

**Western Cape Government
Provincial Treasury**

**Annual Report
2016/17**

Provincial Treasury

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PROVINCIAL TREASURY

Annual Report

2016/17

Dr IH Meyer

Minister of Finance

I have the pleasure in submitting the Annual Report of the Provincial Treasury for the period 1 April 2016 to 31 March 2017.



ZAKARIYA HOOSAIN
ACCOUNTING OFFICER

DATE: 31 August 2017

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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
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
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 Programme
CoE	Compensation of Employees
COTS	Commercial Off-The-Shelf
CRU	Corporate Relations Unit
CSC	Corporate Services Centre
CSD	Central Supplier Database
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
DI	Departmental Instructions
DLG	Department of Local Government
DoRA	Division of Revenue Act
DotP	Department of the Premier
DPSA	Department of Public Service and Administration
e-GAP	Electronic Governance Action Plan
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
FMC	Financial Management Capability
FMCM	Financial Management Capability Model
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross Domestic Product
GEPF	Government Employees Pension Fund
GIAMA	Government-wide Immoveable Asset Management Act
GMT	Government Motor Transport
GPSSBC	General Public Service Sector Bargaining Council
GRAP	Generally Recognised Accounting Practice
HD	Helpdesk
Hdi	Historically Disadvantaged Individual
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
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 System
ISA	International Standards on Auditing
IRM	Infrastructure Reporting Model
IT	Information Technology
IYM	In-Year Monitoring
LG	Local Government
LG FGRO	Local Government Financial Governance Review and Outlook
LG MTEC	Local Government Medium Term Expenditure Committee
LOGIS	Logistical Information System
LRA	Labour Relations Act
M&E	Monitoring and Evaluation
MAM	Moveable 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)
MGRO	Municipal Governance Review and Outlook
MISS	Minimum Information Security Standards
ML	Management Letters
MPAT	Monitoring Performance Assessment Tool
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
OCPD	Office of the Chief Procurement Officer
OD	Organisational Development
OHAS	Occupational Health and Safety
OSD	Occupational Specific Dispensation
PAA	Public Audit Act
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	Pre-Determined Objectives
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
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
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
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
RSEP	Regional Socio-Economic Programme
RWOP	Remunerative Work Outside of the Public Service
SABC	South African Broadcasting Corporation
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
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
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
the dti	Department of Trade and Industry
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
WCMICOCO	Western Cape Ministerial Infrastructure Coordinating Committee
WC MTBPS	Western Cape Medium Term Budget Policy Statement
WCSD	Western Cape Supplier Database
WSP	Workplace Skills Plan

3. FOREWORD BY THE MINISTER

The Provincial Treasury's 2016/17 Annual Report summarises the extent to which the Department achieved its stated objective of improving allocative efficiency, ensuring value for money, maintaining fiscal sustainability while building and further entrenching good governance and embedding integrated service delivery.

Worth highlighting is the implementation of key projects such as:

- The municipal financial management improvement and capacity building support grants.
- The development of Strategic Sourcing methodologies for certain commodities to enhance supply chain management efficiencies.
- Continued preparation for the migration of the Integrated Financial Management System (IFMS).
- Further strengthening of the monitoring and reporting of Corporate Governance Review and Outlook (CGRO) within departments and the coordination of the Municipal Governance Review and Outlook (MGRO) within local governments.
- The establishment of a MFMA bursary and internship programme and a Chartered Accountants (CA) Academy.



Dr Ivan Meyer
Minister of Finance

The Annual Report further reflects on our undertaking to the people of the Western Cape that we will continue to pursue inclusive growth by strengthening coordination and alignment between processes and structures of Government and other key role-players, while improving service delivery, creating maximum socio-economic impact and building public value.

The annual "Taking the Budget to the People" and Min-Mayco Finance engagements have now become firmly entrenched on the Provincial Treasury calendar as we actively seek to inform the citizens of the Western Cape of the budget allocations to the respective regions. These initiatives seek to empower local citizens with information to enhance their participation in the budgeting processes.

I wish to thank the Provincial Treasury for their contribution to one of the key priorities of the National Development Plan, namely the building of a capable state through partnerships for we are, **BETTER TOGETHER**.

A handwritten signature in black ink, appearing to read 'Ivan Meyer', written over a horizontal line.

DR IVAN MEYER
MINISTER OF FINANCE

DATE: 31 August 2017

4. REPORT OF THE ACCOUNTING OFFICER

Overview of the operations of the Department

Against the backdrop of a challenging economic climate already in existence prior to the commencement of the financial year, the new year proved yet again to be fraught with even more challenges, where we were confronted with a very serious drought within the Province.

Notwithstanding that, basic services across all sectors still had to be delivered despite the challenging circumstances. Our resilience has and will continue to be tested.

Following the 2016 Local Government elections, the department also experienced a higher demand for support and/or advice across the various disciplines.



Zakariya Hoosain
Accounting Officer
Provincial Treasury

Departmental administration and governance

The Department has attained its fourth consecutive clean audit during 2016/17. This has been achieved through persistency and hard work. However, while we note this achievement, we acknowledge that we are on a path of continuous improvement, and one such area identified for further work was contract management. More attention has been paid by management in this regard.

The Department was awarded 4th place (jointly) at the National Batho Pele Excellence Awards in the category “Best Ethical and Professional Department”.

Resource Allocation and Monitoring

The Provincial Treasury persisted with its integrated management in support of sustainable resource management. Municipal budgets were researched and analysed to improve the responsiveness of the budgets, while municipal budgets were guided and monitored via formal engagements with municipal management. Effective resource allocation of Departmental budgets was achieved through analysis and advice. Monitoring of the implementation of budget, including infrastructure delivery was in effect through institutionalised processes and systems throughout the year under review, and across both spheres of government. Several publications and reports were tabled which are discussed in more detail in Part B of the Annual Report on pages 41 to 51.

Supply Chain Management and Financial Systems

Various supply chain reforms were introduced which placed pressure on this Programme. This implied extensive analysis of the impact of these reforms, including the identification and mitigation of transversal risks and to prepare for the implementation emanating from these reforms. SCM governance is supported through structured inter-governmental forums which had yielded positive results. The progress made by the Supporting and Interlinked Financial Systems Directorate, during the reporting period is also reflected under Programme Three: Asset Management. (Refer to pages 52 to 60.)

Improved Corporate Governance and Accounting Practices

The Programme supported both departments and municipalities to improve the understanding and application of accounting and financial reporting in line with existing reporting frameworks applicable to each sphere. The Chartered Accountants Academy progressed well and will in future add to the pipeline of public sector accounting professionals. The Programme further developed the provincial strategy of embedding good governance through the CGRO and MGRO initiatives. The annual consolidated financial statements for provincial departments were also prepared. The programme also developed, monitored and advised on norms and standards of corporate governance within municipalities and departments. The progress on this Programme is taken up under Part B of this document on pages 61 to 67.

Table 1 Departmental receipts

Departmental Receipts	2016/17			2015/16		
	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
Tax receipts	432 267	572 789	(140 522)	423 594	553 914	(130 320)
<i>Casino taxes</i>	412 267	524 384	(112 117)	403 594	513 252	(109 658)
<i>Horse racing taxes</i>	20 000	48 405	(28 405)	20 000	40 662	(20 662)
Sale of goods and services other than capital assets	1 214	2 890	(1 676)	1 214	3 591	(2 377)
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	1	38	(37)	1	295	(294)
Interest, dividends and rent on land	-	25	(25)	50 000	3	49 997
Sale of capital assets	-	7	(7)	-	-	-
Financial transactions in assets and liabilities	47	4 055	(4 008)	47	8 023	(7 976)
Total	433 529	579 804	(146 275)	474 856	565 826	(90 970)

Total receipts as depicted in Table 1 for the 2016/17 financial year amounted to R579.804 million, or 133.7 per cent of the original budget of R433.529 million. It should be noted that gambling revenue is dependent on the quantum available in households to be spent on this type of entertainment. Given the constrained fiscal environment, coupled with global uncertainty and growth prospects, own revenue projections were estimated conservatively. The final revenue outcome for 2016/17 was positive in that revenue collected was more than what was originally budgeted for. These funds were surrendered to the Provincial Revenue Fund which can be considered for allocation in the new MTEF. When compared with the same period in 2015/16, a substantial year-on-year increase of 2.5 per cent was achieved.

Tax Receipts consisted of Casino taxes and Horse racing taxes. The collection on this item for the financial year amounted to R572.789 million, reflecting a 32.5 per cent over collection compared with the original budget of R432.267 million. This mainly as a result of legislative changes to the tax structure of casinos, resulting in increased gambling tax collections.

Sale of goods and services, other than capital assets' revenue amounted to R2.890 million, this reflects a collection of 238.1 per cent compared to the original budget of R1.214 million for the reporting period.

Fines, penalties and forfeits consisting of court fines and penalties on court orders, received from the Western Cape Gambling and Racing Board, amounted to R38 000 for the financial year.

Financial Transactions in Assets and Liabilities recorded a surplus of R4.008 million mainly as a result of the surrender of previous year's surplus from the Western Cape Gambling and Racing Board.

Table 2 Programme expenditure

Programme Name	2016/17			2015/16		
	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	50 934	49 537	1 397	49 576	47 749	1 827
Sustainable Resource Management	113 943	111 431	2 512	109 878	108 379	1 499
Asset Management	54 833	54 106	727	57 405	53 472	3 933
Financial Governance	34 838	32 927	1 911	33 518	30 787	2 731
Total	254 548	248 001	6 547	250 377	240 387	9 990

Virement

The Department ended the financial year of 2016/17 with an adjusted appropriation of R254.548 million of which an amount of R248.001 million was actually spent. A provisional virement was approved by the Member of the Executive Authority on 11 July 2017 and, the Department ended with a net underspending of R6.547 million or 2.6 per cent for the reporting period. The details of the shifts between the main divisions can be found on pages 135 to 148 of the Appropriation Statements.

Service rendered by the Department

The powers and functions of the Provincial Treasury are mainly determined by the Public Finance Management Act, 1999 (PFMA) and the Municipal Finance Management Act, 2003 (MFMA). In terms of Chapter 3 of the PFMA, 1999, all the original powers of the Western Cape Provincial Treasury are vested in the Minister of Finance. In terms of section 20 of this Act, powers are delegated to the Head Official of the Provincial Treasury and to various other senior managers and staff. Similar legislative provisions apply in terms of the MFMA, 2003.

Tariff policy

The only tariff that is subject to adjustment is that for private photocopies. For the past few years, the Department reviewed its tariff policy for periodic adjustments as prescribed in the NTR's. Tariffs were however, last increased in 2010/11 financial year as it makes up a minimal portion of own revenue which for the last three financial years averaged R209.13 per year. Tariffs were once again not increased during the reporting in lieu of the anticipated uniform photocopy tariffs.

Betting and gambling

Betting and gambling revenue consists mainly of taxes and licence fees received from the Casinos, Limited Pay-out Machines, Bookmakers and the Totalisator. Gambling tax revenue comprises the second most important source of own receipts for the Western Cape Province. Amendments were provided for in the Cost and Fees Regulations in line with an annual inflationary adjustment to all new licence applications; annual licence and investigation fees. The Western Cape Gambling and Racing Board continues to perform the administrative function of collecting revenues due to the Provincial Revenue Fund on behalf of the Provincial Treasury.

Functional financial training

Over the years training costs provided by the Provincial Treasury to departments on BAS and LOGIS on several areas of capturing systems and their controls are rendered free of charge as these services are deemed to be integral to the Provincial Treasury's responsibilities, with costs are carried within the normal budget of the Vote.

Free services

All services rendered by the Provincial Treasury, to other departments or to municipalities are done so in terms of either the PFMA or MFMA. The Provincial Treasury rendered no free services for the reporting period that could otherwise have yielded significant revenue.

Inventories

As from 2014/15 inventory has been reclassified to Consumables under Goods and Services in the Financial Statements. Only major and minor assets are still reflected under Notes 26 to 27 on pages 182 to 186 of the 2016/17 Annual Financial Statements (AFS) in Part E of this document.

Future plans of the Department

For the 2017/18 – 2019/20 Medium Term Budget period, the Provincial Treasury and the Western Cape Government again faces a number of challenges. To address these, the following key areas within the Provincial Treasury's sphere of influence will receive attention:

- Conduct research and analysis informing the development of the provincial and local government's fiscal frameworks and budget policy that includes sustainability of provincial and municipal revenue budgets.
- Analyse and report on the in-year cash flow and revenue performance for both provincial and local government.
- Maintain Departmental oversight of the Western Cape Gambling and Racing Board (WCGRB).
- Focus on impact evaluations and assessments of budget priorities and spend, overall, the research, analysis and assessments is to support provincial departments on budget policy matters and inform the formulation of the provincial budget policy to recommend allocations in line with government's strategic priorities outlined in the Provincial Strategic Plan and other applicable national policies.
- Coordinate the Western Cape Medium Term Budget Policy Statement (WC MTBPS) and provide the economic, fiscal and policy context within which the provincial budget is formulated.
- Communicate the intended budget policy framework and budget priorities that support the delivery of the WCG's policies, programmes and projects that drives service delivery within the Province.
- Provide research, advice and analysis on the regional and local economy, issues and trends relevant to local government budget and fiscal policy matters.
- Research and analysis culminating in two key annual publications: the Municipal Economic Review and Outlook (MERO) and the Socio-economic Profiles for Local Government (SEP-LG).
- Support the municipal budget process through recommendations to improve the responsiveness of the budgets to target socio-economic and policy objectives and coordination of the Local Government Medium Term Expenditure Committee engagements.
- Assessment of provincial budgets to improve the credibility and sustainability thereof and monitor the implementation of budgets to enhance accountability, efficiency and data integrity.
- Fiscal consolidation as part of the Fiscal Strategy and therefore the focus on expenditure control within budget limits and stringent management of personnel budgets.

- Improving on the efficiency of expenditure management in departments through an integrated approach with the Provincial Treasury Supply Chain Management unit.
- Facilitate and co-ordinate the implementation of the MFMA in Provincial Treasury and municipalities to ensure that the objectives of the Local Government reform agenda is achieved.
- Drive the implementation of the MFMA through Inter-Governmental Relations (IGR) coordination between municipalities, provincial national departments and other related stakeholders.
- Drive the Infrastructure Delivery Management System (IDMS) to enhance efficiency in the delivery of infrastructure and value realised through the provincial asset base.
- Monitor the infrastructure spending of designated departments and support the Western Cape Ministerial Infrastructure Coordinating Committee (WCMICoCo), to improve efficient and effective delivery.
- Assess User Asset Management Plans (U AMPs), Custodian Asset Management Plans (C-AMPs), as well as Concept Reports and Project Proposals of Departments (in terms of the Guidelines for Performance Based Incentive Process).
- Manage Security aspects and coordinate requests for information in terms of the Promotion of Access to Information Act, 2000 (PAIA) for the Provincial Treasury.
- Manage datasets in support of Provincial Treasury's strategic goals and embrace and promote special integration of information between spheres of government.
- Mainstream Information Communication Technology (ICT) within the Department through the implementation of the Department of Public Service and Administration (DPSA) Corporate Governance Information Communication Technology Policy Framework and the monitoring of the Strategic ICT Plan Initiatives.
- Continue to focus on improving the integrity of data in the legacy systems to ensure smooth migration to the IFMS when implemented.
- The creation of a legacy system data warehouse to host all financial data and from which the necessary dashboards will be built to provide credible financial data to our stakeholders.
- Provision of training services in respect of transversal financial systems to all provincial departments and where required to other provincial and national departments.
- Focus on using technology as an enabler to improve Supply Chain Management (SCM) performance.
- Continued implementation of the central supplier database, improved efficiencies and governance on the e-procurement solution for quotations and the continuous building of the business intelligence competence to support procurement decision-making and better supply chain information management.
- Procurement efficiencies and prudent procurement spending will continue to be supported by strategic sourcing methodologies in the procurement planning process to leverage efficiency gains and economies of scale through bulk/consolidated buying initiatives and potential transversal contracts.

- Continue driving the District SCM model where municipalities are provided the opportunity to take ownership of SCM related issues in their district with the support of the relevant district municipalities.
- Focus on sustainable procurement initiatives to drive local economic development within the respective districts through integrated planning between municipal SCM, Local Economic Development and Integrated Development Planning managers.
- Ensure conformance with applicable financial laws, regulations and the municipal standard chart of accounts and complete recording of transactions as required by Generally Recognised Accounting Practices (GRAP) to municipalities.
- Assist in preventing irregularities and material financial misstatements in both the modified cash basis of accounting applied by departments and accrual basis of accounting applied by public entities.
- Monitor and report quarterly on the departmental Corporate Governance Review and Outlook (CGRO) governance action plans to enable the improvement of financial management.
- Coordinate the Municipal Governance Review and Outlook (MGRO) and progressively driving the maturity criteria across various disciplines to achieve higher levels of governance.
- Develop and drive norms and standards, as well as compliance to legislation in respect of capacity building.

Public Private Partnerships

The responsibilities of Provincial Treasury are currently targeted towards promotion of potential PPPs, advising of PPP project preparation phases and monitoring of previously awarded PPPs. The National Treasury in terms of NTR Regulation 16 advise, monitor and approve the necessary Treasury Approvals required in the PPP project preparation period. There are currently three provincial PPPs that have been awarded within the Provincial Government and are overseen by Provincial Treasury. Various other PPP projects have been registered, but are still in the preparation phase.

Discontinued activities/activities to be discontinued

The transition from the Provincial Treasury to the Department of the Premier of the responsibility for the coordination and administration of the planning and monitoring of non-financial information (strategic and annual performance plans, quarterly performance reports and the performance information aspects of the annual reporting process) commenced in 2014/15 and continued during the reporting period.

Supply Chain Management

The Departmental SCM unit within the Office of the CFO completed its annual stocktaking during March 2017 with all the major and minor assets fully reconciled on the LOGIS System. This is the sixth consecutive reporting period that the minor and major assets of the Department were balanced and reconciled.

Both major and minor assets are reflected in Notes 26 to 27 of the AFS in Part E (pages 182 to 186) of this Report.

Unsolicited bids

No unsolicited bids were received during the period under review.

Irregular expenditure

The Department's Internal Control section is currently in the process of reviewing a new finance instruction on irregular, fruitless and wasteful expenditure. All possible irregular, fruitless and wasteful expenditure that is referred to the Internal Control Section by the Accounting Officer or Chief Financial Officer is investigated to determine responsibility and accountability. Once the investigation is concluded, recommendations are submitted to the Chief Financial Officer and Accounting Officer for their final consideration. Irregular, fruitless and wasteful expenditure is still being administered in terms of SCM and PFMA delegations.

Irregular expenditure to the amount of R1.926 million that was reported to AGSA in the 2014/15 financial year, was approved as regular expenditure after a formal letter from the DPSA to the Department of the Premier that confirmed that the amount of R1.926 million alleged as irregular expenditure of a previous Head of Department was not regarded as irregular anymore. During 2016/17 additional amount of R8 000 was condoned by the Accounting Officer which included an amount of R1.934 million irregular expenditure which was carried over from the 2015/16 financial year.

After Internal Control investigations during 2016/17 an additional amount of R4 000 was declared as irregular expenditure as a result of a conference venue that was procured in excess of the amount approved without following the correct SCM procedures.

Challenges

Joint accountability remains the key to adherence to prescripts and Finance Instructions. As indicated, contract management and demand management of goods and services (mostly consultants) are receiving attention. The overall improvement of internal controls requires collaboration from all of senior management.

Gifts and Donations received in kind from non-related parties

The Department received no monetary contributions from non-related parties towards any event hosted. However, gifts to the amount of R9 160 were received by officials from within the Department during the reporting period which is recorded in the gift register maintained within the Financial Management section of the Department.

Gifts, Donations and Sponsorship made

Sponsorship by Provincial Treasury to Saldanha Bay Municipality for the amount of R14 000 to contribute towards catering at a SCOA training event.

Exemptions and deviations received from the National Treasury

No exemptions and deviations were requested from the National Treasury.

Events after the reporting date

The disposal of intangible assets was not effected timeously in the 2016/17 reporting period. An amount of R596 387.05 was carried over and duly disposed of on 14 June 2017 during 2017/18.

Conclusion

I wish to express my sincere appreciation to the entire team finance for their unrelenting support on this journey of good governance. Without their hard work and dedication, the progress we have made would not have been possible.

I also want to acknowledge the contribution of our stakeholders in the various departments, entities and municipalities for their continued partnership with us.

Finally, a sincere word of appreciation to the Minister for his leadership on this road to good governance.

Approval and sign off



Zakariya Hoosain
Accounting Officer
Provincial Treasury

Date: 31 August 2017

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 2017.

Yours faithfully



Zakariya Hoosain
Accounting Officer
Provincial Treasury
Date: 31 August 2017

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 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.

Local Government 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.

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

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

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

To define, amongst others, the role of the 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)

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)

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

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 will assist in performing its regulatory responsibilities.	Regulation of all gambling, racing and activities incidental thereto in the Western Cape Province.

PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The 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 127 of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The 2016/17 financial year continued to be a challenging year due to the constrained economic and fiscal environment.

Due to the persistent weak economic growth outlook, the next few years do not show meaningful economic growth, which impacts on government revenue collected. The long term average rate of economic growth of the national economy has fallen compared with a decade ago. This partly reflects the weak and uncertain global economic environment of slower trade, lower commodity prices and increase financial volatility.

The sustainability of the fiscal framework however depends on the recovery of economic activity with the National Government's economic reform programme guided by the National Government Development Plan. The Western Cape economy is slowing in line with the national economy and will continue to be vulnerable to any further international and domestic shocks.

The existing domestic constraints which include increased political and institutional uncertainty at a national level, lower business confidence, rising debt-service costs and high unemployment as well as the well as structural constraints such as the rigid South African labour market, expanding government wage bill, relatively low saving rate, infrastructure backlogs, low quality education and crime and corruption also impacted on the economic and fiscal environment within which Provincial Treasury operates.

Over the medium term Western Cape Government is committed in taking a consistent and transparent fiscal policy approach to ensure fiscal consolidation, fiscal-discipline and sustainability.

The following fiscal and budget policy principles underpinned the planning and budgeting processes:

- **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 maintain 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. A key mechanism is the reduction of headcount as personnel budgets are key to ensuring sustainable budgets.
- **Fiscal discipline** ensures that all provincial departments and entities remain within budget limits and avoids irregular, fruitless and wasteful expenditure.

The 2014 Public Sector Supply Chain Management Review done by National Treasury provided a frank assessment of the current SCM system and provided a roadmap for reform. A SCM Review Update – 2016 was published. It provided a snapshot of progress that has been made since the release of the Review and the on-going programme of action.

The Office of the Chief Procurement Officer (OCPO) accelerated measures to make it easy for business and government to transact; and at the same time ensure that government purchase what it needs at the right time, the right price, in the correct quantities and delivered to right location. The following themes is central to the objective:

- Optimising procurement strategies;
- Supplier relationship management;
- eProcurement and digitalisation of procurement; and
- Performance optimisation.

In this regard a number of instructions, policy frameworks and draft legislation were issued for comment and implementation by National Treasury which necessitated commentary, risk and impact assessments be concluded to mitigate provincial risks and implementation challenges.

The Western Cape Government agreed to pilot the IFMS and the expected implementation date was during 2016/17 financial year for 11 of the 13 provincial departments and during the 2017/18 financial year for the Departments of Education and Health. This did not materialise and National Treasury indicated that implementation with the new Oracle e-Business Suite which is essentially the IFMS will only start in the 2019/20 financial year. Provincial Treasury continued to assist departments with improving the integrity of data in the legacy systems to ensure smooth migration to IFMS when implemented.

Continuous changes to Accounting Standards by the Accounting Standards Board, the implementation of the mSCOA Regulation, the continued roll-out of the new accounting reforms based on the Modified Cash Standards and the Accounting Manual for Departments impacted performance. Departments and Municipalities required continuous support and guidance with the implementation of these improvements.

Some municipalities experienced instability post the conclusion of the elections in August 2016. This culminated in amplified demand for support in the domain of local government financial management. Transversal capacity building initiatives for officials and councilors were provided including tailored support as required.

The Western Cape Provincial Government and Western Cape municipalities adopted an Integrated Work Plan in September 2016 to enable a more coordinated, integrated and strategic approach to government planning, budgeting and delivery between the Province and the Western Cape municipalities in preparation for the 4th Generation Integrated Development Planning Cycle, effective from July 2017.

2.2 Service Delivery Improvement Plan

The department has completed a Service Delivery Improvement Plan (SDIP) through the provision of supply chain management help desk (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 for improvement within procurement, and defining standards for delivering of procurement as a service 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 2015/16	Desired standard of service 2016/17	Actual achievement 2016/17
1. Supply Chain Management (SCM) help desk service provided to Provincial departments, Public entities and Suppliers	<ul style="list-style-type: none"> • Western Cape Provincial Departments • Public Entities • Municipalities • Suppliers 	<p>a) 97% of SCM issues, complaints, queries resolved.</p> <p>b) 95% of service beneficiaries indicated satisfaction with the level and standard of service provided by the SCM Help Desk.</p>	<p>a) 98% of SCM issues, complaints, queries resolved.</p> <p>b) 96% of service beneficiaries indicated satisfaction with the level and standard of service provided by the SCM Help Desk.</p>	<p>a) An average of 98.75% of the queries received during the financial year were resolved within the specified timeframes. A total of 5 916 queries were successfully attended to.</p> <p>b) Perception surveys were conducted and for all quarters of the financial year 100% of the beneficiaries indicated their satisfaction with the service provided.</p>

Main services	Beneficiaries	Current/actual standard of service 2015/16	Desired standard of service 2016/17	Actual achievement 2016/17
<p>2. Supply Chain Management (SCM) help desk service provided to Municipalities, and Suppliers.</p>	<ul style="list-style-type: none"> • Western Cape Citizens • Small Medium and Micro Enterprise (SMME) 	<p>a) 72% of SCM issues, complaints, queries resolved.</p> <p>b) 86% of service beneficiaries indicated satisfaction with the level and standard of services provided by the SCM Help Desk.</p>	<p>a) 85% of SCM issues, complaints, queries resolved.</p> <p>b) 90% Client satisfaction (i.t.o. evaluation questionnaire).</p>	<p>a) An average of 95.25% of the queries received during the financial year were resolved within the specified timeframes.</p> <p>b) 99% Client satisfaction was noted for the entire year. In the absence of the survey, this is measured by not getting come backs.</p>
<p>3. Supply Chain Management (SCM) Engagements with Suppliers</p>	<ul style="list-style-type: none"> • Western Cape Provincial Departments • Public Entities • Suppliers 	<p>a) 4 Supplier Open Days hosted.</p>	<p>a) 12 Supplier Open Days hosted.</p>	<p>a) 19 Supplier open days/engagements were hosted to create awareness and develop knowledge and skills with suppliers. 6 of the 19 events were hosted in collaboration with the Departments of Economic Development and Tourism; Transport and Public Works; SEFA and SARS. 15 of the events focused on central supplier database registration, e-procurement (IPS) enablement and tax and B-BBEE compliance and 4 of the events were commodity specific in terms of the security industry. Events were held in all 6 municipal regions.</p>

Main services	Beneficiaries	Current/actual standard of service 2015/16	Desired standard of service 2016/17	Actual achievement 2016/17
		b) 95% of service beneficiaries indicated Satisfaction with the level and standard of service provided by the SCM Help Desk.	b) 96% of service beneficiaries indicated Satisfaction with the level and standard of service provided by the SCM Help Desk.	b) 100 % of service beneficiaries indicated satisfaction with the level and standard of service except in the 3 rd quarter where 78% indicated satisfaction. This was as a result of not all beneficiaries completing the survey.

Batho Pele arrangements with beneficiaries (consultation, access etc.)

(1) Supply Chain Management (SCM) help desk service provided to Provincial departments, Public entities and Suppliers

Targeted/Desired arrangements 2016/17	Actual achievements 2016/17
<p>Consultation: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Workshops b) Written correspondence c) Telephonically d) Emails e) One-on-one meetings f) District Council Forum (DCF) for municipalities g) Provincial & Local SCM Forums h) Municipal Chief Financial Officers (CFO) Forum 	<p>Consultation: The desired achievements were met and in addition the following were achieved:</p> <ul style="list-style-type: none"> a) Monthly meetings with the Department of Economic Development and Tourism on economic aspects of procurement; b) Meetings every second week with departmental users of the e-procurement solution (IPS) and supplier database (WCSD); and c) Specific focus group meetings as it relates to SCM policy and governance; SCM technology; Strategic Sourcing (Demand management focus group); and SCM capacitation and development.
<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) Management b) Email c) Telephonically d) Written correspondence e) Verbal communication f) Face to Face 	<p>Courtesy: The desired achievements were met and in addition the following were achieved:</p> <ul style="list-style-type: none"> a) 98.75% of query handling concluded expeditiously and within the allocated timeframes of the help desk framework.
<p>Access: Via Provincial Legislature Building, 7 Wale Street Cape Town.</p>	<p>Access: Provided at Provincial Legislature Building, 7 Wale Street Cape Town.</p>

Targeted/Desired arrangements 2016/17	Actual achievements 2016/17
<p>Openness and Transparency: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Telephone b) Written correspondence c) Email d) One-on-one meetings e) Annual Report f) Workshops g) District Council Forum (DCF) for municipalities h) Provincial & Local SCM Forums i) Municipal Chief Financial Officers (CFO) Forum 	<p>Openness and Transparency: The desired achievements were met and in addition the following were achieved:</p> <ul style="list-style-type: none"> a) Utilisation of an e-procurement system (IPS) to invite quotations in which leads and tenders are advertised; b) Publication of tender awards on the National Treasury e-portal; and c) Utilisation of the PT website to publish procurement Instructions, templates, policies and guidelines.
<p>Value for money: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Provide support and advice to all Citizens and SMME's within the Western Cape Province. b) Clients get useful and useable information at no cost. 	<p>Value for money: The desired achievements were met and in addition the following were achieved:</p> <ul style="list-style-type: none"> a) Review of departmental spend and procurement activities in terms of procurement planning and provide support assistance and guidance as well as tools templates and checklists to ensure efficiency gains in departmental procurement processes; b) Training to officials and suppliers on procurement requirements; and c) Commodity focus interventions with both officials and suppliers.

(2) Supply Chain Management (SCM) help desk service provided to Municipalities and Suppliers

Targeted/Desired arrangements 2016/17	Actual achievements 2016/17
<p>Consultation: In terms of the Departments SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Workshops b) Written correspondence c) Telephonically d) Emails e) During the Supplier Open Days f) Roadshows 	<p>Consultation: The desired achievements were met and in addition the following were achieved:</p> <ul style="list-style-type: none"> a) Ongoing meetings with the Department of Economic Development and Tourism on economic aspects of procurement; b) Quarterly District Forum and ongoing one-on-one meetings with all SCM Heads; and c) Bi-annual meetings with SCM Technical Group to discuss SCM developments and any other reforms.

Targeted/Desired arrangements 2016/17	Actual achievements 2016/17
<p>Courtesy: In terms of the Departments SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Management b) Email c) Telephonically d) Written correspondence e) Face-to-face f) PGSCM: Help Desk g) Red Tape Reduction Call Centre h) Evaluation questionnaires 	<p>Courtesy: The desired achievements were met and in addition the following were achieved:</p> <ul style="list-style-type: none"> a) 95.25% of query concluded expeditiously and within the allocated timeframes of the help desk framework.
<p>Access: Via Provincial Legislature Building, 7 Wale Street Cape Town.</p>	<p>Access: Provided at Provincial Legislature Building, 7 Wale Street Cape Town.</p>
<p>Openness and transparency: In terms of the Departments SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Telephonically b) Written correspondence c) Email d) One-on-one meetings e) Annual Report f) During the Supplier Open Days (evaluation questionnaires) g) Supplier Open Day Report h) Supplier Open Day Article (departmental website) i) Press/Media Article j) Workshops k) Roadshows 	<p>Openness and Transparency: The desired achievements were met and in addition the following were achieved:</p> <ul style="list-style-type: none"> a) Established district forums where provincial government strategies and programmes are shared with municipalities.
<p>Value for money: In terms of the Departments SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Provide support and advice to all Citizens and SMMEs within the Western Cape Province. b) Clients get useful and useable information at no cost. 	<p>Value for money: The desired achievements were met and in addition the following were achieved:</p> <ul style="list-style-type: none"> a) Review of Municipal spend and procurement activities in terms of procurement planning and provide support assistance and guidance as well as tools templates and checklists to ensure efficiency gains in municipal procurement processes; and b) Training to SCM and LED officials on procurement requirements and strategies.

(3) Supply Chain Management (SCM) Engagements with Suppliers

Targeted/Desired arrangements 2016/17	Actual achievements 2016/17
<p>Consultation: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Workshops b) Written correspondence c) Telephonically d) Emails e) One-on-one meetings f) District Council Forum (DCF) g) Provincial & Local SCM Forums 	<p>Consultation: The desired arrangements were met.</p>
<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) Management b) Email c) Telephonically d) Written correspondence e) Verbal communication f) Face to Face 	<p>Courtesy: The desired arrangements were met and in addition the following were achieved:</p> <ul style="list-style-type: none"> a) Advise the Municipalities and suppliers on utilisation of e-Portal and central supplier database.
<p>Access: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Via Provincial Legislature Building, 7 Wale Street Cape Town. 	<p>Access: The desired achievements were met and in addition the following were achieved:</p> <ul style="list-style-type: none"> a) Advising on access to tender information to suppliers on the National Treasury e-portal and in terms of any requested access in terms of the Promotion of Access to Information Act 2000 (Act 2 of 2000).
<p>Openness and Transparency: In terms of the Department's the SDIP the following were the targeted and desired arrangements:</p> <p>Telephone</p> <ul style="list-style-type: none"> a) Written correspondence b) Email c) One-on-one meetings d) Annual Report e) Workshops f) District Council Forum (DCF) g) Provincial & Local SCM Forums 	<p>Openness and Transparency: In addition to the Department's SDIP targets the following were achieved: SDIP targets the following were the actual achievements:</p> <ul style="list-style-type: none"> a) Advise the Municipalities and suppliers on utilisation of e-Portal and central supplier database.
<p>Value for Money: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Provide support and advice to all Western Cape Provincial Departments, Public Entities and Suppliers. b) Clients get useful and useable information at no cost. 	<p>Value for Money: The desired arrangements were met and in addition the following were achieved:</p> <ul style="list-style-type: none"> a) Training to officials and suppliers on procurement requirements.

Service delivery information tool

(1) Supply Chain Management (SCM) help desk service provide to Provincial departments, Public entities and Suppliers

Targeted/Desired arrangements 2016/17	Actual achievements 2016/17
<p>In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Departmental website b) Annual Report c) One-on-one meetings d) Information sessions e) District Council Forum (DCF) f) Provincial & Local SCM Forums g) Municipal Chief Financial Officers (CFO) Forum workshops 	<p>All aspects reflected in the Desired arrangements column for the year 2016/17 were achieved.</p>

(2) Supply Chain Management (SCM) help desk service provided to Municipalities and Suppliers

Targeted/Desired arrangements 2016/17	Actual achievements 2016/17
<p>In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Departmental website b) Annual Report c) One-on-one meetings d) Information sessions e) Municipal Chief Financial Officers (CFO) Forum f) Media Adverts g) Hosting Supplier Open Days h) Supplier Open Day Report i) Press/Media j) Telephonically k) Written correspondence l) Email 	<p>All aspects reflected in the Desired arrangements column for the year 2016/17 were achieved.</p>

(3) Supply Chain Management (SCM) Engagements with Suppliers

Targeted/Desired arrangements 2016/17	Actual achievements 2016/17
<p>In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Departmental website b) Annual Report c) One-on-one meetings d) Information sessions e) District Council Forum (DCF) f) Provincial & Local SCM Forums 	<p>All aspects reflected in the Desired arrangements column for the year 2016/17 were achieved.</p>

Complaints mechanism

(1) Supply Chain Management (SCM) help desk service provided to Provincial departments, Public entities and Suppliers

Targeted/Desired arrangements 2016/17	Actual achievements 2016/17
<p>In terms of the Department's SDIP the following were the targeted and desired complaint mechanism:</p> <p>Through official channels i.e.:</p> <ul style="list-style-type: none"> a) Management b) Face-to-face c) Verbal Communication d) Written Correspondence e) Email 	<p>All complaints mechanisms as reflected in the targeted/desired column were available.</p>

(2) Supply Chain Management (SCM) help desk services provided to Municipalities and Suppliers

Targeted/Desired arrangements 2016/17	Actual achievements 2016/17
<p>In terms of the Department's SDIP the following were the targeted and desired complaint mechanism:</p> <p>Through official channels i.e.:</p> <ul style="list-style-type: none"> a) Management b) Face-to-face c) Verbal Communication d) Written Correspondence e) Email f) Evaluation Questionnaires g) PGSCM: Help Desk h) Red Tape Reduction Call Centre 	<p>All complaints mechanisms as reflected in the targeted/desired column were available.</p>

(3) Supply Chain Management (SCM) Engagements with Suppliers

Targeted/Desired arrangements 2016/17	Actual achievements 2016/17
<p>In terms of the Department's SDIP the following were the targeted and desired complaint mechanism:</p> <ul style="list-style-type: none"> a) Management b) Face-to-face c) Verbal Communication d) Written Correspondence e) Email 	<p>All complaints mechanisms as reflected in the targeted/desired column were available.</p>

2.3 Organisational environment

The current organisational structure consisting of three hundred and twenty-eight (328) posts was approved by the previous Minister for Finance, in November 2011. As at 31 March 2017 306 posts were filled.

Provincial Treasury has competent and highly committed employees and despite the inability to fund all vacant posts due to the Western Cape Government's Strategy to maintain compensation of employees, ninety-eight per cent (98%) (60 out of 61) programme performance indicators were achieved.

Changes within the national, provincial and municipal financial management environment and the strategic approach aligned to the Strategic Plan necessitated a review of the current organisational structures of various units to ensure that the department is structured appropriately and adequately to respond to the changing environment. During the 2015/16 financial year an organisational review, amongst others, on the structure of financial governance commenced. The investigation was completed in September 2016; however due to the fiscal environment the proposed structure could not be approved until such time as suitable funding arrangements can be reached. Similarly, a review of the Provincial Government Supply Chain Management establishment was undertaken, but could also not be finalised due to lack of funding plan.

Provincial Treasury has implemented a number of initiatives to establish a pipe-line of public sector financial management specialist, i.e. Chartered Accountant Academy, Essay Writing Competition and bursary programme and placement of bursary obligators in provincial departments.

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.

However, National Treasury is busy with the revision of the Treasury Regulations (issued in terms in of the PFMA). Once it is issued it may introduce a number of new requirements and may affect the operations of the all departments in the future.

The review of the current SCM legislative framework by National Treasury is underway. This will culminate in a single public procurement legislation addressing all the legislative and regulatory inefficiency in the system.

In the interim the Preferential Procurement Policy Framework Regulations, Cost Containment Instructions, Transversal contract requirements for various initiatives, revised functionality requirements on the Central Supplier Database, G-commerce, revised B-BBEE sector codes, Local Content Instructions, CIDB standards and leasing standards were issued by National Treasury which has impacted and will further impact the work of Provincial Treasury.

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	Provincial Treasury prepared the provincial budget within a constrained economic and fiscal environment. The budget is underpinned by the Western Cape Government's Fiscal Strategy towards delivery on the Provincial Strategic Plan. 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.

Programme 3 – Asset Management

Strategic Outcome Orientated Goal 3	Financial system, 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.

Programme 4 – Financial Governance

Strategic Outcome Orientated Goal 4	Accountability through the review of financial reporting of departments, entities and municipalities and compliance with financial norms and standards.
Progress	The departments and municipalities were assisted to maintain the good governance and accounting practices through programme interventions that ensured compliance to accounting and corporate governance norms and standards.

All of Provincial Treasury's initiatives, notably the Corporate Governance Review and Outlook (CGRO), Municipal Governance Review and Outlook (MGRO), Provincial Government: Medium Term Expenditure Committee (PG: MTEC) and Local Government: Medium Term Expenditure Committee (LG: MTEC) are processes that are directly in support of the Chapter 13 of the NDP – Building a capable and developmental state.

The Provincial Treasury also assisted and supported provincial departments and municipalities to improve their management practices, financial practices and operations 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.

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

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 Head of Department.

The programme is 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

These 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 monthly monitoring and reporting on the compliance with the Corporate Services Schedules by the Corporate Services Centre and departmental obligations and the quarterly monitoring and reporting on the implementation of the Workforce Plan improved the human resource management processes within the Department. This contributed to no audit findings on human resource management for the year under review.

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

The Accounting Officer's System (AOS) placed challenges on the Department, as the document with several annexures and a comprehensive guide for supply chain management is a comprehensive document. However, it ensures sound administration with uniform and well structure prescripts for the Department.

The Financial Management directorate was instrumental in ensuring that the Department receives a clean audit for the fourth consecutive year.

Strategic objective:

PROGRAMME 1: ADMINISTRATION								
Sub-programme 1.1: Office of the Minister								
Strategic objective: To provide ministerial support services								
Strategic objective performance indicator	Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations	
	2013/14	2014/15	2015/16					
1.	Number of reports to monitor compliance with statutory and executive requirements	New SOPI	New SOPI	New SOPI	4	4	None	None

Performance indicators:

Sub-programme 1.1: Office of the Minister								
Programme performance indicator	Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations	
	2013/14	2014/15	2015/16					
1.1	Number of formal engagements with the Department and the Western Cape Gambling and Racing Board on meeting statutory and executive requirements	New PI	New PI	10	8	8	None	None
1.2	Number of meetings/ engagements with the Consul Generals, members of the Diplomatic Corp and incoming foreign delegations	New PI	New PI	8	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 objective:

PROGRAMME 1: ADMINISTRATION								
Sub-programme 1.2: Management Services								
Strategic objective: To improve corporate management processes								
Strategic objective performance indicator	Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations	
	2013/14	2014/15	2015/16					
2.	Number of material Human Resource Management and Performance Management audit findings	New SOPI	0	0	0	0	None	None

Performance indicators:

Sub-programme 1.2: Management Services								
Programme performance indicator	Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations	
	2013/14	2014/15	2015/16					
2.1	Number of prescribed performance plans and reports submitted	6	7	6	7	7	None	None
2.2	Number of reports on the implementation of the HR Plan	New PI	New PI	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 objective:

PROGRAMME 1: ADMINISTRATION								
Sub-programme 1.3: Financial Management								
Strategic objective: To provide financial administrative services to the Department								
Strategic objective performance indicator		Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
3.	Number of material financial management audit findings	Clean audit outcome	0	0	0	0	None	None

Performance indicators:

Sub-programme 1.3: Financial Management								
Programme performance indicator		Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
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.

Linking performance with budgets

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

Sub-programme expenditure

Sub-programme name	2016/17			2015/16		
	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	6 045	5 660	385	6 849	6 199	650
1.2 Management Services	20 909	20 115	794	18 194	17 688	506
1.3 Financial Management	23 980	23 762	218	24 533	23 862	671
Total	50 934	49 537	1 397	49 576	47 749	1 827

4.2 Programme 2: Sustainable Resource Management

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

The programme is 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

These 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; and
- To render an effective data and information management service.

Strategic objectives, performance indicators, planned targets and actual achievements

Fiscal Policy

Research and analysis undertaken on the Provincial and Local Government Fiscal system in 2016/17 informed the development of the provincial and local government fiscal policy. 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 side, the focus included strengthening research and fiscal policy focus to inform intergovernmental discussions on fiscal policy matters and strengthening integration between fiscal and budget policy.

The monitoring, analysing 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. Monitoring and reporting covers own revenue, conditional grants, departmental debt and revenue related policy issues to feed into overall budget process. 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

A key focus was to strengthen the integrated and evidence based approach in planning and budgeting processes. The emphasis was on promoting planning-led budgeting in line with government strategic priorities with a spatial focus. The 2016 Provincial Economic Review and Outlook (PERO) and the 2016 Municipal Economic Review and Outlook (MERO) were tabled in September 2016 which provided economic and analysis, focusing on key trends, opportunities and challenges in the regional and local economies. Both the PERO, MERO together with the Socio Economic Profiles of Local Government and the joint planning and budgeting engagements with the municipalities and inputs from fiscal policy experts informed the 2017 - 2020 Medium Term Budget Policy Statement which set the framework and context within which the 2017 MTEF provincial budget was compiled.

The 2017 Budget specifically focused on delivering a responsive budget which takes account of the relevant service delivery risks and gives effect to the Western Cape Government's policy imperatives. The Overview of Provincial Revenue and Expenditure (OPRE), tabled in March 2017, provided an overview of the key components of the provincial Budget inclusive of the budget priorities, Provincial Fiscal Strategy and spending plans.

The 2016 Local Government Medium Term Expenditure Committee engagements, which aim to improve the conformance, responsiveness, credibility and sustainability of municipal budgets were successful completed. The Western Cape Provincial Government and municipalities also endorsed an Integrated Work plan in August 2016 for promoting a more coordinated, integrated and strategic approach to government planning, budgeting and delivery. This gave rise to Strategic Integrated Municipal Engagement in October 2016 which focused on Local Government sustainability and Technical Integrated Municipal Engagements in February/March 2017 to assist municipalities with the formulation of their 4th Generation Integrated Development Plans.

Public Finance

Maintaining fiscal discipline and consolidation is a key component underpinning the fiscal strategy as set out in the 2017 Budget. Expenditure Management is a key principle that would give effect to the implementation of the fiscal strategy. The focus was mainly on managing cost of Employees and Goods and Services Budgets within the affordable levels and funding the appropriate mix of expenditure items to achieve sustainability and efficiency of spend.

Local Government Finance continued the focus on driving the implementation of the MFMA within the unit, across Provincial Treasury and key provincial departments by institutionalising IGR structures and arrangements. Reporting responsibilities on budget implementation focusing in budget sustainability expenditure and revenue management practices against set standards has been achieved, supported by knowledge sharing and training initiatives of new Municipal Councils and the administration pursuant to the Local Government elections in August 2016.

Increased Infrastructure investment 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. Oversight responsibility in relation to implementation of infrastructure budgets in designated departments has been created, particularly focusing on improving the infrastructure delivery process through the WC-IDMC. This practice has been extended to municipalities in the Province with the introduction of the Standard for Infrastructure Procurement and Delivery Management (SIPDM).

Business Information and Data Management continues to be the enabler for the Programme to execute its responsibilities in relation to client interface, data collating, data and information management and records management for the department. The central repository of information has been enhanced to be responsive to changes in the environment, particularly in exercising both the provincial and local government budget and associated processes.

Strategic objective:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT								
Sub-programme 2.1: Programme Support								
Strategic objective: To provide management and administrative support to Programme 2 – Sustainable Resource Management								
Strategic objective performance indicator		Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
4.	Percentage of Programme 2 – Sustainable Resource Management programme performance indicator targets achieved	New PI	100%	100%	100%	100%*	None	None

* Method of calculation:

Numerator: Number of achieved performance indicator targets (25)

Denominator: Number of planned performance indicator targets (25)

Performance indicators:

Sub-programme 2.1: Programme Support								
Programme performance indicator		Audited/ Actual Achieved			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
4.1	Number of quarterly performance reports for Programme 2 – Sustainable Resource Management submitted	New PI	New PI	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 objective:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT								
Sub-programme 2.2: Fiscal Policy								
Strategic objective: To conduct research and advise on the management of provincial and municipal fiscal resources								
Strategic objective performance indicator	Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations	
	2013/14	2014/15	2015/16					
5.	Number of fiscal policy reports	New PI	New PI	20	20	20	None	None

Performance indicators:

Sub-programme 2.2: Fiscal Policy								
Programme performance indicator	Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations	
	2013/14	2014/15	2015/16					
5.1	Number of research reports on the Provincial and Local Government Fiscal System	2	2	4	4	4	None	None
5.2	Number of Provincial Revenue reports	Revised PI	Revised PI	4	4	4	None	None
5.3	Number of Cash Management Reports	Revised PI	Revised PI	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 objective:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT								
Sub-programme 2.3: Budget Management								
Element: Provincial Government Budget Office								
Strategic objective: To promote effective resource allocation within the provincial budget through research, analysis and advice								
	Strategic objective performance indicator	Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
6.	Timeous publication of the Overview of Provincial Revenue and Expenditure	March 2014	March 2015	March 2016	March 2017	March 2017	None	None

Performance indicators:

Sub-programme 2.3: Budget Management								
Element: Provincial Government Budget Office								
	Programme performance indicator	Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
6.1	Number of provincial budget policy assessment reports	28	28	28	26	28	2	Additional MTEC assessments were done for the Provincial Parliament during the PG MTEC 1 and PG MTEC 2 processes
6.2	Timeous publication of the Provincial Economic Review and Outlook	October 2013	October 2014	October 2015	September 2016	September 2016	None	None
6.3	Timeous publication of the Medium Term Budget Policy Statement	November 2013	November 2014	November 2015	November 2016	November 2016	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 objective:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT								
Sub-programme 2.3: Budget Management								
Element: Local Government Budget Office								
Strategic objective: To promote effective resource allocation within municipal budgets through research, analysis and advice								
Strategic objective performance indicator	Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations	
	2013/14	2014/15	2015/16					
7. Number of municipal budgets with effective resource allocations	741 quarterly SDBIP Performance reports submitted & 28 Annual Reports assessed	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 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations	
	2013/14	2014/15	2015/16					
7.1 Number of municipal budget policy assessment reports	New PI	30	30	30	30	None	None	
7.2 Percentage Quarterly Performance Reports assessed	New PI	100%	100%	100%	100%*	None	None	
7.3 Timeous publication of the Municipal Economic Review and Outlook	Publication of the 2013 Municipal Economic Review and Outlook	Revised PI	October 2015	September 2016	September 2016	None	None	

* Method of calculation:

Numerator: Number of reports assessed (120)

Denominator: Number of reports received (120)

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 objective:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT								
Sub-programme 2.4: Public Finance								
Element: Provincial Government Finance								
Strategic objective: To promote the conformance, credibility, sustainability and guide and monitor the efficient implementation of the provincial budget								
Strategic objective performance indicator		Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
8.	Timeous tabling of the Estimates of Provincial Revenue and Expenditure	March 2014	March 2015	March 2016	March 2017	March 2017	None	None

Performance indicators:

Sub-programme 2.4: Public Finance								
Element: Provincial Government Finance								
Programme performance indicator		Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
8.1	Number of provincial budget assessment reports	28	28	28	28	28	None	None
8.2	Number of expenditure reviews	New PI	New PI	1	1	1	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 objective:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT								
Sub-programme 2.4: Public Finance								
Element: Local Government Finance (Groups 1 and 2)								
Strategic objective: To guide and monitor the implementation of municipal budgets								
Strategic objective performance indicator		Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
9.	Number of quarterly reports on the implementation of the 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 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
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
9.4	Number of efficiency assessments on selected municipal budget expenditure items	New PI	New PI	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 objective:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT								
Sub-programme 2.4: Public Finance								
Element: Infrastructure								
Strategic objective: To institutionalise and standardise good practice methodologies, tools and systems for physical infrastructure delivery and maintenance								
Strategic objective performance indicator	Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations	
	2013/14	2014/15	2015/16					
10. Number of assessments on the institutionalisation of the WCIDMS	3	4	5	5	5	None	None	

Performance indicators:

Sub-programme 2.4: Public Finance								
Element: Infrastructure								
Programme performance indicator	Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations	
	2013/14	2014/15	2015/16					
10.1 Number of asset management plans assessed	3	28	28	28	28	None	None	
10.2 Number of Infrastructure expenditure reports assessed	20	72	72	72	72	None	None	
10.3 Number of infrastructure project delivery assessments	6	10	10	10	10	None	None	
10.4 Number of quarterly reports on the implementation of infrastructure budgets to Cabinet	New PI	New PI	New PI	4	4	None	None	
10.5 Develop and test a municipal infrastructure delivery management system in selected municipalities	New PI	New PI	New PI	1	2	1	2 Diagnostic investigations completed due to Short Term Technical Assistants allocated and paid by National Treasury	

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 objective:

Programme 2: SUSTAINABLE RESOURCE MANAGEMENT								
Sub-programme 2.4: Public Finance								
Element: Business Information and Data Management								
Strategic objective: To render an effective data and information management service								
Strategic objective performance indicator	Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations	
	2013/14	2014/15	2015/16					
11.	An available central repository	Revised SOPI	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 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations	
	2013/14	2014/15	2015/16					
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.

Linking performance with budgets

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

Sub-programme expenditure

Sub-programme name	2016/17			2015/16		
	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	6 676	6 152	524	5 858	5 858	-
2.2 Fiscal Policy	21 650	21 432	218	15 022	14 594	428
2.3 Budget Management	17 713	17 038	675	17 962	17 479	483
2.4 Public Finance	67 904	66 809	1 095	71 036	70 448	588
Total	113 943	111 431	2 512	109 878	108 379	1 499

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 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

These were the strategic objectives for the financial year under review:

- To provide management and administrative support to Programme 3 - Asset Management;
- To provide policy direction and facilitating the management of supply chain and asset management practices in 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 transition to the Integrated Financial Management System (IFMS).

Strategic objectives, performance indicators, planned targets and actual performance

Supply Chain Management

The National Treasury SCM Reform process placed tremendous pressure on the programme, to manage and mitigate the transversal risks and implementation challenges emanating out of these reforms. A number of instructions, policy frameworks and draft legislation were issued via the National Treasury for comment and implementation which necessitated commentary, risk and impact assessments be concluded to mitigate provincial risks and implementation challenges. Amongst others these risks and challenges emanated from the Draft Procurement Bill, the Preferential Procurement Policy Framework Regulations, Cost Containment Instructions, transversal contract requirements for various initiatives as well as revised functionality requirements on the central supplier database (CSD), G-commerce, revised B-BBEE sector codes, local content instructions, CIDB standards and leasing standards.

It is under these circumstances that the programme had to provide provincial departments and municipalities with the desired level of support, assistance and guidance required to meet the implementation requirements, and to sustain previous unqualified audit outcomes in relation to supply chain and moveable asset management.

The Provincial Government SCM Unit fully met the strategic objective, performance indicators and planned targets as they relate to assessments, training/support interventions conducted and to the strategic sourcing initiatives undertaken. The unit particularly overachieved in respect of its target in respect of supplier interventions due to the added focus and implementation requirements of the national Central Supplier Database (CSD) and its the alignment to the WCG's own supplier database and e-procurement governance requirements. 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.

A Help Desk Support through query handling, SCM opinions and redress on supplier queries spiked from 6 431 in the 2015/16 financial year to 7 251 in the year under review, 98% emanating from suppliers due to the added focus on CSD registration and the implementation of B-BBEE requirements. The SCM Forum together with the SCM Policy, Demand Management, SCM Technology and SCM Capacitation and Development Focus Groups were used to capacitate, create awareness and manage the changes in the SCM environment

The Local Government Supply Chain Management unit assisted all municipal districts to improve the management of Supply Chain Management. For the first time a new model in the form of a DISTRICT APPROACH was introduced. The Model is built on strengthening the District Municipalities to give effect to their mandate. This approach became an extended arm of the directorate and district SCM Fora was established which are chaired by Municipal SCM Heads. This approach encourages a certain amount of trust between the municipal fraternity and the province. It also allowed municipal officials to take accountability for its

service delivery obligations. The approach led to the over-achievement of the unit's performance targets.

The unit hosted the 2nd SCM Indaba which had the objective to provide a socio-economic context for the imperative of the utilisation of procurement as a significant contributor to inclusive economic growth and development. Through this Indaba, 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 well-being. The 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.

Supporting and Interlinked Financial Systems

There has been slow progress by National Treasury (NT) 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 made significant strides in achieving the strategic objectives targets set. The unit continued to provide assistance to all provincial system users (LOGIS, BAS, PERSAL) with user management services. They continually trained and capacitated system users to ensure that there is quality and optimal use of the above transversal systems. The unit has successfully migrated BAS versions from 4 to 5 and updated all linked codes in PERSAL with minimal disruptions to service. The clean-up of system data in preparation for the eventual move to the IFMS has been a key focus area. In the 2016/17 financial year the focus has been on assisting the 13 Provincial Departments with cleaning up of dated commitments, inventory, consumables and ICN reporting levels. 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.

The Supporting and Interlinked Financial System unit is proud to report a 100% achievement in respect of most of its programme performance indicators with the exception of performance indicator 15.3 "Number of votes where the bids functionality of the Integrated Procurement Solution (IPS) is implemented". This was a specific strategy employed by management to hold in abeyance the bid functionality on the IPS given the announcement of the award of the IFMS tender, and mainly to avoid duplication of work and cost.

Strategic objective:

Programme 3: ASSET MANAGEMENT								
Sub-programme 3.1: Programme Support								
Strategic objective: To provide management and administrative support to Programme 3 – Asset Management								
Strategic objective performance indicator		Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
12.	Percentage of Programme 3 - Asset Management programme performance indicator targets achieved	New PI	100%	100%	100%	92% *	8%	PT took a management decision not to proceed with one specific target, to align itself with a national strategy.

* Method of calculation:

Numerator: Number of achieved performance indicator targets (12)

Denominator: Number of planned performance indicator targets (13)

Performance indicators:

Sub-programme 3.1: Programme Support								
Programme performance indicator		Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
12.1	Number of quarterly performance reports for Programme 3 - Asset Management submitted	New PI	New PI	4	4	4	None	None

Strategy to overcome areas of under performance

There were no areas of underperformance. The programme management took a specific decision not to pursue a specific target as it relates to IPS bid functionality, not to duplicate costs in an area which would be covered by the IFMS tender finalised during the year.

Changes to planned targets

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

Strategic objective:

PROGRAMME 3: ASSET MANAGEMENT								
Sub-programme 3.2: Supply Chain Management								
Element: Supply Chain Management: Provincial Government								
Strategic objective: To provide policy direction and facilitating the management of supply chain and asset management practices in departments								
Strategic objective performance indicator		Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
13.	Number of departments assisted to continuously improve management of supply chain and movable assets	14	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 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
13.1	Number of departments assisted with the continuous improvements of their supply chain and asset management systems	14	13	13	13	14	1	Training was provided to one additional department due to help desk queries received to mitigate SCM gaps identified
13.2	Number of SCM assessment reports	New PI	13	13	13	13	None	None
13.3	Number of interventions for strategic sourcing implementation	Revised PI	Revised PI	4	4	4	None	None

Sub-programme 3.2: Supply Chain Management								
Element: Supply Chain Management: Provincial Government								
Programme performance indicator		Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
13.4	Number of supplier engagement sessions held to develop and educate suppliers	11	11	4	12	19	7	Overachieved by hosting 7 additional supplier development initiatives. This is due to the CSD implementation by National Treasury which required additional interventions be conducted to mitigate governance risks for the Province

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 objective:

Programme 3: ASSET MANAGEMENT								
Sub-programme 3.2: Supply Chain Management								
Element: Supply Chain Management: Local Government								
Strategic objective: To provide policy guidance and facilitating the management of supply chain and asset management practices in municipalities								
Strategic objective performance indicator		Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
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 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
14.1	Number of municipal SCM and MAM Virtuous Cycle assessment reports	17	20	23	10	10	None	None
14.2	Number of municipalities assisted with the implementation of the model policy for infrastructure procurement	Revised PI	4	5	5	16	11	The activities for the performance indicator were carried out in line with the new district approach, hence the over-achievement.
14.3	Number of structured municipal training interventions	8	14	12	10	13	3	The activities for the performance indicator were carried out in line with the new district approach, hence the over-achievement.
14.4	Number of municipalities assisted with supplier database implementation and maintenance	New PI	New PI	13	15	19	4	The activities for the performance indicator were carried out in line with the new district approach, hence the over-achievement.
14.5	Number of Municipal Districts assisted with localisation of procurement	New PI	New PI	New PI	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 objective:

Programme 3: ASSET MANAGEMENT								
Sub-programme 3.3: Supporting and Interlinked Financial Systems								
Strategic objective: To provide for the implementation, management and oversight of provincially operated financial systems and the mitigation to the IFMS								
Strategic objective performance indicator		Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
15.	Number of votes assisted to effectively utilise the suite of financial systems	14	14	14	14	14	None	None

Performance indicators:

Sub-programme 3.3: Supporting and Interlinked Financial Systems								
Programme performance indicator		Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
15.1	Number of institutions provided with an effective user account management service i.r.o. provincially operated financial systems	119	118	125	152	152	None	None
15.2	Number of votes assisted with clean-up and updating of data i.r.o. all provincially operated financial systems for migration to the IFMS	New PI	New PI	New PI	11	11	None	None

Sub-programme 3.3: Supporting and Interlinked Financial Systems								
Programme performance indicator		Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
15.3	Number of votes where the bids functionality of the Integrated Procurement Solution (IPS) is implemented	New PI	New PI	New PI	13	0	13	Management decision made to hold in abeyance the bid functionality on the IPS given the announcement of the award of the IFMS tender to avoid duplication of work and cost.

Strategy to overcome areas of under performance

The target to implement the bids functionality of the Integrated Procurement Solution (IPS) at 13 departments was not achieved. Management made a decision made to hold in abeyance the bid functionality on the IPS given the announcement of the award of the IFMS tender to avoid duplication of work and cost.

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	2016/17			2015/16		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
3.1 Programme Support	4 478	4 217	261	3 900	3 664	236
3.2 Supply Chain Management	18 421	18 191	230	21 812	19 269	2 543
3.3 Supporting and Interlinked Financial Systems	31 934	31 698	236	31 693	30 539	1 154
Total	54 833	54 106	727	57 405	53 472	3 933

4.4 Programme 4: Financial Governance

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

The programme is divided into the following sub-programmes:

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

These 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;
- To improve the application of accounting practices in line with the reporting framework, prepare provincial consolidated financial statements and gradually drive financial governance reform; and
- To develop, monitor and advise on norms and standards of corporate governance within municipalities.

Strategic objectives, performance indicators, planned targets and actual achievements

Accounting Services

The Local Government Accounting Directorate met all its planned targets. The focus was to support municipalities in complying with the municipal standard chart of accounts (mSCOA) regulation and GRAP accounting standards. The directorate provided support through the updating of GRAP checklists and quality reviews of annual financial statements prior to them being submitted to the assurance providers by municipalities. The directorate also provided GRAP training to municipal officials. The support by the directorate has seen an improvement in the audit outcomes at the municipalities with 23 (22 – 2014/15) unqualified with no audit opinions for the 2015/16 financial year. The mSCOA support provided has also been integral to the municipalities in complying with the regulation.

The Directorate Provincial Government Accounting and Compliance has met all its planned targets for the 2016/17 financial year. The continued roll-out of new accounting standards based on the Modified Cash Standard and the Accounting Manual for Departments has yielded excellent audit outcomes with 13 departments unqualified with no other matters and 1 department financially unqualified audits, but with other matters being raised.

Provincial Treasury decided, in the 2016/17 financial year, to integrate the CGRO and MTEC engagements into quarterly engagements with departments. This shift in strategy to quarterly engagements with departments has resulted in improved good governance and integrated management. This entailed providing a more holistic approach to institutionalising

internal control gaps within departments, hence 13 support plans were developed by the Provincial Treasury to address challenges faced by departments.

Corporate Governance

The Directorate Corporate Governance achieved all its planned targets for the 2016/17 financial year. The focus of the directorate was to build the capability of municipal officials to effectively execute their responsibilities. Focused training on Public Sector Governance, Community of sponsored organisations (COSO) in terms of how to implement the 3 lines of defense to aid in the implementation of the combined assurance plans within municipalities and the MFMA Induction were presented in the year under review. Furthermore, to support capacity building within Western Cape Municipalities, the Financial Management Capacity Building Grant was initiated its aim of improving the financial skills pipeline available to municipalities. The directorate provided support and guidance to municipalities and departments on recent legislative developments and support in matters relating to financial policy developments. The electronic MGRO tool for municipalities was also rolled out and implemented. The monitoring of corporate governance in municipalities and departments via the MGRO and CGRO processes have been enhanced through the automation of the current manual Governance Action Plans to a fully web-based electronic Governance Action Plan (e-GAP and mGAP) applications. The targeted focus to improve governance in municipalities contributed to improved municipal audit outcomes for 2015/16 financial year to 23 unqualified with no findings audit opinions.

Strategic objective:

PROGRAMME 4: FINANCIAL GOVERNANCE								
Sub-programme 4.1: Programme Support								
Strategic objective: To provide management and administrative support to Programme 4 – Financial Governance								
Strategic objective performance indicator	Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations	
	2013/14	2014/15	2015/16					
16. Percentage of Programme 4 – Financial Governance programme performance indicator targets achieved	New PI	New PI	100%	100%	100%*	None	None	

* Method of calculation:

Numerator: Number of achieved performance indicator targets (15)

Denominator: Number of planned performance indicator targets (15)

Performance indicators:

Sub-programme 4.1: Programme Support								
Programme performance indicator		Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
16.1	Number of quarterly performance reports for Programme 4 – Financial Governance submitted	New PI	New PI	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 objective:

Programme 4: FINANCIAL GOVERNANCE								
Sub-programme 4.2: Accounting Services								
Element: Local Government Accounting								
Strategic objective: To improve the understanding and application of accounting standards and financial reporting within municipalities								
Strategic objective performance indicator		Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
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 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
17.1	Number of municipalities assessed against the accounting reporting framework	30	30	30	30	30	None	None
17.2	Number of municipalities supported with mSCOA reform	New PI	New PI	6	30	30	None	None
17.3	Number of capacity building interventions	2	3	2	2	2	None	None
17.4	Percentage of municipal financial assessments on submitted AFS	New PI	100%	100%	100%	100%*	None	None

* Method of calculation:

Numerator: Number of financial and governance assessments completed (30)

Denominator: Number of AFS received and number of mGAPS (30)

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 objective:

PROGRAMME 4: FINANCIAL GOVERNANCE								
Sub-programme 4.2: Accounting Services								
Element: Provincial Government Accounting and Compliance								
Strategic objective: To improve the application of accounting practices in line with the reporting framework, prepare consolidated financial statements and gradually drive financial governance reform								
Strategic objective performance indicator		Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
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 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
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	8	6	5	5	5	None	None
18.3	Timeous Publication and tabling of the ACFS	Published 1 month after receipt of audited AFS	1 month after receipt of audited AFS	1 month after receipt of audited AFS	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 assessment reports co-ordinated per vote	4	4	4	4	4	None	None
18.5	Number of interventions to institutionalise internal control within departments	13	13	13	13	16	3	The shift in the strategy to quarterly engagements with departments has resulted in 13 support plans being developed by the Provincial Treasury to address challenges faced by departments. The 3 internal control assessments conducted in the first quarter coupled with the 13 support plans developed in the second quarter resulted in the over-achievement of this target by 3 for the year.

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 objective:

Programme 4: FINANCIAL GOVERNANCE								
Sub-programme 4.3: Corporate Governance								
Strategic objective: To develop, monitor and advise on norms and standards of corporate governance within municipalities								
	Strategic objective performance indicator	Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
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 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
19.1	Number of municipal support interventions on BTO capacitation and development	15	11	15	10	10	None	None
19.2	Number of MGRO assessment reports coordinated per municipality	2	2	2	1	1	None	None
19.3	Number of municipal support initiatives on Governance Risk and Control	30	41	25	12	12	None	None

Sub-programme 4.3: Corporate Governance								
Programme performance indicator		Audited/ Actual Achievement			Planned target 2016/17	Actual achievement 2016/17	Deviation from planned target to actual achievement for 2016/17	Comment on deviations
		2013/14	2014/15	2015/16				
19.4	Number of municipal support initiatives on the municipal financial legal framework	New PI	6	5	5	5	None	None
19.5	Number of departmental support initiatives on the departmental financial legal framework	New PI	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 planned targets. Linking performance with budgets

Strategic objectives are linked to the sub-programmes.

Sub-programme expenditure

Sub-programme Name	2016/17			2015/16		
	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	4 904	4 493	411	2 381	1 506	875
4.2 Accounting Services	18 070	17 084	986	18 334	17 479	855
4.3 Corporate Governance	11 864	11 350	514	12 803	11 802	1 001
Total	34 838	32 927	1 911	33 518	30 787	2 731

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 R9.912 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	9 912	9 912	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

Transfer payments to municipalities for financial management support and improvement initiatives have been made to various municipalities to address issues such as revenue adequacy, optimisation and efficiency of revenue collection, responsive and credible budgets within municipalities, improving municipal audit outcomes, financial governance, strengthening supply chain management, financial systems improvements and assisting with improvement in financial health and sustainability status of municipalities.

The table below reflects the transfer payments made for the period 1 April 2016 to 31 March 2017.

Name of transferee	Purpose for which the funds were used	Compliance with s 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 grant	Yes	21 554	21 554	None
Departmental agencies and accounts	SABC TV licences	Yes	4	4	None
Households	Bursaries and leave gratuity	Yes	4 047	4 047	None
Gifts and donations	Best performing Previously Disadvantaged School and Essay writing competition	Yes	301	301	None

The table below reflects the transfer payments which were budgeted for in the period 1 April 2016 to 31 March 2017, 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
None				

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 IDP and SDBIPs. • Training and support to municipalities for IT usage. • Improved revenue streams and transparency in tariff setting. • Improvements to internal and external reporting on budget performance (in-year reports). • Compliance with regulatory requirements related to performance management and improvement in the usefulness and reliability of reported information against PDOs. • Improved SCM compliance and regulatory conformance. • Improvement in Financial Governance issues (Updating and creation of municipal websites, improved internal audit and risk units). • Improved audit outcomes.
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. • Improvement in the usefulness and reliability of reported information against PDOs. • Improved SCM compliance and regulatory conformance. • Improvement in financial governance issues such as internal audit and risk management. • Improved audit outcomes.
Amount per amended DoRA (R'000)	R22.014
Amount transferred (R'000)	R21.554
Reasons if amount as per DoRA not transferred	None

Amount spent by the department/ municipality (R'000)	R1.015
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 business plans with affected municipalities. • Ad hoc visits by the Department to monitor the impact and the appropriateness in terms of the spending of the funds allocated.

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 of its own as these are managed by the Department of Transport and Public Works (TPW). Annually it is expected of the Department to submit an Immoveable 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. However, the Infrastructure Directorate within the Provincial Treasury assisted the other key provincial departments to improve the degree and quality of infrastructure delivery. This included enhanced planning and more efficient procurement methodologies. The Infrastructure Delivery Management System or the WC-IDMS as approved by the Provincial Cabinet, is being systematically rolled-out and should set the tone for further infrastructure delivery improvements within the Province.

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

PART C: GOVERNANCE

1. INTRODUCTION

The Department maintained high standards in terms of the requirements as set out in the PFMA and the King IV Report on Corporate Governance. This is to provide Management as well as users the assurance that 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 (DoP) provides a centralised strategic support service to the Department.

In compliance with the National Treasury Public Sector Risk Management Framework (PSRMF) and to further embed risk management within the Department, the Western Cape Government (WCG) has adopted an ERM Policy Statement which sets out the WCG's overall intention with regard to ERM. The Department adopted an ERM Policy for the period 2016/17 - 2017/18, approved by the Accounting Officer on 19 April 2016; and an ERM Strategy and Implementation Plan for 2016/17, approved by the Accounting Officer on 28 April 2016. 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.

The Department assessed significant risks that could have an impact on the achievement of its objectives, both strategically and on a programme level, every three months. Risks were prioritised based on its likelihood and impact (inherently and residually) and additional mitigations were agreed upon to reduce risks to acceptable levels. New/emerging risks were identified during the quarterly review processes.

The Department established an Enterprise Risk Management Committee (ERMCO) to assist the Accounting Officer in executing his responsibilities relating to risk management. The Committee operated under a Terms of Reference approved by the Accounting Officer on 08 June 2016. ERMCO in the main evaluated the effectiveness of the mitigating strategies implemented to address the risks of the department and recommended further action where relevant.

The Governance and Administration Cluster Audit Committee furthermore monitors the risk management process independently as part of its quarterly review of the Department.

Enterprise Risk Management Committee

The Provincial Treasury has established an Enterprise Risk Management Committee (ERMCO) to assist the Accounting Officer in executing his respective responsibilities concerned with risk management. The ERMCO also aims to assist the Accounting Officer in creating an appropriate culture and system within which the practice of risk management and fraud prevention can take root and flourish. The Committee operates under a terms of reference approved by the Accounting Officer on 8 June 2016. The Committee comprises of select members of the Department's senior management team and for the 2015/16 financial year the department changed the membership of the committee by appointing additional members to the committee which encompasses of the Accounting Officer, the Deputy Director-General for Programme 2, 3 & 4, the Chief Directors within Programme 2, 3 & 4, Chief Financial Officer, Director: Strategic Operational Management Support, Head of Office: Ministry as well as the provincial partners in the areas of Enterprise Risk Management, Internal Audit and on invitation Provincial Forensics Services.

As per its terms of reference the Committee should meet 4 times a year. The Committee meetings during the financial year under review were attended as follows:

Member	Position	Scheduled Meetings	Attended
Mr Z Hoosain	Head of Department: Provincial Treasury	4	4
Mr H Malila	Deputy Director-General: Fiscal and Economic Services	4	3
Mr A Hardien	Deputy Director-General: Governance and Asset Management	4	3
Ms M Korsten	Chief Director: Public Policy Services	4	1*
Ms J Gantana	Chief Director: Provincial Government Public Finance	4	4
Mr M Sigabi	Chief Director: Local Government Public Finance	4	1
Mr I Smith	Chief Director: Asset Management	4	3
Mr B Vink	Chief Director: Financial Governance & Accounting	4	4
Mr A Gildenhuis	Chief Financial Officer	4	4
Ms A Smit	Director: Strategic and Operational Management Services	4	3*
Adv E Pretorius	Head of Office: Ministry	4	2
Mr M Williams	Director: Internal Audit	4	2
Ms B Beukes	Deputy Director: Internal Audit	4	4
Ms A Haq	Director: Provincial Enterprise Risk Management	4	3
Mr M Buwa	Chief Risk Advisor	4	4
Ms W Hansby	Department of the Premier: Provincial Forensic Services	1	1
Ms B Cebukhulu	Department of the Premier: Provincial Forensic Services	1	1

* The members were represented by alternate officials during the meetings they were not available.

Risk management process

During the period under review, Provincial Treasury assessed its risks relative to its strategic and annual performance plan. Risk assessments are conducted on a strategic level on an annual basis and updated quarterly. At a programme or operational level the risk assessments are conducted on a quarterly basis in order to review and update the existing risks and to identify emerging risks under the guidance of the ERM section within DotP. 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. The ERM had risk sessions with the TMM members and their Directors on a quarterly basis to update the department's strategic and operational risks that were discussed and evaluated in quarterly ERMCO meetings.

ERMCO that is chaired by the Accounting Officer ratifies, prioritises, approves and ensures that significant risks are mitigated with an appropriate risk response/treatment in order to meet the departmental strategic objectives. This process also feeds into the evaluation of the performance environment of the Department during their Quarterly Performance Review sessions.

The activities within ERMCO also culminate into quarterly cluster meetings where both the progress on Internal Audit activities and risk activities are presented and discussed during quarterly cluster meetings. A report of the chairperson of the Audit Committee is enclosed 84 to 86 of Part C of this document. Progress on the management of risks is discussed during the quarterly cluster audit committee meetings.

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-Corruption Strategy which confirms the Province's zero tolerance stance towards fraud and corruption. In line with this strategy the Department is committed to zero-tolerance with regard to corrupt or fraudulent 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's Fraud Prevention Plan was approved on 29 June 2016 and the Fraud Prevention Implementation Plan was approved on 29 June 2016. The Fraud Prevention Plan was further communicated to all officials within the Department under Financial Instruction 2 of 2016 as well as the Whistle-blowing Policy under Financial Instruction 1 of 2016.

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

Employees 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). In this regard a transversal Whistle-blowing Policy was approved on 24 February 2016 to provide guidelines to employees 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. Once fraud or corruption is confirmed after completion of an investigation, the relevant employee who participated in these acts will be subjected to a disciplinary hearing.

For the year under review, the PFS issued a Case Movement Certificate for the Department noting no new or any cases that were carried over from the 2015/16 reporting period.

Open cases as at 1 April 2016	0
New cases (2016/17)	0
Closed cases (2016/17)	0
Referred cases (2016/17)	0
Open cases as at 31 March 2017	0

However, the information is somewhat misleading for smaller departments in general, as the chances that theft and fraud would occur in a smaller department like the Provincial Treasury which is primarily focussed on service delivery (fiscal policy, allocative efficiency of resources and financial governance to departments and LGs). Given the current situation of losses of especially IT equipment it is important to note that it is expected that the clean review may change to negative scenario as AGSA clearly indicated in their Audit Report that during the current reporting period under review Internal control regressed and that disciplinary measures should be instituted where financial misconduct and irregular and wasteful expenditure occurs. Managers in the Department must take the lead and institute discipline and joint accountability which is a risk that needs serious attention during 2017/18.

4. MINIMISING CONFLICT OF INTEREST

The 2016/17 Enterprise Risk Management Implementation Plan was fully introduced in the Department. The financial disclosures of Senior Management Services 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 and Financial Accounting unit completed their financial disclosures for period 2016/17. During the reporting period eleven officials applied for Remunerative Work Outside of the Public Service (RWOPS), and their applications was recommended by the Ethics Officer and approved by the Head of Department. Currently any conflicts of interests are verified on the PERSAL system and exceptions are provided by the Directorate: Supporting and Interlinked Financial Systems unit to the Accounting Officer.

The DBAC members and secretariat of the Department also provide written confirmation that no conflict of interest exists in each of their meetings and deliberations. This declaration

also mitigates any potential confidentiality issues that may arise. The current Fraud Prevention Plan of the Department also caters for conflict of any interest of any official within the Department. No cases were identified in the Department 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 Public Service Regulations, 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. The names and details of floor and safety staff are displayed and periodic evacuation drills are conducted. During the period under review, the Department implemented an approved Evacuation Contingency plan which has been communicated to all employees and also accessible in

the dedicated spaces in the corridors. The Departmental Occupational Health and Safety policy was in its final consultation stages and it is envisaged to be approved in the new financial year. During the period under review, the Department implemented an approved Evacuation Contingency plan which has been communicated to employees and also accessible in the dedicated spaces in the corridors. The Departmental Occupational Health and Safety policy was in its final consultation stages and it is envisaged to be approved in the new financial year.

7. ACCESS TO INFORMATION

During the 2016/17 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 has utilised a host of file plans and embarked on a disposal project in 2015. The disposal project involved the tedious processing of previous file plans by administering records of historical value in terms of the Western Cape Archives and Records Service (WCARS) Act 3 of 2005. The project efforts resulted in the transfer of files totalling 65.07 linear metres to the WCARS during the financial year.

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

8. STANDING COMMITTEES

Date of Meeting	Committee	Subject	Response from Department
30 September 2016	Budget Committee	<p>Committee requested that Provincial Treasury provide the Committee with the following documents:</p> <ol style="list-style-type: none"> 1. A detailed report on the South African Multidimensional Poverty Index (SAMPI); 2. A detailed report on the reasons for the decline in the percentage of households that reported access to piped water; 3. A report on the methodology used to determine the impact of Brexit on the Western Cape economy; and 4. A report on the reasons for the increase in the food shortage in the Western Cape. 	Response submitted on 28 October 2016

Date of Meeting	Committee	Subject	Response from Department
24 November 2016	Budget Committee	<p>The Committee requested that the Department submits the following:</p> <ol style="list-style-type: none"> 1. In terms of jobs created as per the labour market trends, a detailed breakdown on the number of persons employed in the Province, including the sectors wherein these staff is employed, and whether these posts are of a contract or permanent nature. 2. A copy of the minutes relating to the strategy on decreasing the numbers of road fatalities from the Department of Transport and Public Works. 3. A report explaining why funds are being released to the George Municipality for George Link when the Department of Transport and Public Works has never received any Annual Financial Statements for this project. 4. A copy of the Revenue Enhancement Plan for Western Cape Provincial Government. 5. The Committee further resolved that in future Provincial Treasury in consultation with the Department of Local Government considers the Climate Change Adaptation plans for municipalities before allocating funds towards the support package to identified municipalities which falls under the drought and water security programme. 	Response submitted on 16 February 2017
07 March 2017	Budget Committee	<p>The Committee requested that Provincial Treasury provides it with the following information:</p> <ol style="list-style-type: none"> 1. A report which highlights the Provincial Reserves, including a reflection of the accounts in which all Provincial Reserves are held; as reflected on slide 14 of its presentation. 2. A geographical breakdown on the distribution of the 68.1% allocation of the provincial budget for the Cape Town Metro; as reflected on slide 29 of its presentation. 3. A detailed report indicating all maintenance and repairs done to Western Cape Government buildings over the Medium Term Expenditure Framework (MTEF) period, as indicated on slide 26 of its presentation, including a breakdown of the departments who were affected during this period. 	Response submitted on 19 April 2017

Date of Meeting	Committee	Subject	Response from Department
01 June 2016	Standing Committee of Finance	The Committee requested that the Minister provide the Committee with a report on the status of the future plans of office space for the WCGRB.	Response submitted on 19 September 2016
31 August 2016	Standing Committee of Finance	<p>The Committee requested that the Department provide the Committee with the following:</p> <ol style="list-style-type: none"> 1. A report on the R6 million budgeted for the Drought Relief Programme. 2. A report and the Gazette on the department's vacancies and critical posts to be filled. 3. The committee recommended that the department review the Western Cape Gambling and Racing Act (Act 4 of 1996) and its regulations for appointing board members. 	Response submitted on 25 January 2017
11 October 2016	Standing Committee of Finance	<p>The Committee resolved that:</p> <ol style="list-style-type: none"> 1. Provincial Treasury be requested to provide it with the names of the municipalities which returned funds, and the amount that was returned by each municipality, under Table 1: Departmental receipts on page 9 of the 2015/16 Annual report; 2. Provincial Treasury be requested to provide it with the Government Gazette No. 7584 on the Revenue Protection Measures on Drought Relief Response to three Municipalities; 3. Provincial Treasury be requested to provide it with a status report on the seven existing Public Private Partnerships and on the seven pending projects; 4. Provincial Treasury be requested to provide it with a Quarterly Report on the targets set and reached in terms of responsive budgets with specific reference to the Socio-economic targets; 5. Provincial Treasury be requested to provide it with a Quarterly Report on the progress made in terms of the filling of vacancies; 6. Provincial Treasury be requested to provide it with a status report on the Boards office accommodation; and 7. At a future date invite the Department of Transport and Public Works, Provincial Treasury and the relevant stakeholders to brief the committee on the progress, implementation process and the financial allocations to the Public Private Partnerships. 	Response submitted on 25 January 2017

Date of Meeting	Committee	Subject	Response from Department
16 November 2016	Standing Committee of Finance	<p>The Committee requested the following information:</p> <ol style="list-style-type: none"> 1. The new Standard for Infrastructure Procurement and Delivery Management (SPIDM) Model Policy and practical examples of how the policy is applied; and 2. A report that lists the key differences between the current Supply Chain Management Policy and the SPIDM. 	Response submitted on 10 July 2017
01 March 2017	Standing Committee of Finance	The Committee Requested that Provincial Treasury provide it with a report on the Procurement Systems implemented in the three spheres of government and the interactions between them.	Response submitted on 5 April 2017
01 March 2017	Standing Committee of Finance	How key risks are identified in the Risk Register (The Department of Provincial Treasury is requested to provide practical examples of how Transversal Risks are identified and managed as per the prescripts of the Departments Risk Management Policy and Strategy)	Response submitted on 31 March 2017
15 March 2017	Standing Committee of Finance	<p>The Committee requested that:</p> <ol style="list-style-type: none"> 1. The Provincial Treasury provide it with a report that details the processes and procedures to amend Money Bills before Parliament. 2. The Provincial Treasury provide it with a list of the municipalities that utilise the Western Cape Financial Management Capacity Building Grant to award bursaries to qualifying beneficiaries. The list should include bursary holder progress reports and details on the placement of these students and report on progress with regards to Overstrand Municipality and Swellendam Municipality not utilising the grant. 3. The Provincial Treasury provide it with a report on the social responsibility commitments of the banking institution who won the bid. 4. The Provincial Treasury and the Department of Transport and Public Works provide it with a report on the status of the office accommodation of the WCGRB. 5. The Minister provide it with a public entity review report. 	Response submitted on 19 April 2017

9. SCOPA RESOLUTIONS

The Committee noted the Auditor-General's audit opinion that the Department received a clean audit for the Annual Financial Statements in 2016/17 financial year. This audit opinion remains unchanged from the 2015/16 financial year.

Provincial Treasury spent R248.001 million of a budget of R254.548 million during the 2016/17 financial year, resulting in an overall under-expenditure of R6.547 million (2.6%), as reflected on page 135 of the Annual Report.

The under-expenditure of R6.547 million (2.6%) occurred within the following four programmes:

Programme 1 (Administration) - R1.397 million

Programme 2 (Sustainable Resource Management) - R2.512 million

Programme 3 (Asset Management) - R0.727 million

Programme 4 (Financial Governance) - R1.911 million

The Committee noted that the under-spending within the aforementioned programmes were attributed to vacant posts that were not filled in the Department, as well as the late procurement of consultancy services during the 2016/17 financial year.

SCOPA Resolution	Action taken on SCOPA Resolutions including associated costs	Impact on future financial years
An explanation in defining sections 14, 15 and 32 reports, as provided in the Promotion of Access to Information Act (Act 2 of 2000), as well as a copy of the aforementioned reports, as indicated on page 67 of the Annual Report.	The response was submitted to the Chairperson of the Standing Committee on Public Accounts: Mr D Joseph, MPP on 8 March 2017.	None.
The Section 32 report of the Promotion of Access to Information Act (Act 2 of 2000) for the 2015/16 financial year, provided to the Human Rights Commission, as reflected on page 67 of the 2015/16 Annual Report.	The response was submitted to the Chairperson of the Standing Committee on Public Accounts: Mr D Joseph, MPP on 8 March 2017.	None.
An expenditure analysis report on the funds spent by the various municipalities from the conditional grant allocated to them by Provincial Treasury.	The response was submitted to the Chairperson of the Standing Committee on Public Accounts: Mr D Joseph, MPP on 8 March 2017.	None.
The monitoring and evaluating mechanism used by the Department to monitor the expenditure of the conditional grants, as indicated on page 170 of the 2015/16 Annual Report.	The response was submitted to the Chairperson of the Standing Committee on Public Accounts: Mr D Joseph, MPP on 8 March 2017.	None.

10. PRIOR MODIFICATIONS TO AUDIT REPORTS

No modifications were made to prior audit reports.

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

11. INTERNAL CONTROL

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

- 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, LOGIS payments and 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 Asset Management: Notebooks, GG vehicles: Log Books, SCM: Contract Management and Granting and acceptance of gifts, donations and sponsorships in cash or kind.
- 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 G&A Cluster Audit Committee meeting.

The Department acknowledges that there are areas of improvement and the Senior Managers should assist the unit more in future to strengthen accountability within the Department. The Internal Control unit intends sending out a Financial Instruction on Financial Misconduct within the Department and ensure that measures are implemented to support the unit in attaining its goals in future.

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 the Department. It should assist the Department to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of Governance, Risk Management and Control processes. The following key activities are performed in this regard:

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

Internal Audit work completed during the year under review for the Department included eight assurance engagements and six follow-ups. 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 Mervyn Burton	B Compt; B Compt (Hons); CA(SA)	External	N/A	01 January 2015 (2 nd term)	N/A	7
Mr Louw van der Merwe	CA(SA); ACMA; CIA; CISA; CRMA	External	N/A	01 January 2014 (2 nd term)	2 nd term expired 31 December 2016	7
Mr Zaid Manjra	BCom; Dip Acc; CA(SA); MBL	External	N/A	01 January 2016 (2 nd term)	Resigned with effect from 30 April 2016	1
Ms Merle Kinnes	BA; LLB; Higher Certificate in Forensics Examination; Attorney of the High Court	External	N/A	01 January 2016 (1 st term)	N/A	8
Mr Yaseen Ismail	CA (SA), RA, Tax (Hons), CFE	External	N/A	01 May 2016 (1 st term)	N/A	7
Mr Jeremy James Fairbairn	Certificate in General Management and Consultancy; Hons B Com (Bus. Management); B. Com (Hons.); Higher Diploma in Education; B Com (Law)	External	N/A	01 January 2017 (1 st term)	N/A	1

13. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2017.

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 Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

In line with the PFMA, Treasury Regulations and the King IV Report on Corporate Governance requirements, 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 the internal audit during the year under review:

Assurance Engagements

- Provincial Government Cash and Investment Management (carried over from 2015/16 IA plan);
- Provincial Government Budget and Finance (carried over from 2015/16 IA plan);
- Provincial Government Supply Chain Management;
- Local Government Budget and In-Year Monitoring;
- ICT Governance – Application Portfolio Management (ICT Audit Plan);
- Local Government Supply Chain Management;
- DPSA Delegations Framework;
- Normative Financial Compliance/MGRO Process;
- Transfer Payments (Follow Up);
- ICT Disaster Recovery Plans (ICT Audit Plan);
- ICT Infrastructure Change Management (ICT Audit Plan); and
- ICT MS SQL Database Review (ICT Audit Plan).

The above assignments were completed during the year.

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

In-Year 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 material adjustments resulting from the audit of the Department (where appropriate).

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.

Auditor-General's Report

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.



Mr Mervyn Burton

**Chairperson of the Governance & Administration Cluster Audit Committee
Western Cape Department of the Premier**

15 August 2017

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

Our unique contribution to the work of the Western Cape Government is largely ascribed to the persistent, and often selfless, efforts of the people within the Provincial Treasury. Building a new service delivery trajectory and successfully directing the collective efforts of our team 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 interdependent and interrelated, 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 this, the consistent hard work of our people, amidst the ever-challenging circumstances, has resulted in remarkable achievements and service delivery improvement during the year under review.

1.1 Vacancy rate

In order to effect ongoing service delivery efforts in the Public Service, the Department of Public Service and Administration (DPSA) launched a strategy in 2011 to reduce the vacancy rate in Departments to a national standard below 10%. Compliance with the strategy is monitored by the Forum for South African Directors General (FOSAD) as well as the Department of Planning, Monitoring and Evaluation (DPME) through the Monitoring Performance Assessment Tool (MPAT).

At the end of the 2016/17 financial year, the Department had an overall vacancy rate of 1.6%. This is an improvement on the 1.9% vacancy rate achieved during 2015/16. In the critical occupations category, the vacancy rate was also below the 10% norm at 1.1%. Strategies to mitigate the risk of exiting staff are unpacked in the Department's approved Workforce Plan.

1.2 Age Profile of the Department

The Department has a young and vibrant workforce, with 58.5% of our people younger than 40 years. The average age of Provincial Treasury employees is 38 years, while 7.7% of the workforce are nearing retirement.

1.3 Internship Programmes

The Department created learning opportunities for 7 unemployed matriculants through the Premier's Advancement of Youth Programme (PAY Internship Programme) and provided workplace experience for four graduate interns. A further four student interns gained experiential learning as part of their course work. The 15 interns comprised 4.4% of the total workforce remunerated over the period.

1.4 Sick Leave

The utilisation of sick leave is monitored closely to ensure that –

1. Service delivery continues unabated;
2. Wellness initiatives have the desired workforce impact;
3. Employees receive the required employer support; and
4. There is full compliance with legislation and policy determinations governing sick leave usage.

The illnesses with the highest utilisation rate are lung-related diseases, colds and influenza. Stress-related illnesses accounted for 1.7% of the total illness types registered during the year under review.

2. STATUS OF PEOPLE MANAGEMENT AT THE DEPARTMENT

2.1 Departmental Workforce Planning Priorities

The Workforce Plan sets out to review the Department's People capacity needs systematically, to ensure that the Department ultimately has the right number and type of Human Resources and practices to deliver a relevant, comprehensive, professional and efficient public sector service to the people of the Western Cape (and to client Departments). It also sets out to ensure that the composition of the Department becomes more representative of the society it serves. The 5-year plan was implemented on 1 April 2016.

WF Planning Priorities	Outcomes	Approach to mitigate risk and achieve outcome
Recruitment and Selection	Competent people in the right numbers, at the right place, at the right time, with the right attitude.	Develop a Recruitment Planning Toolkit with timeframes to prioritise the filling of SMS posts and critical/key posts and include innovative ways to attract and retain employees in key positions.
		Prioritise the filling of vacant posts when they become available, within the available MTEF budget. Staggered implementation of increased number of years' experience required. Participate in DPSA process to develop benchmark job descriptions and the grading of core Provincial Treasury posts/jobs.
		Develop and implement the Youth Empowerment Policy to recruit Graduate Interns on completion of their Internships (permanent appointment). Extension of contract of Interns for period of 3 – 6 months to meet experience requirement.
Employment Equity/Diversity Management	Competent people in the right numbers at the right place at the right time with the right attitude.	Develop and implement the EE Implementation Framework (e.g. investigate the possibility of including the preferential allocation of points in the selection criteria). In line with the new EE Plan address the under-representation of designated groups (based on both Provincial and national demographic targets, where applicable): <ul style="list-style-type: none"> • <i>Increasing the employment of Africans and women in the SMS cadre</i> • <i>Development and recruitment of people with disabilities, with a view to ensure equitable distribution across all levels throughout the department</i>

WF Planning Priorities	Outcomes	Approach to mitigate risk and achieve outcome
Succession Planning and Career Development	Competent people in the right numbers, at the right place, at the right time, with the right attitude.	<p>Development and implementation of Provincial Career and Succession Planning Framework (PMS). Mentoring and coaching, inclusive of designated groups, across all occupational levels.</p> <p>Implementation of Mentoring and Coaching System.</p> <p>Create a talent pool of graduate interns (bursary obligators) to address Succession Planning.</p> <p>Fill posts permanently to allow for job shadowing and skills transfer before the more experienced person retires.</p>
Retention	Competent people in the right numbers at the right place at the right time with the right attitude.	<p>Employee value proposition marketing strategy to be developed and implemented to market the Department as Employer of Choice.</p> <p>Implement the On-boarding framework.</p> <p>Develop and implement the Attraction and Retention Framework.</p>
Organisational Structure	A performance conducive workplace.	<p>Re-assessment of current Departmental structure to ensure that it is structured appropriately and adequately to respond to the increasing governance requirements and fiscal policy environment.</p> <p>Review of departmental structures:</p> <ul style="list-style-type: none"> • <i>HOD Support (transversal)</i> • <i>Departmental Projects Office</i> • <i>Financial Governance</i> • <i>Physical Infrastructure</i> • <i>Provincial Government Public Finance (Expenditure Management)</i> • <i>Data and Information Management Temporary Capacity</i> • <i>Supply Chain Management and Moveable Assets</i> • <i>IFMS temporary capacity</i> • <i>Local Government Finance</i> • <i>Financial Management Capacity Building</i>

WF Planning Priorities	Outcomes	Approach to mitigate risk and achieve outcome
Training and Development	Competent people in the right numbers at the right place at the right time with the right attitude.	In line with HRDIP, ensure that strategic training interventions are implemented for the acquiring of the necessary skills/knowledge on the following areas as identified: <ul style="list-style-type: none"> • <i>Leadership development for MMS</i> • <i>Leadership development for Public sector finance</i> • <i>Generally, Recognised Accounting Practices (GRAP) conversion skills</i> • <i>ICT – re-skilling with regard to new web-based systems (CEI training)</i> • <i>Coping with change</i> • <i>Critical competencies</i>
		Develop and adopt Training and Development Framework for Interns (bursary obligators). Identified coaches for graduate interns to attend Mentoring and Coaching for Middle Management training course presented by PTI.
Employee Health and Wellness	Health and Wellness services and health and safety interventions delivered to employees	Explore the idea of a “return to work” interview. Liaison with the Department of Transport and Public Works regarding occupational health and safety requirements (including air conditioning and temperature control).
Culture and Ethics	Implementation of the Transversal Organisational Culture Strategy Organisational Culture Assessment completed (every second year)	Decrease the entropy level through the following: <ul style="list-style-type: none"> • <i>Conduct an analysis of all data on the organisational culture</i> • <i>Workshop the findings and recommendations of the above analysis with management team</i> • <i>Compile a development roadmap</i> • <i>Implement and monitor the development roadmap</i>

2.2 Employee Performance Management

One of the cornerstones of the Staff Performance Management System is the basic requirement that all employees are obliged to do what is expected of them. These expectations and the required performance standards are concretised by means of job descriptions, performance agreements, business plans and/or service level agreements. Rewards and incentives are therefore only granted for work that qualitatively and quantitatively surpasses work for which employees are remunerated.

Employees who are nominated for performance bonuses are assessed by moderation panels, who then examine the evidence of superior performance. Under-performing staff members, on the other hand, are required to complete the actions stipulated in a Performance Improvement Plan. These are closely monitored to ensure absolute compliance with acceptable performance standards.

The framework also seeks to promote a positive workplace culture that encourages formal and informal discussions about performance quality, lead practice and continuous individual improvement.

This system sets the framework in which both the employer and employee can equally realise their goals and objectives to ensure the achievement of PSG 5, namely to *Embed good governance and integrated service delivery through partnerships and spatial alignment*.

2.3 Employee Wellness

Developing a wellness culture in the Department is of strategic importance to ensure that employees achieve optimum levels of performance while feeling cared for and supported in the work context. The WCG's transversal Employee Health and Wellness Programme (EHW) follows a holistic approach to employee wellbeing 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 Service 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).

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 and the figures in Table 3.1.2 are drawn from the PERSAL [Personnel Salary] system. The two systems are not synchronised for salary refunds in respect of staff appointments and resignations and/or transfers to and from other departments. 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, 2016/17

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	49 537	33 339	5 501	10 404	67.3	362	92
Programme 2	111 431	62 301	241	17 650	55.9	511	122
Programme 3	54 106	34 153	230	18 295	63.1	455	75
Programme 4	32 927	27 612	1 766	5 231	83.9	502	55
Total	248 001	157 405	7 738	51 580	63.5	458	344

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, 2016/17

Salary bands	Personnel Expenditure (R'000)	% of total personnel expenditure	Average personnel expenditure per employee (R'000)	Number of Employees
Lower skilled (Levels 1 - 2)	581	0.4	42	14
Skilled (Levels 3 - 5)	6 170	3.9	193	32
Highly skilled production (Levels 6 - 8)	18 281	11.6	258	71
Highly skilled supervision (Levels 9 - 12)	108 680	69.1	535	203
Senior management (Levels 13 - 16)	23 576	15.0	982	24
Total	157 288	100.0	457	344

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, 2016/17

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	22 444	14.3	72	0.05	625	0.4	1 011	0.6
Programme 2	45 249	28.8	514	0.3	914	0.6	1 726	1.1
Programme 3	25 336	16.1	0	0.0	636	0.4	1 225	0.8
Programme 4	20 442	13.0	0	0.0	539	0.3	860	0.5
Total	113 472	72.1	586	0.4	2 713	1.7	4 823	3.1

Table 3.1.4 Salaries, Overtime, Housing Allowance and Medical Assistance by salary band, 2016/17

Salary Bands	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Lower skilled (Levels 1 - 2)	507	0.3	0	0.0	7	0.004	6	0.004
Skilled (Levels 3 - 5)	4 340	2.8	16	0.01	263	0.2	335	0.2
Highly skilled production (Levels 6 - 8)	14 443	9.2	92	0.1	530	0.3	848	0.5
Highly skilled supervision (Levels 9 - 12)	79 183	50.3	478	0.3	1 799	1.1	3 423	2.2
Senior management (Levels 13 - 16)	14 997	9.5	0	0.0	114	0.1	210	0.1
Total	113 472	72.1	586	0.4	2 713	1.7	4 823	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 2017

Programme	Number of active posts	Number of posts filled	Vacancy rate %
Programme 1	64	64	0.0
Programme 2	116	112	3.4
Programme 3	72	71	1.4
Programme 4	59	59	0.0
Total	311	306	1.6

Table 3.2.2 Employment and vacancies by salary band, as at 31 March 2017

Salary Band	Number of active posts	Number of posts filled	Vacancy rate %
Lower skilled (Levels 1 - 2)	3	2	33.3
Skilled (Levels 3 - 5)	37	37	0.0
Highly skilled production (Levels 6 - 8)	54	52	3.7
Highly skilled supervision (Levels 9 - 12)	194	193	0.5
Senior management (Levels 13 - 16)	23	22	4.3
Total	311	306	1.6

Table 3.2.3 Employment and vacancies by critical occupation, as at 31 March 2017

Critical Occupations	Number of active posts	Number of posts filled	Vacancy rate %
Economist	20	20	0.0
Expenditure Analyst (PG)	10	10	0.0
Financial Analyst	17	17	0.0
Infrastructure Analyst	9	9	0.0
Procurement Specialist/ Analyst	18	18	0.0
Revenue and Expenditure Analyst (LG)	15	14	6.7
State Accountant	2	2	0.0
Total	91	90	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. These critical occupations are identified in the Department's Workforce Plan 2016 – 2021.

3.3 Job evaluation

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

Table 3.3.1 summarises the number of posts that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.3.1 Job evaluation, 1 April 2016 to 31 March 2017

Salary Band	Total number of posts as at 31 March 2017	Number of posts evaluated	% of posts evaluated	Posts Upgraded		Posts Downgraded	
				Number	Posts upgraded as a % of total posts	Number	Posts downgraded as a % of total posts
Lower skilled (Levels 1 - 2)	3	0	0.0	0	0.0	0	0.0
Skilled (Levels 3 - 5)	37	12	3.9	0	0.0	0	0.0
Highly skilled production (Levels 6 - 8)	54	4	1.3	0	0.0	0	0.0
Highly skilled supervision (Levels 9 - 12)	194	0	0.0	0	0.0	0	0.0
Senior Management Service Band A (Level 13)	16	0	0.0	0	0.0	0	0.0
Senior Management Service Band B (Level 14)	4	0	0.0	0	0.0	0	0.0
Senior Management Service Band C (Level 15)	2	0	0.0	0	0.0	0	0.0
Senior Management Service Band D (Level 16)	1	0	0.0	0	0.0	0	0.0
Total	311	16	5.1	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 2016 to 31 March 2017

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

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 2016 to 31 March 2017

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
Director	1	13	-	6 notch increment	Attraction
Research Analyst	1	9	-	8 notch increment	Attraction
Total				2	
Percentage of total employment				0.7	

Table 3.3.4 Profile of employees who have been granted higher salaries than those determined by job evaluation, 1 April 2016 to 31 March 2017

Beneficiaries	African	Indian	Coloured	White	Total
Female	0	0	0	0	0
Male	1	0	1	0	2
Total	1	0	1	0	2
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 intern information.

Table 3.4.1 Annual turnover rates by salary band, 1 April 2016 to 31 March 2017

Salary Band	Number of employees as at 31 March 2016	Turnover rate % 2015/16	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate 2016/17
Lower skilled (Levels 1 - 2)	3	0.0	0	0	1	1	66.7
Skilled (Levels 3 - 5)	29	0.0	8	0	0	0	0.0
Highly skilled production (Levels 6 - 8)	64	41.3	2	2	12	2	21.9
Highly skilled supervision (Levels 9 - 12)	200	9.6	2	0	8	3	5.5
Senior Management Service Band A (Level 13)	14	7.7	4	0	2	0	14.3
Senior Management Service Band B (Level 14)	3	0.0	0	0	0	0	0.0
Senior Management Service Band C (Level 15)	2	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	316	13.8	16	2	23	6	9.2
			18		29		

Note: "Transfers" refer to the lateral movement of employees from one Public Service Department to another (both Provincially & Nationally). The turnover rate is determined by calculating the total exits as a percentage of the baseline (Number of employees as at 31 March 2016).

Table 3.4.2 Annual turnover rates by critical occupation, 1 April 2016 to 31 March 2017

Critical Occupation	Number of employees as at 31 March 2016	Turnover rate % 2015/16	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate % 2016/17
Economist	20	18.2	0	0	0	0	0.0
Expenditure Analyst (PG)	10	16.7	0	0	0	0	0.0
Financial Analyst	15	6.3	0	0	0	0	0.0
Infrastructure Analyst	9	0.0	0	0	0	0	0.0
Procurement Specialist/Analyst	18	33.3	0	0	1	0	5.6
Revenue and Expenditure Analyst (LG)	17	0.0	0	0	2	1	17.6
State Accountant	3	0.0	0	0	0	1	33.3
Total	92	15.8	0	0	3	2	5.4
			0		5		

Note: "Transfers" refer to the lateral movement of employees from one Public Service Department to another (both Provincially & Nationally). The turnover rate is determined by calculating the total exits as a percentage of the baseline (Number of employees as at 31 March 2016).

Table 3.4.3 Staff leaving the employ of the Department, 1 April 2016 to 31 March 2017

Exit Category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2016
Death	0	0.0	0.0
Resignation*	10	34.5	3.2
Expiry of contract	8	27.6	2.5
Dismissal – operational changes	0	0.0	0.0
Dismissal – misconduct	0	0.0	0.0
Dismissal – inefficiency	0	0.0	0.0
Discharged due to ill-health	1	3.4	0.3
Retirement	4	13.8	1.3
Employee initiated severance package	0	0.0	0.0
Transfers to Statutory	0	0.0	0.0
Transfers to other Public Service departments	6	20.7	1.9
Total	29	100.0	9.2

* Resignations are further discussed in Tables 3.4.4 and 3.4.5.

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

Table 3.4.4 Reasons why staff resigned, 1 April 2016 to 31 March 2017

Resignation Reasons	Number	% of total resignations
Better remuneration	1	10.0
Family/personal circumstances	2	20.0
Interpersonal relationships	1	10.0
Lack of Promotional Opportunity	4	40.0
No reason provided	1	10.0
Starting own business	1	10.0
Total	10	100.0

Table 3.4.5 Different age groups of staff who resigned, 1 April 2016 to 31 March 2017

Age group	Number	% of total resignations
Ages <19	0	0.0
Ages 20 to 24	2	20.0
Ages 25 to 29	0	0.0
Ages 30 to 34	1	10.0
Ages 35 to 39	4	40.0
Ages 40 to 44	0	0.0
Ages 45 to 49	0	0.0
Ages 50 to 54	2	20.0
Ages 55 to 59	1	10.0
Ages 60 to 64	0	0.0
Ages 65 >	0	0.0
Total	10	100.0

Table 3.4.6 Employee initiated severance packages

Total number of employee initiated severance packages offered in 2016/17	None
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Table 3.4.7 Promotions by salary band, 1 April 2016 to 31 March 2017

Salary Band	Number of Employees as at 31 March 2016	Promotions to another salary level	Promotions as a % of total employees	Progressions to another notch within a salary level	Notch progressions as a % of total employees
Lower skilled (Levels 1 - 2)	3	0	0.0	1	33.3
Skilled (Levels 3 - 5)	29	0	0.0	11	37.9
Highly skilled production (Levels 6 - 8)	64	0	0.0	27	42.2
Highly skilled supervision (Levels 9 - 12)	200	0	0.0	130	65.0
Senior management (Levels 13 - 16)	20	1	5.0	11	55.0
Total	316	1	0.3	180	57.0

Note: Promotions reflect the salary level of an employee after he/she was promoted. Employees who do not qualify for notch progressions include those who are on probation, as well as poor performing employees.

Table 3.4.8 Promotions by critical occupation, 1 April 2016 to 31 March 2017

Critical Occupation	Number of Employees as at 31 March 2016	Promotions to another salary level	Promotions as a % of total employees in critical occupations	Progressions to another notch within a salary level	Notch progressions as a % of total employees in critical occupations
Economist	20	0	0.0	16	80.0
Expenditure Analyst (PG)	10	0	0.0	8	80.0
Financial Analyst	15	0	0.0	11	73.3
Infrastructure Analyst	9	0	0.0	6	66.7
Procurement Specialist/Analyst	18	0	0.0	8	44.4
Revenue and Expenditure Analyst (LG)	17	0	0.0	10	58.8
State Accountant	3	0	0.0	1	33.3
Total	92	0	0.0	60	65.2

Note: Promotions reflect the salary level of an employee after he/she was promoted. Employees who do not qualify for notch progressions include those who are on probation, as well as poor performing employees.

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 2017

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	0	2	1	0	0	0	0	0	0	0	3
Senior management (Levels 13 - 14)	4	5	1	3	0	4	1	1	0	0	19
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	19	51	2	18	28	66	1	8	0	0	193
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	8	8	0	0	8	20	0	9	0	0	53
Semi-skilled and discretionary decision-making (Levels 3 - 5)	6	12	0	0	5	12	0	1	0	0	36
Unskilled and defined decision-making (Levels 1 - 2)	0	0	0	0	1	1	0	0	0	0	2
Total	37	78	4	21	42	103	2	19	0	0	306
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	37	78	4	21	42	103	2	19	0	0	306

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 2017

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	1	0	0	0	0	0	1	0	0	2
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	0	1	0	0	0	0	0	2	0	0	3
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	0	1	0	0	0	0	0	2	0	0	3

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 2016 to 31 March 2017

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)	3	1	0	0	0	0	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	1	1	0	0	0	0	0	0	0	0	2
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	0	3	0	0	0	1	0	0	0	0	4

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Semi-skilled and discretionary decision-making (Levels 3 - 5)	2	2	0	0	1	3	0	0	0	0	8
Unskilled and defined decision-making (Levels 1 - 2)	0	0	0	0	0	0	0	0	0	0	0
Total	6	7	0	0	1	4	0	0	0	0	18
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	6	7	0	0	1	4	0	0	0	0	18

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 2016 to 31 March 2017

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	1	0	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	0	0	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	0	0	0	0	0	0	0	0	0	0	0
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	0	1	0	0	1						
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	0	1	0	0	1						

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 2016 to 31 March 2017

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	1	1	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	1	2	0	2	1	1	0	1	0	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	0	4	0	0	3	6	0	2	0	0	15
Semi-skilled and discretionary decision-making (Levels 3 - 5)	0	0	0	0	1	2	0	0	0	0	3
Unskilled and defined decision-making (Levels 1 - 2)	0	1	0	0	0	0	0	0	0	0	1
Total	1	7	1	3	5	9	0	3	0	0	29
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	1	7	1	3	5	9	0	3	0	0	29

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 2016 to 31 March 2017

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

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 2016 to 31 March 2017

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15 - 16)	0	0	0	0	0	0	0	0	0
Senior management (Levels 13 - 14)	1	1	2	2	0	2	0	1	9
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	17	52	1	18	30	66	1	8	193
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	7	6	0	0	9	19	0	7	48
Semi-skilled and discretionary decision-making (Levels 3 - 5)	4	10	0	0	5	10	0	1	30
Unskilled and defined decision-making (Levels 1 - 2)	0	1	0	0	0	0	0	0	1
Total	29	70	3	20	44	97	1	17	281
Temporary employees	0	0	0	0	0	0	0	0	0
Grand total	29	70	3	20	44	97	1	17	281

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. This Information excludes interns but includes trainees.

3.6 Signing of Performance Agreements by SMS members

Table 3.6.1 Signing of Performance Agreements by SMS Members, as at 31 May 2016

SMS Post Level	Number of active SMS posts per level	Number of SMS members per level	Number of signed Performance Agreements per level	Signed Performance Agreements as % of SMS members per level
Head of Department	1	1	1	100.0
Salary Level 15	2	2	2	100.0
Salary Level 14	3	3	3	100.0
Salary Level 13	14	14	13	92.9
Total	20	20	19	95.0

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 2016

Reasons for not concluding Performance Agreements with all SMS
A SL13 employee was appointed on 1 May 2016, and therefore has three calendar months from appointment date to conclude a performance agreement. The performance agreement has since been concluded.

Table 3.6.3 Disciplinary steps taken against SMS Members for not having concluded Performance Agreements on 31 May 2016

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 2016

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	-
Salary Level 15	2	2	0	0	-
Salary Level 14	4	4	100.0	0	-
Salary Level 13	12	12	100.0	0	-
Total	19	19	100.0%	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 2017

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	-
Salary Level 15	2	2	100.0	0	-
Salary Level 14	4	4	100.0	0	-
Salary Level 13	16	15	93.8	1	6.3
Total	23	22	95.7	1	4.3

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 2017

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	0	0	0
Salary Level 14	0	1	0
Salary Level 13	0	3	0
Total	0	4	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 16, but not HOD	N/A
Salary Level 15	N/A
Salary Level 14	N/A
Salary Level 13	<p>Director: Fiscal Policy (not filled within 12 months)</p> <p>This post was first advertised with reference number: SMS28/2013, no suitable candidate was identified. The post was re-advertised with reference number: SMS 07/2014, again no suitable candidate found. The post was re-advertised on the third occasion with reference number: PT223/2015, the successful candidate declined the offer. The post was advertised again in 2016 with reference number PT 203/2016 and the successful candidate assumed duty on 01 February 2017.</p>

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 required.

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 2016 to 31 March 2017

Salary Band	Employees as at 31 March 2016	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1 - 2)	3	1	33.3
Skilled (Levels 3 - 5)	29	11	37.9
Highly skilled production (Levels 6 - 8)	64	27	42.2
Highly skilled supervision (Levels 9 - 12)	200	130	65.0
Senior management (Levels 13 - 16)	20	11	55.0
Total	316	180	57.0

Table 3.8.2 Notch progressions by critical occupation, 1 April 2016 to 31 March 2017

Critical Occupations	Employees as at 31 March 2016	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Economist	20	16	80.0
Expenditure Analyst (PG)	10	8	80.0
Financial Analyst	15	11	73.3
Infrastructure Analyst	9	6	66.7
Procurement Specialist/ Analyst	18	8	44.4
Revenue and Expenditure Analyst (LG)	17	10	58.8
State Accountant	3	1	33.3
Total	92	60	65.2

To encourage good performance, the Department has granted the following performance rewards to employees for the performance period 2015/16, but paid in the financial year 2016/17. 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). Not all employees are eligible for performance rewards. Employees who are on probation, employees who perform satisfactorily as well poor performing employees do not qualify for performance rewards.

Table 3.8.3 Performance rewards by race, gender, and disability, 1 April 2016 to 31 March 2017

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2016	% of total within group	Cost (R'000)	Average cost per beneficiary (R)
African	17	78	21.8	227	13 339
Male	6	32	18.8	113	18 768
Female	11	46	23.9	114	10 378
Coloured	93	184	50.5	1 472	15 823
Male	37	77	48.1	633	17 098
Female	56	107	52.3	839	14 982
Indian	2	7	28.6	115	57 430
Male	1	5	20.0	84	84 488
Female	1	2	50.0	30	30 373
White	21	44	47.7	386	18 358
Male	13	24	54.2	314	24 185
Female	8	20	40.0	71	8 890
Employees with a disability	2	3	66.7	18	8 770
Total	135	316	42.7	2 218	16 417

Table 3.8.4 Performance rewards (cash bonus), by salary bands for personnel below Senior Management Service level, 1 April 2016 to 31 March 2017

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2016	% 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	3	33.3	2	2 452	0.0
Skilled (Levels 3 - 5)	9	29	31.0	39	4 340	0.0
Highly skilled production (Levels 6 - 8)	22	64	34.4	192	8 748	0.1
Highly skilled supervision (Levels 9 - 12)	89	200	44.5	1 488	16 723	1.1
Total	121	296	40.9	1 721	14 234	1.3

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 2016 to 31 March 2017

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2016	% 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)	9	14	64.3	265	29 437	1.1
Senior Management Service Band B (Level 14)	3	3	100.0	101	33 544	0.4
Senior Management Service Band C (Level 15)	1	2	50.0	44	43 917	0.2
Senior Management Service Band D (Level 16)	1	1	100.0	84	84 488	0.4
Total	14	20	70.0	494	35 283	2.1

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 2016 to 31 March 2017

Critical Occupation	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2016	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of total personnel expenditure
Economist	6	20	30.0	133	22 141	0.1
Expenditure Analyst (PG)	4	10	40.0	77	19 242	0.1
Financial Analyst	9	15	60.0	147	16 313	0.1
Infrastructure Analyst	5	9	55.6	71	14 268	0.1
Procurement Specialist/Analyst	5	18	27.8	89	17 821	0.1
Revenue and Expenditure Analyst (LG)	6	17	35.3	52	8 611	0.04
State Accountant	0	3	0.0	0	0	0.0
Total	35	92	38.0	569	16 250	0.4

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 2016 to 31 March 2017

Salary Band	1 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% change
None						

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 2016 to 31 March 2017

Major Occupation	1 April 2016		31 March 2017		Change	
	Number	% of total	Number	% of total	Number	% change
None						

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 2016 to 31 December 2016

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 2016 to 31 December 2016

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	Total number of employees	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1 - 2)	61	98.4	3	3	100.0	20	21
Skilled (Levels 3 - 5)	217	69.6	28	32	87.5	8	121
Highly skilled production (Levels 6 - 8)	657	77.5	59	67	88.1	11	581
Highly skilled supervision (Levels 9 - 12)	1 847	79.4	189	203	93.1	10	2 806
Senior management (Levels 13 - 16)	152	88.2	17	24	70.8	9	415
Total	2 934	79.1	296	329	90.0	10	3 944

Note: The three-year sick leave cycle started in January 2016 and ends 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 2016 to 31 December 2016

Salary Band	Total days	% days with medical certification	Number of Employees using incapacity leave	Total number of employees	% of total employees using incapacity leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1 - 2)	25	100.0	1	3	33.3	25	9
Skilled (Levels 3 - 5)	0	0.0	0	32	0.0	0	0
Highly skilled production (Levels 6 - 8)	13	100.0	1	67	1.5	13	12
Highly skilled supervision (Levels 9 - 12)	44	100.0	2	203	1.0	22	62
Senior management (Levels 13 - 16)	44	100.0	1	24	4.2	44	110
Total	126	100.0	5	329	1.5	25	193

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 2016 to 31 December 2016

Salary Band	Total days taken	Total number employees using annual leave	Average number of days taken per employee
Lower skilled (Levels 1 - 2)	32	2	16
Skilled (Levels 3 - 5)	642	32	20
Highly skilled production (Levels 6 - 8)	1 533	75	20
Highly skilled supervision (Levels 9 - 12)	4 805	201	24
Senior management (Levels 13 - 16)	437	21	21
Total	7 449	331	23

Table 3.10.4 Capped leave, 1 January 2016 to 31 December 2016

Salary Band	Total capped leave available as at 31 Dec 2015	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 2015	Total capped leave available as at 31 Dec 2016
Lower skilled (Levels 1 - 2)	0	0	0	0	0	0
Skilled (Levels 3 - 5)	179	1	1	1	2	178
Highly skilled production (Levels 6 - 8)	222	0	0	0	13	222
Highly skilled supervision (Levels 9 - 12)	2 655	25	3	8	44	2 630
Senior management (Levels 13 - 16)	572	0	0	0	5	572
Total	3 628	26	4	7	64	3 602

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 summarises capped and annual leave payments made to employees as a result of non-utilisation.

Table 3.10.5 Leave pay-outs, 1 April 2016 to 31 March 2017

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee (R)
Leave pay-outs during 2016/17 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service for 2016/17	1 513	3	504 405
Current leave pay-outs on termination of service 2016/17	176	8	22 008
Total	1 689	11	153 571

3.11 Health Promotion Programmes, including HIV and AIDS

Table 3.11.1 Steps taken to reduce the risk of occupational exposure, 1 April 2016 to 31 March 2017

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
<p>The nature of the Department's work does not expose employees to increased risk of contracting HIV & AIDS. Despite the very low occupational risk, all employees have been targeted at all levels within the Department.</p>	<p>HIV & AIDS Counselling and Testing (HCT) and Wellness screenings were conducted in general. The outsourced Health and Wellness contract for the Employee Health and Wellness Programme (EHWP) provides employees and their immediate family members (it means the spouse or partner of an employee or children living with an employee) with a range of services. These services include the following:</p> <ul style="list-style-type: none"> ▪ 24/7/365 Telephone counselling; ▪ Face to face counselling (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 2016 to 31 March 2017

Question	Yes	No	Details, if yes
<p>1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.</p>	√		<p>Ms Reygana Shade, Director: Organisational Behaviour, (Department of the Premier).</p>
<p>2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.</p>	√		<p>The Corporate Services Centre (CSC) within the Department of the Premier provides a transversal service to 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 wellbeing of employees in the eleven (11) client departments.</p> <p>The unit consists of a Deputy Director, three (3) Assistant Directors, and two (2) EHW Practitioners.</p> <p>Budget: R2.65 m</p>

Question	Yes	No	Details, if yes
<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>	√		<p>The Department has entered into a service level agreement with ICAS (external service provider) to render an Employee Health and Wellness Service to the eleven departments of the Corporate Services Centre (CSC).</p> <p>The Department conducted interventions namely, Employee Information Session (EHW Services and Nutrition Information), Enrichment Relationship, Diversity Management, Financial Management and Self-Development, Stress and Resilience and Coaching for employees.</p> <p>These interventions were planned based on the trends reported quarterly through the Employee Health and Wellness Programme (EHWP) reports provided by the service provider, ICAS, for the period 2016/17. The reports were based on the utilisation of the EHW services and management information in order to target appropriate interventions to address these trends.</p> <p>The targeted interventions were aimed at improving employee engagement through awareness and educational interventions that promote healthy lifestyles and coping skills. This involves presentations to create awareness and encourage employees to have a pro-active approach to limit the impact of these problems in the workplace. The above-mentioned interventions were conducted for the targeted departments, managers and supervisors as well as executive coaching for SMS members.</p> <p>The department also provided information sessions, as requested by various departments in the Western Cape Government (WCG) to inform employees of the EHW service, how to access the Employee Health and Wellness Programme (EHWP). Promotional material such as pamphlets, posters and brochures were distributed.</p>
<p>4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.</p>	√		<p>The Provincial Employee Health and Wellness Steering Committee has been established with members nominated by each department.</p> <p>Provincial Treasury is represented by 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 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.</p> <p>During the period under review, the Department of the Premier has developed four (4) Provincial Employee Health and Wellness Policies which were ratified and approved on 8th March 2016. One of the policies, HIV & AIDS and TB Management, responds to the prevention of discrimination against employees affected and infected by HIV & AIDS and TB in the workplace.</p> <p>Further to this, the Department of Health, that is the lead department for HIV & AIDS, has approved the Transversal HIV and AIDS/STI Workplace Policy and Programme that is applicable to all departments of the Western Cape Government. The document is in line with the four pillars of the EHW Strategic Framework 2008.</p>
<p>6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.</p>	√		<p>The Department implemented the Provincial Strategic Plan on HIV & AIDS, STIs and TB 2012 - 2016 to mainstream HIV and TB and its gender and rights-based dimensions into the core mandates to reduce HIV-related stigma.</p> <p>The overarching aim of the said Provincial Strategic Plan is to protect HIV-positive employees by advocating the implementation of the Three Zeros in line with the Joint United Nations Programme on HIV & AIDS (UNAIDS). These are Educational programmes and information sessions developed to eradicate stigma and discrimination and to raise awareness through:</p> <ul style="list-style-type: none"> ▪ Zero new HIV, STI and TB infections ▪ Zero deaths associated with HIV and TB ▪ Zero discrimination <p>Also, the department has conducted HCT and Wellness screenings to ensure that every employee in the department is tested for HIV and screened for TB, at least annually.</p>

Question	Yes	No	Details, if yes
			<p>The aim was 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>Other key elements that addressed anti HIV & AIDS discrimination issues were:</p> <ul style="list-style-type: none"> ▪ Conducting Wellness and TB Screenings with specific requests from departments; ▪ Distributing posters and pamphlets; ▪ Providing HCT and TB Screenings, condom distribution and spot talks; and ▪ Commemoration of World AIDS Day and Wellness events.
<p>7. Does the department encourage its employees to undergo HIV counselling and testing (HCT)? If so, list the results that you have achieved.</p>	√		<p>HCT SESSIONS:</p> <p>The following screening sessions were conducted: Blood pressure, Glucose, Cholesterol, TB, BMI [body mass index] and spot talks.</p> <p>Provincial Treasury participated in 1 HCT and Wellness screening sessions.</p> <p>90 Employees were tested and counselled for HIV, Tuberculosis and Sexually Transmitted Infections (STIs). There were 0 clinical referrals for TB, HIV or any other STIs.</p>
<p>8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.</p>	√		<p>The impact of health promotion programmes is indicated through information provided through the Employee Health and Wellness Contract (external service provider).</p> <p>The Employee Health and Wellness Programme (EHWP) is monitored through Quarterly and Annual reporting. This reporting is provided by (ICAS). The most recent annual health review period was 1 April 2016 – 31 March 2017.</p> <p>The quarterly and annual review provides a breakdown of the EHWP Demographic i.e. age, gender, length of service, dependent utilisation, language utilisation, employee vs. manager utilisation, number of cases, etc.</p> <p>The review further provides, amongst others, details pertaining to service utilisation, problem profiling and trending, assessment of employee and organisational risk and the impact thereof on the individual functioning in the workplace.</p>

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 2016 to 31 March 2017

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 2016 to 31 March 2017

Outcomes of disciplinary hearings	Number of cases finalised	% of total
None		

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

Table 3.12.3 Types of misconduct addressed at disciplinary hearings, 1 April 2016 to 31 March 2017

Type of misconduct	Number	% of total
None		

Table 3.12.4 Grievances lodged, 1 April 2016 to 31 March 2017

Grievances lodged	Number	% of total
Number of grievances resolved	8	50.0
Number of grievances not resolved	8	50.0
Total number of grievances lodged	16	100.0

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

Table 3.12.5 Disputes lodged with Councils, 1 April 2016 to 31 March 2017

Disputes lodged with Councils	Number	% of total
Number of disputes upheld	0	0.0
Number of disputes dismissed	3	100.0
Total number of disputes lodged	3	100.0

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

Table 3.12.6 Strike actions, 1 April 2016 to 31 March 2017

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 2016 to 31 March 2017

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 2016 to 31 March 2017

Occupational Categories	Gender	Number of employees as at 1 April 2016	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	6	0	7	0	7
	Male	13	0	11	0	11
Professionals	Female	103	0	299	0	299
	Male	95	0	272	0	272
Technicians and associate professionals	Female	13	0	25	0	25
	Male	7	0	16	0	16
Clerks	Female	56	0	123	0	123
	Male	21	0	45	0	45
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	1	0	3	0	3

Occupational Categories	Gender	Number of employees as at 1 April 2016	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Elementary occupations	Female	2	0	0	1	1
	Male	2	0	0	8	8
Sub Total	Female	180	0	455	0	455
	Male	139	0	355	0	355
Total		319	0	811	0	810
Employees with disabilities	Female	2	0	3	0	3
	Male	1	0	1	0	1

Note: The above table identifies the training needs at the start of the reporting period as per the Department's Workplace Skills Plan. This Information excludes interns but includes trainees.

Table 3.13.2 Training provided, 1 April 2016 to 31 March 2017

Occupational Categories	Gender	Number of employees as at 31 March 2017	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	6	0	7	0	7
	Male	16	0	14	0	14
Professionals	Female	99	0	404	0	404
	Male	92	0	245	0	245
Technicians and associate professionals	Female	11	0	0	0	0
	Male	7	0	0	0	0
Clerks	Female	49	0	49	0	49
	Male	23	0	45	0	45
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	1	0	1	0	1
Elementary occupations	Female	1	0	0	0	0
	Male	1	0	3	0	3
Sub Total	Female	166	0	460	0	460
	Male	140	0	308	0	308
Total		306	0	768	0	768
Employees with disabilities	Female	2	0	4	0	4
	Male	1	0	1	0	1

Note: The above table identifies the number of training courses attended by individuals during the period under review. This Information excludes interns but includes trainees.

3.14 Injury on duty

Table 3.14.1 provides basic information on injuries sustained whilst being on official duty.

Table 3.14.1 Injury on duty, 1 April 2016 to 31 March 2017

Nature of injury on duty	Number	% of total
None		

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	Total Number of Projects	BBBEE LEVEL
Programme 1	Department of Cultural Affairs and Sport contract	Translations (Proffans Language Services (Johan Blaauw))	Translation of Provincial Treasury 2015/16 Annual Report and Annual Performance Plan from English to Afrikaans.	N/A	N/A	41	1	0
	Department of Cultural Affairs and Sport contract	Translations (Dr Mhlobo Jadezwi)	Translation of Provincial Treasury 2015/16 Annual Report and Annual Performance Plan from English to Xhosa.	N/A	N/A	53	1	0
	Department of Cultural Affairs and Sport contract	Translations (Bertie Neetling)	Proof reading of Provincial Treasury Annual Performance Plan.	N/A	N/A	4	1	0
	Department of Cultural Affairs and Sport contract	Translations (IsiXhosa Sethu)	Translate Draft WCGRB Regulations 2016: Amendments from English to Xhosa.	N/A	N/A	1	1	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	Total Number of Projects	BBBEE LEVEL
Programme 2	University of Stellenbosch: Bureau for Economic Research (BER)	Casino	Follow-up work subsequent to the outcome and approval of recommendations in respect of Casino Operator Licences in the Western Cape.	N/A	252	2 067	1	0
	Strategic Economic Solutions	Horse Racing	Research in respect of financial viability of the Horse Racing sector in the Western Cape and associated proposals/recommendations on way forward.	N/A	252	567	1	4
	University of Stellenbosch: Bureau for Economic Research (BER)	Provincial Economic Review and Outlook (PERO)	To provide Fiscal Policy research and advisory services and economic research for the Provincial Economic Review and Outlook (PERO).	N/A	356	1 347	1	0
	University of Cape Town: Department Policy Research Unit (DPRU)		To provide Labour Market Economic Research for the Provincial Economic Review and Outlook.	N/A			1	0
	Urban-Econ Development Economists	Municipal Economic Outlook and Review (MERO)	Conducting research and production of the Municipal Economic Review and Outlook (MERO).	N/A	356	445	1	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	356	2 812	1	0
	Department of the Premier Contract	Business Analysts	Various	N/A	365	4 428	4	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	Total Number of Projects	BBBEE LEVEL
Programme 3	SA Strategic Sourcing Consultants	SASS Expansion for Strategic Strategy Roll-out and conclusion of Framework	Strategic Sourcing supporting capacity.	N/A	356	1 792	1	3
	Commerce Edge	Smart Procurement Conference	Capacitation and development programme for Public Sector Officials and suppliers in respect of procurement.	N/A	270	600	1	0
	Lemon Zest	Supplier Database Registration	Supported with registration of Suppliers on Central Supplier Database.	N/A	356	306	1	0
	Corporate Renaissance Group	Additional Commodity Strategies	Provisioning of services relating to Data Management- Tableau.	N/A	356	274	1	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	356	999	1	0
	Business Connexion	Kitso	Maintain and further develop the current Business Intelligence System (KITSO) for the Basic Accounting System (BAS).	N/A	356	1 693	1	3
		PERSAL Support	Rendering functional, technical and management support on the Personnel and Salary Administration System (PERSAL).	N/A	356	2 620	1	3
	Makana Technologies and Solutions	Consulting Services	Consulting Services	N/A	0	78	1	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	Total Number of Projects	BBBEE LEVEL
Programme 4	Grant Thornton RAS (Pty) Ltd	Inventory Roll Out	Appointment of an Inventory Management Specialist.	N/A	326	389	1	2
	Durcharme Consulting-Coastal (Pty) Ltd	GRAP Training	Training finance practitioners on the implementation of the GRAP standards.	N/A	N/A	276	1	4
	Ernst & Young	mSCOA	To provide Municipal Standard Chart of Accounts (mSCOA) Risk Assessment support to identified municipalities in the Western Cape in terms of Supply Chain Delegation 56 dated 30 April 2015.	N/A	N/A	80	1	1
	Ignite Advisory	e-GAP Tool Development	To develop the Municipal Governance Review and Outlook (MGRO) e-GAP tool for 30 municipalities.	N/A	N/A	652	1	0
	University of Stellenbosch: Executive Development (Pty) Ltd	MFMA Induction	Transversal Training and Capacity Building for Municipal and Western Cape Government officials.	N/A	N/A	974	1	0

PART E: FINANCIAL INFORMATION

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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2017**

**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 135 to 189, which comprise the appropriation statement, the statement of financial position as at 31 March 2017, and the statement of financial performance, statement of changes in net assets, and 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 2017, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard prescribed by National Treasury (MCS) 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, 2016 (Act No. 3 of 2016) (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 my report.
4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) 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 code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2017**

Material underspending of the vote

7. As disclosed in note 4.1 to the appropriation statement, the department materially underspent its overall budget by R6.5 million (2.6%). The explanations of material variances from amounts voted per programme and the standard classifications are set out in notes 4.1 and 4.2 to the appropriation statement and include the underspending on goods and services mainly due to the procurement of consultancy services, travel commitments and training and development that did not take place.

Other matters

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

Unaudited supplementary schedules

9. The supplementary information set out on pages 190 to 198 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Revision of the previously issued financial statements

10. The previously issued financial statements of the department for the year ended 31 March 2017 were revised and re-issued because of a correction to the amount disclosed as departmental revenue collected. The adjustment affected the appropriation statement, the statement of financial performance and notes 2, 12 and 14 to the financial statements. The financial statements have not been revised to include a note with the reasons for the amendments.

Responsibilities of the accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS prescribed by 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.

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12. 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 there is an intention either to liquidate the department or to cease operations, or there is no realistic alternative but to do so.

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

13. 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 ISA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this report.

Report on the audit of the annual performance report

Introduction and scope

15. 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.
16. 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.

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17. 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 2017:

Programmes	Pages in the Annual Performance Report
Programme 2 – Sustainable Resource Management	41 – 51
Programme 4 – Financial Governance	61 – 67

18. 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.
19. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- Programme 2 – Sustainable Resource Management
 - Programme 4 – Financial Governance

Other matter

20. I draw attention to the matter below.

Achievement of planned targets

21. Refer to the Annual Performance Report on pages 41 to 51 and 61 to 67 for information on the achievement of planned targets for the year.

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**REPORT OF THE AUDITOR-GENERAL
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Report on audit of compliance with legislation

Introduction and scope

22. 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.
23. I did not identify any instances of material non-compliance in respect of the compliance criteria for the applicable subject matters.

Other information

24. The Western Cape Provincial Treasury's accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the accounting officer's report and the audit committee's 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 the auditor's report.
25. 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.
26. 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. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.

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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2017**

Internal control deficiencies

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

Auditor-General

Cape Town
20 October 2017



**AUDITOR-GENERAL
SOUTH AFRICA**

Auditing to build public confidence

**WESTERN CAPE PROVINCE
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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 the 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 the auditor’s report. However, future events or conditions may cause the department to cease operating 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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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 2017**

Appropriation per programme									
	2016/17							2015/16	
	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	50 934	-	-	50 934	49 537	1 397	97.3	49 576	47 749
2. SUSTAINABLE RESOURCE MANAGEMENT	113 943	-	-	113 943	111 431	2 512	97.8	109 878	108 379
3. ASSET MANAGEMENT	54 833	-	-	54 833	54 106	727	98.7	57 405	53 472
4. FINANCIAL GOVERNANCE	34 838	-	-	34 838	32 927	1 911	94.5	33 518	30 787
Programme sub total	254 548	-	-	254 548	248 001	6 547	97.4	250 377	240 387
Total	254 548	-	-	254 548	248 001	6 547	97.4	250 377	240 387
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				146 275				90 970	
Actual amounts per Statement of Financial Performance (Total Revenue)				400 823				341 347	
Actual amounts per Statement of Financial Performance Expenditure					248 001				240 387

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**APPROPRIATION STATEMENT
for the year ended 31 March 2017**

Appropriation per programme									
Economic classification	2016/17							2015/16	
	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	214 712	(30)	-	214 682	208 985	5 697	97.3	206 980	197 077
Compensation of employees	159 228	-	-	159 228	157 405	1 823	98.9	152 209	148 038
Salaries and wages	140 470	(17)	-	140 453	138 723	1 730	98.8	134 272	130 376
Social contributions	18 758	17	-	18 775	18 682	93	99.5	17 937	17 662
Goods and services	55 484	(30)	-	55 454	51 580	3 874	93.0	54 771	49 039
Administrative fees	526	57	-	583	530	53	90.9	206	206
Advertising	782	(128)	-	654	539	115	82.4	993	882
Minor assets	304	(11)	-	293	293	-	100.0	359	315
Audit costs: External	4 856	194	-	5 050	4 736	314	93.8	5 488	5 488
Bursaries: Employees	708	(127)	-	581	531	50	91.4	510	510
Catering: Departmental activities	553	34	-	587	520	67	88.6	382	360
Communication (G&S)	782	(15)	-	767	568	199	74.1	809	529
Computer services	8 135	1 129	-	9 264	9 145	119	98.7	5 730	5 304
Consultants: Business and advisory services	24 218	(796)	-	23 422	22 498	924	96.1	26 630	23 780
Contractors	488	22	-	510	439	71	86.1	463	356
Agency and support / outsourced services	101	7	-	108	31	77	28.7	298	259
Entertainment	210	(14)	-	196	113	83	57.7	151	105
Fleet services (including government motor transport)	1 018	(117)	-	901	901	-	100.0	1 075	1 075
Consumable supplies	226	7	-	233	185	48	79.4	239	144
Consumable: Stationery, printing and office supplies	1 987	(213)	-	1 774	1 534	240	86.5	2 562	2 317
Operating leases	345	48	-	393	393	-	100.0	407	407
Property payments	-	-	-	-	-	-	-	36	-
Transport provided: Departmental activity	4	-	-	4	-	4	-	3	3
Travel and subsistence	5 538	334	-	5 872	5 173	699	88.1	5 672	4 913
Training and development	1 668	(250)	-	1 418	919	499	64.8	917	765
Operating payments	1 593	74	-	1 667	1 400	267	84.0	546	474
Venues and facilities	1 442	(265)	-	1 177	1 132	45	96.2	1 295	847
Transfers and subsidies	36 530	17	-	36 547	35 814	733	98.0	38 596	38 595
Provinces and municipalities	22 014	-	-	22 014	21 554	460	97.9	29 147	29 147
Municipalities	22 014	-	-	22 014	21 554	460	97.9	29 147	29 147
Municipal bank accounts	22 014	-	-	22 014	21 554	460	97.9	29 147	29 147
Departmental agencies and accounts	9 912	-	-	9 912	9 912	-	100.0	5 247	5 247
Departmental agencies (non- business entities)	9 912	-	-	9 912	9 912	-	100.0	5 247	5 247
Households	4 604	17	-	4 621	4 348	273	94.1	4 202	4 201
Social benefits	1 822	17	-	1 839	1 694	145	92.1	379	378
Other transfers to households	2 782	-	-	2 782	2 654	128	95.4	3 823	3 823
Payments for capital assets	3 194	-	-	3 194	3 077	117	96.3	4 696	4 610
Machinery and equipment	3 155	-	-	3 155	3 039	116	96.3	4 075	4 014
Transport equipment	1 327	60	-	1 387	1 387	-	100.0	1 663	1 663
Other machinery and equipment	1 828	(60)	-	1 768	1 652	116	93.4	2 412	2 351
Software and other intangible assets	39	-	-	39	38	1	97.4	621	596
Payment for financial assets	112	13	-	125	125	-	100.0	105	105
Total	254 548	-	-	254 548	248 001	6 547	97.4	250 377	240 387

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**APPROPRIATION STATEMENT
for the year ended 31 March 2017**

Programme 1: ADMINISTRATION									
Sub programme	2016/17							2015/16	
	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	6 268	(223)	-	6 045	5 660	385	93.6	6 849	6 199
2. MANAGEMENT SERVICES	21 352	(443)	-	20 909	20 115	794	96.2	18 194	17 688
3. FINANCIAL MANAGEMENT	23 314	666	-	23 980	23 762	218	99.1	24 533	23 862
Total	50 934	-	-	50 934	49 537	1 397	97.3	49 576	47 749

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**APPROPRIATION STATEMENT
for the year ended 31 March 2017**

Economic classification	2016/17							2015/16	
	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	44 964	(13)	-	44 951	43 743	1 208	97.3	41 527	39 786
Compensation of employees	34 006	-	-	34 006	33 339	667	98.0	30 667	29 869
Salaries and wages	30 539	(16)	-	30 523	29 864	659	97.8	27 301	26 512
Social contributions	3 467	16	-	3 483	3 475	8	99.8	3 366	3 357
Goods and services	10 958	(13)	-	10 945	10 404	541	95.1	10 860	9 917
Administrative fees	395	131	-	526	526	-	100.0	204	204
Advertising	631	(226)	-	405	340	65	84.0	520	432
Minor assets	304	(11)	-	293	293	-	100.0	359	315
Audit costs: External	2 939	297	-	3 236	3 236	-	100.0	3 620	3 620
Bursaries: Employees	708	(127)	-	581	531	50	91.4	510	510
Catering: Departmental activities	175	-	-	175	113	62	64.6	91	74
Communication (G&S)	162	5	-	167	143	24	85.6	199	121
Computer services	1 740	112	-	1 852	1 852	-	100.0	920	920
Consultants: Business and advisory services	191	-	-	191	99	92	51.8	397	396
Contractors	212	20	-	232	230	2	99.1	255	203
Agency and support / outsourced services	1	-	-	1	1	-	100.0	-	-
Entertainment	44	(2)	-	42	34	8	81.0	37	25
Fleet services (including government motor transport)	1 018	(117)	-	901	901	-	100.0	1 075	1 075
Consumable supplies	107	4	-	111	89	22	80.2	127	81
Consumable: Stationery, printing and office supplies	512	53	-	565	534	31	94.5	553	509
Operating leases	345	48	-	393	393	-	100.0	407	407
Property payments	-	-	-	-	-	-	-	36	-
Transport provided: Departmental activity	4	-	-	4	-	4	-	3	3
Travel and subsistence	777	199	-	976	795	181	81.5	1 233	709
Training and development	340	(287)	-	53	53	-	100.0	79	79
Operating payments	178	44	-	222	222	-	100.0	72	71
Venues and facilities	175	(156)	-	19	19	-	100.0	163	163
Transfers and subsidies	2 804	-	-	2 804	2 676	128	95.4	3 844	3 844
Departmental agencies and accounts	4	-	-	4	4	-	100.0	3	3
Departmental agencies (non-business entities)	4	-	-	4	4	-	100.0	3	3
Households	2 800	-	-	2 800	2 672	128	95.4	3 841	3 841
Social benefits	18	-	-	18	18	-	100.0	18	18
Other transfers to households	2 782	-	-	2 782	2 654	128	95.4	3 823	3 823
Payments for capital assets	3 054	-	-	3 054	2 993	61	98.0	4 100	4 014
Machinery and equipment	3 015	-	-	3 015	2 955	60	98.0	4 075	4 014
Transport equipment	1 327	60	-	1 387	1 387	-	100.0	1 663	1 663
Other machinery and equipment	1 688	(60)	-	1 628	1 568	60	96.3	2 412	2 351
Software and other intangible assets	39	-	-	39	38	1	97.4	25	-
Payment for financial assets	112	13	-	125	125	-	100.0	105	105
Total	50 934	-	-	50 934	49 537	1 397	97.3	49 576	47 749

**WESTERN CAPE PROVINCE
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**APPROPRIATION STATEMENT
for the year ended 31 March 2017**

Subprogramme: 1.1: OFFICE OF THE MINISTER									
Economic classification	2016/17							2015/16	
	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	6 268	(223)	-	6 045	5 660	385	93.6	6 849	6 199
Compensation of employees	5 098	-	-	5 098	4 997	101	98.0	5 201	5 198
Goods and services	1 170	(223)	-	947	663	284	70.0	1 648	1 001
Total	6 268	(223)	-	6 045	5 660	385	93.6	6 849	6 199

Subprogramme: 1.2: MANAGEMENT SERVICES									
Economic classification	2016/17							2015/16	
	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	18 552	(443)	-	18 109	17 443	666	96.3	14 365	13 859
Compensation of employees	16 313	-	-	16 313	15 904	409	97.5	13 030	12 526
Goods and services	2 239	(443)	-	1 796	1 539	257	85.7	1 335	1 333
Transfers and subsidies	2 800	-	-	2 800	2 672	128	95.4	3 829	3 829
Households	2 800	-	-	2 800	2 672	128	95.4	3 829	3 829
Total	21 352	(443)	-	20 909	20 115	794	96.2	18 194	17 688

Subprogramme: 1.3: FINANCIAL MANAGEMENT									
Economic classification	2016/17							2015/16	
	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	20 144	653	-	20 797	20 640	157	99.2	20 313	19 728
Compensation of employees	12 595	-	-	12 595	12 438	157	98.8	12 436	12 145
Goods and services	7 549	653	-	8 202	8 202	-	100.0	7 877	7 583
Transfers and subsidies	4	-	-	4	4	-	100.0	15	15
Departmental agencies and accounts	4	-	-	4	4	-	100.0	3	3
Households	-	-	-	-	-	-	-	12	12
Payments for capital assets	3 054	-	-	3 054	2 993	61	98.0	4 100	4 014
Machinery and equipment	3 015	-	-	3 015	2 955	60	98.0	4 075	4 014
Software and other intangible assets	39	-	-	39	38	1	97.4	25	-
Payment for financial assets	112	13	-	125	125	-	100.0	105	105
Total	23 314	666	-	23 980	23 762	218	99.1	24 533	23 862

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**APPROPRIATION STATEMENT
for the year ended 31 March 2017**

Programme 2: SUSTAINABLE RESOURCE MANAGEMENT									
	2016/17							2015/16	
	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	6 607	69	-	6 676	6 152	524	92.2	5 858	5 858
2. FISCAL POLICY	21 650	-	-	21 650	21 432	218	99.0	15 022	14 594
3. BUDGET MANAGEMENT	17 713	-	-	17 713	17 038	675	96.2	17 962	17 479
4. PUBLIC FINANCE	67 973	(69)	-	67 904	66 809	1 095	98.4	71 036	70 448
Total	113 943	-	-	113 943	111 431	2 512	97.8	109 878	108 379
	2016/17							2015/16	
Economic classification	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	81 858	-	-	81 858	79 951	1 907	97.7	75 304	73 806
Compensation of employees	62 531	-	-	62 531	62 301	230	99.6	61 954	60 461
Salaries and wages	55 033	(1)	-	55 032	54 833	199	99.6	54 763	53 416
Social contributions	7 498	1	-	7 499	7 468	31	99.6	7 191	7 045
Goods and services	19 327	-	-	19 327	17 650	1 677	91.3	13 350	13 345
Administrative fees	5	-	-	5	4	1	80.0	1	1
Advertising	101	98	-	199	199	-	100.0	423	423
Audit costs: External	950	(103)	-	847	783	64	92.4	866	866
Catering: Departmental activities	182	20	-	202	202	-	100.0	122	122
Communication (G&S)	286	-	-	286	196	90	68.5	186	181
Computer services	193	-	-	193	92	101	47.7	327	327
Consultants: Business and advisory services	11 813	76	-	11 889	11 666	223	98.1	6 847	6 847
Contractors	132	12	-	144	93	51	64.6	66	66
Agency and support / outsourced services	100	7	-	107	30	77	28.0	238	238
Entertainment	108	-	-	108	55	53	50.9	56	56
Consumable supplies	66	-	-	66	47	19	71.2	32	32
Consumable: Stationery, printing and office supplies	940	(217)	-	723	661	62	91.4	1 436	1 436
Travel and subsistence	2 437	-	-	2 437	2 047	390	84.0	2 038	2 038
Training and development	625	-	-	625	241	384	38.6	290	290
Operating payments	1 162	29	-	1 191	1 029	162	86.4	349	349
Venues and facilities	227	78	-	305	305	-	100.0	73	73
Transfers and subsidies	32 085	-	-	32 085	31 480	605	98.1	34 574	34 573
Provinces and municipalities	22 014	-	-	22 014	21 554	460	97.9	29 147	29 147
Municipalities	22 014	-	-	22 014	21 554	460	97.9	29 147	29 147
Municipal bank accounts	22 014	-	-	22 014	21 554	460	97.9	29 147	29 147
Departmental agencies and accounts	9 908	-	-	9 908	9 908	-	100.0	5 244	5 244
Departmental agencies (non-business entities)	9 908	-	-	9 908	9 908	-	100.0	5 244	5 244
Households	163	-	-	163	18	145	11.0	183	182
Social benefits	163	-	-	163	18	145	11.0	183	182
Total	113 943	-	-	113 943	111 431	2 512	97.8	109 878	108 379

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**APPROPRIATION STATEMENT
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Subprogramme: 2.1: PROGRAMME SUPPORT									
Economic classification	2016/17							2015/16	
	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	6 607	69	-	6 676	6 152	524	92.2	5 858	5 858
Compensation of employees	5 101	69	-	5 170	5 170	-	100.0	4 924	4 924
Goods and services	1 506	-	-	1 506	982	524	65.2	934	934
Total	6 607	69	-	6 676	6 152	524	92.2	5 858	5 858

Subprogramme: 2.2: FISCAL POLICY									
Economic classification	2016/17							2015/16	
	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	11 742	-	-	11 742	11 524	218	98.1	9 744	9 316
Compensation of employees	7 591	-	-	7 591	7 563	28	99.6	7 493	7 065
Goods and services	4 151	-	-	4 151	3 961	190	95.4	2 251	2 251
Transfers and subsidies	9 908	-	-	9 908	9 908	-	100.0	5 278	5 278
Departmental agencies and accounts	9 908	-	-	9 908	9 908	-	100.0	5 244	5 244
Households	-	-	-	-	-	-	-	34	34
Total	21 650	-	-	21 650	21 432	218	99.0	15 022	14 594

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**APPROPRIATION STATEMENT
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Subprogramme: 2.3: BUDGET MANAGEMENT									
Economic classification	2016/17							2015/16	
	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	17 713	-	-	17 713	17 038	675	96.2	17 959	17 477
Compensation of employees	13 356	-	-	13 356	13 271	85	99.4	13 498	13 016
Goods and services	4 357	-	-	4 357	3 767	590	86.5	4 461	4 461
Transfers and subsidies	-	-	-	-	-	-	-	3	2
Households	-	-	-	-	-	-	-	3	2
Total	17 713	-	-	17 713	17 038	675	96.2	17 962	17 479

Subprogramme: 2.4: PUBLIC FINANCE									
Economic classification	2016/17							2015/16	
	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	45 796	(69)	-	45 727	45 237	490	98.9	41 743	41 155
Compensation of employees	36 483	(69)	-	36 414	36 297	117	99.7	36 039	35 456
Goods and services	9 313	-	-	9 313	8 940	373	96.0	5 704	5 699
Transfers and subsidies	22 177	-	-	22 177	21 572	605	97.3	29 293	29 293
Provinces and municipalities	22 014	-	-	22 014	21 554	460	97.9	29 147	29 147
Households	163	-	-	163	18	145	11.0	146	146
Total	67 973	(69)	-	67 904	66 809	1 095	98.4	71 036	70 448

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**APPROPRIATION STATEMENT
for the year ended 31 March 2017**

Programme 3: ASSET MANAGEMENT									
Sub programme	2016/17							2015/16	
	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. PROGRAMME SUPPORT	4 478	-	-	4 478	4 217	261	94.2	3 900	3 664
2. SUPPLY CHAIN MANAGEMENT	18 886	(465)	-	18 421	18 191	230	98.8	21 812	19 269
3. SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS	31 469	465	-	31 934	31 698	236	99.3	31 693	30 539
Total	54 833	-	-	54 833	54 106	727	98.7	57 405	53 472

Economic classification	2016/17							2015/16	
	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	53 192	(17)	-	53 175	52 448	727	98.6	57 243	53 310
Compensation of employees	34 514	-	-	34 514	34 153	361	99.0	33 261	32 454
Salaries and wages	30 010	-	-	30 010	29 690	320	98.9	29 049	28 301
Social contributions	4 504	-	-	4 504	4 463	41	99.1	4 212	4 153
Goods and services	18 678	(17)	-	18 661	18 295	366	98.0	23 982	20 856
Administrative fees	-	-	-	-	-	-	-	1	1
Advertising	50	-	-	50	-	50	-	50	27
Catering: Departmental activities	66	-	-	66	61	5	92.4	66	61
Communication (G&S)	229	(20)	-	209	159	50	76.1	275	162
Computer services	6 177	1 017	-	7 194	7 193	1	100.0	4 483	4 057
Consultants: Business and advisory services	9 131	(747)	-	8 384	8 362	22	99.7	16 033	14 103
Contractors	77	(10)	-	67	64	3	95.5	81	44
Agency and support / outsourced services	-	-	-	-	-	-	-	24	7
Entertainment	28	(12)	-	16	10	6	62.5	26	11
Consumable supplies	35	3	-	38	37	1	97.4	39	22
Consumable: Stationery, printing and office supplies	366	(49)	-	317	285	32	89.9	340	247
Travel and subsistence	1 308	76	-	1 384	1 333	51	96.3	1 354	1 286
Training and development	345	-	-	345	230	115	66.7	288	248
Operating payments	11	1	-	12	12	-	100.0	11	6
Venues and facilities	855	(276)	-	579	549	30	94.8	911	574
Transfers and subsidies	1 641	17	-	1 658	1 658	-	100.0	162	162
Households	1 641	17	-	1 658	1 658	-	100.0	162	162
Social benefits	1 641	17	-	1 658	1 658	-	100.0	162	162
Total	54 833	-	-	54 833	54 106	727	98.7	57 405	53 472

**WESTERN CAPE PROVINCE
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**APPROPRIATION STATEMENT
for the year ended 31 March 2017**

Subprogramme: 3.1: PROGRAMME SUPPORT									
Economic classification	2016/17							2015/16	
	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	4 478	-	-	4 478	4 217	261	94.2	3 900	3 664
Compensation of employees	3 521	-	-	3 521	3 463	58	98.4	2 950	2 874
Goods and services	957	-	-	957	754	203	78.8	950	790
Total	4 478	-	-	4 478	4 217	261	94.2	3 900	3 664

Subprogramme: 3.2: SUPPLY CHAIN MANAGEMENT									
Economic classification	2016/17							2015/16	
	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	18 886	(465)	-	18 421	18 191	230	98.8	21 782	19 239
Compensation of employees	13 519	-	-	13 519	13 452	67	99.5	13 947	13 533
Goods and services	5 367	(465)	-	4 902	4 739	163	96.7	7 835	5 706
Transfers and subsidies	-	-	-	-	-	-	-	30	30
Households	-	-	-	-	-	-	-	30	30
Total	18 886	(465)	-	18 421	18 191	230	98.8	21 812	19 269

Subprogramme: 3.3: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS									
Economic classification	2016/17							2015/16	
	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	29 828	448	-	30 276	30 040	236	99.2	31 561	30 407
Compensation of employees	17 474	-	-	17 474	17 238	236	98.6	16 364	16 047
Goods and services	12 354	448	-	12 802	12 802	-	100.0	15 197	14 360
Transfers and subsidies	1 641	17	-	1 658	1 658	-	100.0	132	132
Households	1 641	17	-	1 658	1 658	-	100.0	132	132
Total	31 469	465	-	31 934	31 698	236	99.3	31 693	30 539

**WESTERN CAPE PROVINCE
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**APPROPRIATION STATEMENT
for the year ended 31 March 2017**

Programme 4: FINANCIAL GOVERNANCE									
	2016/17							2015/16	
	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	4 904	-	-	4 904	4 493	411	91.6	2 381	1 506
2. ACCOUNTING SERVICES	18 070	-	-	18 070	17 084	986	94.5	18 334	17 479
3. CORPORATE GOVERNANCE	11 864	-	-	11 864	11 350	514	95.7	12 803	11 802
Total	34 838	-	-	34 838	32 927	1 911	94.5	33 518	30 787

	2016/17							2015/16	
	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	34 698	-	-	34 698	32 843	1 855	94.7	32 906	30 175
Compensation of employees	28 177	-	-	28 177	27 612	565	98.0	26 327	25 254
Salaries and wages	24 888	-	-	24 888	24 336	552	97.8	23 159	22 147
Social contributions	3 289	-	-	3 289	3 276	13	99.6	3 168	3 107
Goods and services	6 521	-	-	6 521	5 231	1 290	80.2	6 579	4 921
Administrative fees	126	(74)	-	52	-	52	-	-	-
Audit costs: External	967	-	-	967	717	250	74.1	1 002	1 002
Catering: Departmental activities	130	14	-	144	144	-	100.0	103	103
Communication (G&S)	105	-	-	105	70	35	66.7	149	65
Computer services	25	-	-	25	8	17	32.0	-	-
Consultants: Business and advisory services	3 083	(125)	-	2 958	2 371	587	80.2	3 353	2 434
Contractors	67	-	-	67	52	15	77.6	61	43
Agency and support / outsourced services	-	-	-	-	-	-	-	36	14
Entertainment	30	-	-	30	14	16	46.7	32	13
Consumable supplies	18	-	-	18	12	6	66.7	41	9
Consumable: Stationery, printing and office supplies	169	-	-	169	54	115	32.0	233	125
Travel and subsistence	1 016	59	-	1 075	998	77	92.8	1 047	880
Training and development	358	37	-	395	395	-	100.0	260	148
Operating payments	242	-	-	242	137	105	56.6	114	48
Venues and facilities	185	89	-	274	259	15	94.5	148	37
Transfers and subsidies	-	-	-	-	-	-	-	16	16
Households	-	-	-	-	-	-	-	16	16
Social benefits	-	-	-	-	-	-	-	16	16
Payments for capital assets	140	-	-	140	84	56	60.0	596	596
Machinery and equipment	140	-	-	140	84	56	60.0	-	-
Other machinery and equipment	140	-	-	140	84	56	60.0	-	-
Software and other intangible assets	-	-	-	-	-	-	-	596	596
Total	34 838	-	-	34 838	32 927	1 911	94.5	33 518	30 787

**WESTERN CAPE PROVINCE
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**APPROPRIATION STATEMENT
for the year ended 31 March 2017**

Subprogramme: 4.1: PROGRAMME SUPPORT									
Economic classification	2016/17							2015/16	
	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	4 764	-	-	4 764	4 409	355	92.5	2 381	1 506
Compensation of employees	3 563	-	-	3 563	3 458	105	97.1	1 617	1 018
Goods and services	1 201	-	-	1 201	951	250	79.2	764	488
Payments for capital assets	140	-	-	140	84	56	60.0	-	-
Machinery and equipment	140	-	-	140	84	56	60.0	-	-
Total	4 904	-	-	4 904	4 493	411	91.6	2 381	1 506

Subprogramme: 4.2: ACCOUNTING SERVICES									
Economic classification	2016/17							2015/16	
	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	18 070	-	-	18 070	17 084	986	94.5	17 730	16 875
Compensation of employees	15 120	-	-	15 120	14 835	285	98.1	15 215	14 741
Goods and services	2 950	-	-	2 950	2 249	701	76.2	2 515	2 134
Transfers and subsidies	-	-	-	-	-	-	-	8	8
Households	-	-	-	-	-	-	-	8	8
Payments for capital assets	-	-	-	-	-	-	-	596	596
Software and other intangible assets	-	-	-	-	-	-	-	596	596
Total	18 070	-	-	18 070	17 084	986	94.5	18 334	17 479

Subprogramme: 4.3: CORPORATE GOVERNANCE									
Economic classification	2016/17							2015/16	
	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	11 864	-	-	11 864	11 350	514	95.7	12 795	11 794
Compensation of employees	9 494	-	-	9 494	9 319	175	98.2	9 495	9 495
Goods and services	2 370	-	-	2 370	2 031	339	85.7	3 300	2 299
Transfers and subsidies	-	-	-	-	-	-	-	8	8
Households	-	-	-	-	-	-	-	8	8
Total	11 864	-	-	11 864	11 350	514	95.7	12 803	11 802

**WESTERN CAPE PROVINCE
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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2017**

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

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

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

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

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

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

4.1 Per programme

Per programme:	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Approp. %
Administration	50 934	49 537	1 397	2.74
The underspending on goods and services is mainly due to travel commitments and training that did not take place as planned.				
Sustainable Resource Management	113 943	111 431	2 512	2.20
The underspending on goods and services is mainly due to travel commitments that did not take place as planned and 3 municipalities indicated that they will no longer take up the financial management grant transfer as gazetted. (See Note 29.)				
Asset Management	54 833	54 106	727	1.33
The underspending on goods and services is mainly due to contract workers not appointed and a second round consultancy services for strategic scourcing that could not commence.				
Financial Governance	34 838	32 927	1 911	5.49
The underspending on goods and services is mainly due to consultancy services for MGRO and GRAP Training that could not take place.				

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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2017**

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	159 228	157 405	1 823	1.14
Goods and services	55 454	51 580	3 874	6.70
Transfers and subsidies				
Provinces and municipalities	22 014	21 554	460	2.09
Departmental agencies and accounts	9 912	9 912	-	-
Households	4 621	4 348	273	5.91
Payments for capital assets				
Machinery and equipment	3 155	3 039	116	3.68
Software and other intangible assets	39	38	1	2.56
Payments for financial assets	125	125	-	-

The underspending on compensation of employees is mainly due to vacant posts not being filled as a result of Compensation of Employees cost containment measures. The underspending on goods and services is mainly due to the procurement of consultancy services, travel commitments and training and development that did not take place.

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**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2017**

	Note	2016/17 R'000	2015/16 R'000
REVENUE			
Annual appropriation	1	254 548	250 377
Departmental revenue	2	146 275	90 970
TOTAL REVENUE		400 823	341 347
EXPENDITURE			
Current expenditure			
Compensation of employees	3	157 405	148 038
Goods and services	4	51 580	49 039
Total current expenditure		208 985	197 077
Transfers and subsidies			
Transfers and subsidies	6	35 814	38 595
Total transfers and subsidies		35 814	38 595
Expenditure for capital assets			
Tangible assets	7	3 039	4 014
Intangible assets	7	38	596
Total expenditure for capital assets		3 077	4 610
Payments for financial assets	5	125	105
TOTAL EXPENDITURE		248 001	240 387
SURPLUS FOR THE YEAR		152 822	100 960
Reconciliation of Net Surplus for the year			
Voted Funds		6 547	9 990
Departmental revenue and PRF Receipts	12	146 275	90 970
SURPLUS FOR THE YEAR		152 822	100 960

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**STATEMENT OF FINANCIAL POSITION
as at 31 March 2017**

	Note	2016/17 R'000	2015/16 R'000
ASSETS			
Current Assets		8 838	12 778
Cash and cash equivalents	8	8 651	12 744
Prepayments and advances	9	35	-
Receivables	10	152	34
Non-Current Assets		101	137
Receivables	10	101	137
TOTAL ASSETS		8 939	12 915
LIABILITIES			
Current Liabilities		8 884	12 802
Voted funds to be surrendered to the Revenue Fund	11	6 547	9 990
Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund	12	2 181	2 773
Payables	13	156	39
TOTAL LIABILITIES		8 884	12 802
NET ASSETS		55	113
Represented by:			
Recoverable revenue		55	113
TOTAL		55	113

**WESTERN CAPE PROVINCE
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VOTE 3**

**STATEMENT OF CHANGES IN NET ASSETS
as at 31 March 2017**

	Note	2016/17 R'000	2015/16 R'000
NET ASSETS			
Recoverable revenue			
Opening balance		113	101
Transfers		(58)	12
Irrecoverable amounts written off	5.2	(59)	(2)
Debts recovered (included in departmental receipts)		(110)	(76)
Debts raised		111	90
Closing balance		55	113
TOTAL		55	113

**WESTERN CAPE PROVINCE
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**CASH FLOW STATEMENT
for the year ended 31 March 2017**

	Note	2016/17 R'000	2015/16 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		834 345	816 203
Annual appropriated funds received	1.1	254 548	250 377
Departmental revenue received	2	579 772	565 823
Interest received	2.3	25	3
Net (increase)/ decrease in working capital		-	(64)
Surrendered to Revenue Fund		(590 386)	(585 565)
Current payments		(208 985)	(197 077)
Payments for financial assets		(125)	(105)
Transfers and subsidies paid		(35 814)	(38 595)
Net cash flow available from operating activities	14	(965)	(5 203)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(3 077)	(4 610)
Proceeds from sale of capital assets	2.4	7	-
Net cash flows from investing activities		(3 070)	(4 610)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		(58)	12
Net cash flows from financing activities		(58)	12
Net increase/ (decrease) in cash and cash equivalents		(4 093)	(9 801)
Cash and cash equivalents at beginning of period		12 744	22 545
Cash and cash equivalents at end of period	15	8 651	12 744

**WESTERN CAPE PROVINCE
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**ACCOUNTING POLICIES
for the year ended 31 March 2017**

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
for the year ended 31 March 2017**

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 Provincial revenue

Provincial 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
for the year ended 31 March 2017**

7.3 Accrued provincial revenue

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

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

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

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

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

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 expenditure payable

Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department or in the case of transfers and subsidies when they are due and payable.

Accrued expenditure payable is measured at cost.

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**ACCOUNTING POLICIES
for the year ended 31 March 2017**

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.

9. Aid Assistance

9.1 Aid assistance received

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

9.2 Aid assistance paid

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

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**ACCOUNTING POLICIES
for the year ended 31 March 2017**

10. 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.

11. 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.

12. 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.

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.

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.

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**ACCOUNTING POLICIES
for the year ended 31 March 2017**

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.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

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 is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

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**ACCOUNTING POLICIES
for the year ended 31 March 2017**

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.

16.3 Contingent assets

Contingent assets other than transfers and subsidies 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 (other than for transfers and subsidies) 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.

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**ACCOUNTING POLICIES
for the year ended 31 March 2017**

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.

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.

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**ACCOUNTING POLICIES
for the year ended 31 March 2017**

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.

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.

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**ACCOUNTING POLICIES
for the year ended 31 March 2017**

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.

24.2 Key management personnel

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 benefits obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017**

1. Appropriation**1.1 Annual Appropriation**

Programmes	2016/17			2015/16	
	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	50 934	50 934	-	49 576	49 576
SUSTAINABLE RESOURCE MANAGEMENT	113 943	113 943	-	109 878	109 878
ASSET MANAGEMENT	54 833	54 833	-	57 405	57 405
FINANCIAL GOVERNANCE	34 838	34 838	-	33 518	33 518
Total	254 548	254 548	-	250 377	250 377

	Note	2016/17 R'000	2015/16 R'000
2. Provincial and Departmental Revenue			
Tax revenue		572 789	553 914
Sales of goods and services other than capital assets	2.1	2 890	3 591
Fines, penalties and forfeits	2.2	38	295
Interest, dividends and rent on land	2.3	25	3
Sales of capital assets	2.4	7	-
Transactions in financial assets and liabilities	2.5	4 055	8 023
Total revenue collected		579 804	565 826
Less: Own revenue included in appropriation	12	433 529	474 856
Departmental revenue collected		146 275	90 970

During the current financial year, R572 789 172.30 was received from the WCGRB for taxes collected, R2 859 898.99 for licence fees and R37 752.00 for penalties on court orders. An amount of R2 171 566.73 is in respect of cash surplus funds by the WCGRB. In total R577 858 389.80 was received from the WCGRB and paid over to the Provincial Revenue Fund.

**WESTERN CAPE PROVINCE
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017**

	Note	2016/17 R'000	2015/16 R'000
2.1 Sales of goods and services other than capital assets	2		
Sales of goods and services produced by the department		2 888	3 589
Administrative fees		2 860	3 556
Other sales		28	33
Sales of scrap, waste and other used current goods		2	2
Total		2 890	3 591
2.2 Fines, penalties and forfeits	2		
Penalties		38	295
Total		38	295
2.3 Interest, dividends and rent on land	2		
Interest		25	3
Total		25	3
2.4 Sales of capital assets	2		
Tangible assets		7	-
Machinery and equipment	39	7	-
Total		7	-
2.5 Transactions in financial assets and liabilities	2		
Other Receipts including Recoverable Revenue		4 055	8 023
Total		4 055	8 023

Other receipts includes receipts from previous years expenditure, cash surplus and debts recovered.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017**

	Note	2016/17 R'000	2015/16 R'000
3. Compensation of employees			
3.1 Salaries and wages			
Basic salary		114 503	107 510
Performance award		2 264	2 255
Service Based		164	113
Compensative/circumstantial		894	1 536
Other non-pensionable allowances		20 898	18 962
Total		138 723	130 376
Compensative/circumstantial salaries include acting allowances and overtime worked by officials.			
3.2 Social contributions			
Employer contributions			
Pension		13 857	13 014
Medical		4 803	4 628
Bargaining council		22	20
Total		18 682	17 662
Total compensation of employees		157 405	148 038
Average number of employees		274	275

**WESTERN CAPE PROVINCE
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017**

	Note	2016/17 R'000	2015/16 R'000
4. Goods and services			
Administrative fees		530	206
Advertising		539	882
Minor assets	4.1	293	315
Bursaries (employees)		531	510
Catering		520	361
Communication		568	530
Computer services	4.2	9 145	5 304
Consultants: Business and advisory services		22 498	23 780
Contractors		439	353
Agency and support / outsourced services		31	260
Entertainment		113	104
Audit cost – external	4.3	4 736	5 487
Fleet services		901	1 075
Consumables	4.4	1 719	2 461
Operating leases		393	407
Transport provided as part of the departmental activities		-	4
Travel and subsistence	4.5	5 173	4 914
Venues and facilities		1 132	847
Training and development		919	764
Other operating expenditure	4.6	1 400	475
Total		51 580	49 039

The comparative amount for Consultant: Business and advisory services was restated due to a prior year error as indicated by AGSA in the 2015/16 Regularity Audit.

4.1 Minor assets	4		
Tangible assets		293	315
Machinery and equipment		293	315
Total		293	315

**WESTERN CAPE PROVINCE
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017**

	Note	2016/17 R'000	2015/16 R'000
4.2 Computer services	4		
SITA computer services		1 810	920
External computer service providers		7 335	4 384
Total		9 145	5 304

The increase in external computer service providers is due to the Ariba contract that commenced on 01 April 2016.

4.3 Audit cost – external	4		
Regularity audits		4 012	4 405
Computer audits		724	1 082
Total		4 736	5 487

4.4 Consumables	4		
Consumable supplies		185	145
Uniform and clothing		8	41
Household supplies		134	77
Building material and supplies		11	18
IT consumables		12	5
Other consumables		20	4
Stationery, printing and office supplies		1 534	2 316
Total		1 719	2 461

Other consumables expenditure include gifts and awards.

4.5 Travel and subsistence	4		
Local		4 857	4 629
Foreign		316	285
Total		5 173	4 914

**WESTERN CAPE PROVINCE
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017**

	Note	2016/17 R'000	2015/16 R'000
4.6 Other operating expenditure	4		
Professional bodies, membership and subscription fees		133	206
Resettlement costs		80	58
Other		1 187	211
Total		1 400	475
Included in other expenditure of R1 187 million above are printing and publication that was previously paid under Consumables: Stationery and printing.			
5. Payments for financial assets			
Material losses through criminal conduct		22	30
Theft	5.3	22	30
Other material losses written off	5.1	44	73
Debts written off	5.2	59	2
Total		125	105
5.1 Other material losses written off	5		
Nature of losses			
Laptop damaged		23	-
Fruitless expenditure - accommodation		2	12
Missing GG spare wheel		-	3
GG Vehicle Damages		15	49
External hard drive		1	1
Inventory stock missing		-	8
Laptop depreciation		2	-
Data card loss		1	-
Total		44	73

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017**

	Note	2016/17 R'000	2015/16 R'000
5.2 Debts written off	5		
Nature of debts written off			
Other debt written off			
Bad debt - ex-employee		59	2
Total		59	2
Total debt written off		59	2
5.3 Details of theft	5		
Nature of theft			
Stolen Laptop		20	18
Theft of urn		2	12
Total		22	30
6. Transfers and Subsidies			
Provinces and municipalities	29	21 554	29 147
Departmental agencies and accounts	ANNEXURE 1B	9 912	5 247
Households	ANNEXURE 1C	4 348	4 201
Total		35 814	38 595
Unspent funds transferred to the above beneficiaries			
Provinces and municipalities	ANNEXURE 1A	20 539	23 973
Total		20 539	23 973

Transfers to departmental agencies and accounts were two payments made to the WCGRB during 2016/17 while only one payment was made in the 2015/16 year. WCGRB decided not to take up the transfer. (Also see Annexure 1B.)

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	Note	2016/17 R'000	2015/16 R'000
7. Expenditure for capital assets			
Tangible assets		3 039	4 014
Machinery and equipment	26	3 039	4 014
Intangible assets	27	38	596
Software		38	596
Total		3 077	4 610

The comparative for 2015/16 was restated. See note 7.2: Analysis of funds utilised to acquire capital assets - 2015/16.

7.1 Analysis of funds utilised to acquire capital assets - 2016/17

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	3 039	-	3 039
Machinery and equipment	3 039	-	3 039
Intangible assets	38	-	38
Software	38	-	38
Total	3 077	-	3 077

7.2 Analysis of funds utilised to acquire capital assets - 2015/16

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	4 014	-	4 014
Machinery and equipment	4 014	-	4 014
Intangible assets	596	-	596
Software	596	-	596
Total	4 610	-	4 610

Intangible assets for 2015/16 was restated due to prior year error as indicated by AGSA during the 2015/16 Regularity audit.

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	Note	2016/17 R'000	2015/16 R'000
7.3 Finance lease expenditure included in Expenditure for capital assets			
Tangible assets			
Machinery and equipment		1 387	1 399
Total		1 387	1 399
8. Cash and Cash Equivalents			
Consolidated Paymaster General Account		8 646	12 739
Cash on hand		5	5
Total		8 651	12 744
9. Prepayments and Advances			
Travel and subsistence		35	-
Total		35	-

Advances was given to six (6) officials who travelled to Budapest between the period 31 March 2017 - 9 April 2017 to attend a study tour on "Local Governance Comparative Study" with the theme "Local Governance Transition in a complex World".

	Note	2016/17			2015/16		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	10.1	19	-	19	-	-	-
Recoverable expenditure	10.2	82	33	115	11	33	44
Staff debt	10.3	20	-	20	17	-	17
Fruitless and wasteful expenditure	10.5	2	-	2	-	-	-
Other debtors	10.4	29	68	97	6	104	110
Total		152	101	253	34	137	171

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	Note	2016/17 R'000	2015/16 R'000
10.1 Claims recoverable	10		
Provincial departments	Annexure 3	19	-
Total		19	-
10.2 Recoverable expenditure (disallowance accounts)	10		
Disallowance Miscellaneous		45	-
Disallowance: Damages & Losses		37	9
Tax debts		-	2
Income tax		33	33
Total		115	44
10.3 Staff debt	10		
Leave without pay		20	2
Bursary Debt		-	15
Total		20	17
10.4 Other debtors – Ex employees	10		
Tax		-	2
Salary		43	65
Bursary debt		54	43
Total		97	110
10.5 Fruitless and wasteful expenditure	10		
Transfers from note 23 Fruitless and Wasteful expenditure		2	-
Total		2	-

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	Note	2016/17 R'000	2015/16 R'000
11. Voted Funds to be surrendered to the Revenue Fund			
Opening balance		9 990	7 020
Transfer from statement of financial performance (as restated)		6 547	9 990
Paid during the year		(9 990)	(7 020)
Closing balance		6 547	9 990
12. Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund			
Opening balance		2 773	15 492
Transfer from Statement of Financial Performance (as restated)		146 275	90 970
Own revenue included in appropriation		433 529	474 856
Paid during the year		(580 396)	(578 545)
Closing balance		2 181	2 773
13. Payables – current			
Advances received	13.1	153	39
Clearing accounts	13.2	3	-
Total		156	39
13.1 Advances received	13		
Other institutions	Annexure 5	153	39
Total		153	39
Advances received refer to monies received from Nedbank for the payment of bursary monies to undergraduate students. Provincial Treasury administer the bursaries on their behalf.			
13.2 Clearing accounts	13		
Salary Reversal Control		3	-
Total		3	-

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	Note	2016/17 R'000	2015/16 R'000
14. Net cash flow available from operating activities			
Net surplus as per Statement of Financial Performance		152 822	100 960
Add back non cash/cash movements not deemed operating activities		(153 787)	(106 163)
(Increase) in receivables		(82)	296
(Increase) in prepayments and advances		(35)	-
Increase in payables – current		117	(360)
Proceeds from sale of capital assets		(7)	-
Expenditure on capital assets		3 077	4 610
Surrenders to Revenue Fund		(590 386)	(585 565)
Other non-cash items		433 529	474 856
Net cash flow generated by operating activities		(965)	(5 203)
15. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		8 646	12 739
Cash on hand		5	5
Total		8 651	12 744
16. Contingent liabilities and contingent assets			
16.1 Contingent liabilities			
 Liable to	 Nature		
Housing loan guarantees	Employees	Annexure 2A	-
Intergovernmental payables (unconfirmed balances)		Annexure 4	66
		167	9
Total		167	75

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	Note	2016/17 R'000	2015/16 R'000
16.2 Contingent assets			
Nature of contingent asset			
Pillar cases under investigation		112	423
Total		112	423

The Department of Public Service and Administration (DPSA) contracted Metropolitan Health (PTY) Ltd as the preferred Health Risk Manager to evaluate and finalise the stockpiled PILLAR cases as from 2015/16. The CSC continuously monitors these cases with Metropolitan.

17. Commitments

Current expenditure

Approved and contracted

19 172	24 335
19 172	24 335
19 172	24 335

Total Commitments

1. The following service providers have contracts longer than one year: Ariba, Business Connexion and Nedbank.
2. The commitment amount for 2015/16 was restated from R19.349 million with R4.986 million to R24.335 million.
(See Note 28.)

18. Accruals and payables not recognised

18.1 Accruals

Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	290	-	290	445
Total	290	-	290	445

	Note	2016/17 R'000	2015/16 R'000
Listed by programme level			
Administration		147	180
Sustainable Resource Management		111	87
Asset Management		24	192
Financial Governance		8	6
Total		290	445

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		2016/17 R'000	2015/16 R'000	
18.2 Payables not recognised				
Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	24	26	50	155
Transfers and subsidies	54	-	54	-
Total	78	26	104	155
	Note	2016/17 R'000	2015/16 R'000	
Listed by programme level				
Administration		55	21	
Sustainable Resource Management		33	23	
Asset Management		5	14	
Financial Governance		11	97	
Total		104	155	
Included in the above totals are the following:				
Confirmed balances with departments	Annexure 4	26	15	
Confirmed balances with other government entities	Annexure 4	-	14	
Total		26	29	
19. Employee benefits				
Leave entitlement		3 884	3 485	
Service bonus (Thirteenth cheque)		3 860	3 627	
Performance awards		1 837	2 302	
Capped leave commitments		4 905	6 131	
Other		252	467	
Total		14 738	16 012	

"Other" includes long service awards and salary related accruals. At this stage the department is not able to reliably measure the long term portion of the long service awards under "other".

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20. Lease commitments

20.1 Operating leases expenditure (Photocopy machines)

	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2016/17					
Not later than 1 year	-	-	-	248	248
Later than 1 year and not later than 5 years	-	-	-	147	147
Total lease commitments	-	-	-	395	395
	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2015/16					
Not later than 1 year	-	-	-	258	258
Later than 1 year and not later than 5 years	-	-	-	150	150
Total lease commitments	-	-	-	408	408

Photocopiers are leased from Minolta and Bytes Document Solutions.

20.2 Finance leases expenditure (GG vehicles)

	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2016/17					
Not later than 1 year	-	-	-	1 323	1 323
Later than 1 year and not later than 5 years	-	-	-	1 963	1 963
Total lease commitments	-	-	-	3 286	3 286
	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2015/16					
Not later than 1 year	-	-	-	1 361	1 361
Later than 1 year and not later than 5 years	-	-	-	3 409	3 409
Total lease commitments	-	-	-	4 770	4 770

The Department leases vehicles from GMT.

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	Note	2016/17 R'000	2015/16 R'000
21. Accrued provincial revenue			
Tax revenue		45 630	45 644
Sales of goods and services other than capital assets		850	180
Fines, penalties and forfeits		20	34
Transactions in financial assets and liabilities		6 236	2 172
Total		52 736	48 030
21.1 Analysis of accrued provincial revenue			
Opening balance		48 030	49 691
Less: Amounts received		48 030	48 806
Add: Amounts recognised		52 736	47 145
Closing balance		52 736	48 030
22. Irregular expenditure			
22.1 Reconciliation of irregular expenditure			
Opening balance		1 934	3 331
Add: Irregular expenditure - relating to current year	22.2	4	148
Less: Prior year amounts condoned	22.3	(8)	(476)
Less: Current year amounts condoned		-	(140)
Less: Amounts not condoned and not recoverable	22.4	(1 926)	(929)
Irregular expenditure awaiting condonation		4	1 934
Analysis of awaiting condonation per age classification			
Current year		4	8
Prior years		-	1 926
Total		4	1 934

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22.2 Details of irregular expenditure - current year

	2016/17 R'000
Incident	
Procurement of conference venue in excess of amount approved.	NONE
Disciplinary steps taken/criminal proceedings	4
Total	4

22.3 Details of irregular expenditure condoned

	2016/17 R'000
Incident	
Strategic session in excess of limit	Accounting officer
Accommodation costs - SCM procedure	Accounting officer
Condoned by (condoning authority)	4
Total	8

22.4 Details of irregular expenditure not recoverable (not condoned)

	2016/17 R'000
Incident	
HOD contract extension	-
Not condoned	1 926
Total	1 926

During 2014/15 financial year, an amount of R1.926 million was reported to AGSA and disclosed as irregular expenditure. Subsequent to this, the Department proceeded to institute the condonation of this expenditure and consulted with the Department of the Premier, Corporate Services Centre (CSC). Pursuit to this, formal advice was provided by DPSA via CSC where after it was agreed that the amount be removed as irregular expenditure as the DPSA stated that officials in service of Government after the age of 67 are no longer regarded as permanent employees.

22.5 Prior period error

	2015/16 R'000
Prior period error	
Relating to 2015/16	4
Expenditure incorrectly classified as fruitless and wasteful	4
Total	4

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	Note	2016/17 R'000	2015/16 R'000
23. Fruitless and wasteful expenditure			
23.1 Reconciliation of fruitless and wasteful expenditure			
Opening balance		2	10
Fruitless and wasteful expenditure – relating to current year		1	4
Less: Amounts resolved		(1)	(12)
Less: Amounts transferred to receivables for recovery		(2)	-
Closing balance		<u><u>-</u></u>	<u><u>2</u></u>
23.2 Analysis of awaiting resolution per economic classification			
Current		-	2
Total		<u><u>-</u></u>	<u><u>2</u></u>
23.3 Analysis of Current Year's Fruitless and wasteful expenditure			2016/17 R'000
Incident	Disciplinary steps taken/criminal proceedings		
Accommodation costs	NONE		1
Total			<u><u>1</u></u>
23.4 Prior period error			2015/16 R'000
Nature of prior period error			
Relating to 2015/16			(4)
Expenditure incorrectly classified as fruitless and wasteful expenditure			(4)
Total			<u><u>(4)</u></u>
23.5 Details of fruitless and wasteful expenditure under investigation (not in the main note)			2016/17 R'000
Incident			
Cancellation of flight - penalty fee			1
Total			<u><u>1</u></u>

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24. Related party transactions

The Provincial Treasury occupies a building free of charge managed by the Department of Transport and Public Works. Parking space is also provided for government officials at an approved fee that is not market related.

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

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

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

Provincial Treasury makes use of government motor vehicles managed by Government Motor Transport (GMT) based on tariffs approved by the Department of Provincial Treasury.

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

The MEC of Provincial Treasury was also responsible for the following departments and entities at 31 March 2017:

- Department of Finance
- Western Cape Gambling and Racing Board

25. Key management personnel

	No. of Individuals	2016/17 R'000	2015/16 R'000
Political office bearers	1	1 902	2 071
Officials:			
Level 15 to 16	3	4 804	4 683
Level 14 (incl CFO if at a lower level)	6	6 758	5 959
Total		13 464	12 713

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26. Movable Tangible Capital Assets

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE
YEAR ENDED 31 MARCH 2017**

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	18 309	-	1 652	1 345	18 616
Transport assets	3 801	-	-	-	3 801
Computer equipment	11 291	-	1 432	1 296	11 427
Furniture and office equipment	1 975	-	99	49	2 025
Other machinery and equipment	1 242	-	121	-	1 363
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	18 309	-	1 652	1 345	18 616

Additions

**26.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR
ENDED 31 MARCH 2017**

	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	3 039	-	(1 387)	-	1 652
Transport assets	1 387	-	(1 387)	-	-
Computer equipment	1 432	-	-	-	1 432
Furniture and office equipment	99	-	-	-	99
Other machinery and equipment	121	-	-	-	121
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	3 039	-	(1 387)	-	1 652

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Disposals

26.2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash received Actual R'000
MACHINERY AND EQUIPMENT	1 176	169	1 345	7
Computer equipment	1 176	120	1 296	7
Furniture and office equipment	-	49	49	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	1 176	169	1 345	7

26.3 Movement for 2015/16

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	16 947	-	2 779	1 417	18 309
Transport assets	3 503	-	406	108	3 801
Computer equipment	10 308	-	2 213	1 230	11 291
Furniture and office equipment	1 900	-	105	30	1 975
Other machinery and equipment	1 236	-	55	49	1 242
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	16 947	-	2 779	1 417	18 309

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26.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	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	-	5 790	-	5 795
Additions	-	-	-	292	-	292
Disposals	-	-	-	15	-	15
TOTAL MINOR ASSETS	-	5	-	6 067	-	6 072

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	1	-	5 000	-	5 001
TOTAL NUMBER OF MINOR ASSETS	-	1	-	5 000	-	5 001

Minor assets

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2016**

	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	-	5 706	-	5 711
Additions	-	-	-	322	-	322
Disposals	-	-	-	238	-	238
TOTAL MINOR ASSETS	-	5	-	5 790	-	5 795

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	1	-	4 865	-	4 866
TOTAL NUMBER OF MINOR ASSETS	-	1	-	4 865	-	4 866

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26.5 Movable assets written off**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2017**

	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	-	-	-	48	-	48
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	48	-	48

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2016

	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	-	-	-	18	-	18
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	18	-	18

26.6 S42 Movable Capital Assets**MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2017**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No of Assets	-	-	-	14	-	14
Value of the asset (R'000)	-	-	-	85	-	85

MINOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 31 MARCH 2017

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No of Assets	-	-	-	7	-	7
Value of the asset (R'000)	-	-	-	10	-	10

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27. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
SOFTWARE	656	-	38	-	694
TOTAL INTANGIBLE CAPITAL ASSETS	656	-	38	-	694

Included in the Opening balance of Intangible Capital Assets is an amount of R596 000 that is software licences that expired. This amount will be disposed of in the 2017/18 financial year.

27.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017

	Cash R'000	Non-cash R'000	(Development work-in- progress current costs) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
SOFTWARE	38	-	-	-	38
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	38	-	-	-	38

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Movement for 2015/16

27.2 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
SOFTWARE	60	-	596	-	656
TOTAL INTANGIBLE CAPITAL ASSETS	60	-	596	-	656
Prior period error			Note		2015/16 R'000
Nature of prior period error					
Relating to 2015/16					(20)
Intangible Assets for software licences amount corrected.					(20)
Total					(20)

Caseware software licences amount incorrectly disclosed in previous year. The additions for 2015/16 in respect of intangible assets was overstated.

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28. Prior period errors**28.1 Correction of prior period errors**

	Note	2015/16 R'000
Expenditure:		
Goods and services - Amount for consultancy services incorrectly captured on LOGIS		20
Net effect		<u><u>20</u></u>
	Note	2015/16 R'000
Assets:		
Intangible assets for software licences amount incorrectly captured on LOGIS		(20)
Net effect		<u><u>(20)</u></u>
	Note	2015/16 R'000
Liabilities:		
Commitments - Service providers incorrectly omitted		4 986
Net effect		<u><u>4 986</u></u>
	Note	2015/16 R'000
Other:		
Irregular expenditure		4
Fruitless and wasteful expenditure		(4)
Net effect		<u><u>-</u></u>

Hotel accommodation that was cancelled and incorrectly classified as fruitless and wasteful expenditure instead of irregular expenditure.

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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	120	-	220	340	340	-	-
BERGRIVIER	120	-	-	120	120	-	-
BITOU	120	-	220	340	340	-	-
BREED VALLEY	120	-	434	554	554	-	-
CAPE AGULHAS	120	-	220	340	340	-	-
CAPE WINELANDS	120	-	920	1 040	1 040	-	-
CEDERBERG	120	-	220	340	340	-	-
CENTRAL KAROO	120	-	1 820	1 940	1 940	-	-
CITY OF CAPE TOWN	120	-	220	340	120	-	-
DRAKENSTEIN	120	-	-	120	120	-	-
EDEN DISTRICT	120	-	220	340	340	-	-
GEORGE	120	-	220	340	340	-	-
HESSEQUA	120	-	-	120	120	-	-
KANNALAND	120	-	1 220	1 340	1 340	-	-
KNYSNA	120	-	-	120	120	-	-
LAINGSBURG	120	-	220	340	340	-	-
LANGEBERG	120	-	220	340	340	-	-
MATZIKAMA	120	-	220	340	340	-	-
MOSSEL BAY	120	-	220	340	340	-	-
OUDTSHOORN	120	2 000	1 120	3 240	3 240	-	-
OVERBERG DISTRICT	120	-	1 820	1 940	1 940	-	-
OVERSTRAND	120	-	-	120	-	-	-
PRINCE ALBERT	120	2 000	220	2 340	2 340	-	-
SALDANHA BAY	120	-	220	340	340	-	-
STELLENBOSCH	120	-	220	340	340	-	-
SWARTLAND	120	-	220	340	340	-	-
SWELLENDAM	120	-	220	340	220	-	-
THEEWATERSKLOOF	120	-	220	340	340	-	-
WITZENBERG	120	2 000	220	2 340	2 340	-	-
WEST COAST DISTRICT	120	-	1 120	1 240	1 240	-	-
UNALLOCATED	17 914	-	(17 914)	-	-	-	-
	21 514	6 000	(5 500)	22 014	21 554	-	-

Note: The following three (3) municipalities did not take up their transfer payment for the following reasons:

1. City of Cape Town did not take up the grant in terms of the conditions for transfers.
2. Swellendam Municipality was not able to meet all the conditions of the grant in terms of the co-funding.
3. Overstrand Municipality was not able to subsidise their part of the bursaries.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017**

**ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2015/16
	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	Amount received by Municipality R'000	Amount spent by municipality R'000	Available funds spent by municipality %	Division of Revenue Act R'000
BEAUFORT WEST	120	-	220	340	340	-	-	340	220	65%	1 050
BERGRIVIER	120	-	-	120	120	-	-	120	-	0%	1 063
BITOU	120	-	220	340	340	-	-	340	-	0%	50
BREED VALLEY	120	-	434	554	554	-	-	554	108	19%	1 130
CAPE AGULHAS	120	-	220	340	340	-	-	340	-	0%	857
CAPE WINELANDS DISTRICT	120	-	920	1 040	1 040	-	-	1 040	-	0%	1 385
CEDERBERG	120	-	220	340	340	-	-	340	-	0%	1 312
CENTRAL KAROO DISTRICT	120	-	1 820	1 940	1 940	-	-	1 940	-	0%	550
CITY OF CAPE TOWN	120	-	220	340	120	-	-	120	120	100%	300
DRAKENSTEIN	120	-	-	120	120	-	-	120	-	0%	300
EDEN DISTRICT	120	-	220	340	340	-	-	340	-	0%	650
GEORGE	120	-	220	340	340	-	-	340	-	0%	50
HESSEQUA	120	-	-	120	120	-	-	120	-	0%	353
KANNALAND	120	-	1 220	1 340	1 340	-	-	1 340	-	0%	1 050
KNYSNA	120	-	-	120	120	-	-	120	-	0%	300
LAINGSBURG	120	-	220	340	340	-	-	340	-	0%	2 271
LANGEBERG	120	-	220	340	340	-	-	340	-	0%	50
MATZIKAMA	120	-	220	340	340	-	-	340	7	2%	1 455
MOSEL BAY	120	-	220	340	340	-	-	340	-	-	-
ODTSHOORN	120	2 000	1 120	3 240	3 240	-	-	3 240	54	2%	3 211
OVERBERG DISTRICT	120	-	1 820	1 940	1 940	-	-	1 940	-	0%	1 750
OVERSTRAND	120	-	-	120	-	-	-	-	-	-	1 300
PRINCE ALBERT	120	2 000	220	2 340	2 340	-	-	2 340	490	21%	3 535
SALDANHA BAY	120	-	220	340	340	-	-	340	-	0%	530
STELLENBOSCH	120	-	220	340	340	-	-	340	-	0%	250
SWARTLAND	120	-	220	340	340	-	-	340	-	0%	50
SWELLENDAM	120	-	220	340	220	-	-	220	-	0%	1 050
THEEWATERSKLOOF	120	-	220	340	340	-	-	340	16	5%	1 245
WITZENBERG	120	2 000	220	2 340	2 340	-	-	2 340	-	0%	1 050
WEST COAST DISTRICT	120	-	1 120	1 240	1 240	-	-	1 240	-	0%	1 000
Total	21 514	6 000	(5 500)	22 014	21 554	-	-	21 554	1 015		29 147

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2015/16
	Adjusted appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Available funds transferred %	Appro- priation Act R'000
Western Cape Gambling and Racing Board	9 908	-	-	9 908	9 908	100%	5 244
SABC TV licences	3	-	1	4	4	100%	3
Total	9 911	-	1	9 912	9 912		5 247

Note: Transfers are made to the WCGRB to supplement their budget (expenditure) while the Board generated about R573 million in 2016/17 for gambling taxes that had to be paid over to the PRF.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1C
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2015/16
	Adjusted appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Available funds transferred %	Appropriation Act R'000
Transfers							
Leave Gratuity	1 751	-	66	1 817	1 689	93%	386
Bursaries to non-employees	2 624	-	-	2 624	2 353	90%	3 809
Injury on duty	-	-	5	5	5	100%	4
Gifts for overseas trip	-	-	-	-	-		2
Schools Essay competition	-	-	158	158	301	191%	-
Total	4 375	-	229	4 604	4 348		4 201

Note: Leave gratuity in 2016/17 was paid out to three (3) officials who had substantial capped leave when they retired.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017**

**ANNEXURE 1D
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17 R'000	2015/16 R'000
Received in kind			
Beaufort West Municipality	Sponsorship for catering for a CFO Forum	-	5
TOTAL		-	5

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017**

ANNEXURE 1E

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

NATURE OF GIFT, DONATION OR SPONSORSHIP	2016/17 R'000	2015/16 R'000
Made in kind		
Saldanha Bay Municipality: Sponsoring for catering towards SCOA training for municipality officials.	14	-
TOTAL	14	-

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017**

ANNEXURE 2A**STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2017 - LOCAL**

GUARANTOR INSTITUTION	Guarantee in respect of	Original guaranteed capital amount R'000	Opening balance 1 April 2016 R'000	Guarantees draw downs during the year R'000	Guaranteed repayments/ cancelled/ reduced/ released during the year R'000	Revaluations R'000	Closing balance 31 March 2017 R'000	Guaranteed interest for year ended 31 March 2017 R'000	Realised losses not recoverable i.e. claims paid out R'000
	Housing								
Standard Bank	Ggcwazi VG	66	66	-	66	-	-	-	-
	Total	66	66	-	66	-	-	-	-

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017**

**ANNEXURE 3
CLAIMS RECOVERABLE**

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2016/17	
	31/03/2017 R'000	31/03/2016 R'000	31/03/2017 R'000	31/03/2016 R'000	31/03/2017 R'000	31/03/2016 R'000	Receipt date up to six (6) working days after year end	Amount R'000
GOVERNMENT ENTITY								
DEPARTMENTS								
Dept of Human Settlements	12	-	-	-	12	-	-	-
Department of Education	-	-	7	-	7	-	-	-
Total	12	-	7	-	19	-	-	-

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017**

**ANNEXURE 4
INTER-GOVERNMENT PAYABLES**

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2016/17	
	31/03/2017 R'000	31/03/2016 R'000	31/03/2017 R'000	31/03/2016 R'000	31/03/2017 R'000	31/03/2016 R'000	Payment date up to six (6) working days before year end	Amount R'000
GOVERNMENT ENTITY								
DEPARTMENTS								
Current								
Department of Premier	26	15	167	-	193	15	31/03/2017	8
National Department of Justice and Constitutional	-	-	-	8	-	8	-	-
Subtotal	26	15	167	8	193	23		8
Non-current								
Total Departments	26	15	167	8	193	23		8
OTHER GOVERNMENT ENTITY								
Government Motor Transport	-	14	-	-	-	14	-	-
Government Printing Works	-	-	-	1	-	1	-	-
Subtotal	-	14	-	1	-	15		-
Non-current								
Total Other Government Entities	-	14	-	1	-	15		-
TOTAL INTERGOVERNMENTAL	26	29	167	9	193	38		-

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017**

**ANNEXURE 5
INTER-ENTITY ADVANCES RECEIVED (Note 13)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2017 R'000	31/03/2016 R'000	31/03/2017 R'000	31/03/2016 R'000	31/03/2017 R'000	31/03/2016 R'000
OTHER INSTITUTIONS						
Current						
Nedbank - bursary monies for students	-	-	153	39	153	39
Total	-	-	153	39	153	39