ERM. The Department adopted the ERM Policy for the period 2018/19 – 2019/20, approved by the Accounting Officer on 16 March 2018; and an ERM Strategy and Implementation Plan for 2018/19, approved by the Accounting Officer on 16 March 2018. The ERM Implementation Plan gave effect to the departmental ERM Policy and Strategy and outlines the roles and responsibilities of management and staff in embedding risk management in the Department.

During the period under review, the Department assessed its risks that might impede the achievement of the Department's objectives. Risk assessments were conducted under the guidance of ERM within DotP on both strategic and programme level on a quarterly basis in order to review and update the existing risks and to identify emerging risks. Significant risks relevant to objectives were assessed in terms of its likelihood and impact; risk treatment plans are developed and managed by allocated risk owners. These were discussed and evaluated in quarterly Enterprise Risk Management Committee (ERMCO) meetings. Furthermore, ERMCO evaluates the effectiveness of mitigating strategies to address the material risks of the department, reviews all risks outside the tolerance levels for further action/attention.

This process also feeds into the evaluation of the performance environment of the Department during the review of the quarterly performance report at the Governance Management Committee meetings.

Enterprise Risk Management Committee (ERMCO) Report

The Provincial Treasury is proud to present its Annual Enterprise Risk Management Committee Report for the financial year ended 31 March 2019.

Enterprise Risk Management Committee Responsibility

The Enterprise Risk Management Committee (ERMCO) reports that it 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, Part 1, 2 and 3. The ERMCO also reports that it has adopted the appropriate formal Terms of Reference (approved by the ERMCO chairperson on 17 April 2018) and regulated its affairs in compliance with this Terms of Reference and has discharged all its responsibilities as contained therein.

Enterprise Risk Management Committee Members

The ERMCO comprises of selected members of the Department's senior management team. As per its Terms of Reference, the ERMCO met at least four times (quarterly) during the year under review.

The table below discloses relevant information on ERMCO members:

Member	Position	No. of scheduled meetings	No. of meetings attended
Mr Z Hoosain	Accounting Officer (Chairperson)	4	4
Mr H Malilla	DDG: Fiscal and Economic Services	4	3
Mr I Smith	Acting DDG: Governance and Asset Management	4	4
Vacant	CD: Public Policy Services	4	-
Mr M Sigabi	Acting CD: Local Government Public Finance	4	1
Ms J Gantana	CD: Provincial Government Public Finance	4	3
Ms N Ebrahim	Acting CD: Asset Management	4	2
Mr A Hardien	CD: Financial Governance and Accounting	4	2
Ms A Smit	CFO and Risk Champion	4	4
Ms R Julie	Acting Director: Strategic and Operational Management	4	3
Adv. E Pretorius	Head of Office: Ministry	4	1

Other attendees	Position	No. of scheduled meetings	No. of meetings attended
Ms G Solomons	Chief Risk Advisor: Enterprise Risk Management (DotP)	4	4
Mr M Williams	Director: Internal Audit	4	4
Ms B Cebekhulu	Director: Provincial Forensic Services	4	1

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:

- Reviewed the Management Performance Assessment Tool (MPAT) in relation to risk management issues;
- Considered any Corporate Governance Review and Outlook (CGRO) questionnaires in relation to risk management matters;
- Reviewed the Department's Risk Management Policy, Strategy and Implementation Plan, for recommendation by the Audit Committee and approval by the Accounting Officer;
- Set, reviewed and applied appropriate risk appetite and tolerances, and recommended same for approval by the Accounting Officer;
- Reviewed the Department's risk identification and assessment methodology;
- Reported to the Accounting Officer any material changes to the risk profile of the Department;
- Reviewed the Fraud Prevention Plan (Strategy, Policy and Implementation Plan) and recommended for approval by the Accounting Officer;
- Evaluated the effectiveness of the implementation of the Fraud Prevention Plan;
- Reviewed any material findings and recommendations by assurance providers on the system of risk management and monitored that appropriate actions be instituted to address weaknesses;
- Developed goals and key performance indicators for the ERMCO for approval by the Accounting Officer;
- Developed goals, objectives and key performance indicators to measure the effectiveness of the departmental strategic risk management activity;
- Evaluated the extent and effectiveness of integration of risk management within the Department;
- Assessed the implementation of the departmental Risk Management Policy, Strategy and Implementation Plan; and
- Evaluated the effectiveness and mitigating strategies to address the material, ethics and corruption risks.

Key risks considered and addressed during the year

The following are the key Strategic Risks for the Department that were considered and addressed during the year:

- Uncertainty in terms of the funding and the total cost of ownership to pursue piloting the IFMS.

- Inadequate structure to perform functions adequately to give effect to the responsibilities that are vested with the unit.
- Lack of integration and reliance on outside and manual systems.
- Inadequate information security measures for information created within Programme 2 of Provincial Treasury.
- Inability to support municipalities optimally due to staff turnover within LG Finance Group 1 and 2.
- The issuance of SCM policies and prescripts by National Treasury without due consideration of legality, practicality and an ability to implement.

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

Key emerging risks for the following financial year

The following is a key emerging risk which needs to be considered in the next financial year:

- Deterioration in municipal audit outcomes

Conclusion

During the period under review ERMCO focused on a number of critical risks that either influence or could potentially influence the operation of Provincial Treasury. Due to the deliberations at ERMCO, the mitigation measures put in place and the tracking of the implementation of these measures allowed Provincial Treasury to minimise the risks within its control and to achieve its goals and objectives as set out in its Annual Performance Plan.



Julinda Gantana
Accounting Officer
Provincial Treasury
Date: 30 August 2019

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 Western Cape Government (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 by all legal means available, any parties who engage in such practices or attempt to do so.

The Department has an approved Fraud and Corruption Prevention and Response Plan as well as a 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 and the Departmental Fraud and Corruption Prevention and Response 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 Province and 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. meets statutory requirements e.g. was made in good faith). Following amendments by the Protected Disclosures Amendment Act, No. 5 of 2017, the transversal Whistle-blowing Policy was reviewed and the revised Whistle-blowing Policy was approved on 18 July 2018. The 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 within 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.

Once fraud, theft or corruption is confirmed after the completion of an investigation, the relevant employee who participated in these acts is subjected to a disciplinary hearing. In all such instances, 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, PFS issued a Case Movement Certificate for the Department noting the following:

Open cases as at 1 April 2018	0
New cases (2018/19)	0
Closed cases (2018/19)	0
Open cases as at 31 March 2019	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 Public Service Regulations (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 the Public Service and Administration the financial disclosures of Senior Management Services (SMS) members were completed and submitted to the Public Service Commission (PSC) and the Department of Public Administration (DPSA). The officials on salary level 11 and 12 as well as the officials within the Supply Chain Management, Management Accounting and Financial Accounting unit completed their financial disclosures for period 2018/19.

Financial disclosures of SMS members are verified by the PSC and potential conflicts of interest are reported to Executive Authority. The identified cases were investigated and no actual conflict of interest has been identified.

As per the Accounting Officers' System for Supply Chain and Movable Asset Management it is expected that every official involved in supply chain management, to sign a Code of Conduct for Supply Chain Management Practitioners as issued by National Treasury. In addition, it is expected that every official will declare his/her interest each and every time he/she is involved with a procurement related matter, declare any business, commercial interest and financial interest or activities undertaken for financial gain that may raise a possible conflict of interest.

In addition, on a quarterly basis, Provincial Government Supply Chain Management informs the Accounting Officer of employees who has a registered supplier profile on the WCSD/CSD. During the reporting period, three potential conflicts were identified of which two were resolved by the Department.

The requirements of Chapter 2 of the PSR, 2016, are incorporated in the Fraud and Corruption Prevention Plan 2017/18 – 2018/19 of the Department.

No actual cases were identified during the reporting period by the Internal Control section or any external or internal audits.

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, is the 'adopted' code. The Code of Conduct:

- 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 to the Code of Conduct. The code is furthermore strengthened by the Code of Conduct for Supply Chain Management Practitioners. All bid committee members and Supply Chain Management Practitioners are required to declare that they will abide by the Code of Conduct for Supply Chain Management 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 offered to all new employees.

The manual is accessible on the Department's intranet.

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

The Department 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 Department ensured that it remains as far as possible compliant to the Occupational Health and Safety Act and thus ensured a functional departmental Occupational Health and Safety Committee, having the necessary equipment and capacity. The Health and Safety Representatives conduct regular inspections and deficiencies are reported to the building custodian. During the period under review, the Departmental Occupational Health and Safety Policy Statement was approved on 31 August 2018 and this is also accessible in the dedicated spaces in the corridors. Furthermore, the Occupational Health and Safety Representatives attended training during the year.

7. ACCESS TO INFORMATION

During the 2018/19 financial year, the Department managed the request for information in terms of the Promotion of Access to Information Act, 2000. The Department submitted its section 32 report for the financial year to the Human Rights Commission and also submitted its section 15 automatically available information to the Minister of Justice and Constitutional Development for publication in the Government Gazette. The Department's section 14 manual was also submitted to the Human Rights Commission and is available on the official website in all three official languages.

The Department attempted to improve its physical and information security resilience by undertaking an intensive review of the business impact analysis culminating in the formulation of a business continuity plan. This was supplemented by efforts to increase Safety and Security Awareness of the staff members.

8. STANDING COMMITTEES

Date of Meeting	Committee	Subject	Response from Department
20 July 2018	Budget Committee	The Department was invited to brief the Committee on the 2017/18 4 th Quarter Performance (financial and non-financial).	The Department briefed the Committee on 20 July 2018.
24 August 2018	Budget Committee	The Department was invited to brief the Committee on the following: 1. 2018/19 1 st Quarter Performance (financial and non-financial); and 2. The Financial and Fiscal Commission on the 2018/19 Submissions for the Division of Revenue.	The Department briefed the Committee on 24 August 2018.
27 September 2018	Budget Committee	The Department was invited to brief the Committee on the Provincial Economic Review and Outlook (PERO) & Municipal Economic Review and Outlook (MERO).	The Department briefed the Committee on 27 September 2018.
28 September 2018	Budget Committee	The Department was invited to brief the Committee on the 2017/18 Annual Reporting Process.	The Department briefed the Committee on 28 September 2018.
22 November 2018	Budget Committee	The Department was invited to brief the Committee on the following: 1. Western Cape Adjusted Estimates Appropriation Bill; 2. 2018/19 2 nd Quarter Performance (Financial and Non-Financial); and 3. Medium Term Budget Policy Statement.	The Department briefed the Committee on 22 November 2018.
1 March 2019	Budget Committee	The Department was invited to brief the Committee on the 2018/19 3 rd Quarter Performance (financial and non-financial).	The Department briefed the Committee on 1 March 2019.
5 March 2019	Budget Committee	The Department was invited to brief the Committee on the Western Cape Appropriation Bill, 2019.	The Department briefed the Committee on 05 March 2019.
4 May 2018	Standing Committee on Finance	The Department was invited to brief the Committee on the WCGRB accommodation.	The Department briefed the Committee on 4 May 2018.
16 May 2018	Standing Committee on Finance	The Department was invited to brief the Committee on the Preferential Procurement Process.	The Department briefed the Committee on 16 May 2018.
20 June 2018	Standing Committee on Finance	The Department was invited to brief the Committee on its Quarterly Performance Report for the period: 1. July 2017 - September 2017; 2. October 2017 - December 2017; and 3. January 2018 - March 2018.	The Department briefed the Committee on 20 June 2018.

Date of Meeting	Committee	Subject	Response from Department
12 September 2018	Standing Committee on Finance	The Department was invited to brief the Committee on the Western Cape Provincial Performance for the 2017/18 financial year Preliminary Outcomes as presented at the National Council of Provinces on 5 June 2018.	The Department briefed the Committee on 12 September 2018.
11 October 2018	Standing Committee on Finance	The Department was invited to brief the Committee on the 2017/18 Annual Report of Provincial Treasury and its entity the Western Cape Gambling and Racing Board.	The Department briefed the Committee on 11 October 2018.
14 November 2018	Standing Committee on Finance	The Department was invited to brief the Committee on the 2 nd Quarterly Performance Report for the period July 2018 – September 2018.	The Department briefed the Committee on 14 November 2018.
23 November 2018	Standing Committee on Finance	The Department was invited to brief the Committee on the Adjustments Appropriation.	The Department briefed the Committee on 23 November 2018.
13 February 2019	Standing Committee on Finance	The Department was invited to brief the Committee on the process leading up to the finalisation of the long list and the process leading up to the finalisation of the interviews to fill the vacancies on the Western Cape Gambling and Racing Board.	The Department briefed the Committee on 13 February 2019.
7 March 2019	Standing Committee on Finance	The Department was invited to brief the Committee on the Deliberation on Vote 3: Provincial Treasury, in the Schedule to the Western Cape Appropriation Bill, 2019.	The Department briefed the Committee on 7 March 2019.
8 March 2019	Standing Committee on Finance	The Department was invited to brief the Committee on the consideration of the Negotiating Mandate on the National Gambling Amendment Bill [B27B-2018]	The Department briefed the Committee on 8 March 2019.

9. SCOPA RESOLUTIONS

The Committee noted the audit opinion of the AGSA regarding the annual financial statements for the 2017/18 financial year of the Department, having obtained an unqualified audit report with no findings on the predetermined objectives and compliance. This audit opinion remains unchanged from the 2016/17 financial year.

9.1 Audit Opinion

The AGSA raised no findings with the Department on compliance with laws and regulations, predetermined objectives nor internal control deficiencies.

9.2 Financial Management

For the 2017/18 financial year, Provincial Treasury spent R278.144 million of a budget of R289.593 million, which resulted in a material underspending of R10.449 million (3.95%). During the 2016/17 financial year, the Department spent R248.001 million of a budget of R254.548 million, which resulted in a material under-expenditure of R6,547 million (2.6%).

The material under-expenditure of R10.449 million occurred, which is indicated hereunder and which highlights the variances, was incurred within the following programmes:

- Programme 1: Administration (R2.685 million)

The underspending was mainly due to vacant posts that were not filled, fewer graduate trainees, less external bursaries and training that could not be concluded in time.

- Programme 2: Sustainable Resource Management (R3.833 million)

The underspending was mainly due to exits, vacant posts that could not be filled, as well as travel commitments and training that did not take place as planned. In addition, three municipalities no longer required the Western Cape Financial Management Support Grant and one municipality that only requested a reduced amount due to it being the first year participating in the Western Cape Financial Management Capacity Building Grant.

- Programme 3: Asset Management (R2.288 million)

The underspending was mainly due to the late procurement of research and advisory services, less travelling by employees and less utilisation of venue facilities for training.

- Programme 4: Financial Governance (R1.643 million)

The underspending was mainly due to the late procurement of research and advisory services, less catering for training workshops as well as lower audit costs.

In addition, the total estimated departmental revenue budget of R499.404 million was over-collected by R105.468 million. This resulted in an actual collected receipt of R604.872 million.

The revenue over-collection occurred under the following line items:

- Tax receipts (casino and horse race taxes) (R93.354 million);
- Sale of goods and services other than capital assets (R3.151 million);
- Interest, dividends and rent on land (R3 000);
- Fines, penalties and forfeits (R287 000);
- Sale of the Departmental capital assets (R28 000); and
- Financial transactions in assets and liabilities (R8.645 million).

For the 2017/18 financial year, the Department recorded a financial end-of-year balance of R79 000 for irregular expenditure, which relates to MMA purifiers and printing, as indicated in Note 22.2 on page 193 of the 2017/18 Annual Report of the Department. Provincial Treasury incurred R6 000 for fruitless and wasteful expenditure which related to the cancellation of flight tickets and accommodation. However, this was resolved during the financial year under review.

Background	Resolution	Department Response
Transversal Resolution 5.3 (page 474) of the Report of the Public Accounts Committee (PAC) on the 2017/18 Annual reports.	<p>The Committee requests that all departments and entities provide it with a list which highlights the bursaries that were awarded to its respective employees for the 2017/18 financial year. Such a list should include the employment levels of each employee and discipline of study.</p> <p>The Committee derives this resolution from the Appropriation Statement ("Appropriation per classification") under the line item "Bursaries: Employees", as reflected under Part E: Financial Information.</p>	The Department provided the information to the Chairperson on 21 August 2019.
Transversal Resolution 5.5 (page 474) of the Report of the Public Accounts Committee (PAC) on the 2017/18 Annual reports.	<p>Where a Department and/or Entity undertook official international travel for the 2017/18 financial year, the Committee requests a Report on such travel. The Report should include the following information:</p> <ul style="list-style-type: none"> a) The motivation for such travel; b) The expenditure on such travel; c) Findings of the international travel, d) An Implementation Plan for the Western Cape based on the outcomes of the travel; e) Municipal areas where the Implementation Plan have been operationalised; and f) Successes, challenges and outcomes of such an Implementation Plan. 	The Department provided the information to the Chairperson on 21 August 2019.

Background	Resolution	Department Response
<p>Page: 4 of the briefing document of the Auditor-General to the PAC</p> <p>Heading: "5.3: Risks that require continuous monitoring (Local Content)"</p> <p>Description:</p> <p>The Committee notes that the compliance requirements of local content for commodities within designated sectors are applicable to all tenders. The term tender, in terms of the Preferential Procurement Regulations of 2017, is attributed to all awards above R30 000.</p> <p>According to the Department of Trade and Industry, the local content of a product is the tender price less the value of imported content, expressed as a percentage. It is, therefore, necessary to first compute the imported value of a product to determine the local content of a product. The categories of content are indicated hereunder as follows:</p> <ul style="list-style-type: none"> ● Imported Content; and ● Local Content. <p>Local Content is local value added in South Africa by South African recourses. Where a tender response contains a combination of local and imported goods and/or services, the tender price must be separated into its local and imported components. The bidder will be contractually required to maintain records to certify imported content, for example, invoice of materials, expenditure records and income statements. There is an increase in the drive from National as well as provincial governments to promote local content. Within the South African context, the purchase of local content is seen as the preferred preference, as it stimulates the growth of the South African economy.</p>	<ol style="list-style-type: none"> 1. That the Auditor-General provide the Committee with the list of commodities which falls under the local content category to which the departments and entities of the Western Cape Government should adhere, as prescribed by the Department of Trade and Industry. 2. That the Department supply the Committee with the National and Provincial circular instructions, if different from each other, which relates to local content. 	<p>The Department provided the information to the Chairperson on 21 August 2019.</p>

Background	Resolution	Department Response
<p>Page: 98 of the 2017/18 Annual Report</p> <p>Heading: "Note 13: Assurance Engagements"</p> <p>Description:</p> <p>The Committee takes cognisance of the fact that the key control deficiencies which were discovered by Internal Audit during the audit process which affects the Normative Financial Compliance (MFMA).</p> <p>The Committee further notes that governance improvements are required at the infrastructure level, which includes reporting and communication, establishing mechanisms such as a MGRO Coordination Team, which is not currently monitoring MFMA Units, and meetings which are not being held and therefore requires further attention.</p>	<p>3. That the Department brief the Committee on the action plans of the normative financial compliance (MFMA) MGRO processes for the 2017/18 financial year.</p>	<p>The Department awaits the date of the meeting in order to brief the Committee on this resolution.</p>
<p>Page: 149 of the 2017/18 Annual Report</p> <p>Heading: "Appropriation Statement for the year ended 31 March 2018"</p> <p>Description:</p> <p>The Committee notes the column which highlights the virements which occurred between the programmes of the Department. However, the Committee would like to see a future note which highlights the specific virements which occurred after the Adjustments Appropriation period, and before the commencement of the new financial year.</p>	<p>4. That the Department create a note which highlights each virement that took place between its programmes after the Adjustments Appropriation period.</p>	<p>The Department will create a note in PART A of the 2018/19 Annual Report.</p>

9.3 List of Information Requested

The Committee requested that the Provincial Treasury provide it with the following information:

- 9.3.1 A report which provides an update on the underspending of the Department, with specific reference to the vacant posts that were not filled during the 2017/18 financial year, including an action plan of the filling of the vacant posts, as indicated on page 161 of the 2017/18 Annual Report.

(The information was provided to the Committee Coordinator)

- 9.3.2 A report on the resettlement costs that was spent on departmental officials during the 2017/18 financial year. The report should include, amongst others, for which official/s the resettlement cost was spent on, including from where or to where the official/s were recruited from/to, as indicated under Note 4.7 on page 181 of the 2017/18 Annual Report.

(The information was provided to the Committee Coordinator)

- 9.3.3 That the errors that were detected by the Committee on pages 204 and 205 of the 2017/18 Annual Report be corrected by the Department, and that the corrected version of page 204 and 205 be forwarded to the Committee.

(The information was provided to the Committee Coordinator)

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 Provincial Treasury performed the following tasks during the year under review:

- Financial Instruction (FI) was issued during the 2018/19 financial year: FI 3 of 2018 Whistle Blowing Policy.
- Followed-up on the outstanding Internal Audit findings that were handed over to Internal Control and pursued them further in liaison with the relevant managers where after feedback was provided to the CFO, AO and Audit Committee.
- Monthly reported all payments which were not paid within 30 days to the PFMA Compliance Unit for the financial year and the Audit Committee.
- Updated the CGRO database on a quarterly basis that was presented at several fora.
- Updated and submitted the AGSA key controls to the Auditor-General on a quarterly basis for the CFO and AO's approval.
- Loss management investigations of Losses, Irregular Expenditure, Fruitless and Wasteful Expenditure and GG vehicles were maintained and driven as a priority area.
- Performed post auditing functions on 100 per cent of the BAS and LOGIS payments, and Travel and Subsistence (T&S) claims which ensured that payments were in accordance with prescripts that improved standards of financial administration for audit purposes. Deviations were reported quarterly to the respective units.

- Performed random checks on payments to ensure that cost containment measures were adhered to.
- Conducted inspections on Minor and Major Assets within Supply Chain Management.
- Provided the following secretariat functions to the ERMCO that included:
 - Compiling the minutes for the ERMCO meeting for each quarter;
 - Ensured that the Operational Risk Register and Strategic Risk Register were updated and signed off by the relevant SMS member and the AO;
 - Ensured that the Enterprise Risk Management Policy was updated and issued;
 - Ensured that the terms of reference of ERMCO was updated and issued; and
 - Ensured that the Enterprise Risk Management Strategy and Implementation Plan was updated and issued.
- Provided the support functions to the Provincial Forensic Services Unit (PFS) that included four awareness sessions with officials and assisted PFS to update the fraud risk register.
- Quarterly submission of the IYM, AGSA key controls, Tracking sheet, QPR and CGRO documents to the Government and Administration (G&A) Cluster Audit Committee meeting.

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;
- 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 Provincial Treasury included four assurance audits, one consulting engagement and six 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 (Auditor-General of South Africa - AGSA);
- Departmental Accounting and reporting;
- Departmental Accounting Policies;
- AGSA management and audit report;
- Departmental In-year Monitoring;
- Departmental Risk Management;
- Internal Control;
- Pre-determined objectives; and
- Ethics and Forensic Investigations.

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*	BProc; BCompt (Hons); CTA; Postgrad Diploma in Auditing; MCom; CA (SA) MTP (SA)	External	N/A	1 January 2019 (1 st term)	N/A	2
Mr Kerry Larkin**	BCompt; ND FIS; FIIASA CIA; CRMA; CCSA	External	N/A	1 January 2018 (1 st term)	31 August 2018	4
Ms Merle Kinnes	BA; LLB; Higher Certificate in Forensics Examination; Attorney of the High Court	External	N/A	1 January 2016 (1 st term) 1 January 2019 (2 nd term)	N/A	7
Mr Yaseen Ismail	BCom; PGDA; Certificate in Advanced Taxation; Certificate in Forensic and Investigative Auditing; CA (SA); RA (SA); CFE	External	N/A	1 May 2016 (1 st term)	N/A	7
Mr Jeremy Fairbairn	Certificate in General Management and Consultancy; Hons BCom (Bus. Management); BCom (Hons.); Higher Diploma in Education; BCom (Law)	External	N/A	1 January 2017 (1 st term)	N/A	7

* Chairperson

** Resigned

13. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2019.

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 these Terms and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

In line with the PFMA and the King IV Report on Corporate Governance, 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:

- DPSA Delegations Framework;
- Provincial Government Cash and Investment Management;
- POPIA Implementation Readiness; and
- Transfer Payments.

Consulting Engagements:

Integrated Capacitation and Training Model.

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 Management 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 Auditor-General South Africa (AGSA) and the Accounting Officer;
- Reviewed the AGSA's Management Report and Management's responses thereto;
- Reviewed changes to accounting policies and practices as reported in the Annual Financial Statements; and
- Reviewed adjustments resulting from the audit of the Department.

Provincial Forensics Services

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

Compliance

The Audit Committee has reviewed the Department's processes for compliance with legal and regulatory provisions.

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 Provincial Treasury for maintaining an unqualified audit opinion with no material findings.



Mr Francois Barnard

Chairperson of the Governance & Administration Cluster Audit Committee

Western Cape Provincial Treasury

8 August 2019

PART D

Human Resource Management

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

Our unique contribution to the work of the Western Cape Government is as a result of the persistent, and often selfless, efforts of the people within the Provincial Treasury.

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. Further to this, the Department is required to function within an austere environment, which demands that managers consider the impact of “doing more with less”.

Despite the changing patterns and increased 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 2016 - 2021, is therefore aligned to the vision and mission of the Department's Strategic Plan, as well as the People Management Strategy.

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:

- Competent people in the right numbers at the right place at the right time with the right attitude;
- A performance conducive workplace;
- Health and Wellness services and health and safety interventions delivered to employees;
- Implementation of the Transversal Organisational Culture Strategy; and
- Organisational Culture Assessment completed (every second year).

The Workforce Plan has been reviewed during March/April 2018 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 (2016/17 – 2020/21).

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 administration process, the Western Cape Government 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 Corporate Services Centre (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 (EHW) follows a holistic approach to employee well-being and is largely preventative in nature, offering both primary and secondary services.

The EHW Programme is monitored in the Department 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, advocacy).

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

2.4 People Management Monitoring

The Department, in collaboration with the Corporate Services Centre 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 Corporate Services Centre, provides the Department 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, employment equity etcetera.

During the year under review, the Department furthermore participated in the implementation of the annual Management Performance Assessment Tool (MPAT 1.8) coordinated by the Department of Planning Monitoring and Evaluation (DPME). In this regard, an average score of 3.9 out of 4 was achieved for the people management key performance area (KPA3).

3. PEOPLE MANAGEMENT OVERSIGHT STATISTICS

3.1 Personnel related expenditure

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

The figures in Table 3.1.1 are drawn from the Basic Accounting System (BAS) and the figures in Table 3.1.2 are drawn from the Personnel and Salary Administration System (PERSAL). The two 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, 2018/19

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	59 261	39 244	9 340	12 067	66.2	241	163
Programme 2	121 334	69 565	260	13 213	57.3	600	116
Programme 3	56 068	34 935	339	20 698	62.3	485	72
Programme 4	66 443	32 533	4 282	7 041	49.0	501	65
Total	303 106	176 277	14 221	53 019	58.2	424	416

Note: The number of employees refers to all individuals remunerated during the reporting period, including interns, but excluding the Minister. The number of employees is accumulative and not a snapshot as at a specific date.

Table 3.1.2 Personnel expenditure by salary band, 2018/19

Salary bands	Personnel Expenditure (R'000)	% of total personnel expenditure	Average personnel expenditure per employee (R'000)	Number of Employees
Interns	1 618	0.9	30	54
Lower skilled (Levels 1 - 2)	375	0.2	125	3
Skilled (Levels 3 - 5)	13 932	7.9	176	79
Highly skilled production (Levels 6 - 8)	18 544	10.5	337	55
Highly skilled supervision (Levels 9 - 12)	116 527	66.1	574	203
Senior management (Levels 13 - 16)	25 164	14.3	1 144	22
Total	176 161	100.0	424	416

Note: The number of employees refers to all individuals remunerated during the reporting period, including interns, but excluding the Minister. The number of employees is accumulative 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, 2018/19

Programme	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Programme 1	26 865	15.3	34	0.0	606	0.3	1 198	0.7
Programme 2	49 644	28.2	519	0.3	973	0.6	1 963	1.1
Programme 3	26 017	14.8	2	0.0	803	0.5	1 351	0.8
Programme 4	24 203	13.7	3	0.0	475	0.3	876	0.5
Total	126 729	71.9	558	0.3	2 857	1.6	5 387	3.1

Table 3.1.4 Salaries, Overtime, Housing Allowance and Medical Assistance by salary band, 2018/19

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	1 603	0.9	0	0.0	0	0.0	0	0.0
Lower skilled (Levels 1 - 2)	282	0.2	0	0.0	0	0.0	20	0.0
Skilled (Levels 3 - 5)	10 004	5.7	14	0.0	168	0.1	242	0.1
Highly skilled production (Levels 6 - 8)	13 173	7.5	99	0.1	608	0.3	1 201	0.7
Highly skilled supervision (Levels 9 - 12)	84 796	48.1	445	0.3	1 812	1.0	3 757	2.1
Senior management (Levels 13 - 16)	16 871	9.6	0	0.0	270	0.2	167	0.1
Total	126 729	71.9	558	0.3	2 857	1.6	5 387	3.1

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 Minister), and the percentage active vacant posts as at the end of the financial year. This information is presented in terms of three 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 2019

Programme	Number of active posts	Number of posts filled	Vacancy rate %
Programme 1	81	80	1.2
Programme 2	109	104	4.6
Programme 3	63	62	1.6
Programme 4	54	54	0.0
Total	307	300	2.3

Table 3.2.2 Employment and vacancies by salary band, as at 31 March 2019

Salary Band	Number of active posts	Number of posts filled	Vacancy rate %
Lower skilled (Levels 1 - 2)	4	4	0.0
Skilled (Levels 3 - 5)	43	42	2.3
Highly skilled production (Levels 6 - 8)	50	50	0.0
Highly skilled supervision (Levels 9 - 12)	188	184	2.1
Senior management (Levels 13 - 16)	22	20	9.1
Total	307	300	2.3

Table 3.2.3 Employment and vacancies by critical occupation, as at 31 March 2019

Critical Occupations	Number of active posts	Number of posts filled	Vacancy rate %
Cash Management Analyst (LG)	3	3	0.0
Economist	20	19	5.0
Expenditure Analyst (PG)	10	10	0.0
Financial Analyst	16	16	0.0
Infrastructure Analyst	7	7	0.0
Procurement Specialist / Analyst	21	21	0.0
Revenue and Expenditure Analyst (LG)	13	13	0.0
State Accountant	3	3	0.0
Total	93	92	1.1

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 Job evaluation, 1 April 2018 to 31 March 2019

Salary Band	Total number of posts as at 31 March 2019	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)	4	0	0.0	0	0.0	0	0.0
Skilled (Levels 3 - 5)	43	0	0.0	0	0.0	0	0.0
Highly skilled production (Levels 6 - 8)	50	1	0.3	0	0.0	0	0.0
Highly skilled supervision (Levels 9 - 12)	188	1	0.3	0	0.0	0	0.0
Senior Management Service Band A (Level 13)	16	1	0.3	0	0.0	0	0.0
Senior Management Service Band B (Level 14)	3	1	0.3	0	0.0	0	0.0
Senior Management Service Band C (Level 15)	2	1	0.3	0	0.0	0	0.0
Senior Management Service Band D (Level 16)	1	0	0.0	0	0.0	0	0.0
Total	307	5	1.6	0	0.0	0	0.0

Note: The "Number of posts evaluated" per Salary Band reflects the Final Approved Post Level after Job Evaluation.

Table 3.3.2 Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2018 to 31 March 2019

Beneficiaries	African	Indian	Coloured	White	Total
None					

Note: Table 3.3.2 is a breakdown of posts upgraded in Table 3.3.1.

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 2018 to 31 March 2019

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
Procurement Manager	1	-	-	5	Retention
Total				1	
Percentage of total employment				0.3	

Table 3.3.4 Profile of employees who have been granted higher salaries than those determined by job evaluation, 1 April 2018 to 31 March 2019

Beneficiaries	African	Coloured	Indian	White	Total
Female	0	1	0	0	1
Male	0	0	0	0	0
Total	0	1	0	0	1
Employees with a disability				0	

Note: Table 3.3.4 is a breakdown of Table 3.3.3 by race and gender.

3.4 Employment changes

Turnover rates provide an indication of trends in the employment profile of the Department 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 2018 to 31 March 2019

Salary Band	Number of employees as at 31 March 2018	Turnover rate % 2017/18	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate % 2018/19
Lower skilled (Levels 1 - 2)	2	50.0	1	0	0	0	0.0
Skilled (Levels 3 - 5)	33	10.8	9	0	10	2	36.4
Highly skilled production (Levels 6 - 8)	48	26.9	3	1	11	0	22.9
Highly skilled supervision (Levels 9 - 12)	184	8.3	18	1	16	3	10.3
Senior Management Service Band A (Level 13)	15	6.7	0	0	1	0	6.7

Salary Band	Number of employees as at 31 March 2018	Turnover rate % 2017/18	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate % 2018/19
Senior Management Service Band B (Level 14)	4	25.0	0	0	0	1	25.0
Senior Management Service Band C (Level 15)	1	0.0	0	0	0	0	0.0
Senior Management Service Band D (Level 16)	1	0.0	0	0	0	0	0.0
Total	288	12.1	31	2	38	6	15.3
			33		44		

Note: "Transfers" refer to the lateral movement of employees from one Public Service Department to another (both Provincially & Nationally).

Table 3.4.2 Annual turnover rates by critical occupation, 1 April 2018 to 31 March 2019

Critical Occupation	Number of employees as at 31 March 2018	Turnover rate % 2017/18	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate % 2018/19
Cash Management Analyst (LG)	2	0.0	0	1	0	0	0.0
Economist	18	5.0	2	0	1	0	5.6
Expenditure Analyst (PG)	10	0.0	0	0	0	0	0.0
Financial Analyst	17	0.0	0	0	0	0	0.0
Infrastructure Analyst	8	11.1	0	0	1	0	12.5
Procurement Specialist/Analyst	18	5.6	7	0	5	0	27.8
Revenue and Expenditure Analyst (LG)	16	5.9	1	0	3	0	18.8
State Accountant	3	0.0	0	0	0	0	0.0
Total	92	4.3	10	1	10	0	10.9
			11		10		

Table 3.4.3 Staff leaving the employ of the Department, 1 April 2018 to 31 March 2019

Exit Category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2018
Death	2	4.5	0.7
Resignation*	16	36.4	5.6
Expiry of contract	16	36.4	5.6
Dismissal – operational changes	0	0.0	0.0
Dismissal – misconduct	1	2.3	0.3
Dismissal – inefficiency	0	0.0	0.0
Discharged due to ill-health	0	0.0	0.0
Retirement	3	6.8	1.0
Employee initiated severance package	0	0.0	0.0
Transfers to Statutory Body	0	0.0	0.0
Transfers to other Public Service departments	6	13.6	2.1
Total	44	100.0	15.3

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 2018 to 31 March 2019

Resignation Reasons	Number	% of total resignations
Better remuneration	1	6.3
Change of occupation	3	18.8
Health related	1	6.3
Insufficient progression possibilities	4	25.0
Nature of work	3	18.8
No reason provided	2	12.5
Personal/family	1	6.3
Transport problem	1	6.3
Total	16	100.0

Table 3.4.5 Different age groups of staff who resigned, 1 April 2018 to 31 March 2019

Age group	Number	% of total resignations
Ages <19	0	0.0
Ages 20 to 24	0	0.0
Ages 25 to 29	3	18.8
Ages 30 to 34	5	31.3
Ages 35 to 39	4	25.0
Ages 40 to 44	2	12.5
Ages 45 to 49	1	6.3
Ages 50 to 54	0	0.0
Ages 55 to 59	1	6.3
Ages 60 to 64	0	0.0
Ages 65 >	0	0.0
Total	16	100.0

Table 3.4.6 Employee initiated severance packages

Total number of employee initiated severance packages offered in 2018/19	None
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Table 3.4.7 Promotions by salary band, 1 April 2018 to 31 March 2019

Salary Band	Number of Employees as at 31 March 2018	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)	2	0	0.0	1	50.0
Skilled (Levels 3 - 5)	33	0	0.0	10	30.3
Highly skilled production (Levels 6 - 8)	48	3	6.3	23	47.9
Highly skilled supervision (Levels 9 - 12)	184	7	3.8	127	69.0
Senior management (Levels 13 - 16)	21	1	4.8	9	42.9
Total	288	11	3.8	170	59.0

Note: Promotions reflect the salary level of an employee after he/she was promoted.

Table 3.4.8 Promotions by critical occupation, 1 April 2018 to 31 March 2019

Critical Occupation	Number of Employees as at 31 March 2018	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)	2	0	0.0	2	100.0
Economist	18	0	0.0	23	127.8
Expenditure Analyst (PG)	10	0	0.0	9	90.0
Financial Analyst	17	0	0.0	9	52.9
Infrastructure Analyst	8	0	0.0	8	100.0
Procurement Specialist/ Analyst	18	1	5.6	10	55.6
Revenue and Expenditure Analyst (LG)	16	0	0.0	10	62.5
State Accountant	3	0	0.0	1	33.3
Total	92	1	1.1	72	78.3

Note: Promotions reflect the salary level of an employee after he/she was promoted.

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 2019

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	0	1	1	0	0	0	0	0	0	0	2
Senior management (Levels 13 - 14)	2	5	1	3	0	4	1	1	1	0	18
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	18	45	2	15	30	64	1	9	0	0	184
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	5	5	0	0	7	21	0	6	0	0	44
Semi - skilled and discretionary decision-making (Levels 3 - 5)	12	8	0	1	12	16	0	0	0	0	49
Unskilled and defined decision-making (Levels 1 - 2)	1	1	0	0	0	1	0	0	0	0	3
Total	38	65	4	19	49	106	2	16	1	0	300
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	38	65	4	19	49	106	2	16	1	0	300

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 2019

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Levels 13 - 14)	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	1	1	0	0	0	0	0	1	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	0	0	0	0	0	0	0	1	0	0	1
Semi - skilled and discretionary decision-making (Levels 3 - 5)	0	0	0	0	0	0	0	0	0	0	0
Unskilled and defined decision-making (Levels 1 - 2)	0	0	0	0	0	0	0	0	0	0	0
Total	1	1	0	0	0	0	0	2	0	0	4
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	1	1	0	0	0	0	0	2	0	0	4

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 2018 to 31 March 2019

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Levels 13 - 14)	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	5	2	0	1	6	3	0	2	0	0	19
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	1	0	0	0	1	2	0	0	0	0	4
Semi-skilled and discretionary decision-making (Levels 3 - 5)	5	1	0	0	1	2	0	0	0	0	9
Unskilled and defined decision-making (Levels 1 - 2)	1	0	0	0	0	0	0	0	0	0	1
Total	12	3	0	1	8	7	0	2	0	0	33
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	12	3	0	1	8	7	0	2	0	0	33

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 2018 to 31 March 2019

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Levels 13 - 14)	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	0	3	0	0	0	0	0	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	0	1	0	0	1	5	0	0	0	0	7
Semi-skilled and discretionary decision-making (Levels 3 - 5)	0	0	0	0	0	1	0	0	0	0	1
Unskilled and defined decision-making (Levels 1 - 2)	0	0	0	0	0	0	0	0	0	0	0
Total	0	4	0	0	1	6	0	0	0	0	11
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	0	4	0	0	1	6	0	0	0	0	11

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, as per Table 3.4.7.

Table 3.5.5 Terminations, 1 April 2018 to 31 March 2019

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Levels 13 - 14)	1	0	0	0	0	1	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	5	2	0	3	3	5	0	1	0	0	19
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	2	3	0	0	2	4	0	0	0	0	11
Semi-skilled and discretionary decision-making (Levels 3 - 5)	1	2	0	0	3	6	0	0	0	0	12
Unskilled and defined decision-making (Levels 1 - 2)	0	0	0	0	0	0	0	0	0	0	0
Total	9	7	0	3	8	16	0	1	0	0	44
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	9	7	0	3	8	16	0	1	0	0	44

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 2018 to 31 March 2019

Disciplinary actions	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Abscondment	0	0	0	0	1	0	0	0	0	0	1
Total	0	0	0	0	1	0	0	0	0	0	1
Temporary Employees	0	0	0	0	0	0	0	0	0	0	0
Grand Total	0	0	0	0	1	0	0	0	0	0	1

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 Tables 3.12.2 and Table 3.12.3.

Table 3.5.7 Skills development, 1 April 2018 to 31 March 2019

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15 - 16)	0	0	1	0	0	0	0	0	1
Senior management (Levels 13 - 14)	2	2	0	0	0	1	0	1	6
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	15	21	1	7	16	31	1	3	95
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	3	4	0	1	4	12	0	1	25
Semi-skilled and discretionary decision-making (Levels 3 - 5)	4	6	0	0	5	4	0	0	19
Unskilled and defined decision-making (Levels 1 - 2)	1	1	0	0	0	0	0	0	2
Total	25	34	2	8	25	48	1	5	148
Temporary employees	0	0	0	0	0	0	0	0	0
Grand total	25	34	2	8	25	48	1	5	148

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 2018

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	1	1	1	100.0
Salary Level 14	3	3	3	100.0
Salary Level 13	14	14	14	100.0
Total	19	19	19	100.0

Note: This table refers to employees who are appointed as Senior Management Service (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 2018

Reasons for not concluding Performance Agreements with all SMS
Not applicable

Table 3.6.3 Disciplinary steps taken against SMS Members for not having concluded Performance Agreements on 31 May 2018

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 of 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 2018

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	0	0.0
Salary Level 15	2	1	50.0	1	50.0
Salary Level 14	4	3	75.0	1	25.0
Salary Level 13	16	15	93.8	1	6.3
Total	23	20	87.0	3	13.0

Note: This table refers to employees who are appointed as Senior Management Service (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 2019

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	0	0.0
Salary Level 15	2	1	50.0	1	50.0
Salary Level 14	3	3	100.0	0	0.0
Salary Level 13	16	15	93.8	1	6.3
Total	22	20	90.9	2	9.1

Note: This table refers to employees who are appointed as Senior Management Service (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 2019

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	0	0	0
Salary Level 15	1	0	0
Salary Level 14	2	0	0
Salary Level 13	2	0	0
Total	5	0	0

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 (3.8.2) who received a notch progression as a result of performance management. (i.e. qualifying employees who scored between 3 - 5 in their performance ratings).

Table 3.8.1 Notch progressions by salary band, 1 April 2018 to 31 March 2019

Salary Band	Employees as at 31 March 2018	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1 - 2)	2	1	50.0
Skilled (Levels 3 - 5)	33	10	30.3
Highly skilled production (Levels 6 - 8)	48	23	47.9
Highly skilled supervision (Levels 9 - 12)	184	127	69.0
Senior management (Levels 13 - 16)	21	9	42.9
Total	288	170	59.0

Table 3.8.2 Notch progressions by critical occupation, 1 April 2018 to 31 March 2019

Critical Occupations	Employees as at 31 March 2018	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Cash Management Analyst (LG)	2	2	100.0
Economist	18	23	127.8
Expenditure Analyst (PG)	10	9	90.0
Financial Analyst	17	9	52.9
Infrastructure Analyst	8	8	100.0
Procurement Specialist/ Analyst	18	10	55.6
Revenue and Expenditure Analyst (LG)	16	10	62.5
State Accountant	3	1	33.3
Total	92	72	78.3

To encourage good performance, the Department has granted the following performance rewards to employees for the performance period 2017/18, but paid in the 2018/19 financial year. The information is presented in terms of race, gender, and disability (Table 3.8.3), salary bands (Table 3.8.4 and Table 3.8.5) and critical occupations (Table 3.8.6).

Table 3.8.3 Performance rewards by race, gender, and disability, 1 April 2018 to 31 March 2019

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2018	% of total within group	Cost (R'000)	Average cost per beneficiary (R)
African	30	74	40.5	225	7 498
Male	10	33	30.3	86	8 562
Female	20	41	48.8	139	6 965
Coloured	90	172	52.3	816	9 070
Male	30	66	45.5	284	9 474
Female	60	106	56.6	532	8 867
Indian	1	6	16.7	23	23 379
Male	0	4	0.0	0	0
Female	1	2	50.0	23	23 379
White	20	33	60.6	237	11 847
Male	11	20	55.0	144	13 120
Female	9	13	69.2	93	10 291
Employees with a disability	2	3	66.7	12	6 103
Total	143	288	49.7	1 313	9 187

Table 3.8.4 Performance rewards (cash bonus), by salary bands for personnel below Senior Management Service level, 1 April 2018 to 31 March 2019

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2018	% 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)	1	2	50.0	2	1 944	0.0
Skilled (Levels 3 - 5)	12	33	36.4	44	3 631	0.0
Highly skilled production (Levels 6 - 8)	29	48	60.4	171	5 913	0.1
Highly skilled supervision (Levels 9 - 12)	101	184	54.9	1 097	10 859	0.7
Total	143	267	53.6	1 314	9 187	0.9

Note: The cost is calculated as a percentage of the total personnel expenditure for salary levels 1-12 employees, reflected in Table 3.1.2.

Table 3.8.5 Performance rewards (cash bonus), by salary band, for Senior Management Service level, 1 April 2018 to 31 March 2019

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2018	% 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)	0	15	0.0	0	0	0.0
Senior Management Service Band B (Level 14)	0	4	0.0	0	0	0.0
Senior Management Service Band C (Level 15)	0	1	0.0	0	0	0.0
Senior Management Service Band D (Level 16)	0	1	0.0	0	0	0.0
Total	0	21	0.0	0	0	0.0

Note: The cost is calculated as a percentage of the total personnel expenditure for those employees at salary Levels 13 - 16, reflected in Table 3.1.2.

Table 3.8.6 Performance rewards (cash bonus) by critical occupation, 1 April 2018 to 31 March 2019

Critical Occupation	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2018	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of total personnel expenditure
Cash Management Analyst (LG)	2	2	100.0	15	7 323	0.0
Economist	8	18	44.4	165	20 667	0.1
Expenditure Analyst (PG)	6	10	60.0	61	10 171	0.0
Financial Analyst	7	17	41.2	80	11 395	0.1
Infrastructure Analyst	5	8	62.5	52	10 307	0.0
Procurement Specialist/Analyst	9	18	50.0	93	10 327	0.1
Revenue and Expenditure Analyst (LG)	6	16	37.5	41	6 909	0.0
State Accountant	0	3	0.0	0	0	0.0
Total	43	92	46.7	507	11 784	0.3

3.9 Foreign workers

The tables below summarise the employment of foreign nationals in the Department 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 2018 to 31 March 2019

Salary Band	1 April 2018		31 March 2019		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1-2)	0	0.0	0	0.0	0	0
Skilled (Levels 3-5)	0	0.0	0	0.0	0	0
Highly skilled production (Levels 6-8)	0	0.0	0	0.0	0	0
Highly skilled supervision (Levels 9-12)	0	0.0	0	0.0	0	0
Senior management (Levels 13-16)	1	100.0	1	100.0	0	0
Total	1	100.0	1	100.0	0	0

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

Table 3.9.2 Foreign Workers by major occupation, 1 April 2018 to 31 March 2019

Major Occupation	1 April 2018		31 March 2019		Change	
	Number	% of total	Number	% of total	Number	% change
Director	1	100.0	1	100.0	0	0.0
Total	1	100.0	1	100.0	0	0.0

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

3.10 Leave utilisation for the period 1 January 2018 to 31 December 2018

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 2018 to 31 December 2018

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	142	50.7	37	54	68.5	4	26
Lower skilled (Levels 1 - 2)	32	90.6	3	3	100.0	11	12
Skilled (Levels 3 - 5)	452	69.7	69	79	87.3	7	271
Highly skilled production (Levels 6 - 8)	369	65.3	51	55	92.7	7	366
Highly skilled supervision (Levels 9 - 12)	1 256	68.7	168	203	82.8	7	2 216
Senior management (Levels 13 - 16)	93	76.3	17	22	77.3	5	291
Total	2 344	67.9	345	416	82.9	7	3 182

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 years. The three-year sick leave cycle started in January 2016 and ended in December 2018. 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 2018 to 31 December 2018

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	0	0.0	0	54	0.0	0	0
Lower skilled (Levels 1 - 2)	0	0.0	0	3	0.0	0	0
Skilled (Levels 3 - 5)	14	100.0	4	79	5.1	4	9
Highly skilled production (Levels 6 - 8)	78	100.0	5	55	9.1	16	93
Highly skilled supervision (Levels 9 - 12)	230	100.0	11	203	5.4	21	369
Senior management (Levels 13 - 16)	17	100.0	2	22	9.1	9	62
Total	339	100.0	22	416	5.3	15	533

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 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 2018 to 31 December 2018

Salary Band	Total days taken	Total number employees using annual leave	Average number of days taken per employee
Interns	386	42	9
Lower skilled (Levels 1 - 2)	96	8	12
Skilled (Levels 3 - 5)	1 198	85	14
Highly skilled production (Levels 6 - 8)	1 267	57	22
Highly skilled supervision (Levels 9 - 12)	4 550	195	23
Senior management (Levels 13 - 16)	534	22	24
Total	8 031	409	20

Table 3.10.4 Capped leave, 1 January 2018 to 31 December 2018

Salary Band	Total capped leave available as at 31 Dec 2017	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 2018	Total capped leave available as at 31 Dec 2018
Lower skilled (Levels 1 - 2)	0	0	0	0	0	0
Skilled (Levels 3 - 5)	100	5	1	5	1	100
Highly skilled production (Levels 6 - 8)	115	0	0	0	10	115
Highly skilled supervision (Levels 9 - 12)	1 999	305	3	102	34	1 694
Senior management (Levels 13 - 16)	389	0	0	0	4	389
Total	2 603	310	4	78	49	2 298

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 2018 to 31 March 2019

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee (R)
Leave pay-outs during 2018/19 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service	632	3	210 816
Current leave pay-outs on termination of service	458	58	7 903
Total	1 090	61	218 719

3.11 Health Promotion Programmes, including HIV and AIDS

Table 3.11.1 Steps taken to reduce the risk of occupational exposure, 1 April 2018 to 31 March 2019

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 the Department's work does not expose employees to increased risk of contracting HIV & AIDS. Despite the very low occupational risk, all employees have been targeted at all levels within the Department.	<p>HIV & AIDS Counselling and Testing (HCT) and Wellness screenings were conducted in general. 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 (4 session model); Trauma and critical incident counselling; Advocacy on HIV&AIDS awareness, including online E-Care 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 2018 to 31 March 2019

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 Reygana Shade, 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 Corporate Services Centre (CSC) within the Department of the Premier provides a transversal service to the eleven (11) 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 three (3) EHW Practitioners.</p> <p>Budget: R2.756 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 ICAS (external service provider) to render an Employee Health and Wellness Service to the eleven (11) departments of the Corporate Services Centre (CSC).</p> <p>The following interventions were conducted: Child and Family Care, Relationship Enrichment, Stress and Resilience, Healthy Lifestyle, Diversity Management, Emotional Impact Assessments, Employee Information session, Self-Development, Eye Screening, Employee Information desk, HCT and Wellness Screening.</p> <p>These interventions are based on 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>Information sessions were also provided to inform employees of the EHW service and how to access the Employee Health and Wellness (EHW) Programme. Promotional material such as pamphlets, posters and brochures were distributed.</p>
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 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 Ms Sweetness Sixubane.</p>

Question	Yes	No	Details, if yes
<p>5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.</p>	✓		<p>The Transversal Management Framework for Employee 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 on 10 August 2005.</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 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 Government. The document is in line with the four pillars of the EHW Strategic Framework 2008.</p> <p>During the reporting period, the transversal EHW policies including the HIV, AIDS and TB Management Policy have been audited by DPSA 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>
<p>6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.</p>	✓		<p>The Provincial Strategic 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>The Department implemented the following measures to address the stigma and discrimination against those infected or perceived to be infective with HIV:</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; ● Condom distribution and spot talks; and ● Commemoration of World AIDS Day and Wellness events.

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 achieved.	✓		HCT SESSIONS: The following Wellness and HCT screening sessions were conducted: <ul style="list-style-type: none"> • The Department participated in 2 HCT and Wellness screening sessions. • 36 Employees were tested and counselled for HIV, Tuberculosis and Sexually Transmitted Infections (STIs). • There were 0 clinical referrals for TB, HIV or STIs for further management.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓		The impact of health promotion programmes is indicated through information provided through the EHW Contract with ICAS. 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 2018 to 31 March 2019

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 2018 to 31 March 2019

Outcomes of disciplinary hearings	Number of cases finalised	% of total
Abscondment/ Desertion	1	100.0
Total	1	100.0
Percentage of total employment		0.2

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

Table 3.12.3 Types of misconduct addressed at disciplinary hearings, 1 April 2018 to 31 March 2019

Type of misconduct	Number	% of total
Absent from work without reason or permission	1	100.0
Total	1	100.0

Table 3.12.4 Grievances lodged, 1 April 2018 to 31 March 2019

Grievances lodged	Number	% of total
Number of grievances resolved	18	81.8
Number of grievances not resolved	4	18.2
Total number of grievances lodged	22	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 2018 to 31 March 2019

Disputes lodged with Councils	Number	% of total
Number of disputes upheld	0	0.0
Number of disputes dismissed	0	0.0
Total number of disputes lodged	0	0.0

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 2018 to 31 March 2019

Strike actions	Number
Total number of person working days lost	0
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

Table 3.12.7 Precautionary suspensions, 1 April 2018 to 31 March 2019

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

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 the Department with regard to skills development. Table 3.13.1 reflect 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 2018 to 31 March 2019

Occupational Categories	Gender	Number of employees as at 1 April 2018	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	6	0	2	0	2
	Male	16	0	11	0	11
Professionals (Salary Band 9 - 12)	Female	100	0	265	0	265
	Male	81	0	177	0	177
Technicians and associate professionals (Salary Band 6 - 8)	Female	36	0	24	0	24
	Male	8	0	12	0	12
Clerks (Salary Band 3 - 5)	Female	14	0	52	0	52
	Male	14	0	64	0	64
Elementary occupations (Salary Band 1 - 2)	Female	1	0	0	0	0
	Male	1	0	3	0	3
Sub Total	Female	159	0	343	0	343
	Male	121	0	267	0	267
Total		280	0	610	0	610
Employees with disabilities	Female	2	0	0	0	0
	Male	1	0	0	0	0

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 2018 to 31 March 2019

Occupational Categories	Gender	Number of employees as at 31 March 2019	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	6	0	3	0	3
	Male	14	0	5	0	5
Professionals (Salary Band 9 - 12)	Female	103	0	101	0	101
	Male	78	0	102	0	102
Technicians and associate professionals (Salary Band 6 - 8)	Female	33	0	33	0	33
	Male	10	0	13	0	13
Clerks (Salary Band 3 - 5)	Female	28	0	20	0	20
	Male	22	0	22	0	22
Elementary occupations (Salary Band 1 - 2)	Female	1	0	0	0	0
	Male	2	0	2	0	2
Sub Total	Female	173	0	157	0	157
	Male	128	0	144	0	144
Total		301	0	301	0	301
Employees with disabilities	Female	2	0	0	0	0
	Male	2	0	0	0	0

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 2018 to 31 March 2019

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0.0
Temporary disablement	1	100.0
Permanent disablement	0	0.0
Fatal	0	0.0
Total	1	100.0
Percentage of total employment		0.2

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: Work Days/ Hours	Contract Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
Programme 1	Fundiwe Majola (Thandiwe Ida Goxo)	Translations	Translation of Annual Report from English to Xhosa	DCAS Contract	-	41	-	1
	Word for Word (CF Barbst)	Translations	Translation of Annual Report from English to Afrikaans	DCAS Contract	-	33	-	4
	Dr Mhlobo Jadezwi	Translations	Translations of Gambling and Racing Amendment Bill from English to Xhosa. Translation of Annual Performance Plan from English to Xhosa	DCAS contract	-	23	-	1
	Lona's Language Services	Translations	Translation of Annual Performance Plan from English to Afrikaans	DCAS contract	-	17	-	0

Programme	Consulting Firm	Project Title	Nature of the Project	Total number of Consultants that worked on the Project	Duration: Work Days/ Hours	Contract Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
Programme 2	University of Stellenbosch: Bureau for Economic Research (BER)	Provincial Economic Review and Outlook; Fuel Levy and Casino research	To provide Fiscal Policy research and advisory services and economic research for the PERO	18	-	3 492	-	N
	University of Cape Town: Department Policy Research Unit (DPRU)	Labour Market Research for the PERO	To provide Labour Market Economic Research for the PERO	N/A	-	296	-	7
	Urban-Economic Development Economists (Pty) Ltd	Municipal Economic Outlook and Review	Conducting research and production of the MERO	1	-	537	-	4
	University of Stellenbosch: Executive Development (Pty) Ltd	Predetermined Objectives Training, Municipal Cash Flow Management, Annual Budgets and IYM Training, Revenue Management Training	Transversal Training and Capacity Building for Municipal and Western Cape Government Officials	N/A	N/A	1 775	7 Training sessions	N
	Bohica Business Consulting CC	Provision of Junket Licence Research to the WCPT	To conduct the Junket Licence Research Services	1	N/A	334	-	1
	Gijima Technology People	Business Analysts	Support on Various Projects on the Department's ICT Plan	DotP Contract (1)	N/A	170	-	2

Programme	Consulting Firm	Project Title	Nature of the Project	Total number of Consultants that worked on the Project	Duration: Work Days/ Hours	Contract Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
Programme 3	Mr A.J du Plessis	Revision of PTIs & AOS SCM	Provision of services relating to the review and update of the PTIs (Chapter 16a), the Pro-forma AOS for SCM and Internal Control	1	365	1 683	-	0
	University of Stellenbosch: Executive Development (Pty) Ltd	Supply Chain Asset Management Training, Supply Chain Risk Performance Management Training	Transversal Training and Capacity Building for Municipal and Western Cape Government Officials	N/A	N/A	1 268	5 Training sessions	N
	Business Connexions	Kitso	Maintain and further develop the current Business Intelligence System (KITSO) for the Basic Accounting System (BAS)	N/A	N/A	1 715	-	6
	Business Connexions	PERSAL Support	Rendering functional, technical and management support on the Personnel and Salary Administration System	2	1 984 hrs	2 767	-	6
	Quantum Leap Consulting	Systems Analysts	Support on the execution of the Directorate's ICT Plan	DotP Contract (2)	1 910 hrs	1 899	-	1
	Gijima Technology People	Business Analysts	Support on the enhancement of the Legacy Systems (ICT Project)	DotP Contract (3)	1 599 hrs	1 519	-	2
	MI Business Services (Pty) Ltd (T/A MI Consulting)	To provide support on LOGIS	Provision of general service for inventory management project to update ledgers on LOGIS	6	365 days	1 464	-	4
	Commerce Edge South Africa	Smart Procurement Conference	Capacitation and development programme for Public Sector Officials and suppliers in respect of procurement	N/A	3 days	432	1	2

Programme	Consulting Firm	Project Title	Nature of the Project	Total number of Consultants that worked on the Project	Duration: Work Days/ Hours	Contract Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
Programme 4	Daniel Bissessur Consultant	Accounting i-Development training needs	Roll-out of Provincial Government Accounting assessment toolkit and methodology	1	90 days	735	-	N
	Ducharme Training Institute	MCS Training	Training on the Modified Cash Standard to departments and public entities	N/A	-	31	-	4
	Ducharme Training Institute	GRAP Training	Training finance practitioners on the implementation of the GRAP standards	N/A	-	55	-	4
	Quantum Leap Consulting	Systems Analyst	mSCOA System Analyst	DotP Contract (1)	1 849 hrs	1 275	-	1
	University of Stellenbosch: Executive Development (Pty) Ltd	MFMA Induction, COSO Training, Public Sector Governance Training and GRAP Training	Transversal Training and Capacity Building for Municipal and Western Cape Government Officials	N/A	N/A	1 014	4 Training sessions	N
	University of Stellenbosch: Executive Development (Pty) Ltd	mSCOA-GRAP Training	Transversal Training and Capacity Building for Municipal and Western Cape Government Officials	N/A	N/A	57	-	N
	KPMG	Consequence management support to municipalities	Consequence Management Decision Tree and Process Mapping	N/A	N/A	403	-	1
	Melech & Associates	Development of MFMA System of Delegations	Policy Development - MFMA System of Delegations	Various	N/A	51	-	4

PART E

Financial Information

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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2019**

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Western Cape Provincial Treasury set out on pages 156 to 207, which comprise the appropriation statement, the statement of financial position as at 31 March 2019, the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, as well as the 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 Provincial Treasury as at 31 March 2019, 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 of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2018 (Act No. 1 of 2018) (DoRA).

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 this auditor's report.
4. I am independent of the department in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code), parts 1 and 3 of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) and the 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 codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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for the year ended 31 March 2019**

Emphasis of matter

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

Restatement of corresponding figures

7. As disclosed in note 28 to the financial statements, the corresponding figures for 31 March 2018 were restated as a result of errors discovered during the 2018/19 financial year in the financial statements of the department at, and for the year ended, 31 March 2019.

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 in pages 208 to 212 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 DoRA, 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 Western Cape Provincial Treasury's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern 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

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or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
15. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to 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 programmes presented in the annual performance report of the department for the year ended 31 March 2019:

Programmes	Pages in the Annual Performance Report
Programme 2 – Sustainable Resource Management	56 - 67
Programme 4 – Financial Governance	77 - 84

17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance 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.

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18. I did not raise any material findings on the usefulness and reliability of the reported performance information for these programmes:

- Programme 2 – Sustainable Resource Management
- Programme 4 – Financial Governance

Other matter

19. I draw attention to the matter below.

Achievement of planned targets

20. Refer to the Annual Performance Report on pages 59 to 67 and 79 to 83 for information on the achievement of planned targets for the year and explanations provided for the under or overachievement of a number 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 compliance of the department 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 material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

23. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes 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 thereon.

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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 programmes 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.
27. I have nothing to report in this regard.

Internal control deficiencies

28. 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 2019



Auditing to build public confidence

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for the year ended 31 March 2019**

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 selected programmes 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 related to events or conditions that may cast significant doubt on the Western Cape Provincial Treasury's ability 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 the 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 continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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**REPORT OF THE AUDITOR-GENERAL
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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 confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

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**APPROPRIATION STATEMENT
for the year ended 31 March 2019**

Appropriation per programme									
	2018/19							2017/18	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Voted funds and Direct charges									
Programme									
1. Administration	58 424	-	1 444	59 868	59 261	607	99.0	60 177	57 492
2. Sustainable Resource Management	124 168	-	(990)	123 178	121 334	1 844	98.5	136 028	132 195
3. Asset Management	56 371	-	308	56 679	56 068	611	98.9	53 311	51 023
4. Financial Governance	67 870	-	(762)	67 108	66 443	665	99.0	39 077	37 434
Programme sub total	306 833	-	-	306 833	303 106	3 727	98.8	288 593	278 144
Statutory Appropriation									
Total	306 833	-	-	306 833	303 106	3 727	98.8	288 593	278 144
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				6 720				8 704	
Actual amounts per Statement of Financial Performance (Total Revenue)				313 553				297 297	
Actual amounts per Statement of Financial Performance Expenditure					303 106				278 144

Departmental receipts for 2017/18 has been adjusted, due to the fact that the Provincial Treasury is a conduit for the taxes and other revenue collected by the Western Cape Gambling and Racing Board to the Provincial Revenue Fund. (See Note 2.5)

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**APPROPRIATION STATEMENT
for the year ended 31 March 2019**

Appropriation per programme									
Economic classification	2018/19							2017/18	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	234 509	(1 003)	(604)	232 902	229 296	3 606	98.5	225 501	216 548
Compensation of employees	178 976	-	-	178 976	176 277	2 699	98.5	173 074	171 172
Salaries and wages	158 373	20	-	158 393	155 892	2 501	98.4	153 208	151 437
Social contributions	20 603	(20)	-	20 583	20 385	198	99.0	19 866	19 735
Goods and services	55 533	(1 003)	(604)	53 926	53 019	907	98.3	52 427	45 376
Administrative fees	10	(7)	-	3	3	-	100.0	49	36
Advertising	1 072	(37)	-	1 035	1 035	-	100.0	1 147	827
Minor assets	247	5	89	341	341	-	100.0	442	442
Audit costs: External	5 284	179	182	5 645	5 644	1	100.0	5 142	4 855
Bursaries: Employees	500	82	-	582	582	-	100.0	751	591
Catering: Departmental activities	790	(99)	-	691	671	20	97.1	1 067	691
Communication (G&S)	651	(64)	-	587	508	79	86.5	863	651
Computer services	6 636	90	146	6 872	6 872	-	100.0	6 364	6 274
Consultants: Business and advisory services	24 898	(746)	(1 066)	23 086	23 086	-	100.0	20 029	18 303
Contractors	917	(60)	97	954	862	92	90.4	647	451
Agency and support / outsourced services	49	51	-	100	99	1	99.0	-	-
Entertainment	196	(30)	-	166	121	45	72.9	196	92
Fleet services (including government motor transport)	1 031	(71)	-	960	960	-	100.0	1 052	990
Consumable supplies	295	13	-	308	291	17	94.5	234	195
Consumable: Stationery, printing and office supplies	1 908	(51)	121	1 978	1 813	165	91.7	2 452	1 842
Operating leases	398	-	121	519	519	-	100.0	537	537
Property payments	320	(190)	-	130	130	-	100.0	6	5
Transport provided: Departmental activity	4	5	-	9	9	-	100.0	8	8
Travel and subsistence	5 376	59	84	5 519	5 315	204	96.3	6 157	5 165
Training and development	1 866	(299)	(280)	1 287	1 287	-	100.0	1 935	839
Operating payments	1 731	(42)	-	1 689	1 523	166	90.2	1 681	1 422
Venues and facilities	1 354	209	(98)	1 465	1 348	117	92.0	1 668	1 160
Transfers and subsidies	68 853	555	-	69 408	69 287	121	99.8	57 753	56 375
Provinces and municipalities	38 311	-	-	38 311	38 191	120	99.7	33 966	33 130
Municipalities	38 311	-	-	38 311	38 191	120	99.7	33 966	33 130
Municipal bank accounts	38 311	-	-	38 311	38 191	120	99.7	33 966	33 130
Departmental agencies and accounts	26 870	(1)	-	26 869	26 869	-	100.0	19 711	19 711
Departmental agencies (non-business entities)	26 870	(1)	-	26 869	26 869	-	100.0	19 711	19 711
Households	3 672	556	-	4 228	4 227	1	100.0	4 076	3 534
Social benefits	891	201	-	1 092	1 091	1	99.9	973	915
Other transfers to households	2 781	355	-	3 136	3 136	-	100.0	3 103	2 619
Payments for capital assets	3 421	189	604	4 214	4 214	-	100.0	5 255	5 137
Machinery and equipment	3 421	189	604	4 214	4 214	-	100.0	5 214	5 137
Transport equipment	1 180	-	130	1 310	1 310	-	100.0	1 254	1 177
Other machinery and equipment	2 241	189	474	2 904	2 904	-	100.0	3 960	3 960
Software and other intangible assets	-	-	-	-	-	-	-	41	-
Payment for financial assets	50	259	-	309	309	-	100.0	84	84
Total	306 833	-	-	306 833	303 106	3 727	98.8	288 593	278 144

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**APPROPRIATION STATEMENT
for the year ended 31 March 2019**

Programme 1: Administration									
Sub programme	2018/19							2017/18	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1. Office of the Minister	6 379	(217)	-	6 162	6 091	71	98.8	6 511	6 078
2. Management Services	26 744	(22)	-	26 722	26 390	332	98.8	26 826	25 100
3. Financial Management	25 301	239	1 444	26 984	26 780	204	99.2	26 840	26 314
Total	58 424	-	1 444	59 868	59 261	607	99.0	60 177	57 492

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**APPROPRIATION STATEMENT
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	2018/19							2017/18	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	51 981	(903)	840	51 918	51 311	607	98.8	51 340	49 257
Compensation of employees	39 851	-	-	39 851	39 244	607	98.5	39 437	38 490
Salaries and wages	35 978	(3)	-	35 975	35 401	574	98.4	35 736	34 804
Social contributions	3 873	3	-	3 876	3 843	33	99.1	3 701	3 686
Goods and services	12 130	(903)	840	12 067	12 067	-	100.0	11 903	10 767
Administrative fees	10	(7)	-	3	3	-	100.0	36	36
Advertising	794	(123)	-	671	671	-	100.0	668	455
Minor assets	247	5	89	341	341	-	100.0	442	442
Audit costs: External	3 557	1	182	3 740	3 740	-	100.0	3 158	3 158
Bursaries: Employees	500	82	-	582	582	-	100.0	751	591
Catering: Departmental activities	200	(20)	-	180	180	-	100.0	324	297
Communication (G&S)	158	(11)	-	147	147	-	100.0	188	151
Computer services	1 306	180	146	1 632	1 632	-	100.0	1 322	1 304
Consultants: Business and advisory services	672	(558)	-	114	114	-	100.0	531	523
Contractors	633	1	97	731	731	-	100.0	389	339
Entertainment	44	(19)	-	25	25	-	100.0	44	18
Fleet services (including government motor transport)	1 031	(71)	-	960	960	-	100.0	1 052	990
Consumable supplies	194	25	-	219	219	-	100.0	125	105
Consumable: Stationery, printing and office supplies	378	(32)	121	467	467	-	100.0	630	515
Operating leases	398	-	121	519	519	-	100.0	537	537
Property payments	320	(190)	-	130	130	-	100.0	6	5
Transport provided: Departmental activity	4	5	-	9	9	-	100.0	8	8
Travel and subsistence	1 056	(39)	84	1 101	1 101	-	100.0	1 014	986
Training and development	302	(141)	-	161	161	-	100.0	395	47
Operating payments	306	17	-	323	323	-	100.0	239	217
Venues and facilities	20	(8)	-	12	12	-	100.0	44	43
Transfers and subsidies	2 972	455	-	3 427	3 427	-	100.0	3 498	3 014
Departmental agencies and accounts	6	(1)	-	5	5	-	100.0	4	4
Departmental agencies (non- business entities)	6	(1)	-	5	5	-	100.0	4	4
Households	2 966	456	-	3 422	3 422	-	100.0	3 494	3 010
Social benefits	185	101	-	286	286	-	100.0	391	391
Other transfers to households	2 781	355	-	3 136	3 136	-	100.0	3 103	2 619
Payments for capital assets	3 421	189	604	4 214	4 214	-	100.0	5 255	5 137
Machinery and equipment	3 421	189	604	4 214	4 214	-	100.0	5 214	5 137
Transport equipment	1 180	-	130	1 310	1 310	-	100.0	1 254	1 177
Other machinery and equipment	2 241	189	474	2 904	2 904	-	100.0	3 960	3 960
Software and other intangible assets	-	-	-	-	-	-	-	41	-
Payment for financial assets	50	259	-	309	309	-	100.0	84	84
Total	58 424	-	1 444	59 868	59 261	607	99.0	60 177	57 492

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**APPROPRIATION STATEMENT
for the year ended 31 March 2019**

Subprogramme: 1.1: Office of the Minister									
	2018/19							2017/18	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	6 379	(217)	-	6 162	6 091	71	98.8	6 511	6 078
Compensation of employees	5 528	-	-	5 528	5 457	71	98.7	5 283	5 170
Goods and services	851	(217)	-	634	634	-	100.0	1 228	908
Total	6 379	(217)	-	6 162	6 091	71	98.8	6 511	6 078

Subprogramme: 1.2: Management Services									
	2018/19							2017/18	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	23 923	(448)	-	23 475	23 143	332	98.6	23 689	22 447
Compensation of employees	20 685	-	-	20 685	20 353	332	98.4	21 122	20 495
Goods and services	3 238	(448)	-	2 790	2 790	-	100.0	2 567	1 952
Transfers and subsidies	2 821	426	-	3 247	3 247	-	100.0	3 137	2 653
Households	2 821	426	-	3 247	3 247	-	100.0	3 137	2 653
Total	26 744	(22)	-	26 722	26 390	332	98.8	26 826	25 100

Subprogramme: 1.3: Financial Management									
	2018/19							2017/18	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	21 679	(238)	840	22 281	22 077	204	99.1	21 140	20 732
Compensation of employees	13 638	-	-	13 638	13 434	204	98.5	13 032	12 825
Goods and services	8 041	(238)	840	8 643	8 643	-	100.0	8 108	7 907
Transfers and subsidies	151	29	-	180	180	-	100.0	361	361
Departmental agencies and accounts	6	(1)	-	5	5	-	100.0	4	4
Households	145	30	-	175	175	-	100.0	357	357
Payments for capital assets	3 421	189	604	4 214	4 214	-	100.0	5 255	5 137
Machinery and equipment	3 421	189	604	4 214	4 214	-	100.0	5 214	5 137
Software and other intangible assets	-	-	-	-	-	-	-	41	-
Payment for financial assets	50	259	-	309	309	-	100.0	84	84
Total	25 301	239	1 444	26 984	26 780	204	99.2	26 840	26 314

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**APPROPRIATION STATEMENT
for the year ended 31 March 2019**

Programme 2: Sustainable Resource Management									
	2018/19							2017/18	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Sub programme									
1. Programme Support	6 819	-	(280)	6 539	6 172	367	94.4	7 004	6 343
2. Fiscal Policy	42 131	14	(249)	41 896	41 625	271	99.4	31 714	30 972
3. Budget Management	20 980	(14)	(215)	20 751	20 667	84	99.6	17 977	17 338
4. Public Finance	54 238	-	(246)	53 992	52 870	1 122	97.9	79 333	77 542
Total	124 168	-	(990)	123 178	121 334	1 844	98.5	136 028	132 195

	2018/19							2017/18	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	85 634	(22)	(990)	84 622	82 778	1 844	97.8	82 266	79 269
Compensation of employees	70 770	-	-	70 770	69 565	1 205	98.3	69 690	68 839
Salaries and wages	62 227	14	-	62 241	61 172	1 069	98.3	61 332	60 570
Social contributions	8 543	(14)	-	8 529	8 393	136	98.4	8 358	8 269
Goods and services	14 864	(22)	(990)	13 852	13 213	639	95.4	12 576	10 430
Administrative fees	-	-	-	-	-	-	-	-	-
Advertising	278	86	-	364	364	-	100.0	419	364
Audit costs: External	877	82	-	959	959	-	100.0	958	876
Catering: Departmental activities	200	60	-	260	260	-	100.0	200	160
Communication (G&S)	233	(15)	-	218	150	68	68.8	323	287
Computer services	-	-	-	-	-	-	-	77	9
Consultants: Business and advisory services	7 314	-	(710)	6 604	6 604	-	100.0	4 105	3 888
Contractors	128	(3)	-	125	42	83	33.6	128	33
Agency and support / outsourced services	30	51	-	81	81	-	100.0	-	-
Entertainment	100	(5)	-	95	53	42	55.8	98	39
Consumable supplies	54	(2)	-	52	43	9	82.7	57	48
Consumable: Stationery, printing and office supplies	1 060	18	-	1 078	960	118	89.1	1 285	954
Travel and subsistence	2 308	(79)	-	2 229	2 041	188	91.6	2 773	2 298
Training and development	708	(168)	(280)	260	260	-	100.0	697	136
Operating payments	1 261	-	-	1 261	1 130	131	89.6	1 148	1 054
Venues and facilities	313	(47)	-	266	266	-	100.0	308	284
Transfers and subsidies	38 534	22	-	38 556	38 556	-	100.0	53 762	52 926
Provinces and municipalities	11 359	-	-	11 359	11 359	-	100.0	33 966	33 130
Municipalities	11 359	-	-	11 359	11 359	-	100.0	33 966	33 130
Municipal bank accounts	11 359	-	-	11 359	11 359	-	100.0	33 966	33 130
Departmental agencies and accounts	26 864	-	-	26 864	26 864	-	100.0	19 707	19 707
Departmental agencies (non-business entities)	26 864	-	-	26 864	26 864	-	100.0	19 707	19 707
Households	311	22	-	333	333	-	100.0	89	89
Social benefits	311	22	-	333	333	-	100.0	89	89
Total	124 168	-	(990)	123 178	121 334	1 844	98.5	136 028	132 195

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**APPROPRIATION STATEMENT
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Subprogramme: 2.1: Programme Support									
	2018/19							2017/18	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	6 819	-	(280)	6 539	6 172	367	94.4	7 004	6 343
Compensation of employees	5 288	-	-	5 288	4 921	367	93.1	5 337	5 337
Goods and services	1 531	-	(280)	1 251	1 251	-	100.0	1 667	1 006
Total	6 819	-	(280)	6 539	6 172	367	94.4	7 004	6 343

Subprogramme: 2.2: Fiscal Policy									
	2018/19							2017/18	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	14 262	14	(249)	14 027	13 756	271	98.1	11 975	11 233
Compensation of employees	9 234	(123)	-	9 111	8 917	194	97.9	9 616	9 270
Goods and services	5 028	137	(249)	4 916	4 839	77	98.4	2 359	1 963
Transfers and subsidies	27 869	-	-	27 869	27 869	-	100.0	19 739	19 739
Provinces and municipalities	1 000	-	-	1 000	1 000	-	100.0	-	-
Departmental agencies and accounts	26 864	-	-	26 864	26 864	-	100.0	19 707	19 707
Households	5	-	-	5	5	-	100.0	32	32
Total	42 131	14	(249)	41 896	41 625	271	99.4	31 714	30 972

Subprogramme: 2.3: Budget Management									
	2018/19							2017/18	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	19 040	(14)	(215)	18 811	18 727	84	99.6	17 958	17 319
Compensation of employees	15 212	123	-	15 335	15 335	-	100.0	14 105	14 045
Goods and services	3 828	(137)	(215)	3 476	3 392	84	97.6	3 853	3 274
Transfers and subsidies	1 940	-	-	1 940	1 940	-	100.0	19	19
Provinces and municipalities	1 940	-	-	1 940	1 940	-	100.0	-	-
Households	-	-	-	-	-	-	-	19	19
Total	20 980	(14)	(215)	20 751	20 667	84	99.6	17 977	17 338

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**APPROPRIATION STATEMENT
for the year ended 31 March 2019**

Subprogramme: 2.4: Public Finance									
Economic classification	2018/19							2017/18	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	45 513	(22)	(246)	45 245	44 123	1 122	97.5	45 329	44 374
Compensation of employees	41 036	-	-	41 036	40 392	644	98.4	40 632	40 187
Goods and services	4 477	(22)	(246)	4 209	3 731	478	88.6	4 697	4 187
Transfers and subsidies	8 725	22	-	8 747	8 747	-	100.0	34 004	33 168
Provinces and municipalities	8 419	-	-	8 419	8 419	-	100.0	33 966	33 130
Households	306	22	-	328	328	-	100.0	38	38
Total	54 238	-	(246)	53 992	52 870	1 122	97.9	79 333	77 542

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**APPROPRIATION STATEMENT
for the year ended 31 March 2019**

Programme 3: Asset Management									
	2018/19							2017/18	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Sub programme									
1. Programme Support	2 527	149	-	2 676	2 676	-	100.0	4 113	3 727
2. Supply Chain Management	24 578	(21)	308	24 865	24 624	241	99.0	23 202	22 792
3. Supporting and Interlinked Financial Systems	29 266	(128)	-	29 138	28 768	370	98.7	25 996	24 504
Total	56 371	-	308	56 679	56 068	611	98.9	53 311	51 023

	2018/19							2017/18	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	55 997	(61)	308	56 244	55 633	611	98.9	52 866	50 599
Compensation of employees	35 546	-	-	35 546	34 935	611	98.3	35 141	35 058
Salaries and wages	30 938	1	-	30 939	30 353	586	98.1	30 585	30 529
Social contributions	4 608	(1)	-	4 607	4 582	25	99.5	4 556	4 529
Goods and services	20 451	(61)	308	20 698	20 698	-	100.0	17 725	15 541
Administrative fees	-	-	-	-	-	-	-	13	-
Advertising	-	-	-	-	-	-	-	52	-
Catering: Departmental activities	100	(44)	-	56	56	-	100.0	193	150
Communication (G&S)	164	(30)	-	134	134	-	100.0	238	149
Computer services	5 314	(96)	-	5 218	5 218	-	100.0	4 945	4 941
Consultants: Business and advisory services	12 567	(128)	308	12 747	12 747	-	100.0	9 181	8 246
Contractors	79	(41)	-	38	38	-	100.0	82	67
Entertainment	24	(6)	-	18	18	-	100.0	26	14
Consumable supplies	30	(10)	-	20	20	-	100.0	32	29
Consumable: Stationery, printing and office supplies	344	(21)	-	323	323	-	100.0	357	272
Travel and subsistence	1 036	72	-	1 108	1 108	-	100.0	1 290	984
Training and development	355	(16)	-	339	339	-	100.0	352	165
Operating payments	4	(1)	-	3	3	-	100.0	89	6
Venues and facilities	434	260	-	694	694	-	100.0	875	518
Transfers and subsidies	374	61	-	435	435	-	100.0	445	424
Households	374	61	-	435	435	-	100.0	445	424
Social benefits	374	61	-	435	435	-	100.0	445	424
Total	56 371	-	308	56 679	56 068	611	98.9	53 311	51 023

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**APPROPRIATION STATEMENT
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Subprogramme: 3.1: Programme Support

	2018/19							2017/18	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	2 527	149	-	2 676	2 676	-	100.0	4 113	3 727
Compensation of employees	1 833	59	-	1 892	1 892	-	100.0	3 045	3 003
Goods and services	694	90	-	784	784	-	100.0	1 068	724
Total	2 527	149	-	2 676	2 676	-	100.0	4 113	3 727

Subprogramme: 3.2: Supply Chain Management

	2018/19							2017/18	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	24 559	(78)	308	24 789	24 548	241	99.0	23 147	22 737
Compensation of employees	13 576	(59)	-	13 517	13 276	241	98.2	13 350	13 350
Goods and services	10 983	(19)	308	11 272	11 272	-	100.0	9 797	9 387
Transfers and subsidies	19	57	-	76	76	-	100.0	55	55
Households	19	57	-	76	76	-	100.0	55	55
Total	24 578	(21)	308	24 865	24 624	241	99.0	23 202	22 792

Subprogramme: 3.3: Supporting and Interlinked Financial Systems

	2018/19							2017/18	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	28 911	(132)	-	28 779	28 409	370	98.7	25 606	24 135
Compensation of employees	20 137	-	-	20 137	19 767	370	98.2	18 746	18 705
Goods and services	8 774	(132)	-	8 642	8 642	-	100.0	6 860	5 430
Transfers and subsidies	355	4	-	359	359	-	100.0	390	369
Households	355	4	-	359	359	-	100.0	390	369
Total	29 266	(128)	-	29 138	28 768	370	98.7	25 996	24 504

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**APPROPRIATION STATEMENT
for the year ended 31 March 2019**

Programme 4: Financial Governance									
	2018/19							2017/18	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Sub programme									
1. Programme Support	10 034	-	(324)	9 710	9 388	322	96.7	6 377	5 741
2. Accounting Services	31 522	(14)	(9)	31 499	31 306	193	99.4	19 597	18 873
3. Corporate Governance	26 314	14	(429)	25 899	25 749	150	99.4	13 103	12 820
Total	67 870	-	(762)	67 108	66 443	665	99.0	39 077	37 434

	2018/19							2017/18	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	40 897	(17)	(762)	40 118	39 574	544	98.6	39 029	37 423
Compensation of employees	32 809	-	-	32 809	32 533	276	99.2	28 806	28 785
Salaries and wages	29 230	8	-	29 238	28 966	272	99.1	25 555	25 534
Social contributions	3 579	(8)	-	3 571	3 567	4	99.9	3 251	3 251
Goods and services	8 088	(17)	(762)	7 309	7 041	268	96.3	10 223	8 638
Advertising	-	-	-	-	-	-	-	8	8
Audit costs: External	850	96	-	946	945	1	99.9	1 026	821
Catering: Departmental activities	290	(95)	-	195	175	20	89.7	350	84
Communication (G&S)	96	(8)	-	88	77	11	87.5	114	64
Computer services	16	6	-	22	22	-	100.0	20	20
Consultants: Business and advisory services	4 345	(60)	(664)	3 621	3 621	-	100.0	6 212	5 646
Contractors	77	(17)	-	60	51	9	85.0	48	12
Agency and support / outsourced services	19	-	-	19	18	1	94.7	-	-
Entertainment	28	-	-	28	25	3	89.3	28	21
Consumable supplies	17	-	-	17	9	8	52.9	20	13
Consumable: Stationery, printing and office supplies	126	(16)	-	110	63	47	57.3	180	101
Travel and subsistence	976	105	-	1 081	1 065	16	98.5	1 080	897
Training and development	501	26	-	527	527	-	100.0	491	491
Operating payments	160	(58)	-	102	67	35	65.7	205	145
Venues and facilities	587	4	(98)	493	376	117	76.3	441	315
Transfers and subsidies	26 973	17	-	26 990	26 869	121	99.6	48	11
Provinces and municipalities	26 952	-	-	26 952	26 832	120	99.6	-	-
Municipalities	26 952	-	-	26 952	26 832	120	99.6	-	-
Municipal bank accounts	26 952	-	-	26 952	26 832	120	99.6	-	-
Households	21	17	-	38	37	1	97.4	48	11
Social benefits	21	17	-	38	37	1	97.4	48	11
Total	67 870	-	(762)	67 108	66 443	665	99.0	39 077	37 434

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Subprogramme: 4.1: Programme Support									
Economic classification	2018/19							2017/18	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	10 034	(17)	(324)	9 693	9 371	322	96.7	6 377	5 741
Compensation of employees	6 630	-	-	6 630	6 470	160	97.6	4 694	4 673
Goods and services	3 404	(17)	(324)	3 063	2 901	162	94.7	1 683	1 068
Total	10 034	-	(324)	9 710	9 388	322	96.7	6 377	5 741

Subprogramme: 4.2: Accounting Services									
Economic classification	2018/19							2017/18	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	19 597	(14)	(9)	19 574	19 381	193	99.0	19 549	18 862
Compensation of employees	16 666	(14)	-	16 652	16 536	116	99.3	15 030	15 030
Goods and services	2 931	-	(9)	2 922	2 845	77	97.4	4 519	3 832
Transfers and subsidies	11 925	-	-	11 925	11 925	-	100.0	48	11
Provinces and municipalities	11 925	-	-	11 925	11 925	-	100.0	-	-
Households	-	-	-	-	-	-	-	48	11
Total	31 522	(14)	(9)	31 499	31 306	193	99.4	19 597	18 873

Subprogramme: 4.3: Corporate Governance									
Economic classification	2018/19							2017/18	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	11 266	14	(429)	10 851	10 822	29	99.7	13 103	12 820
Compensation of employees	9 513	14	-	9 527	9 527	-	100.0	9 082	9 082
Goods and services	1 753	-	(429)	1 324	1 295	29	97.8	4 021	3 738
Transfers and subsidies	15 048	-	-	15 048	14 927	121	99.2	-	-
Provinces and municipalities	15 027	-	-	15 027	14 907	120	99.2	-	-
Households	21	-	-	21	20	1	95.2	-	-
Total	26 314	14	(429)	25 899	25 749	150	99.4	13 103	12 820

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**NOTES TO THE APPROPRIATION STATEMENT
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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

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Approp. %
Per programme:				
Administration	59 868	59 261	607	1.01
The underspending was mainly due to vacant posts that were not filled as planned and the appointment of fewer graduate trainees.				
Sustainable Resource Management	123 178	121 334	1 844	1.50
The underspending was mainly due to vacant posts that were not filled as planned, officials who exited the department, less travelling by employees and the late procurement of consumable items.				
Asset Management	56 679	56 068	611	1.08
The underspending was mainly due to vacant posts that were not filled as planned.				
Financial Governance	67 108	66 443	665	0.99
The underspending was mainly due to vacant posts that were not filled as planned and the appointment of fewer Chartered Accountant (CA) interns than anticipated, as well as less utilisation of venues and facilities. In addition, one (1) municipality requested a reduced amount for the Financial Management Capacity Building Grant.				

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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2019**

4.2 Per economic classification

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Approp. %
Per economic classification:				
Current expenditure				
Compensation of employees	178 976	176 277	2 699	1.51
Goods and services	53 926	53 019	907	1.68
Transfers and subsidies				
Provinces and municipalities	38 311	38 191	120	0.31
Departmental agencies and accounts	26 869	26 869	-	-
Households	4 228	4 227	1	0.02
Payments for capital assets				
Machinery and equipment	4 214	4 214	-	-
Payments for financial assets	309	309	-	-

The underspending on compensation of employees is mainly due to vacant posts that were not filled as planned, officials who exited the department and the appointment of fewer interns. The underspending on goods and services is mainly due to the late procurement of consumable items, less utilisation of venues and facilities, as well as travel commitments that did not take place as planned.

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**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2019**

	Note	2018/19 R'000	2017/18 R'000
REVENUE			
Annual appropriation	1	306 833	288 593
Departmental revenue	2	6 720	8 704
TOTAL REVENUE		313 553	297 297
EXPENDITURE			
Current expenditure			
Compensation of employees	3	176 277	171 172
Goods and services	4	53 019	45 376
Total current expenditure		229 296	216 548
Transfers and subsidies			
Transfers and subsidies	6	69 287	56 375
Total transfers and subsidies		69 287	56 375
Expenditure for capital assets			
Tangible assets	7	4 214	5 137
Total expenditure for capital assets		4 214	5 137
Payments for financial assets	5	309	84
TOTAL EXPENDITURE		303 106	278 144
SURPLUS FOR THE YEAR		10 447	19 153
Reconciliation of Net Surplus for the year			
Voted Funds		3 727	10 449
Departmental revenue	12	6 720	8 704
SURPLUS FOR THE YEAR		10 447	19 153

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**STATEMENT OF FINANCIAL POSITION
as at 31 March 2019**

	Note	2018/19 R'000	2017/18 R'000
ASSETS			
Current Assets		6 996	12 387
Cash and cash equivalents	8	6 715	12 219
Prepayments and advances	9	9	-
Receivables	10	272	168
Non-Current Assets		134	55
Receivables	10	134	55
TOTAL ASSETS		7 130	12 442
LIABILITIES			
Current Liabilities		7 054	12 387
Voted funds to be surrendered to the Revenue Fund	11	3 727	10 449
Departmental revenue to be surrendered to the Revenue Fund	12	3 240	1 705
Payables	13	87	233
TOTAL LIABILITIES		7 054	12 387
NET ASSETS		76	55
Represented by:			
Recoverable revenue		76	55
TOTAL		76	55

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**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2019**

	Note	2018/19 R'000	2017/18 R'000
NET ASSETS			
Recoverable revenue			
Opening balance		55	55
Transfers		21	-
Debts recovered (included in departmental receipts)		(86)	(98)
Debts raised		107	98
Closing balance		76	55
TOTAL		76	55

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**CASH FLOW STATEMENT
for the year ended 31 March 2019**

	Note	2018/19 R'000	2017/18 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		313 504	297 333
Annual appropriated funds received	1.1	306 833	288 593
Departmental revenue received	2	6 670	8 734
Interest received	2.2	1	4
Net (increase)/decrease in working capital		(338)	142
Surrendered to Revenue Fund		(15 699)	(15 789)
Current payments		(229 296)	(216 548)
Payments for financial assets		(309)	(84)
Transfers and subsidies paid		(69 287)	(56 375)
Net cash flow available from operating activities	14	(1 425)	8 677
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(4 214)	(5 137)
Proceeds from sale of capital assets	2.3	114	28
Net cash flows from investing activities		(4 100)	(5 109)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		21	-
Net cash flows from financing activities		21	-
Net increase in cash and cash equivalents		(5 504)	3 568
Cash and cash equivalents at beginning of period		12 219	8 651
Cash and cash equivalents at end of period	15	6 715	12 219

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**ACCOUNTING POLICIES
for the year ended 31 March 2019**

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.

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**ACCOUNTING POLICIES
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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 comprises 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.

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**ACCOUNTING POLICIES
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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.

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 Accrued and payables not recognised

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

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**ACCOUNTING POLICIES
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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.

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

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.

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.

Finance lease liabilities are not recognised in the statement of financial position and as such finance lease payments do not reduce liabilities in the statement of financial position. Payments to the lessors are recognised as payments for capital assets in the statement of financial performance and as a result are reflected as cash for investing activities in the cash flow statement.

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.

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**ACCOUNTING POLICIES
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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.

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 assets.

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

Loans and payables are recognised in the statement of financial position 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 accurately, 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.

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

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

16. Provisions and Contingents

16.1 Provisions

Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

16.2 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.

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**ACCOUNTING POLICIES
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16.3 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.

16.4 Commitments

Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

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 for recovery.

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.

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19. Irregular expenditure

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

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

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.

20. Changes in accounting policies, accounting estimates and errors

Changes in accounting policies that are effected by management have been applied retrospectively 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 change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

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.

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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 disclosures

24.1 Related party transactions

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions are recorded in the notes to the financial statements when the transaction is not at arm's length.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation 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
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1. Appropriation

1.1 Annual Appropriation

Programmes	2018/19			2017/18	
	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Final Appropriation R'000	Appropriation Received R'000
Administration	59 868	59 868	-	60 177	60 177
Sustainable Resource Management	123 178	123 178	-	136 028	136 028
Asset Management	56 679	56 679	-	53 311	53 311
Financial Governance	67 108	67 108	-	39 077	39 077
Total	306 833	306 833	-	288 593	288 593

	Note	2018/19 R'000	2017/18 R'000
2. Departmental Revenue			
Sales of goods and services other than capital assets	2.1	38	41
Interest, dividends and rent on land	2.2	1	4
Sales of capital assets	2.3	114	28
Transactions in financial assets and liabilities	2.4	6 632	8 693
Total revenue collected		6 785	8 766
Less: Own revenue included in appropriation	12	65	62
Departmental revenue collected		6 720	8 704

Prior year amounts for 2017/18 has been adjusted, due to the fact that the Provincial Treasury is a conduit for the taxes and other revenue collected by the Western Cape Gambling and Racing Board to the Provincial Revenue Fund. (See Note 2.5)

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	Note	2018/19 R'000	2017/18 R'000
2.1 Sales of goods and services other than capital assets	2		
Sales of goods and services produced by the department		35	39
Other sales		35	39
Sales of scrap, waste and other used current goods		3	2
Total		38	41
"Other sales" refers to commission on insurance and sale of minor assets.			
2.2 Interest, dividends and rent on land	2		
Interest		1	4
Total		1	4
2.3 Sales of capital assets	2		
Tangible assets		114	28
Machinery and equipment	26	114	28
Total		114	28
2.4 Transactions in financial assets and liabilities	2		
Other Receipts including Recoverable Revenue		6 632	8 693
Total		6 632	8 693

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2.5 Cash received not recognised (not included in the main note) - 2018/19

Name of entity	Amount received R'000	Amount paid to Revenue Fund R'000	Balance R'000
Western Cape Gambling and Racing Board	628 292	628 292	-
Total	628 292	628 292	-

Cash received not recognised (not included in the main note) - 2017/18

Name of entity	Amount received R'000	Amount paid to Revenue Fund R'000	Balance R'000
Western Cape Gambling and Racing Board	596 106	596 106	-
Total	596 106	596 106	-

	Note	2018/19 R'000	2017/18 R'000
3. Compensation of employees			
3.1 Salaries and wages			
Basic salary		127 524	124 626
Performance award		1 498	1 699
Service Based		146	50
Compensative/circumstantial		1 487	765
Other non-pensionable allowances		25 237	24 297
Total		155 892	151 437
3.2 Social contributions			
Employer contributions			
Pension		14 987	14 623
Medical		5 372	5 088
Bargaining council		26	24
Total		20 385	19 735
Total compensation of employees		176 277	171 172
Average number of employees		259	265

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	Note	2018/19 R'000	2017/18 R'000
4. Goods and services			
Administrative fees		3	36
Advertising		1 035	827
Minor assets	4.1	341	442
Bursaries (employees)		582	591
Catering		671	691
Communication		508	651
Computer services	4.2	6 872	6 274
Consultants: Business and advisory services		23 086	18 303
Contractors		862	451
Agency and support / outsourced services		99	-
Entertainment		121	92
Audit cost – external	4.3	5 644	4 855
Fleet services		960	990
Consumables	4.4	2 104	2 037
Operating leases		519	537
Property payments	4.5	130	5
Transport provided as part of the departmental activities		9	8
Travel and subsistence	4.6	5 315	5 165
Venues and facilities		1 348	1 160
Training and development		1 287	839
Other operating expenditure	4.7	1 523	1 422
Total		53 019	45 376

The increase in consultants is due to more research and advisory services contracted during the year. Refer to page 141 of the Annual Report for further details.

4.1 Minor assets	4		
Tangible assets		341	442
Machinery and equipment		341	442
Total		341	442

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	Note	2018/19 R'000	2017/18 R'000
4.2 Computer services	4		
SITA computer services		1 308	1 274
External computer service providers		5 564	5 000
Total		6 872	6 274
4.3 Audit cost – external	4		
Regularity audits		5 139	4 504
Computer audits		505	351
Total		5 644	4 855
4.4 Consumables	4		
Consumable supplies		291	195
Uniform and clothing		74	9
Household supplies		145	134
Building material and supplies		15	18
IT consumables		25	7
Other consumables		32	27
Stationery, printing and office supplies		1 813	1 842
Total		2 104	2 037
"Other consumables" comprise of gifts and awards.			
4.5 Property payments	4		
Property maintenance and repairs		130	5
Total		130	5

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	Note	2018/19 R'000	2017/18 R'000
4.6 Travel and subsistence	4		
Local		4 832	4 783
Foreign		483	382
Total		5 315	5 165
4.7 Other operating expenditure	4		
Professional bodies, membership and subscription fees		162	236
Resettlement costs		215	105
Other		1 146	1 081
Total		1 523	1 422

"Other" refers to printing and publication services and courier services.

5. Payments for financial assets			
Material losses through criminal conduct		156	58
Theft	5.2	156	58
Other material losses written off	5.1	153	26
Total		309	84

5.1 Other material losses written off	5		
Nature of losses			
Laptop damaged		23	-
Fruitless and wasteful - late cancellation of accommodation and excessive catering		6	5
Fruitless and wasteful - non attendance of training		12	-
Government garage vehicle damages		24	21
Missing library books		81	-
Damages to hired vehicle		7	-
Total		153	26

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	Note	2018/19 R'000	2017/18 R'000
5.2 Details of theft	5		
Nature of theft			
Stolen Laptops		154	57
External hard drive		2	1
Total		156	58

A total number of eight (8) laptops were stolen. Assets are written off at cost price and not the depreciated value, hence the high variance.

6. Transfers and Subsidies			
Provinces and municipalities	29	38 191	33 130
Departmental agencies and accounts	ANNEXURE 1B	26 869	19 711
Households	ANNEXURE 1C	4 227	3 534
Total		69 287	56 375

7. Expenditure for capital assets			
Tangible assets		4 214	5 137
Machinery and equipment	26	4 214	5 137
Total		4 214	5 137

7.1 Analysis of funds utilised to acquire capital assets - 2018/19

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	4 214	-	4 214
Machinery and equipment	4 214	-	4 214
Total	4 214	-	4 214

7.2 Analysis of funds utilised to acquire capital assets - 2017/18

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	5 137	-	5 137
Machinery and equipment	5 137	-	5 137
Total	5 137	-	5 137

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	2018/19 R'000	2017/18 R'000
7.3 Finance lease expenditure included in Expenditure for capital assets		
Tangible assets		
Machinery and equipment	1 310	1 177
Total	1 310	1 177

8. Cash and cash equivalents

Consolidated Paymaster General Account	4 667	12 214
Cash on hand	8	5
Investments (Domestic)	2 040	-
Total	6 715	12 219

The investment of R2 040 000 represents the balance of the department's 2018/19 budget that must still be received from the Provincial Revenue Fund (PRF).

9. Prepayments and advances

Travel and subsistence	9	-
Total	9	-

Advances were paid to two (2) officials who attended a conference in Zambia.

9.1 Prepayments (Expensed)

	'Balance as at 1 April 2018 R'000	Less: Received in the current year R'000	Add/Less: Other R'000	Add: Current Year prepayments R'000	Amount as at 31 March 2019 R'000
Capital assets	80	(80)	-	-	-
Total	80	(80)	-	-	-

Prepayments (Expensed)

	'Balance as at 1 April 2017 R'000	Less: Received in the current year R'000	Add/Less: Other R'000	Add: Current Year prepayments R'000	Amount as at 31 March 2018 R'000
Capital assets	-	-	80	-	80
Total	-	-	80	-	80

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10. Receivables

		2018/19			2017/18		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	10.1	77	-	77	-	-	-
Recoverable expenditure	10.2	49	33	82	52	33	85
Staff debt	10.3	124	-	124	27	10	37
Other receivables	10.4	22	101	123	89	12	101
Total		272	134	406	168	55	223

		Note	2018/19 R'000	2017/18 R'000
10.1 Claims recoverable		10		
Private enterprises			77	-
Total			77	-
10.2 Recoverable expenditure (disallowance accounts)		10		
Disallowance: Damages and losses			49	52
Income Tax			33	33
Total			82	85
10.3 Staff debt		10		
Salary Related Debt			122	8
Laptops stolen/lost			-	29
GG loss			2	-
Total			124	37
10.4 Other receivables		10		
Other receivables			70	51
Bursary Debt			53	50
Total			123	101

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	Note	2018/19 R'000	2017/18 R'000
10.5 Fruitless and wasteful expenditure	10		
Opening balance		-	2
Less amounts recovered		-	(2)
Total		<u>-</u>	<u>-</u>
 11. Voted Funds to be surrendered to the Revenue Fund			
Opening balance		10 449	6 547
Transfer from statement of financial performance		3 727	10 449
Paid during the year		(10 449)	(6 547)
Closing balance		<u>3 727</u>	<u>10 449</u>
 12. Departmental revenue to be surrendered to the Revenue Fund			
Opening balance		1 705	2 181
Transfer from Statement of Financial Performance		6 720	8 704
Own revenue included in appropriation		65	62
Paid during the year		(5 250)	(9 242)
Closing balance		<u>3 240</u>	<u>1 705</u>
 13. Payables – current			
Advances received	13.1	77	233
Clearing accounts	13.2	1	-
Other payables	13.3	9	-
Total		<u>87</u>	<u>233</u>
 13.1 Advances received	13		
Other institutions	ANNEXURE 3A	77	233
Total		<u>77</u>	<u>233</u>

Advances received refer to amounts received from Nedbank for the payment of bursary monies to undergraduate students. Provincial Treasury administer the bursaries on their behalf.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	Note	2018/19 R'000	2017/18 R'000
13.2 Clearing accounts	13		
ACB recall account		1	-
Total		<u>1</u>	<u>-</u>
13.3 Other payables	13		
Income tax account		9	-
Total		<u>9</u>	<u>-</u>
14. Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		10 447	19 153
Add back non cash/cash movements not deemed operating activities		(11 872)	(10 476)
(Increase)/decrease in receivables		(183)	30
(Increase)/decrease in prepayments and advances		(9)	35
Increase/(decrease) in payables – current		(146)	77
Proceeds from sale of capital assets		(114)	(28)
Expenditure on capital assets		4 214	5 137
Surrenders to Revenue Fund		(15 699)	(15 789)
Own revenue included in appropriation		65	62
Net cash flow generated by operating activities		<u>(1 425)</u>	<u>8 677</u>
15. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		4 667	12 214
Cash on hand		8	5
Cash with commercial banks (Local)		2 040	-
Total		<u>6 715</u>	<u>12 219</u>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	Note	2018/19 R'000	2017/18 R'000
16. Contingent liabilities and contingent assets			
16.1 Contingent liabilities			
Liable to	Nature		
Intergovernmental payables (unconfirmed balances)	ANNEXURE 2	7	14
Total		7	14
16.2 Contingent assets			
PILIR Cases		-	91
Total		-	91

All PILIR cases for the current year was finalised at year end. At this stage the Department is not able to reliably measure the contingent asset in terms of the Government Employees Housing Scheme of the Individually Linked Savings Facility (ILSF), relating to resignations and termination of service.

17. Commitments

Current expenditure

Approved and contracted

17 619	14 671
17 619	14 671

Capital Expenditure

Approved and contracted

133	123
133	123

Total Commitments

17 752	14 794
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The following service providers have contracts longer than a year: Nedbank, Pricewaterhouse Cooper and Chartered Accountants Training.

The commitments for 2017/18 has been restated due to approved contract not taken into account.

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			2018/19 R'000	2017/18 R'000
18. Accruals and payables not recognised				
18.1 Accruals				
	30 days	30+ days	Total	Total
Listed by economic classification				
Goods and services	469	-	469	365
Capital assets	-	-	-	36
Total	469	-	469	401
		Note	2018/19 R'000	2017/18 R'000
Listed by programme level				
Administration			198	303
Sustainable Resource Management			139	72
Asset Management			13	7
Financial Governance			119	19
Total			469	401
18.2 Payables not recognised				
	30 days	30+ days	Total	Total
Listed by economic classification				
Goods and services	31	-	31	58
Capital assets	-	-	-	3
Total	31	-	31	61
		Note	2018/19 R'000	2017/18 R'000
Listed by programme level				
Administration			2	31
Sustainable Resource Management			29	28
Asset Management			-	2
Total			31	61
Included in the above totals are the following:				
Confirmed balances with departments		ANNEXURE 5	-	9
Total			-	9

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	Note	2018/19 R'000	2017/18 R'000
19. Employee benefits			
Leave entitlement		4 451	4 149
Service bonus		4 016	3 963
Performance awards		940	898
Capped leave commitments		4 825	5 073
Other		778	585
Total		15 010	14 668

Included in "other" is an amount of R309 000 (2018/19) and R258 000 (2017/18) in respect of a provision made for an exit gratuity owing to the Minister. At this stage the Department cannot reliably determine the long term portion of the long service awards for the staff.

20. Lease commitments

20.1 Operating leases

2018/19	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	197	197
Total lease commitments	-	-	-	197	197
2017/18	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	374	374
Later than 1 year and not later than 5 years	-	-	-	199	199
Total lease commitments	-	-	-	573	573

Above lease refers to photocopy machines and one government garage vehicle.

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20.2 Finance leases

	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2018/19					
Not later than 1 year	-	-	-	1 300	1 300
Later than 1 year and not later than 5 years	-	-	-	2 976	2 976
Total lease commitments	-	-	-	4 276	4 276
	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2017/18					
Not later than 1 year	-	-	-	1 126	1 126
Later than 1 year and not later than 5 years	-	-	-	1 623	1 623
Total lease commitments	-	-	-	2 749	2 749

Finance lease refers to the government garage vehicles leased from Government Motor Transport.

	Note	2018/19 R'000	2017/18 R'000
21. Accrued departmental revenue			
Transactions in financial assets and liabilities		1 337	3 536
Total		1 337	3 536
21.1 Analysis of accrued departmental revenue			
Opening balance		3,536	6,236
Less: Amounts received		3,536	6,236
Add: Amounts recognised		1,337	3,536
Closing balance		1,337	3,536

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	Note	2018/19 R'000	2017/18 R'000
22. Irregular expenditure			
22.1 Reconciliation of irregular expenditure			
Opening balance		69	14
Prior period error		-	69
As restated		69	83
Add: Irregular expenditure - relating to prior year		-	37
Add: Irregular expenditure - relating to current year		1 161	42
Less: Prior year amounts condoned		-	(51)
Less: Current year amounts condoned		(91)	(42)
Irregular expenditure awaiting condonation		1 139	69
Analysis of awaiting condonation per age classification			
Current year		1 070	-
Prior years		69	69
Total		1 139	69

22.2 Details of irregular expenditure – added current year (relating to current and prior years)

Incident	Disciplinary steps taken/criminal proceedings	2018/19 R'000
Catering invoice in excess of quote.	None required	18
Non-compliance with cost containment - Branded items for sports day	None required	73
Non-compliance with SCM procedures - Accommodation	None required	1
Non-compliance with Treasury Regulation 16 A6.3 Bid advertisement period	Under investigation	334
Non-compliance with Treasury Regulation 16A9.1(d) - Request for confirmation of tax obligation by foreign entity in South Africa not submitted to SARS	Under investigation	735
Total		1 161

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22.3 Details of irregular expenditure condoned

		2018/19 R'000
Incident	Condoned by (condoning authority)	
Catering invoice in excess of quote.	Chief Financial Officer	18
Non-compliance with cost containment - Branded items for sports day	Accounting Officer	73
Total		91

22.4 Prior period error

	2017/18 R'000
Nature of prior period error	
Relating to 2015/16 and 2016/17 (affecting the opening balance)	69
Non-compliance with Treasury Instruction 8.2.1 - Amount spent more than contract amount	69
Total	69

	Note	2018/19 R'000	2017/18 R'000
23. Fruitless and wasteful expenditure			
23.1 Reconciliation of fruitless and wasteful expenditure			
Fruitless and wasteful expenditure – relating to prior year		12	-
Fruitless and wasteful expenditure – relating to current year		6	6
Less: Amounts resolved		(18)	(6)
Closing balance		-	-

23.2 Analysis of Current year's (relating to current & prior years) fruitless and wasteful expenditure

		2018/19 R'000
Incident	Disciplinary steps taken/criminal proceedings	
Non attendance of Training	None required	12
Catering in excess of number of attendees.	None required	4
Late cancellation of accommodation	None required	2
Total		18

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23.3 Details of fruitless and wasteful expenditure under investigation (not in the main note)

	2018/19 R'000
Incident	
Missed flight	7
Late cancellation of accomodation	1
Change of Flight ticket	1
Total	9

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
- Organisational 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 MEC of Finance was also responsible for the following departments and entities at 31 March 2019:

- Provincial Treasury
- Western Cape Gambling and Racing Board

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25. Key management personnel

	No. of Individuals	2018/19 R'000	2017/18 R'000
Political office bearers	1	1 981	1 978
Officials:			
Management	11	11 577	11 624
Total		13 558	13 602

Management includes all officials from level 14 and above who have significant influence over the financial and operational policy decisions of the Department.

26. Movable Tangible Capital Assets

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE
YEAR ENDED 31 MARCH 2019**

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	21 257	5	4 485	4 919	20 828
Transport assets	3 180	-	1 693	991	3 882
Computer equipment	14 423	5	894	3 802	11 520
Furniture and office equipment	2 172	-	848	46	2 974
Other machinery and equipment	1 482	-	1 050	80	2 452
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	21 257	5	4 485	4 919	20 828

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	3	41

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Additions

26.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Cash R'000	Non-cash R'000	(Capital work- in-progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year R'000	Total R'000
MACHINERY AND EQUIPMENT	4 214	1 693	(1 310)	(112)	4 485
Transport assets	1 310	1 693	(1 310)	-	1 693
Computer equipment	982	-	-	(88)	894
Furniture and office equipment	872	-	-	(24)	848
Other machinery and equipment	1 050	-	-	-	1 050
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	4 214	1 693	(1 310)	(112)	4 485

Disposals

26.2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash received Actual R'000
MACHINERY AND EQUIPMENT	3 699	1 220	4 919	114
Transport assets	-	991	991	-
Computer equipment	3 573	229	3 802	113
Furniture and office equipment	46	-	46	1
Other machinery and equipment	80	-	80	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	3 699	1 220	4 919	114

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26.3 Movement for 2017/18

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR
ENDED 31 MARCH 2018**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	18 616	-	4 656	2 015	21 257
Transport assets	3 801	-	583	1 204	3 180
Computer equipment	11 427	-	3 639	643	14 423
Furniture and office equipment	2 025	-	215	68	2 172
Other machinery and equipment	1 363	-	219	100	1 482
TOTAL MOVABLE TANGIBLE	18 616	-	4 656	2 015	21 257

26.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	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	-	5 973	-	5 978
Additions	-	-	-	341	-	341
Disposals	-	-	-	304	-	304
TOTAL MINOR ASSETS	-	5	-	6 010	-	6 015

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	1	-	4 326	-	4 327
TOTAL NUMBER OF MINOR ASSETS	-	1	-	4 326	-	4 327

Minor assets to the value of R70 414 was purchased and paid via BAS but is not reflected in LOGIS as at 31 March 2019.

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Minor assets**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018**

	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	-	6 034	-	6 039
Additions	-	-	-	444	-	444
Disposals	-	-	-	505	-	505
TOTAL MINOR ASSETS	-	5	-	5 973	-	5 978

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	1	-	4 923	-	4 924
TOTAL NUMBER OF MINOR ASSETS	-	1	-	4 923	-	4 924

26.5 Movable assets written off**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2019**

	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
Assets written off	-	-	-	259	-	259
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	259	-	259

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2018

	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
Assets written off	-	-	-	58	-	58
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	58	-	58

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27. Intangible Capital Assets

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2019**

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
SOFTWARE	98	-	-	-	98
TOTAL INTANGIBLE CAPITAL ASSETS	98	-	-	-	98

Movement for 2017/18

**27.1 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR
ENDED 31 MARCH 2018**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
SOFTWARE	694	-	-	596	98
TOTAL INTANGIBLE CAPITAL ASSETS	694	-	-	596	98

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28. Prior period errors

28.1 Correction of prior period errors

	Note	Amount bef error correction R'000	2017/18 Prior period error R'000	Restated amount R'000
Revenue				
Departmental revenue	2	105 468	(96 764)	8 704
Net effect		105 468	(96 764)	8 704

Prior year amount was adjusted as the revenue received from the WCGRB was included in the departmental receipts. The Provincial Treasury acts as a conduit for the taxes and other revenue collected by the WCGRB to the PRF.

Liabilities				
Commitments	17	337	1 596	1 933
Net effect		337	1 596	1 933

The commitments for Ariba was understated due to the approved contract for the period 1 April 2018 - 30 September 2018 not taken into account.

Other				
Exit Gratuity provision for Minister	19	-	258	258
Irregular expenditure	22	14	69	83
Accrued departmental revenue	21	52 884	(49 348)	3 536
Net effect		52 898	(49 021)	3 877

Provision made for an exit gratuiting owing to the Minister.
Irregular expenditure pertains to amount overspent on contract amount.
The accrued departmental revenue was overstated due to revenue received from the WCGRB and for which the department acts as a conduit when paying over the taxes and other revenue collected to the PRF.

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29. Statement of Conditional Grants and other transfers to municipalities

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department R'000
BEAUFORT WEST	690	-	2 170	2 860	2 860	-	-
BERGRIVIER	690	-	-	690	690	-	-
BITOU	690	-	-	690	690	-	-
BREEDE VALLEY	640	-	1 000	1 640	1 640	-	-
CAPE AGULHAS	690	-	174	864	864	-	-
CAPE WINELANDS DISTRICT	840	-	-	840	840	-	-
CEDERBERG	840	-	500	1 340	1 340	-	-
CENTRAL KAROO DISTRICT	640	-	1 343	1 983	1 983	-	-
CITY OF CAPE TOWN	590	-	-	590	590	-	-
DRAKENSTEIN	615	-	-	615	615	-	-
EDEN DISTRICT	640	-	1 450	2 090	2 090	-	-
GEORGE	615	-	500	1 115	1 115	-	-
HESSEQUA	690	-	300	990	990	-	-
KANNALAND	690	-	1 400	2 090	2 090	-	-
KNYSNA	1 209	-	850	2 059	2 059	-	-
LAINGSBURG	690	-	2 170	2 860	2 860	-	-
LANGEBERG	690	-	-	690	690	-	-
MATZIKAMA	690	-	-	690	690	-	-
MOSSEL BAY	640	-	1 000	1 640	1 640	-	-
ODTSHOORN	1 140	-	700	1 840	1 840	-	-
OVERBERG DISTRICT	640	-	400	1 040	1 040	-	-
OVERSTRAND	640	-	-	640	640	-	-
PRINCE ALBERT	690	-	1 510	2 200	2 200	-	-
SALDANHA BAY	1 140	-	-	1 140	1 140	-	-
STELLENBOSCH	615	-	-	615	615	-	-
SWARTLAND	790	-	-	790	790	-	-
SWELLENDAM	690	-	-	690	570	120	-
THEEWATERSKLOOF	690	-	1 000	1 690	1 690	-	-
WITZENBERG	690	-	-	690	690	-	-
WEST COAST DISTRICT	640	-	-	640	640	-	-
UNALLOCATED	16 467	-	(16 467)	-	-	-	-
	38 311	-	-	38 311	38 191	120	-

The capacity building grant funding allocation is provided to each municipality over a 3 year period with progressive growth over MTEF period as follows: R120 000 in the 2016/17 financial year. R240 000 in the 2017/18 financial year and R360 000 in the 2018/19 financial year. Swellendam municipality joined the programme in 2017/18 financial year and requested to start with the initial amount of R120 000 versus the R240 000 and agreed to the allocation of R240 000 in 2018/19 instead of the R360 000 that was gazetted to enable them to establish the programme.

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2017/18	
	DoRA and other transfers R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocation by National Treasury or National Department R'000	Amount received by Municipality R'000	Amount spent by municipality R'000	Unspent funds R'000	% of available funds spent by municipality %	Division of Revenue Act R'000	Actual Transfer R'000
BEAUFORT WEST	690	-	2 170	2 860	2 860	-	-	2 860	752	2 108	26.3	2 770	2770
BERGRIVIER	690	-	-	690	690	-	-	690	330	360	47.8	570	570
BITOU	690	-	-	690	690	-	-	690	12	678	1.7	1 570	1570
BREEDE VALLEY	640	-	1 000	1 640	1 640	-	-	1 640	99	1 541	6.0	650	650
CAPE AGULHAS	690	-	174	864	864	-	-	864	-	864	-	570	570
CAPE WINELANDS DISTRICT	840	-	-	840	840	-	-	840	106	734	12.6	720	720
CEDERBERG	840	-	500	1 340	1 340	-	-	1 340	-	1 340	-	1 220	1220
CENTRAL KAROO DISTRICT	640	-	1 343	1 983	1 983	-	-	1 983	516	1 467	26.0	2 015	2015
CITY OF CAPE TOWN	590	-	-	590	590	-	-	590	230	360	39.0	470	470
DRAKENSTEIN	615	-	-	615	615	-	-	615	-	615	-	495	495
EDEN DISTRICT	640	-	1 450	2 090	2 090	-	-	2 090	-	2 090	-	620	620
GEORGE	615	-	500	1 115	1 115	-	-	1 115	-	1 115	-	495	495
HESSEQUA	690	-	300	990	990	-	-	990	-	990	-	570	570
KANNALAND	690	-	1 400	2 090	2 090	-	-	2 090	-	2 090	-	3 370	3170
KNYSNA	1 209	-	850	2 059	2 059	-	-	2 059	1 519	540	73.8	2 520	2520
LAINGSBURG	690	-	2 170	2 860	2 860	-	-	2 860	-	2 860	-	1 770	1770
LANGEBERG	690	-	-	690	690	-	-	690	253	437	36.7	570	570
MATZIKAMA	690	-	-	690	690	-	-	690	11	679	1.6	770	770
MOSSEL BAY	640	-	1 000	1 640	1 640	-	-	1 640	509	1 131	31.0	520	520
ODTSHOORN	1 140	-	700	1 840	1 840	-	-	1 840	1 011	829	54.9	3 520	3 320
OVERBERG DISTRICT	640	-	400	1 040	1 040	-	-	1 040	-	1 040	-	1 020	1020
OVERSTRAND	640	-	-	640	640	-	-	640	-	640	-	520	240
PRINCE ALBERT	690	-	1 510	2 200	2 200	-	-	2 200	596	1 604	27.1	1 670	1670
SALDANHA BAY	1 140	-	-	1 140	1 140	-	-	1 140	4	1 136	0.4	870	870
STELLENBOSCH	615	-	-	615	615	-	-	615	144	471	23.4	495	495
SWARTLAND	790	-	-	790	790	-	-	790	-	790	-	1 000	1000
SWELLENDAAM	690	-	-	690	570	120	-	570	-	570	-	570	450
THEEWATERSKLOOF	690	-	1 000	1 690	1 690	-	-	1 690	69	1 621	4.1	920	920
WITZENBERG	690	-	-	690	690	-	-	690	-	690	-	570	570
WEST COAST DISTRICT	640	-	-	640	640	-	-	640	35	605	5.5	520	520
UNALLOCATED	16 467	-	(16 467)	-	-	-	-	-	-	-	-	36	-
Total	38 311	-	-	38 311	38 191	120	-	38 191	6 196	31 995		33 966	33130

The capacity building grant funding allocation is provided to each municipality over a 3 year period with progressive growth over MTEF period as follows: R120 000 in the 2016/17 financial year. R240 000 in the 2017/18 financial year and R360 000 in the 2018/19 financial year. Swellendam municipality joined the programme in 2017/18 financial year and requested to start with the initial amount of R120 000 versus the R240 000 and agreed to the allocation of R240 000 in 2018/19 instead of the R360 000 that was gazetted to enable them to establish the programme.

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

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2017/18
	Adjusted appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds transferred %	Final Appropriation R'000
Western Cape Gambling and Racing Board	29 342	-	(2 478)	26 864	26 864	100.0	19 707
SABC TV licences	4	-	2	6	5	83.3	4
Total	29 346	-	(2 476)	26 870	26 869		19 711

Transfers are made to the WCGRB to supplement their budget (expenditure).

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019**

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

	TRANSFER ALLOCATION				EXPENDITURE		2017/18
	Adjusted appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds transferred %	Final Appropriation R'000
HOUSEHOLDS							
Transfers							
Leave Gratuity	249	-	642	891	1 091	122	970
Bursaries to non-employees	3 118	-	(532)	2 586	2 940	114	2 935
Injury on duty	-	-	-	-	-	-	3
Schools Essay writing competition - cash prizes	100	-	90	190	186	98	158
Cash donation to deceased official's family	-	-	5	5	10	200	10
Total	3 467	-	205	3 672	4 227		4 076

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2018**

**ANNEXURE 2
INTER-GOVERNMENT PAYABLES**

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2018/19*	
	31/03/2019 R'000	31/03/2018 R'000	31/03/2019 R'000	31/03/2018 R'000	31/03/2019 R'000	31/03/2018 R'000	Payment date up to six (6) working days before year end	Amount R'000
GOVERNMENT ENTITY								
DEPARTMENTS								
Current								
Department of Premier	-	9	7	14	7	23	27/03/2019	171
Subtotal	-	9	7	14	7	23		171
Total Departments	-	9	7	14	7	23		171
OTHER GOVERNMENT ENTITY								
Current								
Government Motor transport	-	-	-	-	-	-	27/03/2019	186
WC Cultural Commission	-	-	-	-	-	-	27/03/2019	6
SARS	-	-	-	-	-	-	27/03/2019	53
Subtotal	-	-	-	-	-	-		245
Total Other Government Entities	-	-	-	-	-	-		245
TOTAL INTERGOVERNMENTAL	-	9	7	14	7	23		416

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019**

**ANNEXURE 3A
INTER-ENTITY ADVANCES RECEIVED (Note 13.1)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2019 R'000	31/03/2018 R'000	31/03/2019 R'000	31/03/2018 R'000	31/03/2019 R'000	31/03/2018 R'000

OTHER INSTITUTIONS

Current

Nedbank - bursary monies for students	-	-	77	233	77	233
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TOTAL	-	-	77	233	77	233
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