

**Western Cape Government  
Provincial Treasury**

**Annual Report  
2013/14**

Provincial Treasury

Directorate Financial Management

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# PROVINCIAL TREASURY

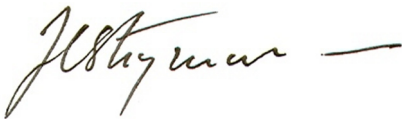
## Annual Report

2013/14

**Mr A Winde**

**Minister of Finance, Economic Development and Tourism**

I have the honour of submitting the Annual Report of the Provincial Treasury for the period  
1 April 2013 to 31 March 2014.



**JC STEGMANN (DR)**  
**ACCOUNTING OFFICER**

**DATE:** 31 August 2014



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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
CRU	Corporate Relations Unit
CSC	Corporate Services Centre
DBAC	Departmental Bid and Adjudication Committee
DC	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

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DPSA	Department of Public Service and Administration
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
FARMCO	Fraud and Risk Management Committee
FGRO	Financial Governance Review and Outlook
FMC	Financial Management Capability
FMCM	Financial Management Capability Model
GAMAP	Generally Accepted Municipal Accounting Practice
GEPF	Government Employees Pension Fund
GIAMA	Government-wide Immoveable Asset Management Act
GMT	Government Motor Transport
GRAP	Generally Recognised Accounting Practice
HD	Helpdesk
HDI	Historically Disadvantaged Individual
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 Development Management System
IDP	Infrastructure Delivery Plan
IDP	Integrated Development Plans

IDP	Individual Development Plans
IFMS	Integrated Financial Management System
IFS	Interim Financial Statements
IIA	Institute for Internal Auditors
IMFO	Institute of Municipal Finance Officers
IPS	Integrated Procurement System
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
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
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
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
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)
PERSAL	Personnel and Salary Administration System
PER&O	Provincial Economic Review and Outlook
PES	Provincial Equitable Share
PFMA	Public Finance Management Act, 1999 (Act 1 of 1999)
PG	Provincial Government
PI	Performance Indicator
PID	Project Initiation Documents
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
PSO	Provincial Strategic Objective
PT	Provincial Treasury
PTI	Provincial Treasury Instruction
PTM	Provincial Treasury Management
PTRPA	Provincial Tax Regulation Process Act
QPR	Quarterly Performance Report
REAL	Revenue, Expenditure, Assets, and Liabilities
SAIGA	Southern African Institute of Government Auditors
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 Budget Implementation Plan
SDR	Service Delivery Review
SEP	Socio-economic Profile
SER	Socio-economic Review
SETA	Sector Education and Training Authority
SIP	Strategic Infrastructure Plan
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
<b>the dti</b>	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
WCED	Western Cape Education Department
WCG	Western Cape Government
WCGRB	Western Cape Gambling and Racing Board
WC MTBPS	Western Cape Medium Term Budget Policy Statement
WCSD	Western Cape Supplier Database
WSP	Workplace Skills Plan

### 3. FOREWORD BY THE MINISTER

I am honoured to present the Provincial Treasury's Annual Report for 2013/14.

At the beginning of the year under review, this Department committed itself to being a key stakeholder in the delivery of the Province's 12<sup>th</sup> Strategic Objective: Becoming the best-run regional government in the world. In doing so, it set its sights on improving financial management practices in the departments of the Western Cape Government, and within the municipalities within our region, so as to achieve improved governance, and as a result better service delivery, across the board. A concerted effort was made to simplify the goals that were set so as to aid in their interpretation and implementation.



**Alan Winde**  
**Minister of Finance, Economic  
Development and Tourism**

I am pleased to convey that these efforts have resulted in a radical improvement in both the quality of the outcomes we set and the quantity that were achieved. Specifically, the Provincial Treasury played a strong role in driving good governance through the Corporate and Municipal Governance Review and Outlook processes and through the Medium Term Expenditure Committee processes.

In the year under review, the Provincial Treasury also played a leading role in redefining the strategic priority areas of the Western Cape Government. Following an intensive investigation into the key concerns and challenges faced by our communities, it devised a mind map setting out five focus areas for delivery. The *Metacog* has achieved broad acceptance from the stakeholders who must deliver it, and I eagerly anticipate its implementation in the years ahead.

While led by the Provincial Treasury, these achievements were the outcome of a team effort by the finance staff of each department and municipality. The working relationship between these entities continues to grow, allowing us all to make progress possible.

I would like to issue my special thanks to the entire Provincial Treasury team for their strategic leadership and hard work in the year under review. Through their collaborative efforts, we are ever closer to achieving our goal of becoming the best-run regional government in the world.

A handwritten signature in black ink, appearing to be 'AW', written in a cursive style.

**ALAN WINDE**  
**MINISTER OF FINANCE, ECONOMIC DEVELOPMENT AND TOURISM**  
**DATE:** 31 August 2014

## 4. REPORT OF THE ACCOUNTING OFFICER

### Overview of the operations of the department

Developments in global and national economic environments presented risks for the Provincial Treasury. This placed a greater burden on its ability to enhance the fiscal allocative process with limited funding, while difficult economic prospects and increased socio-economic challenges reduced the Department's abilities to provide for high quality services with constrained funds. These fiscal constraints further required increased efficiency, innovation and effectiveness to deliver goods and services to provincial clients to achieve greater value for money and ensure efficient and effective public expenditure.



**JC Stegmann**  
**Accounting Officer:**  
**Provincial Treasury**

Some of the key achievements that were attained during 2013/14 were:

- The now well established Provincial Economic Review and Outlook 2013 (PERO), the Medium Term Budget Statement 2014 to 2017 (MTBPS) and the Municipal Economic Review and Outlook 2013 (MERO) were tabled during the reporting period and provided economic intelligence at provincial and municipal levels.
- Improved steps were also introduced to enhance operational efficiency within provincial, municipal and entity budgets to ensure that the delivery of annual plans were met and operational transactions subjected to due diligence processes. The combination of these steps, taken together with initiatives of accounting officers, contributed to the increased number of clean audit reports within the Western Cape with ten of the fourteen departments receiving clean audit reports for 2013/14.
- The concerted efforts to improve supply chain and moveable asset management within departments and municipalities also paid off. The Provincial Treasury took the lead with its SCM focus groups and finalised a blueprint of the new Accounting Officers System (AOS) that will be implemented during the 2014/15 financial year within the departments in the Province. Supply Chain and Moveable Asset Management assistance to departments and municipalities included assessments, support, training and guidance. This was strengthened by the identification of gaps through the respective CGRO and MGRO processes and the development of action plans to address deficiencies. The development of SCM forums in both departmental and municipal levels proved to be increasingly successful in identifying best practices that also promoted standardisation where applicable.



- The Logistical Information System (LOGIS) was further rolled out in accordance with the rollout plan to comply with current legislative and functional requirements, while eight (8) new segments of the Standard Chart of Accounts (SCoA) was successfully implemented on BAS with the new e-Procurement solution (IPS) rolled out and tested at three pilot sites.
- The focus of Treasury's accounting units was to improve the quality and integrity of financial data and accounting information to better reflect transactions captured on the current systems within government. Training interventions were held with departments to improve structured interaction, the promotion of CGRO and financial governance maturity growth.
- MGRO engagements provided the platform to engage with municipalities on conformance standards and clean financial governance. The success of these engagements is evident in the eleven municipalities who received unqualified audit outcomes in their 2012/13 financial year with no other matters.
- The Provincial Treasury also executed its oversight functions over the Western Cape Gambling and Racing Board and assisted the public entity to achieve a clean or financially unqualified audit outcome with no other matters.
- Within the corporate services environment of the Department, the continued monitoring, control and co-operation that was achieved within all Directorates and components of the Department ultimately ensured that the Provincial Treasury also received an unqualified audit outcome without other matters for the reporting period.

### **Overview of the financial results of the department**

During the reporting period the Department for the first time during the Main Estimates introduced a Sub-programme Special Projects under Programme 2 Sustainable Resource Management. This amount of R252.598 million was held as a reserve for priority projects transversally in nature intended to promote effective and efficient management, coordination and intergovernmental cooperation of transversal projects in the Province. The release of the funds during the adjusted estimates in 2013/14 was made subject to clear business and implementation plans that would demonstrate clear alignment to the Provincial Strategic Objectives and the provincial budget policy objectives as set out in the 2013 - 2016 WC MTBPS, all aimed at contributing to improving the effectiveness and efficiency of government services.

R8 million of these funds were released within the Department for priority projects within three of the programmes. R2 million was allocated for strategic sourcing, and another R5 million for the roll out of LOGIS systems within Programme 3. The remaining R1 million was allocated for training purposes under Programme 4. Given the PFMA requirements, R244.811 million of the funding reserved for Special Projects had, for technical reasons to be shifted and reallocated to the various departments based on approved project initiation plans, ability to spend and spending commitments.

**Table 1 Departmental receipts**

Departmental Receipts	2013/14			2012/13		
	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	307 326	441 130	(133 804)	299 411	382 663	(83 252)
<i>Casino taxes</i>	287 326	408 661	(121 335)	279 411	350 384	(70 973)
<i>Horse racing taxes</i>	20 000	32 469	(12 469)	20 000	32 279	(12 279)
Sale of goods and services other than capital assets	1 214	2 646	(1 432)	1 214	2 527	(1 313)
Fines, penalties and forfeits		693	(693)		935	(935)
Interest, dividends and rent on land		8	(8)		2	(2)
Financial transactions in assets and liabilities	47	8 038	(7 991)	47	2 846	(2 799)
<b>Total</b>	<b>308 588</b>	<b>452 515</b>	<b>(143 927)</b>	<b>300 673</b>	<b>388 973</b>	<b>(88 300)</b>

Total receipts as depicted in Table 1 for the 2013/14 financial year amounted to R452.515 million, or 146.6 per cent of the original budget of R308.588 million. The department adopted a conservative budgeting approach, given flat economic conditions, but fortunately collected more than what was originally budgeted for. These funds were surrendered to the Provincial Revenue Fund. When compared with the same period in 2012/13, there is a substantial year-on-year increase of 16.3 per cent for the reviewed period.

Tax Receipts consists of Casino taxes and Horse racing taxes. This item for the financial year amounted to R441.130 million, amounting to 143.5 per cent of the original budget of R307.326 million, 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, for the reporting period amounted to 118 per cent higher than the original budget.

Fines, penalties & forfeits consisting of court fines and penalties on court orders amounted to R693 000 for the financial year.

Interest, dividend, rent on land amounted to R8 000 for the financial year.

Financial Transactions in Assets and Liabilities recorded a surplus of R7.991 million as a result of the collection of previous year's surplus that was retained from the Western Cape Gambling and Racing Board.

**Table 2 Programme expenditure**

Programme name	2013/14			2012/13		
	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	41 370	40 780	590	36 230	35 462	768
Sustainable Resource Management	86 182	86 182	-	70 898	70 898	-
Asset Management	47 747	47 520	227	35 395	33 934	1 461
Financial Governance	26 095	25 485	610	22 439	21 989	450
<b>Total</b>	<b>201 389</b>	<b>199 967</b>	<b>1 427</b>	<b>164 962</b>	<b>162 283</b>	<b>2 679</b>

**Virement**

The Department ended the financial year of 2013/14 with an adjusted appropriation of R201.394 million of which R199.967 million was actually spent. Provisional virement was approved by the Member of the Executive Authority on 29 April 2014 and the Department ended with a net under spending of R1.427 million or 0.7 per cent for the reporting period. The details of the shifts between the main divisions can be found on pages 134 to 141 in 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, Economic Development and Tourism. In terms of section 20 of this Act, powers are delegated to the Head Official of the Provincial Treasury and variously to other senior managers and staff. Similar legislative provisions apply in terms of the MFMA, 2003.

**Tariff policy**

The department has no specific tariff policy as the only tariff that is subject to periodic adjustment is that for private photo copies which make up a minimal portion of own revenue, i.e. less than R1 000 per annum.

### **Betting and gambling**

Betting and gambling revenue consists mainly of taxes and licence fees from casinos, limited gambling machines, bookmakers and the totalisator. These fees and taxes are all raised and adjusted periodically as determined by the Western Cape Gambling and Racing Act, 1996 (Act 4 of 1996), as amended. The revenue accrued from betting and gambling taxes were briefly discussed under Table 1 above.

### **Functional financial training**

All training costs provided by the Provincial Treasury to departments and other levels of government 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. The Directorate Supporting and Interlinked Financial Systems is mainly responsible for the internal training services of the Provincial Treasury.

### **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**

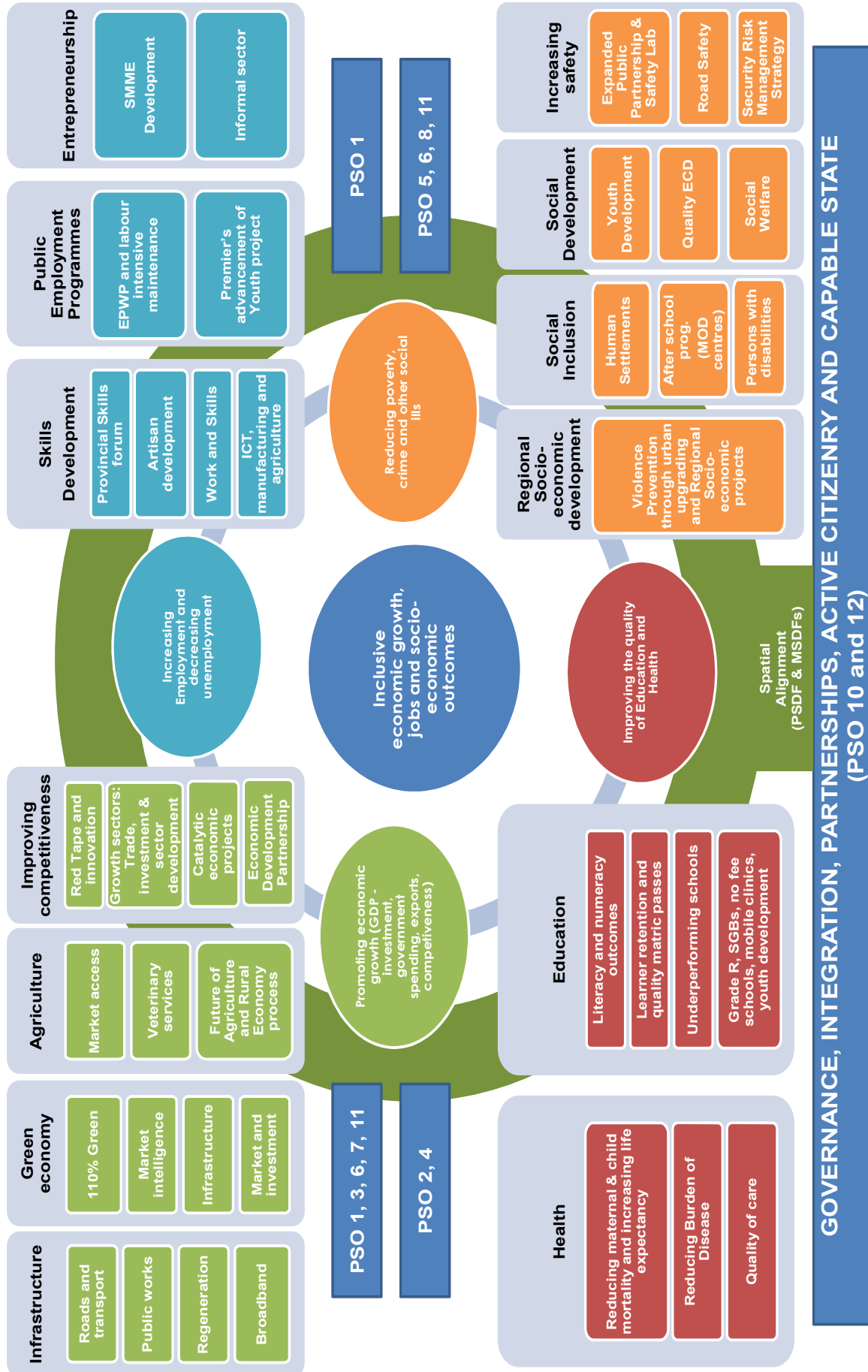
Two types of assets are maintained on the LOGIS System, namely, an inventory of store items and one of moveable assets. Inventory items are included as assets that are reflected in the Disclosure Notes in Part E of this document under the Financial Statements.

### **Future plans of the department**

As explained in the Annual Performance Plan 2014/15 – 2016/17 the Provincial Treasury and the Western Cape Government faces a number of challenges to ensure and improve its sustainability.

These challenges are inter alia:

- A constrained fiscal environment in terms of revenue resources and revenue collection;
- The effective allocation of provincial and municipal resources in order to attain the socio-economic resources and government requirements;
- Improving expenditure management practices;
- Improving knowledge management;
- Effective retention of institutional memory; and
- Improving the adequacy and effectiveness of internal control.



**Programme 2:** Sustainable Resource Management aims to efficiently and effectively manage fiscal resources towards achieving inclusive growth and the improved standard of living for all people within the Western Cape Province. The metacog on page 13 demonstrates projects and initiatives which support the policy mandates of the Department in future years to address the delivery environment of the Province. Effective governance (PSO 12) will be the foundation upon which all programmes, projects and initiatives intrinsically depend and the main drivers who will take joint responsibility for this will be the legislature executive councils and accounting officers. However, the three main drivers being the departments of the Premier, Local Government and Provincial Treasury.

The Branch Governance and Asset Management consisting of **Programmes 3 and 4** will be responsible to drive MGRO and CGRO interventions and developing an Integrated Financial Management Solution (IFMS) for future years in liaison with the National Treasury. Supply Chain Management technology enablers will be necessary to drive governance and to this extent work has been done to improve the Western Cape Supplier database and implement and fully fledged e-procurement system. A number of critical interventions to improve the capacity of SCM staff in the Province will be undertaken during 2014/15 and the focus on training of SCM staff together with the recruitment of staff will be a priority. As a whole the Department will accelerate change with both the MGRO and CGRO processes within Treasury and the departments and local authorities of the Province. Provincial Treasury will provide the platform for sharing ideas, innovation and solution driven outcomes which will be championed in different fora to remain effective and efficient.

### **Public Private Partnerships**

The Provincial Treasury's responsibilities for Public Private Partnerships (PPPs) within the Province are housed within the Sub-programme Public Finance (Element: Immoveable Assets).

These responsibilities are currently targeted towards monitoring previously awarded PPPs, but with a number of major projects being pursued by the Departments of Transport and Public Works and Economic Development and Tourism, increased capacity is planned for 2014/15 to be able to play a stronger support and guiding role.

### **Discontinued activities/activities to be discontinued**

No activities were discontinued during the reporting period. The new Sub-programme 2.5 Special Projects was introduced during the reporting period. This multiyear allocation process was carried forward during the new MTEF period in 2014/15 – 2016/17 and will gain momentum as projects are implemented within the responsible departments in line with their respective business plans. The process intrinsically improves fiscal prudence and better spending in line with earmarked funds.

### **Supply chain management**

The Departmental SCM unit within the Office of the CFO completed its annual stocktaking during March and April 2014 with all the major and minor assets fully reconciled with the

LOGIS System. Furthermore, a prior total asset count undertaken as from October 2013 assisted the Department to fully reconcile its total assets.

Both major and minor assets are reflected in Notes 25 and 26 from page 169 to 173 of the Financial Statements.

### **Unsolicited bids**

No unsolicited bids were received during the period under review.

### **Irregular expenditure**

At the end of 2013/14, an amount of R1.431 million still appears as irregular in the Financial Statement of the Department (see Note 21.1 – 21.4 on pages 166 to 167 of this document). Of the above amount, R1.429 million is subject to National Treasury condonement for payments processed without tax clearance certificates and substantiating prescribed evidence since 2009/10 (R457 000) and for 2010/11 (R972 000). Several letters, requesting the condonement have been written to National Treasury, but approval is still awaited. As can be deduced from the figures above, only R2 000 of the current year was not condoned within the Department.

### **Challenges**

Great strides were made to improve the operational issues which emanated from the AGSA regularity audit, specifically regarding the 30 day payments. A payment tool was introduced to manage all invoices within the Department.

The Asset register was updated with assets procured, based on the 2<sup>nd</sup> round approved Demand Management requirements, for the 2013/14 financial year. The 2013/14 annual asset count was finalised on 12 March 2014 and the count regarding the Inventory (Consumables) store on 31 March 2014. Concerted effort was also made to ensure staff safeguards laptops to improve controls over thefts and losses. These included improved administration, especially, when laptops were replaced and disposed of. The Provincial Treasury's Accounting Officer's System (AOS) was issued under Finance Instruction 5/2014 dated 28 March 2014, for implementation as from 1 April 2014. The challenge during the next financial year is to ensure conformance to the prescripts of the new AOS, noting the Provincial Treasury will be audited against the improved controls that are implemented in 2014/15 financial year.

The limited management of departmental contracts has resulted in the issuance of a contract management Financial Instruction 17/2013 dated 18 December 2013, requiring continuous management of contract performance and expenditure.

### **Gifts and Donations received in kind from non-related parties**

An amount of R203 000 was paid to non-related parties as reflected under Annexure 1D on page 178 of the Annual Financial Statements, in Part E of this Report. According to the records in the Gift Register that is maintained within the Financial Management section of the Department, an amount of R27 000 was received by officials from non-related parties which is in line with the Gift register prescripts.

### **Exemptions and deviations received from the National Treasury**

No exemptions and deviations were requested from the National Treasury.

### **Events after the reporting date**

During the latest National and Provincial general election (NPE – 2014) the current ruling party within the Western Cape was re-elected with a reshuffle of the portfolios of the different ministers. This resulted in Minister Winde shifting to the new portfolio of Economic Opportunities, i.e. Agriculture, Economic Development and Tourism, with Minister Meyer, the erstwhile Minister of Cultural Affairs and Sport becoming the new Minister of Finance as from 1 June 2014.

### **Acknowledgement/s or Appreciation**

I would be seriously amiss in not expressing my heartfelt appreciation for all the diligent, competent and hard work by the staff and the management team of the Provincial Treasury, the equally dedicated accounting officers and their staff within both the Provincial and Municipal domain, without which, none of the achievements would have been possible. Likewise to Minister Alan Winde for his ever ready ear, comprehension and unflinching support and leadership.

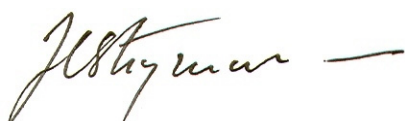
### **Conclusion**

This Annual Report reflects the culmination of three years and more of extremely hard work by many individuals within provincial departments, public entities and municipalities, in close collaboration with the Provincial Treasury and our immediate partners in National Treasury and the Departments of the Premier and Local Government.

The basis has also been laid for extending this partnership to the Department of Environmental and Development Planning, particularly as regards landing the spatial dimension in planning and budgeting.

Taken together, it's believed that a good foundation has been laid within the Province to further build on and thus to continue to not only improve on governance matters, but more specifically enhance our service offering to the people of the Western Cape.

### **Approval and sign off**



**JC Stegmann (Dr)**  
**Accounting Officer**  
**Provincial Treasury**

**Date:** 29 August 2014



## 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.

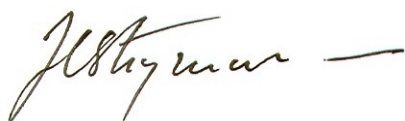
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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 2014.

Yours faithfully



**JC Stegmann (Dr)**  
**Accounting Officer**  
**Provincial Treasury**  
**Date:** 29 August 2014

## 6. STRATEGIC OVERVIEW

### 6.1 Vision

Effective governance that delivers a better life for our people.

### 6.2 Mission

To build a skilled and caring organisation that drives our commitment to good governance, accountability and the efficient use of our financial resources to achieve optimum service delivery impact.

### 6.3 Values

The Provincial Treasury (PT) cherishes the following values:

**Courtesy** - We undertake to always be courteous to our stakeholders and co-employees by having empathy, consideration and respect for them.

**Honesty and Integrity** - We undertake to conduct ourselves in a professional manner by embracing truthfulness and trust; treating everyone with dignity and respect – as we wish to be treated ourselves.

**Openness and Transparency** - We undertake to conduct business openly through honest and meaningful consultation with stakeholders and communication of reliable information.

**Prompt declaration of conflict of interest** - We undertake to promptly disclose/declare and recuse ourselves from any situation in which we are in a position to exploit our official capacity for our personal benefit, directly or indirectly.

**Fairness** - We undertake to operate in a manner that is fair and just.

**Ethics** - We adhere to morally acceptable standards in all that we do. We will acquaint ourselves with the ethical values, rules and regulations applicable within our workplace.

**Loyalty** - We commit to remain loyal to our organisational values and our colleagues within an ethical environment.

## 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 Adjustments Appropriation Act, 2013 (Act 11 of 2013)**

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 2014; 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.

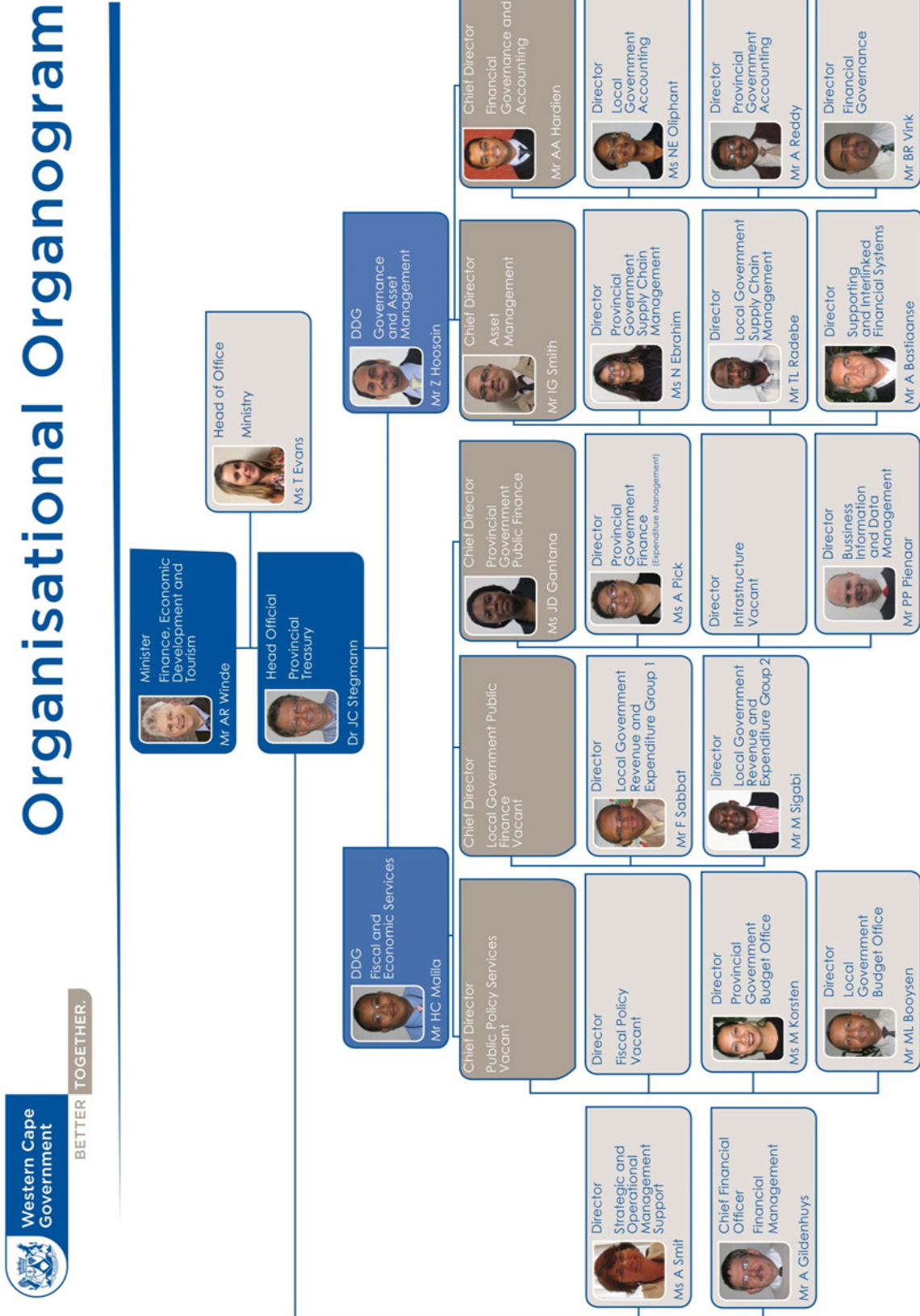
**Western Cape Gambling and Racing Act, 1996 (Act 4 of 1996) as amended**

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.

## 8. ORGANISATIONAL STRUCTURE



Note: As from 1 June 2014, Dr IH Meyer became the new Minister of Finance.

## 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 130 of the Report of the Auditor-General, published as Part E: Financial Information.

### 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

#### 2.1 Service Delivery Environment

The Provincial Treasury does not directly render services to the public, but services are rendered by its clients, i.e. departments, entities and municipalities. By executing the function and powers assigned in terms of section 18 of the Public Finance Management Act, 1999 (Act 1 of 1999) and section 5(4) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) the Provincial Treasury assists its client to improve service delivery.

The key outputs for the 2013/14 financial year were:

- 2 Research reports on the Fiscal Transfer System;
- 32 Revenue and cash management reports;
- Publication of the Overview of Provincial Revenue and Expenditure in March 2014;
- Publication of the MTBPS in November 2013;
- 30 Municipal annual budget assessments;
- Publication of the PERO and MERO in October 2013;
- Release of working papers on Socio-economic profiles for 5 districts and Metro;
- Tabling of the Estimates of Revenue and Expenditure in March 2014;
- 4 Quarterly reports on the implementation of the provincial budget to Cabinet and Parliament;
- 30 Municipal budgets assessment reports;

- 4 Quarterly reports on the implementation of the municipal budget to Cabinet and Parliament;
- 4 Reports on MFMA implementation;
- 3 Departments in which WC IDMS is institutionalised;
- Drafted SOP for an information management system;
- 14 Votes and 30 municipalities assisted to improve management of supply chain and moveable asset management;
- 14 Votes assisted to effectively utilise the suite of financial systems;
- 30 Municipalities assisted to comply with the GRAP standards;
- 14 Votes assisted to comply with accounting standards and to improve internal controls; and
- 30 Municipalities and 13 departments assisted to improve corporate governance.

## 2.2 Service Delivery Improvement Plan

The Department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements.

**Table 1 Main services and service standards provided in terms of the Service Delivery Plan, 1 April 2013 to 31 March 2014**

Main services	Beneficiaries	Current/actual standard of service 2012/13	Desired standard of service 2013/14	Actual achievement for 2013/14
<b>Provide a Supply Chain Management (SCM) help desk service to handle SCM issues, queries or complaints received from provincial departments, Public entities, municipalities and suppliers</b>	<ul style="list-style-type: none"> <li>• Western Cape Provincial departments</li> <li>• Public entities</li> <li>• Municipalities</li> <li>• Suppliers</li> </ul>	a) 50% of SCM issues, complaints, queries resolved	a) 55% of SCM issues, complaints, queries resolved	a) Provincial Government Supply Chain Management (PGSCM): 95.33% of queries resolved within specified time as per HD framework  Local Government Supply Chain Management (LGSCM): 76% of the queries resolved within the specified time as per HD framework

Main services	Beneficiaries	Current/actual standard of service 2012/13	Desired standard of service 2013/14	Actual achievement for 2013/14
<p><i>(Continued)</i></p> <p><b>Provide a Supply Chain Management (SCM) help desk service to handle SCM issues, queries or complaints received from Provincial departments, Public entities, municipalities and suppliers</b></p>		<p>b) 50% of service beneficiaries indicated satisfaction with the level and standard of service provided by the SCM Help Desk</p>	<p>b) 55% of service beneficiaries indicated satisfaction with the level and standard of service provided by the SCM Help Desk</p>	<p>b) PGSCM: 95.66% of service beneficiaries indicated satisfaction with the level and standard of service provided by the SCM Help Desk</p> <p>LGSCM: 85.33% of service beneficiaries indicated satisfaction with the level and standard of service provided by the SCM helpdesk</p>
<p><b>To establish a platform that informs the Public on Public Sector procurement opportunities, proper bidding processes, existing legislative requirements and new development in legislation pertaining to procurement</b></p>	<p>a) Western Cape Citizens</p>	<p>a) 2 Supplier Open Days hosted</p>	<p>a) 2 Supplier Open Days hosted</p>	<p>a) Supplier development initiative per invitation by Mossel Bay Municipality (LED)</p> <p>The initiative focussed on the registration of local suppliers on the different departmental databases</p> <p>PT in collaboration with Ariba to facilitate the registration of suppliers on the Western Cape Supplier Database (WCSD)</p> <p>Two (2) focussed SODs hosted on 16/10/2013 (Security Services and 21/11/2013 (Local Content)</p>

Main services	Beneficiaries	Current/actual standard of service 2012/13	Desired standard of service 2013/14	Actual achievement for 2013/14
(Continued) <b>To establish a platform that informs the Public on Public Sector procurement opportunities, proper bidding processes, existing legislative requirements and new development in legislation pertaining to procurement</b>	b) Small, Medium and Micro Enterprise (SMME)	b) 50% Client satisfaction (i.t.o. evaluation questionnaire)	b) 60% Client satisfaction (i.t.o. evaluation questionnaire)	b) 64% client satisfaction (i.t.o. evaluation questionnaires)  In addition five (5) focussed Local Content Roadshows held in 5 districts namely Cape Winelands, Overberg, Central Karoo, Eden and Swartland  <b>Additional achievement:</b> In addition five (5) focussed Local Content Roadshows held in 5 districts namely Cape Winelands, Overberg, Central Karoo, Eden and Swartland with 96% client satisfaction (i.t.o. evaluation questionnaires)

**Table 2 Batho Pele arrangements with beneficiaries (Consultation, access etc.), 1 April 2013 to 31 March 2014**

Current/actual arrangements 2012/13	Desired arrangements 2013/14	Actual achievements for 2013/14
Consultation: a) Workshops b) Written correspondence c) Telephonically d) Email e) One-on-one meetings f) District Council Forum (DCF) g) Provincial & Local SCM Forums h) Municipal Chief Financial Officers (CFO) Forum i) Road shows and open days	Consultation: a) Workshops b) Written correspondence c) Telephonically d) Email e) One-on-one meetings f) District Council Forum (DCF) g) Provincial & Local SCM Forums h) Municipal Chief Financial Officers (CFO) Forum i) Road shows and open days	Consultation a) Workshops b) Written correspondence c) Telephonically d) Email e) One-on-one meetings f) District Council Forum (DCF) g) Provincial & Local SCM Forums h) Municipal Chief Financial Officers (CFO) Forum i) Road shows and open days
Access: Provincial Legislature Building, 7 Wale Street, Cape Town	Access: Provincial Legislature Building, 7 Wale Street, Cape Town	Access: Provincial Legislature Building, 7 Wale Street, Cape Town

Current/actual arrangements 2012/13	Desired arrangements 2013/14	Actual achievements for 2013/14
<p>Courtesy: Through official channels i.e.:</p> <ul style="list-style-type: none"> <li>• Management</li> <li>• Email</li> <li>• Telephonically</li> <li>• Written correspondence</li> <li>• Verbal communication</li> <li>• Face-to-face</li> </ul>	<p>Courtesy: Through official channels i.e.:</p> <ul style="list-style-type: none"> <li>• Management</li> <li>• Email</li> <li>• Telephonically</li> <li>• Written correspondence</li> <li>• Verbal communication</li> <li>• Face-to-face</li> </ul>	<p>Courtesy: Through official channels i.e.:</p> <ul style="list-style-type: none"> <li>• Management</li> <li>• Email</li> <li>• Telephonically</li> <li>• Written correspondence</li> <li>• Verbal communication</li> <li>• Face-to-face</li> <li>• PGSCM: Helpdesk</li> <li>• Red Tape Reduction Call Centre</li> <li>• Evaluation questionnaires</li> </ul>
<p>Openness and transparency:</p> <ol style="list-style-type: none"> <li>a) Telephonically</li> <li>b) Written correspondence</li> <li>c) Email</li> <li>d) One-on-one meetings</li> <li>e) Annual Report</li> <li>f) Workshops</li> <li>g) District Council Forum (DCF)</li> <li>h) Provincial &amp; Local SCM Forums</li> <li>i) Municipal Chief Financial Officers (CFO) Forum</li> </ol>	<p>Openness and transparency:</p> <ol style="list-style-type: none"> <li>a) Telephonically</li> <li>b) Written correspondence</li> <li>c) Email</li> <li>d) One-on-one meetings</li> <li>e) Annual Report</li> <li>f) Workshops</li> <li>g) District Council Forum (DCF)</li> <li>h) Provincial &amp; Local SCM Forums</li> <li>i) Municipal Chief Financial Officers (CFO) Forum</li> </ol>	<p>Openness and transparency:</p> <ol style="list-style-type: none"> <li>a) Telephonically</li> <li>b) Written correspondence</li> <li>c) Email</li> <li>d) One-on-one meetings</li> <li>e) Annual Report</li> <li>f) Workshops</li> <li>g) District Council Forum (DCF)</li> <li>h) Provincial &amp; Local SCM Forums</li> <li>i) Municipal Chief Financial Officers (CFO) Forum</li> </ol> <p><b>Additional achievement:</b></p> <ol style="list-style-type: none"> <li>j) Helpdesk Framework</li> <li>k) Standard Operational Procedure: Handle General Supply Chain Management Issue</li> <li>l) Standard Operational Procedure: Handle Specific Supply Chain Management Issues</li> <li>m) During the Supplier Open Days (evaluation questionnaires)</li> <li>n) Supplier Open Day Report</li> <li>o) Supplier Open Day Article (departmental website)</li> <li>p) Press/Media Article</li> <li>q) Workshops</li> <li>r) Road shows</li> <li>s) Standard Operational Procedure: Supply Chain Management: Host Supplier Open Day</li> </ol>

Current/actual arrangements 2012/13	Desired arrangements 2013/14	Actual achievements for 2013/14
<p>Value for money:</p> <p>a) Provide support and advice to all Western Cape Provincial departments, Public entities</p> <p>b) Clients get useful and useable information at no cost</p>	<p>Value for money:</p> <p>a) Provide support and advice to all Western Cape Provincial departments, Public entities</p> <p>b) Clients get useful and useable information at no cost</p>	<p>Value for money:</p> <p>a) Provide support and advice to all Western Cape Provincial departments, Public entities, municipalities and suppliers</p> <p>b) Clients received useful and useable information at no cost</p> <p><b>Additional achievement:</b></p> <p>c) Support and advice provided to all Citizens and SMMEs within the Western Cape Province</p>
<p><b>To establish a platform that informs the Public on Public Sector procurement opportunities, proper bidding processes, existing legislative requirements and new development in legislation pertaining to procurement</b></p> <p>Consultation:</p> <p>a) Workshops</p> <p>b) Written correspondence</p> <p>c) Telephonically</p> <p>d) Email</p> <p>e) During the Supplier Open Days</p> <p>f) Roadshows</p>	<p>Consultation:</p> <p>a) Workshops</p> <p>b) Written correspondence</p> <p>c) Telephonically</p> <p>d) Email</p> <p>e) During the Supplier Open Days</p> <p>f) Roadshows</p>	<p>Consultation:</p> <p>a) Workshops</p> <p>b) Written correspondence</p> <p>c) Telephonically</p> <p>d) Email</p> <p>e) During the Supplier Open Days</p> <p>f) Roadshows</p> <p><b>Additional achievement:</b></p> <p>g) Regular meetings held with Department of Community Safety and DEDAT</p> <p>h) Provincial Steer-com formed and TOR concluded for local content implementation</p> <p>i) Draft position paper and implementation plan prepared for Provincial buy-in, PTM approval and issuance</p> <p>j) Meeting held with Regional Manager of PSIRA in connection with SOD</p> <p>k) Meeting held with Department of Labour in connection with SOD</p>

Current/actual arrangements 2012/13	Desired arrangements 2013/14	Actual achievements for 2013/14
		l) Presented at Sector forum to co-opt buy-in from the sectors for the implementation of local content in the Province  m) Meeting held with successful SP at venue to finalise the logistical arrangements/layout  n) Regular preparation/operational meetings held with PT, DEDAT and TPW i.t.o. Local Content Roadshows  o) <b>The dti</b> and SABS did presentations at the Local Content Roadshows
Access: Provincial Legislature Building, 7 Wale Street, Cape Town	Access: Provincial Legislature Building, 7 Wale Street, Cape Town	Access: Provincial Legislature Building, 7 Wale Street, Cape Town
Courtesy: Through official channels i.e.: a) Management b) Email c) Telephonically d) Written correspondence e) Face-to-face f) PGSCM: Helpdesk g) Red Tape Reduction Call Centre h) Evaluation questionnaires	Courtesy: Through official channels i.e.: a) Management b) Email c) Telephonically d) Written correspondence e) Face-to-face f) PGSCM: Helpdesk g) Red Tape Reduction Call Centre h) Evaluation questionnaires	Courtesy: Through official channels i.e.: a) Management b) Email c) Telephonically d) Written correspondence e) Face-to-face f) PGSCM: Helpdesk g) Red Tape Reduction Call Centre h) Evaluation questionnaires
Openness and transparency: 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	Openness and transparency: 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	Openness and transparency: 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

Current/actual arrangements 2012/13	Desired arrangements 2013/14	Actual achievements for 2013/14
		<b>Additional achievement:</b> l) Standard Operational Procedure: Supply Chain Management: Host Supplier Open Day
Value for money: a) Provide support and advice provided to all Citizens and SMMEs within the Western Cape Province b) Clients get useful and useable information at no cost	Value for money: a) Provide support and advice provided to all Citizens and SMMEs within the Western Cape Province b) Clients get useful and useable information at no cost	Value for money: a) Provide support and advice provided to all Citizens and SMMEs within the Western Cape Province b) Clients get useful and useable information at no cost

**Table 3 Service information tool, 1 April 2013 to 31 March 2014**

Current/actual information tools 2012/13	Desired information tools 2013/14	Actual achievements For 2013/14
<b>Provide a Supply Chain Management (SCM) help desk service to handle SCM issues, queries or complaints received from Provincial departments, Public entities, municipalities and suppliers</b> a) Departmental website b) Annual Report c) One-on-one meetings d) Information sessions e) District Council Forum (DCF) f) Municipal Chief Financial Officers (CFO) Forum g) Workshops	a) Departmental website b) Annual Report c) One-on-one meetings d) Information sessions e) District Council Forum (DCF) f) Municipal Chief Financial Officers (CFO) Forum g) Workshops	a) Departmental website b) Annual Report c) One-on-one meetings d) Information sessions e) District Council Forum (DCF) f) Municipal Chief Financial Officers (CFO) Forum g) Workshops <b>Additional achievement:</b> h) Roadshows i) Provincial & Local SCM Forums j) Helpdesk Framework k) Standard Operational Procedure: Handle General Supply Chain Management Issue l) Standard Operational Procedure: Handle Specific Supply Chain Management Issue



Current/actual information tools 2012/13	Desired information tools 2013/14	Actual achievements For 2013/14
<p><b>To establish a platform that informs the Public on Public Sector procurement opportunities, proper bidding processes, existing legislative requirements and new development in legislation pertaining to procurement</b></p> <p>a) Departmental website</p> <p>b) Annual Report</p> <p>c) One-on-one meetings</p> <p>d) Information sessions</p> <p>e) Municipal Chief Financial Officers (CFO) Forum</p> <p>f) Media Adverts</p> <p>g) Hosting Supplier Open Days</p> <p>h) Supplier Open Day Report</p>	<p>a) Departmental website</p> <p>b) Annual Report</p> <p>c) One-on-one meetings</p> <p>d) Information sessions</p> <p>e) Municipal Chief Financial Officers (CFO) Forum</p> <p>f) Media Adverts</p> <p>g) Hosting Supplier Open Days</p> <p>h) Supplier Open Day Report</p>	<p>a) SOD article i.t.o. Local content concluded and sent for publication on departmental website and Treasure Chest</p> <p>Advertisements for Local Content roadshows also placed on the websites of Ariba (WCSD); WCG and Municipalities</p> <p>b) Annual Report i.t.o. local content roadshows concluded</p> <p>c) Presented at the SDA CEO Forum meeting on 27/9/2013 i.t.o. Local Content SOD held on 21/11/2013</p> <p>d) Meetings held with internal and external stakeholders</p> <p>e) Did presentation on the progress of the development of training material by USB-ED at the CFO forum session held in Stellenbosch on 6/09/2013</p> <p>f) Media advertisements for roadshows placed in Die Burger, Argus and local community newspapers</p> <p>g) Two Supplier Open Days held on 16/10/2013 (Security Services) in Parow and on 21/11/2013 (Local Content) at Walled City, Ratanga Junction</p> <p>h) Two Supplier Open Days reports concluded</p>

Current/actual information tools 2012/13	Desired information tools 2013/14	Actual achievements For 2013/14
i) Press/Media j) Telephonically k) Written correspondence  l) Email	i) Press/Media j) Telephonically k) Written correspondence  l) Email	i) SOD for security, article published in Treasure Chest j) Telephonically k) Invitation letters for Local Content SOD sent to MEC, HODs, SCM Heads and internal and external stakeholders l) Email  <b>Additional achievement:</b> m) Three Local Content roadshows held in 3 districts: Eden, Cape Winelands and Swartland Debriefing session i.t.o. local content roadshows held with stakeholders n) District Council Forum (DCF) attended o) TORs for both SODs concluded p) Invitation letters sent to MECs, HODs, internal and external stakeholders q) Invitations sent to all Service Providers (security companies registered on the WCSD) r) Invitations sent to all Service Providers (companies registered on the WCSD for designated sectors) s) Standard Operational Procedure: Supply Chain Management: Host Supplier Open Day

**Table 4 Complaints mechanism, 1 April 2013 to 31 March 2014**

Current/actual complaints mechanism 2012/13	Desired complaints mechanism 2013/14	Actual achievements for 2013/14
<p><b>Provide a Supply Chain Management (SCM) help desk service to handle SCM issues, queries or complaints received from Provincial departments, Public entities, municipalities and suppliers</b></p> <p>Through official channels i.e.:</p> <ul style="list-style-type: none"> <li>a) Management</li> <li>b) Face-to-face</li> <li>c) Verbal communication</li> <li>d) Written correspondence</li> <li>e) Email</li> </ul>	<p>Through official channels i.e.:</p> <ul style="list-style-type: none"> <li>a) Management</li> <li>b) Face-to-face</li> <li>c) Verbal communication</li> <li>d) Written correspondence</li> <li>e) Email</li> </ul>	<p>Through official channels i.e.:</p> <ul style="list-style-type: none"> <li>a) Management</li> <li>b) Face-to-face</li> <li>c) Verbal communication</li> <li>d) Written correspondence</li> <li>e) Email</li> </ul>
<p><b>To establish a platform that informs the Public on Public Sector procurement opportunities, proper bidding processes, existing legislative requirements and new development in legislation pertaining to procurement</b></p> <p>Through official channels i.e.:</p> <ul style="list-style-type: none"> <li>a) Management</li> <li>b) Face-to-face</li> <li>c) Verbal communication</li> <li>d) Written correspondence</li> <li>e) Email</li> <li>f) Evaluation Questionnaires</li> <li>g) PGSCM: Helpdesk</li> <li>h) Red Tape Reduction call centre</li> </ul>	<p>Through official channels i.e.:</p> <ul style="list-style-type: none"> <li>a) Management</li> <li>b) Face-to-face</li> <li>c) Verbal communication</li> <li>d) Written correspondence</li> <li>e) Email</li> <li>f) Evaluation Questionnaires</li> <li>g) PGSCM: Helpdesk</li> <li>h) Red Tape Reduction call centre</li> </ul>	<p>Through official channels i.e.:</p> <ul style="list-style-type: none"> <li>a) Management</li> <li>b) Face-to-face</li> <li>c) Verbal communication</li> <li>d) Written correspondence</li> <li>e) Email</li> <li>f) Evaluation Questionnaires</li> <li>g) PGSCM: Helpdesk</li> <li>h) Red Tape Reduction call centre</li> </ul>

### 2.3 Organisational environment

The current organisational structure was approved by the Minister for Finance, Economic Development and Tourism in November 2011. The structure makes provision for two branches. The Branch: Fiscal and Economic Services is responsible for managing the provincial and municipal fiscal resources effectively, and the Branch: Governance and Asset Management is responsible for facilitating the effective and efficient management of assets and financial systems to promote accountability in financial activities and compliance with financial norms and standards. Each branch is headed by a Deputy Director General. Strategic, operational and financial management support services are provided respectively by the Directorates Financial Management and Strategic and Operational Management Support.

The total staff establishment consists of 326 posts (excluding the minister). During the period 1 April 2013 to 31 March 2014, 56 staff members joined the Provincial Treasury and 32 staff members left the employment of the Provincial Treasury. The vacancy rate of the Provincial Treasury as at 31 March 2014 was 13.5 per cent, excluding interns and contract employees who are additional to the establishment. Despite the vacancy rate, the Provincial Treasury managed to achieve 90 per cent of its targets during for the reporting period. This achievement can be ascribed to the commitment of the entire staff complement.

No key personnel such as the Accounting Officer or the Chief Financial Officer resigned during the reporting period. However, the vacancy rate includes a number of senior management positions vacant at as 31 March 2014. The Provincial Treasury embarked on a vigorous recruitment and selection process to fill these vacancies and it is anticipated that these positions will be filled early in the 2014/15 financial year.

## 2.4 Key policy developments and legislative changes

During the reporting period there were no major key policy developments and/or legislative changes apart from the following:

- Amendments to the Western Cape Gambling and Racing Act; and
- Modified Cash Standard (MCS) which sets out the principles for the recognition, recording, measurement, presentation and disclosure of information required in terms of the prescribed formats, effective from 1 April 2013 which is a departure from the previous rule based reporting framework.

Treasury Regulations (issued in terms of the PFMA) are currently being revised, which may introduce a number of new requirements once effective.

## 3. STRATEGIC OUTCOME ORIENTATED GOALS

### Programme 1 - Administration

<b>Strategic Outcome Orientated Goal 1</b>	Assist the member of the Executive Council and the HoD with the delivery of the assigned functions to them.
<b>Progress</b>	Assistance to member of the Executive Council and the HoD was provided effectively and efficiently.

<b>Strategic Outcome Orientated Goal 2</b>	Effective financial management of the department up to a Level 3+ financial capability rating.
<b>Progress</b>	Departmental financial management improved.

**Programme 2 – Sustainable Resource Management**

<b>Strategic Outcome Orientated Goal 3</b>	Revenue adequacy, optimisation and efficiency of revenue collection for departments and municipalities to achieve a Level 3+ financial capability rating.
<b>Progress</b>	Researched and engaged with Fiscal Transfer System to ensure equitable distribution of National Revenue.
<b>Strategic Outcome Orientated Goal 4</b>	Monitor and evaluate cash flow and investment management so that it is sustainable and credible and will enhance service delivery and improve liquidity in departments and municipalities.
<b>Progress</b>	Tracking and verification of revenue collection. Provided recommendations with follow-up.
<b>Strategic Outcome Orientated Goal 5</b>	Responsive budgets for all provincial departments, municipalities and entities to achieve a Level 3+ financial capability rating.
<b>Progress</b>	Municipal and provincial budgets assessed in line with conformance and responsiveness framework and recommendations made.
<b>Strategic Outcome Orientated Goal 6</b>	Credible budgets within departments, municipalities and entities to achieve a Level 3+ financial capability rating.
<b>Progress</b>	Assessed all provincial and municipal budgets in line with pre-determined criteria.
<b>Strategic Outcome Orientated Goal 7</b>	Increase the level of infrastructure delivery to achieve a Level 3+ financial capability rating (departments of Education, Health, Transport and Public Works and municipalities) and the sound management of PPP projects.
<b>Progress</b>	Infrastructure short comings of sector departments (Education; Health; Transport and Public Works) as identified in the AG's Report (2012/13) have been addressed via the CGRO process. A Compliance Acceleration Plan - a key aspect of which is the preparation of Standard Operating Procedures - to ensure compliance with Provincial Treasury Instructions 16B, and the associated Standards, by has been developed and in the process of implementing. Further work relating to increase the level of infrastructure delivery is establishing and implementing the Province's Enterprise Project Management (EPM) system, specifically designed for the management of infrastructure delivery, which underpins the WC IDMS, and which interfaces with other systems as necessary.
<b>Strategic Outcome Orientated Goal 8</b>	Allocative efficiency of financial resource for designated projects.
<b>Progress</b>	Assisted with financial assistance and support to 5 special projects.

### Programme 3 – Asset Management

<b>Strategic Outcome Orientated Goal 9</b>	Enhance departmental and municipal capacity and performance to achieve a Level 3+ financial capability rating for SCM and moveable asset management.
<b>Progress</b>	<p>In the provincial sphere SCM governance has been bolstered by the issuing of a Provincial blueprint Accounting Officer System for SCM, standard operating procedures, procurement templates and check lists. Strategic Procurement was initiated by including procurement planning as part of the 2014/15 budget cycle. A number of critical interventions have been undertaken to improve the capacity of SCM staff in the Province and to enhance departmental SCM units.</p> <p>In the local government sphere SCM governance improved as a result of vigorous assessments of municipalities and assistance provided to eradicate gaps. Extensive networking through the SCM Forum, bespoke interventions and assessments, MGRO initiatives, have accentuated the need for constant improvements within municipalities. SCM training courses have been developed in conjunction with selected municipalities and training of SCM officials and councillors were conducted.</p>

<b>Strategic Outcome Orientated Goal 10</b>	Management, utilisation and implementation of financial systems to achieve a Level 3+ financial capability rating within provincial departments and selected entities.
<b>Progress</b>	User account functions are centrally managed in an attempt to improve the usage of the current financial system suite. Further roll-out of LOGIS to departments took place. Substantive work has been done to improve the Western Cape Supplier Database and implement a fully-fledged e-procurement system.

### Programme 4 – Financial Governance

<b>Strategic Outcome Orientated Goal 11</b>	Ensure the development of accounting practices within provincial and local government that will promote effective and efficient capturing of REAL movements/accountability and contribute towards attaining Level 3 and higher auditable organisations.
<b>Progress</b>	Ensured the development of accounting practices within provincial and local government that promoted effective and efficient capturing of REAL movements/accountability and contributed towards attaining Level 3 and higher auditable organisations.

<b>Strategic Outcome Orientated Goal 12</b>	Enable departments and municipalities to achieve a Level 3+ financial management capability over the next 5 years.
<b>Progress</b>	Through robust engagements with both municipalities and departments, the unit is making headway in assisting clients to achieve a Level 3+ financial management capability.

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

These initiatives assisted and supported provincial departments and municipalities on the pathway to a capable 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.

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.

## 4. PERFORMANCE INFORMATION BY PROGRAMME

### 4.1 Programme 1: Administration

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

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

Sub-programme 1.1: Office of the Minister

Sub-programme 1.2: Management Services

Sub-programme 1.4: Financial Management

The following were the strategic objectives for the financial year under review:

- To become a highly efficient and effective regional government Ministry;
- To provide quality strategic and operational management support services; and
- To provide sound financial administrative services to the Department.

### **Strategic objectives, performance indicators, planned targets and actual achievements**

The achievement of the targets under Programme 1 – Administration contributed to the improvement of internal efficiencies and effectiveness. The institution of monthly monitoring, through the compilation of reports on the compliance with the Corporate Services Schedules by the Corporate Services Centre and the Department, improved human resource management. Performance planning, monitoring and reporting also improved by ensuring that the performance plan and reports submitted complied with all prescripts.

During the year under review, improvements in reporting the Provincial Treasury management was enhanced via the IYM Committee, Internal Control improved its controls and several circulars were issued to improve loss and asset management, contain and monitor irregular expenditure and promote joint accountability. Internal control tools and post auditing was also improved for the Department. The control over assets, quarterly IFMS and two stock takes per annum with enhanced DBAC evaluation also assisted in improving the quality of financial administration contributing in no small way towards a clean AGSA audit report with no other matters. A Contract Management Finance Instruction was also implemented and compliance will be monitored in the 2014/15 financial year.

### Strategic objectives:

<b>PROGRAMME 1: ADMINISTRATION</b>						
<b>Sub-programme 1.1: Office of the Minister</b>						
	<b>Strategic objective performance indicator</b>	<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
1.	Strategic, administrative and communication and events support services in line with pre-determined targets	Rendered support services in line with prescripts and standards where standards were available and fostered relationships with media	Strategic, administrative and communication and events support services in line with pre-determined targets	Strategic, administrative and communication and events support services in line with pre-determined targets, with over-achievement in two of three areas	None	None

### Performance indicators:

<b>Sub-programme 1.1: Office of the Minister</b>						
	<b>Programme performance indicator</b>	<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
1.1	Number of reports on implementation of operational plan	New PI	4	4	None	None
1.2	Number of strategic Ministerial engagements with Top Management	New PI	20	21	Over-achieved. One strategic Ministerial engagement with Top Management	Over-achieved by 1 due to additional meeting with PT in respect of the main budget



Sub-programme 1.1: Office of the Minister						
Programme performance indicator	Actual achievement 2012/13	Planned target 2013/14	Actual achievement 2013/14	Deviation from planned target to actual achievement for 2013/14	Comment on deviations	
1.3	Number of positive on-theme media hits	New PI	600	1 070	Over-achieved by four hundred and seventy positive on-theme media hits	Over-achieved due to positive press uptake

### Strategy to overcome areas of under performance

There were no areas of under performance.

### Changes to planned targets

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

### Strategic objectives:

PROGRAMME 1: ADMINISTRATION						
Sub-programme 1.2: Management Services						
Strategic objective   performance indicator	Actual achievement 2012/13	Planned target 2013/14	Actual achievement 2013/14	Deviation from planned target to actual achievement for 2013/14	Comment on deviations	
2.1	Number of directorates assisted with the implementation of departmental secretarial and administrative services standards	Secretarial and administrative services compiled and approved	21	21	None	None
2.2	Timeous publication of APP*	APP tabled in line with the Main Budget at Level 3	March 2014	March 2014	None	None
2.3	Number of progress reports on the implementation of the HRP*	Human Resource Implementation Report submitted bi-annually to the Department of Public Service and Administration	4	4	None	None

\* Strategic objective indicator is also reflected as a programme performance indicator to ensure regular reporting.

**Performance indicators:**

Sub-programme 1.2: Management Services						
Programme performance indicator		Actual achievement 2012/13	Planned target 2013/14	Actual achievement 2013/14	Deviation from planned target to actual achievement for 2013/14	Comment on deviations
2.1	Number of PAF meetings held	4	6	6	None	None
2.2.1	Timeous publication of APP	APP tabled in line with the Main Budget at Level 3 in March 2013	March 2014	March 2014	None	None
2.2.2	Number of performance reports submitted compliant with Treasury Regulations and reporting guidelines	QPR for each quarter supported by narratives were submitted to PT and Annual Report was finalised and submitted in terms of set standards	5	5	None	None
2.3.1	Number of progress reports on the implementation of the HRP	Human Resource Implementation Report submitted bi-annually to the Department of Public Service and Administration	4	4	None	None
2.3.2	Number of reports on compliance with the CSC Services Schedules	New PI	12	10	Partially achieved. Two reports on compliance with the CSC Services Schedules	April to June was consolidated into one report

**Strategy to overcome areas of under performance**

The under performance was addressed during the reporting period.

**Changes to planned targets**

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

**Strategic objectives:**

PROGRAMME 1: ADMINISTRATION						
Sub-programme 1.4: Financial Management						
Strategic objective performance indicator		Actual achievement 2012/13	Planned target 2013/14	Actual achievement 2013/14	Deviation from planned target to actual achievement for 2013/14	Comment on deviations
3.	Audit outcome of the AG for financial management	The Department received a clean financial Audit Report for 2011/12	Clean audit outcome	Clean financial audit outcome achieved	None	None

**Performance indicators:**

Sub-programme 1.4: Financial Management						
Programme performance indicator		Actual achievement 2012/13	Planned target 2013/14	Actual achievement 2013/14	Deviation from planned target to actual achievement for 2013/14	Comment on deviations
3.1	Number of IYM reports to PT via the IYM Committee	12 IYM reports supported by narratives were achieved	12	12	None	None
3.2	Number of budgets submissions	All budgets and submissions submitted on time and according to set standards	4	4	None	None
3.3	Audit outcome of the AG for AFS	New PI	Clean audit outcome	Clean financial audit outcome achieved	None	None
3.4	Audit outcome of the AG for SCM	New PI	Clean audit outcome	Clean financial audit outcome achieved	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	2013/14			2012/13		
	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	6 242	6 242	-	5 492	5 284	208
1.2 Management Services	11 832	11 832	-	10 478	9 918	560
1.4 Financial Management	23 296	22 706	590	20 260	20 260	-
<b>Total</b>	<b>41 370</b>	<b>40 780</b>	<b>590</b>	<b>36 230</b>	<b>35 462</b>	<b>768</b>

Note: Sub-programme 1.3: Corporate Services was shifted to the Department of the Premier as part of the modernisation process during 2010/11.

**4.2 Programme 2: Sustainable Resource Management**

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

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

- Sub-programme 2.1: Programme Support
- Sub-programme 2.2: Fiscal Policy
- Sub-programme 2.3: Budget Management
- Sub-programme 2.4: Public Finance
- Sub-programme 2.5: Special Projects

The following were the strategic objectives for the financial year under review:

- To build competencies and enhance and maintain the delivery of the programme;
- To conduct research on the national fiscal transfer system;
- To monitor and promote revenue collection in provincial and local government inclusive of cash management arrangements;
- To improve the conformance and responsiveness of budgets within provincial departments and entities;
- To apply economic and other analysis to inform provincial planning and budgeting processes;
- To improve the conformance and responsiveness of budgets within municipalities;
- To apply economic and other analysis to inform municipal planning and budgeting processes;
- To improve the conformance, credibility and sustainability of the provincial budget;

- To monitor the implementation of the budget in terms of accountability, data integrity and efficiency in departments;
- To improve the conformance, credibility and sustainability of municipal budgets;
- To monitor the implementation of the budget in terms of conformance, accountability, data integrity, and efficiency;
- To coordinate MFMA implementation to improve conformance and performance in municipalities;
- To entrench built-environment business principles and processes for effective infrastructure delivery;
- To render an effective information management service; and
- To co-ordinate and provide financial support to special programmes/projects.

### **Strategic objectives, performance indicators, planned targets and actual achievements**

The Provincial Treasury, since the introduction of the Public Finance Management Act, the Municipal Finance Management Act, National Treasury Regulations and Instructions, has had to be expanded over time to cater for all the legislated responsibilities. This has also brought about an increase in the scope of the Provincial Treasury function to extend its capacity to improve financial management delivery in the Province.

The role played by the Western Cape Provincial Treasury has been quite successful in ensuring that departments maintain fiscal discipline, amidst the many contesting demands, particularly that of rising personnel expenditures and service loads within the context of a more strained fiscal envelope.

The Provincial Treasury also played a pivotal role in ensuring that funds allocated for specific purposes are spent as intended and that the concept of value for money is enhanced. This has resulted in that the 12 Provincial Strategic Objectives are funded at funding levels relevant to their priorities as envisioned by the Provincial Cabinet.

The Provincial Treasury in ensuring accountability monitored and reported on expenditure, revenue, cash flow and output or performance information to a number of oversight bodies.

For the Branch Fiscal and Economic Services the focus was on the attainment of efficient and effective revenue generation, collection, allocation and utilisation across both the local and provincial spheres, including the objective of cultivating responsive departmental, municipal and entity budgets that will substantially contribute to improvements in a number of selected socio-economic outcomes.

**Strategic objectives:**

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT						
Sub-programme 2.1: Programme Support						
Strategic objective performance indicator		Actual achievement 2012/13	Planned target 2013/14	Actual achievement 2013/14	Deviation from planned target to actual achievement for 2013/14	Comment on deviations
4.	Number of performance plans achieved by the programme	Rendered support services in line with prescripts and standards where standards were available	3	3	None	None

**Performance indicators:**

Sub-programme 2.1: Programme Support						
Programme performance indicator		Actual achievement 2012/13	Planned target 2013/14	Actual achievement 2013/14	Deviation from planned target to actual achievement for 2013/14	Comment on deviations
4.1	Number of training initiatives attended by staff	New PI	108	124	Over-achieved by sixteen additional training initiatives attended by staff	Operational requirements dictated for more staff to attend training
4.2	Timeous completion of operational plan	An Operational Plan that builds on the APP, QPR and dashboard requirements	May 2013	May 2013	None	None
4.3	Number of reports on the implementation of SOP	New PI	4	4	None	None

**Strategy to overcome areas of under performance**

There were no areas of under performance.

**Changes to planned targets**

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

**Strategic objectives:**

<b>PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT</b>						
<b>Sub-programme 2.2 : Fiscal Policy</b>						
<b>Strategic objective performance indicator</b>		<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
5.	Number of research reports on the Fiscal Transfer System*	Research on Fiscal Transfer system, regarding role of provinces	2	2	None	None
6.	Number of revenue and cash management reports	Refinement of research into revenue collection mechanisms and provide recommendations including follow-up on recommendations	32	32	None	None

\* Strategic objective indicator is also reflected as a programme performance indicator to ensure regular reporting.

**Performance indicators:**

<b>Sub-programme 2.2: Fiscal Policy</b>						
<b>Programme performance indicator</b>		<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
5.1	Number of research reports on the Provincial Fiscal Transfer System	2	1	1	None	None
5.2	Number of research reports on the Local Government Fiscal Transfer System	2	1	1	None	None
6.1	Number of Provincial Own Revenue Management Reports	New PI	4	4	None	None

<b>Sub-programme 2.2: Fiscal Policy</b>						
<b>Programme performance indicator</b>		<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
6.2	Number of monthly Cash Management Reports for provincial government and municipalities	New PI	24	24	None	None
6.3	Number of reports on the performance of the WCGRB	Quarterly Performance reports of the WCGRB assessed	4	4	None	None

### Strategy to overcome areas of under performance

There are no areas of under performance.

### Changes to planned targets

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

### Strategic objectives:

<b>PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT</b>						
<b>Sub-programme 2.3: Budget Management</b>						
<b>Element: Provincial Government Budget Management</b>						
<b>Strategic objective performance indicator</b>		<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
7.	Timeous publication of the Overview of Provincial Revenue and Expenditure	2012 Provincial Economic Review and Outlook published	March 2014	March 2014	None	None
8.	Timeous publication of the MTBPS	Publication of the 2013/14 Medium Term Budget Policy Statement by November 2012	November 2013	November 2013	None	None



**Performance indicators:**

<b>Sub-programme 2.3: Budget Management</b>						
<b>Element: Provincial Government Budget Management</b>						
<b>Programme performance indicator</b>		<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
7.1	Number of Provincial APP and budget assessments	14 Annual Performance Plans and budgets of all votes assessed and with recommendations to the provincial Medium Term Expenditure Committee	28	28	None	None
7.2	Number of Quarterly Performance Reports evaluated on the implementation of budget	56 Quarterly Performance Assessment reports and submissions to Cabinet and Provincial Parliament aligned to a framework for non-financial reporting	56	56	None	None
8.1	Timeous publication of the PERO	Publication of the Provincial Economic Review and Outlook (PERO) in September 2012	October 2013	October 2013	None	None
8.2	Number of budget policy working papers	5 Budget policy working papers	4	5	Over-achieved by one additional budget policy working paper	More opportunities for research presented itself

**Strategy to overcome areas of under performance**

There were no areas of under performance.

**Changes to planned targets**

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

**Strategic objectives:**

<b>PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT</b>						
<b>Sub-programme 2.3: Budget Management</b>						
<b>Element: Local Government Budget Management</b>						
	<b>Strategic objective performance indicator</b>	<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
9.	Number of Municipal annual budget assessments*	30 Municipal budgets assessed in line with conformance and responsiveness framework and recommendations made	30	30	None	None
10.	Timeous publication of the MERO*	Publication of 2012 Municipal Economic Review and Outlook	October 2013	October 2013	None	None

\* Strategic objective indicator is also reflected as a programme performance indicator to ensure regular reporting.

**Performance indicators:**

<b>Sub-programme 2.3: Budget Management</b>						
<b>Element: Local Government Budget Management</b>						
	<b>Programme performance indicator</b>	<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
9.1	Number of Municipal annual budget assessments	30 Municipal budgets assessed in line with conformance and responsiveness framework and recommendations made	30	30	None	None
9.2	Number of QPRs evaluated on the implementation of municipal budgets	74 Quarterly SDBIP Performance Reports and submissions to Cabinet and Parliament on quarterly non-financial performance	120	108	Partially achieved. Twelve QPRs not evaluated on the implementation of municipal budgets.	Non-submission of Quarterly Section 52 Reports by the following municipalities: Beaufort-West, Matzikama, Swellendam, Central Karoo, Kannaland, Bitou, Cederberg and Oudtshoorn

<b>Sub-programme 2.3: Budget Management</b>						
<b>Element: Local Government Budget Management</b>						
<b>Programme performance indicator</b>		<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
10.1	Timeous publication of SEP-LGs	Release of working papers on Socio-economic profiles for 5 districts and Metro	November 2013	December 2013	Partially achieved. SEP-LGs published one month late	Late receipt of data from relevant line departments resulting in delays in finalisation of the documents
10.2	Timeous publication of the MERO	Publication of 2012 Municipal Economic Review and Outlook	October 2013	October 2013	None	None

### Strategy to overcome areas of under performance

Improved engagement and bespoke support to be provided to municipalities. Issuing of reminder circulars as a proactive measure before Quarterly Performance Reports becomes due for submission.

Improved planning for data collection from different line departments.

### Changes to planned targets

There were no changes to performance indicators or targets during the reporting period. However, the measurement of performance indicator 9.2 above has been changed for the 2014/15 Annual Performance Plan.

### Strategic objectives:

<b>PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT</b>						
<b>Sub-programme 2.4: Public Finance</b>						
<b>Element: Provincial Government Finance</b>						
<b>Strategic objective performance indicator</b>		<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
11.	Timeous tabling of the Estimates of Provincial Revenue and Expenditure	All votes and entities budget submissions assessed against a framework for conformance, credibility and sustainability	March 2014	March 2014	None	None
12.	Number of quarterly reports on the implementation of the provincial budget to Cabinet and Parliament*	In-year reports on the accountability, data integrity and efficiency of the implementation of the budget	4	4	None	None

\* Strategic objective indicator is also reflected as a programme performance indicator to ensure regular reporting.

**Performance indicators:**

<b>Sub-programme 2.4: Public Finance</b>						
<b>Element: Provincial Government Finance</b>						
<b>Programme performance indicator</b>		<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
11.1	Number of Provincial budget assessments	All votes and entities budget submissions assessed against a framework for conformance, credibility and sustainability	28	28	None	None
11.2	Number of Efficiency Review working papers on selected expenditure items	New PI	2	2	None	None
11.3	Timeous tabling of Adjusted Estimate Provincial Revenue and Expenditure	November 2012	November 2013	November 2013	None	None
12.1	Number of IYM reports on the implementation of the provincial budget	14 monthly reports aligned to framework on financial reporting	180	180	None	None
12.2	Number of quarterly reports on the implementation of the budget to Cabinet and Parliament	4 quarterly reports aligned to framework on financial reporting	4	4	None	None

**Strategy to overcome areas of under performance**

There were no areas of under performance.

**Changes to planned targets**

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

**Strategic objectives:**

<b>PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT</b>						
<b>Sub-programme 2.4: Public Finance</b>						
<b>Element: Local Government Finance (Groups 1 and 2)</b>						
	<b>Strategic objective performance indicator</b>	<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
13.	Number of Municipal budgets assessment Reports*	30 Municipal draft budgets assessed against the framework of conformance, credibility and sustainability and recommendations made to municipalities	30	30	None	None
14.	Number of quarterly reports on the implementation of the municipal budget to Cabinet and Parliament*	30 In-year Assessment Reports against a predetermined framework on the accountability, data integrity and efficiency of the implementation of the budget and recommendations made to municipalities	4	4	None	None
15.	Number of reports on MFMA implementation*	Assessment on MFMA Implementation done, but the structured training program not rolled-out	4	4	None	None

\* Strategic objective indicator is also reflected as a programme performance indicator to ensure regular reporting.

**Performance indicators:**

<b>Sub-programme 2.4: Public Finance</b>						
<b>Element: Local Government Finance (Groups 1 and 2)</b>						
	<b>Programme performance indicator</b>	<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
13.1	Number of Municipal budgets assessment reports	30 Municipal draft budgets assessed against the refined conformance, credibility and recommendations made to municipalities	30	30	None	None

<b>Sub-programme 2.4: Public Finance</b>						
<b>Element: Local Government Finance (Groups 1 and 2)</b>						
<b>Programme performance indicator</b>		<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
13.2	Number of mid-year budget assessment reports	New PI	30	30	None	None
14.1	Number of Monthly IYM assessment reports on the implementation of the municipal budget	30 In-year Assessment Reports against a pre-determined framework on the accountability, data integrity and efficiency of the implementation of the budget and recommendations made to municipalities	372	372	None	None
14.2	Number of quarterly reports on the implementation of the municipal budget to Cabinet and Parliament	4 Cabinet submissions and gazettes inclusive of remedial actions identified	4	4	None	None
14.3	Number of Efficiency Assessments on selected expenditure municipal items	1 Draft Revenue and Expenditure Review (Working paper) within and across municipalities on selected expenditure and revenue items	2	2	None	None
15.1	Number of reports on MFMA implementation	Assessment on MFMA implementation against framework and recommendation made to municipalities	4	4	None	None
15.2	Number of structured engagements on the implementation of the MFMA	Assessment on MFMA implementation against framework and recommendation made to municipalities	11	11	None	None

**Strategy to overcome areas of under performance**

There were no areas of under performance.

**Changes to planned targets**

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

**Strategic objectives:**

<b>PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT</b>						
<b>Sub-programme 2.4: Public Finance</b>						
<b>Element: Infrastructure</b>						
<b>Strategic objective performance indicator</b>		<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
16.	Number of departments in which the WC IDMS is institutionalised	Rolling out the approved WC IDMS (HR, Business processes and procurement framework)	3	3	None	None

**Performance indicators:**

<b>Sub-programme 2.4: Public Finance</b>						
<b>Element: Infrastructure</b>						
<b>Programme performance indicator</b>		<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
16.1	Number of assessments conducted on institutionalisation of WC IDMS	Implementing WC IDMS (HR, Business processes and framework in Public Works (Education and Health), Roads and Treasury	3	3	None	None
16.2	Number of Infrastructure reports assessed	16 Infrastructure Expenditure Reports of Education, Public Works, Roads and Health aligned to infrastructure reporting framework	20	20	None	None

<b>Sub-programme 2.4: Public Finance</b>						
<b>Element: Infrastructure</b>						
<b>Programme performance indicator</b>		<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
16.3	Number of U-AMPS/ C-AMPS assessed	Quality Infrastructure Plans (U-AMPs and C-AMPs) aligned with National, Provincial, Local Government and Private Sector Investments initiatives, and Department Strategic Plans and APPs	28	28	None	None
16.4	Number of infrastructure project impact assessments	3 project assessments in respect of impact (economic, social, job creation, etc.)	6	6	None	None

#### Strategy to overcome areas of under performance

There were no areas of under performance.

#### Changes to planned targets

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

#### Strategic objectives:

<b>Programme 2: SUSTAINABLE RESOURCE MANAGEMENT</b>						
<b>Sub-programme 2.4: Public Finance</b>						
<b>Element: Business Information and Data Management</b>						
<b>Strategic objective performance indicator</b>		<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
17.	The development of an information management system SOP	New strategic objective	Draft SOP for an information management system	Drafted SOP for an information management system	None	None



**Performance indicators:**

<b>Sub-programme 2.4: Public Finance</b>						
<b>Element: Business Information and Data Management</b>						
	<b>Programme performance indicator</b>	<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
17.1	Number of reports on the implementation of a centralised document control system	Revised PI	4	4	None	None
17.2	Number of datasets managed	Designed, refined and updated current datasets (provincial): Final EPRE, QPR consolidation, NT-MTEC database, IYM, Final allocations	4	4	None	None
17.3	Number of budget process plans managed	Coordinated departmental and municipal MTEC processes	3	3	None	None
17.4	Number of PT publications formatted and technically edited	Collated and Technical refined Treasury Publication and working papers	15	15	None	None

**Strategy to overcome areas of under performance**

There were no areas of under performance.

**Changes to planned targets**

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

**Strategic objectives:**

<b>Programme 2: SUSTAINABLE RESOURCE MANAGEMENT</b>						
<b>Sub-programme 2.5 Special Projects</b>						
	<b>Strategic objective performance indicator</b>	<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
18.	Number of strategic projects/ programmes that receive financial support	New PI	5	5	None	None

**Performance indicators:**

Sub-programme 2.5: Special Projects						
Programme performance indicator		Actual achievement 2012/13	Planned target 2013/14	Actual achievement 2013/14	Deviation from planned target to actual achievement for 2013/14	Comment on deviations
18.1	Number of strategic projects/ programmes that receive financial support	New PI	5	5	None	None
18.2	Number of implementation plans	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.

**Linking performance with budgets**

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

**Sub-programme expenditure**

Sub-programme name	2013/14			2012/13		
	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	5 080	5 080	-	5 897	5 897	-
2.2 Fiscal Policy	13 832	13 832	-	11 117	11 117	-
2.3 Budget Management	13 614	13 614	-	14 304	14 304	-
2.4 Public Finance	53 656	53 656	-	39 580	39 580	-
<b>Total</b>	<b>86 182</b>	<b>86 182</b>	<b>-</b>	<b>70 898</b>	<b>70 898</b>	<b>-</b>

Note: A new Sub-programme: Special Projects has been included to promote effective and efficient management, coordination and intergovernmental cooperation of special projects in the Province.

### 4.3 Programme 3: Asset Management

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

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

Sub-programme 3.1: Programme Support

Sub-programme 3.2: Supply Chain Management

Sub-programme 3.4: Supporting and Interlinked Financial Systems

The following were the strategic objectives for the financial year under review:

- To build competencies and enhance and maintain the delivery of the programme;
- To ensure compliance with the supply chain and asset management regulatory regime across votes;
- To encourage municipalities to comply with the supply chain and asset management regulatory regime; and
- To provide for the implementation, management and oversight of provincially operated financial systems and the transition to new appropriate systems.

#### **Strategic objectives, performance indicators, planned targets and actual performance**

The Directorate: Provincial Government Supply Chain Management continued to make significant strides in addressing control gaps in the Province. The Pro-forma AOS commonly referred to as the "Blueprint AOS" that covers demand planning to disposal of assets was issued. For the period under review all 14 votes were assisted with implementation of local content in procurement, issues related to the Western Cape Supplier Database, Electronic procurement and SCM reporting. The unit conducted verification assessments at all departments and developed, issued and monitored 13 CGRO action plans. Two strategic sourcing projects namely the DotP SCM Optimisation Pilot project and ICT procurement were initiated to improve and optimise procurement spend. Two supplier open days and 5 local content workshops were conducted across the province to inform suppliers about procurement developments and to obtain their input.

The Directorate Local Government Supply Chain Management managed to conduct 17 SCM and MAM virtuous cycle assessments at various municipalities. Two MGRO assessment reports were done for all 30 municipalities during the financial year. Funding was shifted to 3 municipalities and the unit assisted them with the compilation of bid specifications for the drafting of an infrastructure management delivery framework. The unit assisted municipalities and service providers through its SCM Helpdesk by addressing 121 queries from municipalities and 15 from service providers. Four SCM Forums were successfully conducted with all municipalities in the Western Cape. Various stakeholders such as the SARS, CIDB, **the dti**, AGSA, etc. were involved in sharing best practices with municipalities. Bespoke SCM training interventions at specific municipalities were conducted. SCM and user department training sessions were held in 4 districts and 100 SCM practitioners were trained.

The Directorate Supporting and Interlinked Financial Systems assisted all votes to effectively utilise the suite of financial systems. User account management services were provided to 119 sites. Financial systems training interventions were provided to 1 614 core users. The helpdesk addressed and finalised all enquiries within a 3 hour turnaround time. Quarterly CGRO assessment reports and action plans per vote were completed. LOGIS has been rolled out to 7 sites, which includes 3 sites of Social Development, 3 sites of Department of Education and Red Cross War Memorial Children's Hospital. A centralised SCoA database was developed but still need to be refined. The Integrated Procurement Solution (IPS) has been implemented at all 14 votes, which includes Provincial Parliament.

### Strategic objectives:

Programme 3: ASSET MANAGEMENT					
Sub-programme 3.1: Programme Support					
Strategic objective performance indicator	Actual achievement 2012/13	Planned target 2013/14	Actual achievement 2013/14	Deviation from planned target to actual achievement for 2013/14	Comment on deviations
19. Number of performance plans achieved by the programme	Rendered support services in line with prescripts and standards where standards were available	3	3	None	None

### Performance indicators:

Sub-programme 3.1: Programme Support					
Programme performance indicator	Actual achievement 2012/13	Planned target 2013/14	Actual achievement 2013/14	Deviation from planned target to actual achievement for 2013/14	Comment on deviations
19.1 Number of training initiatives attended by staff	New PI	160	73	Partially achieved. Eighty seven less training initiatives attended by staff	The initial interpretation was that the number of staff attending training will be counted. This subsequently changed to count the number of training initiatives attended by staff, resulting in this target being partially achieved. In addition some service providers cancelled planned training initiatives for economic reasons due to low attendance numbers

<b>Sub-programme 3.1: Programme Support</b>						
<b>Programme performance indicator</b>		<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
19.2	Timeous completion of operational plan	An operational plan that builds on the APP, QPR and Dashboard requirements	May 2013	May 2013	None	None
19.3	Number of reports on the implementation of SOPs	New PI	4	4	None	None

### Strategy to overcome areas of under performance

The performance indicator for 2014/15 has been reviewed to be bespoke. The PI "number of training initiatives attended by staff" has been revised to indicate number of training initiatives. Emphasis will thus be placed more on the initiative than on the numbers of staff attending the training.

### Changes to planned targets

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

### Strategic objectives:

<b>PROGRAMME 3: ASSET MANAGEMENT</b>						
<b>Sub-programme 3.2: Supply Chain Management</b>						
<b>Element: Supply Chain Management: Provincial Government</b>						
<b>Strategic objective performance indicator</b>		<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
20.	Number of votes assisted to improve management of supply chain and moveable asset management	10 departments achieved the majority of Level 3	14	14	None	None

**Performance indicators:**

<b>Sub-programme 3.2: Supply Chain Management</b>						
<b>Element: Supply Chain Management: Provincial Government</b>						
	<b>Programme performance indicator</b>	<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
20.1	Number of votes assisted to fully implement the SCM accounting officer system	Developed AO system and guidelines issued	14	14	None	None
20.2	Number of CGRO assessment reports per vote	SCM Virtuous Cycle and MAM assessments of all departments concluded and FMIP action plans monitored	4	4	None	None
20.3	Number of functional areas analysed for strategic sourcing implementation	New PI	2	2	None	None
20.4	Number of supplier engagement sessions held to develop and educate suppliers	1 Supplier Open Day and 5 Supplier Database registration initiative concluded	4	11	Over-achieved by seven additional supplier engagement sessions held to develop and educate suppliers	Additional Interventions were required to create awareness on Local Content and production implementation

**Strategy to overcome areas of under performance**

There are no areas of under performance.

**Changes to planned targets**

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

**Strategic objectives:**

<b>Programme 3: ASSET MANAGEMENT</b>						
<b>Sub-programme 3.2: Supply Chain Management</b>						
<b>Element: Supply Chain Management: Local Government</b>						
<b>Strategic objective performance indicator</b>		<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
21.	Number of municipalities assisted to improve management of supply chain and moveable asset management	15 municipalities attaining a Level 2+ (2.3) financial capability	30	30	None	None

**Performance indicators:**

<b>Sub-programme 3.2: Supply Chain Management</b>						
<b>Element: Supply Chain Management: Local Government</b>						
<b>Programme performance indicator</b>		<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
21.1	Number of municipal SCM and MAM Virtuous Cycle assessments reports	SCM Virtuous Cycle assessments at designated municipalities and action plans monitored  MAM Virtuous Cycle assessments at designated municipalities and action plans monitored  10 SCM Assessed against NT model policy framework	17	17	None	None
21.2	Number of municipal SCM/MAM policies assessed	14 policy assessments were completed	15	15	None	None

<b>Sub-programme 3.2: Supply Chain Management</b>						
<b>Element: Supply Chain Management: Local Government</b>						
<b>Programme performance indicator</b>		<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
21.3	Number of MGRO assessment reports per municipality	2	4	2	Partially achieved. Only two MGRO assessment reports per municipality were completed	The strategy changed after the finalisation of the Annual Performance Plan and therefore only two MGRO assessment reports per municipality were completed, but MGAP assessments are done on a quarterly basis
21.4	Number of policies that drive construction procurement planning in municipalities	New PI	1	0	Not Achieved. No policy that drive construction procurement planning in municipalities	Funding was shifted to the 3 Municipalities (Overstrand, Drakenstein & Stellenbosch), PT LGSCM facilitates/ assist the municipalities with this function
21.5	Number of structured municipal training interventions	SCM and MAM Virtuous Cycle training interventions devised against developed standards and competencies	6	8	Over-achieved. Two structured municipal training interventions	The additional training was due to requests made by municipalities during MGRO and as the result of the natures of SCM queries received through MFMA helpdesk

### **Strategy to overcome areas of under performance**

PT will now assist the municipalities in drafting the terms of reference and participate in the process of appointing the service provider by one municipality and the other two municipalities to obtaining the service of the service provider through buying into the contract of the other municipality.

The strategy changed after the finalisation of the Annual Performance Plan and therefore only two MGRO assessment reports per municipality were completed. All the necessary processes and MGRO objectives were achieved within these two assessments.

### **Changes to planned targets**

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



**Strategic objectives:**

<b>Programme 3: ASSET MANAGEMENT</b>						
<b>Sub-programme 3.4: Supporting and Interlinked Financial Systems</b>						
	<b>Strategic objective performance indicator</b>	<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
22.	Number of votes assisted to effectively utilise the suite of financial systems	The majority of Votes achieved a Level 3+ financial capability rating	14	14	None	None

**Performance indicators:**

<b>Sub-programme 3.4: Supporting and Interlinked Financial Systems</b>						
	<b>Programme performance indicator</b>	<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
22.1	Percentage of core users trained to the required standard	37% (1 553 of 4 205 core users)	100%	100%	None	None
22.2	Number of institutions provided with an effective user account management service	All departments/ institutions	118	119	Over-achieved by one additional institution provided with an effective user account management service	LOGIS has been rolled out to an additional site of Department of Education and provided with an effective user account management service
22.3	Number of departments where the biometric access solution is implemented	Investigation completed, in final stages of planning for the roll out of the system to a pilot site	3	0	Not achieved. Biometric access solution not implemented at any department.	Business case/ tender specifications submitted to SITA during September 2013, vetting by SITA took place February 2014. In the interim, this Province has been approved as the lead Province for the COTS solution (IFMS), resulting in the postponement of the Biometric Solution Project, as it may not be compatible with the COTS solution

Sub-programme 3.4: Supporting and Interlinked Financial Systems						
Programme performance indicator		Actual achievement 2012/13	Planned target 2013/14	Actual achievement 2013/14	Deviation from planned target to actual achievement for 2013/14	Comment on deviations
22.4	Number of CGRO assessment reports per vote	2	4	4	None	None
22.5	Number of sites to which LOGIS have been rolled out	New PI	6	7	Over-achieved. LOGIS rolled out to one more site	Red Cross War Memorial Children's Hospital was included in the 2013/14 LOGIS roll-out
22.6	Number of votes that have access to a centralised database linked with SCoA	New PI	14	0	Not Achieved. No vote has access to a centralised database linked with SCoA	Centralised database developed, however due to the new Version 4 SCoA items only being made available by NT in the latter part of March 2014, the project could not be finalised
22.7	Number of votes where the Integrated Procurement Solution (IPS) is implemented	Quotations partially achieved and the base laid for bids	14	14	None	None

### Strategy to overcome areas of under performance

The approval of the WCG as the lead Province for the COTS solution (IFMS) and the unavailability of the new Version 4 SCoA items had an effect on certain targets set. This will be addressed during the 2014/15 financial year.

### 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	2013/14			2012/13		
	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	3 408	3 408	-	2 248	1 861	387
3.2 Supply Chain Management	14 815	14 815	-	10 442	10 033	409
3.4 Supporting and Interlinked Financial Systems	29 524	29 297	227	22 705	22 040	665
<b>Total</b>	<b>47 747</b>	<b>47 520</b>	<b>227</b>	<b>35 395</b>	<b>33 934</b>	<b>1 461</b>

Note: Sub-programme 3.3: Liabilities Management was shifted from Programme 3: Assets and Liabilities Management to Fiscal Policy under the Programme 2: Sustainable Resources Management.

**4.4 Programme 4: Financial Governance**

**Purpose:** Development of accounting and financial management control practices within provincial and local government that will contribute toward higher levels of governance.

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

Sub-programme 4.1: Programme Support

Sub-programme 4.2: Accounting Services

Sub-programme 4.3: Corporate Governance

The following were the strategic objectives for the financial year under review:

- To build competencies and enhance and maintain the delivery of the programme;
- To improve the understanding and application of accounting standards and financial reporting within municipalities;
- To improve compliance with standards of accounting and financial reporting;
- To improve financial compliance; and
- To improve institutionalisation of corporate governance in municipalities and departments.

## Strategic objectives, performance indicators, planned targets and actual achievements

In line with the approach adopted by Treasury to be more client-centric, guidance was provided to provincial departments, entities and municipalities to improve the standards of accounting and financial reporting.

The latest Generally Recognised Accounting Practice (GRAP) standards within municipalities and public entities, and the latest accounting policy framework or the Modified Cash Standard for provincial departments were work-shopped with all clients. In the GRAP environment, 6 new accounting standards had been approved for implementation in the 2012/13 financial year.

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

The PG accounting staff continued to assist departments with downloading data from the KITSO system, and provided monthly information for the departments to produce accurate financial statements at year end. The introduction of the accounting helpline has allowed for an aggregation of the vexing accounting issues, with attention being drawn to them at National forums to ensure that the standards recognises the practical implications.

The Chief Risk Officer's forum and the Chief Audit Executive forum, where technical teams were set up to address the assessment criteria used in the municipal financial governance review and outlook process continue to work.

The capacity in CFO offices continues to be in the spotlight, and is gradually on the rise which contributes to the improvement in overall financial management capabilities and governance.

### Strategic objectives:

PROGRAMME 4: FINANCIAL GOVERNANCE						
Sub-programme 4.1: Programme Support						
Strategic objective performance indicator		Actual achievement 2012/13	Planned target 2013/14	Actual achievement 2013/14	Deviation from planned target to actual achievement for 2013/14	Comment on deviations
23.	Number of performance plans achieved by the programme	Rendered support services in line with prescripts and standards where standards were available	3	3	None	None

**Performance indicators:**

Sub-programme 4.1: Programme Support						
Programme performance indicator		Actual achievement 2012/13	Planned target 2013/14	Actual achievement 2013/14	Deviation from planned target to actual achievement for 2013/14	Comment on deviations
23.1	Number of training initiatives attended by staff	New PI	120	128	Over-achieved. Eight training initiatives attended by staff	The initial interpretation was that the number of staff attending training will be counted. This subsequently changed to count the number of training initiatives attended by all staff, resulting in this target being over-achieved
23.2	Timeous completion of operational plan	An operational plan that builds on the APP, QPR and dashboard requirements	May 2013	May 2013	None	None
23.3	Number reports on the implementation of SOP	New PI	4	4	None	None

**Strategy to overcome areas of under performance**

There were no areas of under performance.

**Changes to planned targets**

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

**Strategic objectives:**

Programme 4: FINANCIAL GOVERNANCE Sub-programme 4.2: Accounting Services Element: Local Government Accounting						
Strategic objective performance indicator		Actual achievement 2012/13	Planned target 2013/14	Actual achievement 2013/14	Deviation from planned target to actual achievement for 2013/14	Comment on deviations
24.	Number of municipalities assisted to comply with the GRAP standards	FMC Level 3 at 27 municipalities	30	30	None	None

**Performance indicators:**

<b>Sub-programme 4.2: Accounting Services</b>						
<b>Element: Local Government Accounting</b>						
<b>Programme performance indicator</b>		<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
24.1	Number of municipalities assessed against the accounting reporting framework	All municipalities fully implemented the 2011/12 accounting reporting frameworks  MGRO assessment per municipality, monitored and assisted in the improvement of the accounting FMC of all municipalities to a Level 3 in terms of pre-determined criteria  Reviewed the helpdesk progress and implemented improvements and maintained helpdesk	30	30	None	None
24.2	Number of accounting systems evaluated	Monitored the implementation of improvements on the utilisation of accounting systems and the implementation of remedial steps	2	2	None	None
24.3	Number of accounting training interventions per district	Structured training programme developed and refined. GRAP Training rolled-out	2	2	None	None
24.4	Number of financial ratio assessments	New PI	30	30	None	None

**Strategy to overcome areas of under performance**

There were no areas of under performance.

**Changes to planned targets**

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

**Strategic objectives:**

<b>PROGRAMME 4: FINANCIAL GOVERNANCE</b>						
<b>Sub-programme 4.2: Accounting Services</b>						
<b>Element: Provincial Government Accounting and Compliance</b>						
<b>Strategic objective performance indicator</b>		<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
25.	Number of votes assisted to comply with accounting standards*	FMC Level 2+ at all votes	14	14	None	None
26.	Number of votes assisted to improve internal controls	New strategic objective	14	14	None	None

\* Strategic objective indicator is also reflected as a programme performance indicator to ensure regular reporting.

**Performance indicators:**

<b>Sub-programme 4.2: Accounting Services</b>						
<b>Element: Provincial Government Accounting and Compliance</b>						
<b>Programme performance indicator</b>		<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
25.1	Number of votes assisted to apply the accounting standards	All votes in full conformance to the 2012/13 accounting reporting frameworks	14	14	None	None
25.2	Number of accounting training interventions	Structured training presented to financial accountants on GRAP Standards and Accounting Frameworks	5	8	Over-achieved by three additional accounting training interventions	The training initiatives increased as a result of a revised reporting framework being issued by National Treasury

<b>Sub-programme 4.2: Accounting Services</b>						
<b>Element: Provincial Government Accounting and Compliance</b>						
<b>Programme performance indicator</b>		<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
25.3	Timeous Publication and tabling of the ACFS	Compiled Provincial ACFS, inclusive of a management report	1 month after receipt of audited AFS	Published 1 month after receipt of audited AFS	None	None
26.1	Number of CGRO assessment reports co-ordinated per vote	Monitored and drove the accounting FMC of all votes to a Level 3 in terms of CGRO	4	4	None	None
26.2	Number of internal control units assisted in departments	Draft risk and control framework and key responsibilities presented to stakeholders and in principle agreement reached	13	13	None	None

### Strategy to overcome areas of under performance

There were no areas of under performance.

### Changes to planned targets

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

### Strategic objectives:

<b>Programme: CORPORATE GOVERNANCE</b>						
<b>Sub-programme 4.3: Corporate Governance</b>						
<b>Strategic objective performance indicator</b>		<b>Actual achievement 2012/13</b>	<b>Planned target 2013/14</b>	<b>Actual achievement 2013/14</b>	<b>Deviation from planned target to actual achievement for 2013/14</b>	<b>Comment on deviations</b>
27.1	Number of municipalities assisted to improve corporate governance	Achieved FMC In Municipalities at Level 2+	30	30	None	None
27.2	Number of departments assisted to improve corporate governance	Achieved FMC in departments at Level 2+	13	13	None	None



## Performance indicators:

Sub-programme 4.3: Corporate Governance						
Programme performance indicator		Actual achievement 2012/13	Planned target 2013/14	Actual achievement 2013/14	Deviation from planned target to actual achievement for 2013/14	Comment on deviations
27.1.1	Number of municipalities supported with the implementation of the guideline CFO/BTO structures	Reviewed and draft assessment framework to assess BTO structures completed	4	15	Over-achieved. Eleven municipalities supported with the implementation of the guideline CFO/BTO structures.	The initial target was to assist 4 municipalities in the first year. However, more municipalities attended the training rolled out, and by so doing, more municipalities benefited from the initiative
27.1.2	Number of MGRO assessment reports coordinated per municipality	Performed assessments on assurance structures in municipalities	2	2	None	None
27.1.3	Number of municipal systems of financial delegations assessed	New PI	28	28	None	None
27.1.4	Number of municipalities assisted in institutionalising ERM and internal audit	Institutionalised ERM and Internal audit at all municipalities	30	30	None	None
27.2	Percentage of bills, circulars and guidelines received and responded to	Developed and implemented a framework and parameters that determines best practise approach for prescripts and regulatory processes with the aim to strengthen the regularity arena in the internal control environment, that draws on the system capability for optimal utilisation of available systems	100%	100%	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 budget programme and sub-programme.

**Sub-programme expenditure**

Sub-programme Name	2013/14			2012/13		
	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	2 299	1 982	317	2 068	1 821	247
4.2 Accounting Services	13 419	13 419	-	10 637	10 558	79
4.3 Corporate Governance	10 377	10 084	293	9 734	9 610	124
<b>Total</b>	<b>26 095</b>	<b>25 485</b>	<b>610</b>	<b>22 439</b>	<b>21 989</b>	<b>450</b>

**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 R5.523 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	5 523	5 523	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 2013 to 31 March 2014.

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	15 369	15 369	None
Departmental agencies and accounts	SABC TV licences	Yes	2	2	None
Households	Bursaries and leave gratuity	Yes	1 292	1 292	None
Gifts and donations	Best performing schools and essay writing competition	Yes	203	203	None

The table below reflects the transfer payments which were budgeted for in the period 1 April 2013 to 31 March 2014, 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"> <li>• Strengthening of IT systems to deliver reports required for financial management improvement. Improvements in data quality that informs the IDP and SDBIPs.</li> <li>• Training and support to municipalities for IT usage.</li> <li>• Improved revenue streams and transparency in tariff setting.</li> <li>• Improvements to internal and external reporting on budget performance (in-year reports).</li> <li>• Compliance with regulatory requirements related to performance management and improvement in the usefulness and reliability of reported information against PDOs.</li> <li>• Improved SCM compliance and regulatory conformance.</li> <li>• Improvement in Financial Governance issues (Updating and creation of municipal websites, improved internal audit and risk units).</li> <li>• Improved audit outcomes.</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>• Strengthened financial and IT related systems and capacitated staff.</li> <li>• Improved data quality that informs the IYM, IDP and SDBIPs.</li> <li>• Improved revenue estimation and transparency in tariff setting.</li> <li>• Improved internal and external reporting on budget performance.</li> <li>• Improved compliance with regulatory requirements related to performance management.</li> <li>• Improvement in the usefulness and reliability of reported information against PDOs.</li> <li>• Improved SCM compliance and regulatory conformance.</li> <li>• Improvement in financial governance issues such as internal audit and risk management.</li> <li>• Improved audit outcomes.</li> </ul>
Amount per amended DoRA (R'000)	R15.369 million
Amount transferred (R'000)	R15.369 million
Reasons if amount as per DoRA not transferred	None
Amount spent by the department/municipality (R'000)	R15.369 million
Reasons for the funds unspent by the entity	None
Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> <li>• Monitoring and management of the programme (outputs and intended outcomes).</li> <li>• Transfer funds to municipalities to assist implementation of the MFMA and its supporting regulations.</li> <li>• Finalise and agree on business plans with affected municipalities.</li> <li>• Ad hoc visits by the Department to monitor the impact and the appropriateness in terms of the spending of the funds allocated.</li> </ul>

## **6.2 Conditional grants and earmarked funds received**

R252.598 million was received by the Vote as earmarked Provincial priority allocations as part of Sub-programme 2.5: Special Projects in the 2013 Main Budget and was reserved for transversal provincial priority projects. During the 2013 Adjusted Estimates, R244.598 million of this amount was shifted to various Votes, with the remainder being utilised internally for identified provincial transversal priority projects.

## **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. The rationalisation and refurbishment of the department office space is currently underway by TPW.



## PART C: GOVERNANCE

### 1. INTRODUCTION

Commitment by the department to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users want assurance that the department has good governance structures in place to effectively, efficiently and economically utilise the state resources, which is funded by the tax payer.

### 2. RISK MANAGEMENT

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

In compliance with the National Treasury Public Sector Risk Management Framework (NTPSRMF) and to further embed risk management within the Department, the Western Cape Government (WCG) has adopted an ERM Policy which sets out the WCG's overall intention with regards to ERM.

An Annual ERM Implementation Strategy has been developed in order to give effect to the WCG ERM policy and to attain the Annual Enterprise Risk Management Implementation Plan and the risk management priorities of the Provincial Treasury. This enables the Department to deliver on its Departmental goals, objectives and key performance indicators, enhance risk informed decision making and optimise compliance with applicable legislation. It further outlines the roles and responsibilities of managers and staff in embedding risk management in the Department and defines the enabling legislation, standards, mechanisms, tools and resources to be used to realise the ERM plan.

The Fraud and Risk Management Committee (FARMCO) provides governance oversight over the entire system of risk management of the Department and furnishes the Accounting Officer with the requisite reports in respect of performance of risk management. The Audit Committee provides the independent oversight of the Department's system of risk management. The Audit Committee is furnished with Quarterly ERM progress reports and departmental risk profiles and registers to execute their independent oversight role. The Audit Committee's evaluation of the risk management process is in relation to the progress of implementation of the Department's Annual ERM Implementation Plan and significant/strategic risks faced by the Department and their relevant risk response/treatment strategies.

### **Fraud and Risk Management Committee**

The Provincial Treasury has established a Fraud and Risk Management Committee (FARMCO) to assist the Accounting Officer in executing his respective responsibilities concerned with risk management. The Committee operates under a terms of reference approved by the Accounting Officer. The Committee comprises of select members of the Department's senior management team. 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:

<b>Member</b>	<b>Position</b>	<b>Scheduled Meetings</b>	<b>Attended</b>
Mr Z Hoosain	DDG: Governance and Asset Management	4	4
Mr H Malila	DDG: Fiscal and Economic Services	4	2
Mr A Gildenhuis	Chief Financial Officer	4	4
Ms A Smit	Director: Strategic and Operational Management Services	4	3
Ms J Gantana	CD: Provincial Government Public Finance (Seconded during the Quarter 3 meeting in the absence of the DDG: Fiscal and Economic Services)	1	1
Ms A Pick	Director: Provincial Government Public Finance (Seconded during the Quarter 1 meeting in the absence of the DDG: Fiscal and Economic Services)	1	1

### **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 level the risk assessments are conducted on a quarterly basis in order to review and update the existing risks and to identify emerging risks. Significant risks relevant to objectives were assessed in terms of its likelihood and impact; risk treatment plans are developed and managed by allocated risk owners. Programme risk registers are approved by the respective programme manager.

The Fraud and Risk Management Committee (FARMCO) ratifies, prioritises and further recommends to the Accounting Officer, which significant risks are mitigated with an appropriate risk response/treatment in order to meet the departmental strategic objectives. This process is conducted on a quarterly basis and feeds into the evaluation of the performance environment of the Department during their Quarterly Performance Review sessions.

### **Impact on institutional performance**

The Department has a FARMCO that already exists for 5 years. The FARMCO is chaired by a member of the senior management and quarterly meetings are held with the Enterprise Risk Management Unit and Internal Audit within DotP to ensure that risks are properly managed in terms of the ERM Strategy and Implementation Plan which is annually signed off by the Accounting Officer. The Terms of Reference guides the Committee when performing its



functions. A transversal Risk Management Policy Statement was approved on 7 March 2012 by DDG of DotP and the Terms of Reference was approved on 2 April 2013.

The Department conducts risk assessments on a quarterly basis under the guidance of the ERM section within DotP. The activities within FARMCO 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 under Part D of this document. Progresses on the management of risks are usually discussed during the quarterly cluster audit committee meetings.

Given the above actions, however no specific measurement tools were developed for the improvement of risk management interventions. The opinion is maintained that the risk profile within the Department did improve and lower risk ratings (impact and likelihood) should be achieved during 2014/15 financial year.

### **3. FRAUD AND CORRUPTION**

The Western Cape Government adopted an Anti-Corruption Strategy which confirms the Province's zero tolerance stances towards fraud and corruption. The Department has an approved Fraud Prevention Plan and a Fraud Prevention Implementation plan which gives effect to the Fraud Prevention Plan.

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 Forensic Investigation 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. We protect employees who blow the whistle on suspicions of fraud, corruption and theft if the disclosure is a protected disclosure (i.e. not malicious). The opportunity to remain anonymous is afforded to any person who would like to report acts of fraud, theft and corruption and should they do so in person, their identities are kept confidential by the person to whom they are reporting.

Once fraud or corruption is confirmed after completion of an investigation, the relevant employee who participated in these acts is subjected to a disciplinary hearing. In all such instances, the WCG representative initiating the disciplinary proceedings is required to recommend dismissal of the employee concerned. Where prima facie evidence of criminal conduct is detected, a criminal matter is reported at the South African Police Services.

During this financial year, 1 preliminary investigation was completed by the Forensic Investigation Unit which did not confirm the allegation of Fraud, Theft or Corruption. At the end of the financial year there were no forensic matters on hand for the Department.

#### **4. MINIMISING CONFLICT OF INTEREST**

Currently conflict of interests is verified on the PERSAL system and exceptions provided by the Provincial Treasury's Supporting and Interlinked Financial Systems unit, should any exceptions occur. The DBAC members and secretariat of the Department also provide written confirmation that no matter of interest conflict exists during each of their meetings and deliberations. The current Fraud and Corruption policy 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 is provided to all new employees. Due to the nature of the work of the Department a high ethical standard is required and therefore in addition the department has a value statement; developed by its employees for the employees.

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 working environment that is safe and without risk to the health of his employees.

The Department occupies buildings of which it is not the custodian, but provides and maintains, as far as possible, a working environment that is safe and without risk to the health of the employees. This is ensured by a functional departmental Occupational Health and Safety Committee, having necessary equipment and capacitated occupational health and safety representatives. The Health and Safety Representatives conduct regular inspections and deficiencies are reported to the custodian of the applicable building. Similarly, the names and details of floor and safety staff are conspicuously displayed and periodic evacuation drills are conducted.

Construction work, including refurbishment of floors, is currently being done on the buildings occupied by the Department. This increased the risk for injuries and diseases, but all the necessary precautions were put in place to ensure the safety of the occupants of the building during construction.

#### **7. ACCESS TO INFORMATION**

During the 2013/14 financial year, the Department received 2 requests for access to information in terms of the Promotion of Access to Information Act, 2000. Access to 2 of these requests was granted in full. 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.

## 8. PORTFOLIO COMMITTEES

### 8.1 Standing Committee on Finance and Economic Development (SCOF)

Date of Meeting	Agenda	Recommendations/Resolutions	Comments
22 October 2013	1. Consideration of the Annual Report of <i>Provincial Treasury</i>	<p>The Committee agreed that:</p> <p>(a) Future Annual Reports should contain a detailed account of the employees who received performance bonuses;</p> <p>(b) Future Annual Reports should be better formatted and structured, taking into consideration that the relevant oversight committee and/or audience is not <i>au fait</i> with the processes and or terminology used by Provincial Treasury, and items within different columns within the same tables should be more easily readable;</p> <p>(c) Strategic objectives and performance indicators should be presented in a more readable format to enable the reader to easily compare the respective objectives with the correlating performance indicators; and</p> <p>(d) Explanations for items in tables, when presented as footnotes in the tables, should be indicated by asterisks and/or numbering within the body of the table.</p>	<p>Noted by the Department.</p> <p>Noted by the Department for future attention.</p> <p>Noted by the Department.</p> <p>National Treasury provide the guides to complete Annual Reports.</p>
31 October 2013	<p>1. Briefing by Provincial Treasury on the <i>Division of Revenue Amendment Bill, 2013</i></p> <p>2. Consideration of the <i>Division of Revenue Amendment Bill, 2013</i></p>	<p>The Committee agreed to:</p> <p>(a) Adopt a Negotiating Mandate on the <i>Division of Revenue Amendment Bill, 2013</i>, via a teleconference, once the Bill is referred to the Standing Committee on Finance and Economic Development on Tuesday, 5 November 2013; and</p>	<p>Bill was referred to the Committee on Wednesday, 6 November 2013.</p> <p>No quorum was available for meeting to be held to consider the Negotiating Mandate. No Negotiating Mandate was adopted.</p>

Date of Meeting	Agenda	Recommendations/Resolutions	Comments
		(b) Adopt a Final Mandate on the <i>Division of Revenue Amendment Bill, 2013</i> , via a teleconference on Thursday, 7 November 2013.	Final Mandate was considered and adopted via a teleconference on 7 November 2013.
7 March 2014 (09h00)	Consideration of the Western Cape Appropriation Bill [B3 – 2014] – Provincial Treasury (Vote 3)	The Committee agreed that Provincial Treasury should put in place stringent methods to monitor transversal projects.	Noted by the Department for future implementation.

## 8.2 Budget committee

Date of Meeting	Agenda	Recommendations/Resolutions	Comments
14 June 2013	<ol style="list-style-type: none"> <li>Briefing by the Provincial Treasury on the 4<sup>th</sup> Quarter Financial and Non-financial Statements</li> <li>Briefing by the Provincial Treasury on the 2013 Provincial Economic Review and Outlook (PERO)</li> </ol>	The Committee agreed that Committee Chairpersons, via their respective Standing Committees, scrutinise Departments on major queries and concerns emanating from briefings and presentations made to the Budget Committee.	Recommendations noted by all Chairpersons that were present.
		<p>The Committee agreed that Provincial Treasury:</p> <ol style="list-style-type: none"> <li>In similar fashion to the presentation made on the PERO, brief the Committee as to the purpose and regional focus (inclusivity) of the Municipal Economic Review and Outlook (MERO); and</li> <li>Brief the Committee as to the relationship and interface between the PERO and the MERO.</li> </ol>	<p>Committee was comprehensively briefed on 22 October 2013.</p> <p>Department successfully briefed the Committee on 22 October 2013.</p>
30 August 2013	<ol style="list-style-type: none"> <li>Briefing by the Provincial Treasury on the 2013/14 1<sup>st</sup> Quarter Performance (Financial and Non-financial)</li> </ol>	<p>The Committee agreed that Provincial Treasury should forward the following documentation:</p> <ol style="list-style-type: none"> <li>A list of the names of the thirty (30) Project Initiation Documents (PIDs) that was referred to in slide 10; and</li> <li>Reasons as to why the Department of Health and Provincial Parliament were excluded from the risk management plan as presented in slide 19.</li> </ol>	<p>Matter finalised.</p> <p>Matter finalised.</p>

Date of Meeting	Agenda	Recommendations/Resolutions	Comments
22 October 2013	2. Briefing by Provincial Treasury on the 2013 – <i>PERO &amp; MERO</i>	The Committee agreed that PERO and MERO briefings should in future contain data presenting the correlation between growth percentages and variables such as employment levels.	Matter finalised.
21 November 2013	<ol style="list-style-type: none"> <li>1. Briefing by Provincial Treasury on the <i>Western Cape Adjustments Appropriation Bill, 2013</i></li> <li>2. Briefing by Provincial Treasury on the <i>Western Cape Medium Term Budget Policy Statement 2014 – 2017</i></li> <li>3. Briefing by Provincial Treasury on the 2013/14 2<sup>nd</sup> Quarter Performance (Financial and Non-financial)</li> </ol>	The Committee agreed that Provincial Treasury should in future report on Provincial Parliament's performance as part of the Quarterly (Financial and Non-financial) Overview.	The Department took note of this recommendation at the meeting held on 21 November 2013. Matter finalised.
5 March 2014	1. Briefing by Provincial Treasury on the <i>Western Cape Appropriation Bill [B 3 – 2014]</i>	The Committee agreed that Provincial Treasury should provide the Committee with the Bureau for Economic Research's reasoning for their declining growth forecast in the agricultural sector, compared to their increased growth forecast in the manufacturing sector.	Provincial Treasury took note of the recommendation during the meeting, and provided feedback before a formal request could be sent to the office of the HOD. Matter finalised.

## 9. SCOPA RESOLUTIONS

The Committee noted the Auditor-General's audit opinion regarding Provincial Treasury's Annual Financial Statements, being financially unqualified with findings of compliance with laws and regulations relating to Human Resource Management and Compensation, and that this audit opinion represented a regression from the 2011/12 financial year's unqualified audit opinion with no findings.

The Committee noted Provincial Treasury's commitment of achieving and maintaining a clean audit opinion in 2014 and beyond. To achieve this commitment and to avoid a regression in the audit outcome, Provincial Treasury should urgently and sustainably address all matters raised by the Auditor-General, the Audit Committee and this Committee.

The Committee took cognisance of the fact that 36 per cent of High Risk Areas were covered by Internal Audit, compared to 44 per cent last year, and further notes that of the 3 internal audits approved for auditing during the financial year, 2 were actually completed.

Root Cause of Problem	SCOPA Resolution	Action taken on SCOPA Resolutions including associated costs	Impact on future financial years
Inadequate reporting of FIU outcomes and progress	1. Provincial Treasury and the FIU should brief the Committee on progress achieved and/or the outcomes of all investigations undertaken in the Department, although none are recorded/ highlighted in the Annual Report of the 2012/13 financial year.	At this stage the Department of the Premier is still awaiting an invitation from the Committee for the briefing and the relevant information will be provided by the Department of Corporate Assurance. Corporate Assurance Department will liaise with all other departments, including Treasury, at that time to make sure that everyone is on the same page.	In future years it is suggested that similar findings be included in the Department of the Premier's Vote where the function is vested. None.
Inadequate briefing on Internal Audit combined assurance issues	2. The Department of the Premier, Provincial Treasury, Internal Audit and the Audit Committee should brief the Committee on the Combined Assurance Model, and the three year audit plans for all Departments.	At this stage the Department is still awaiting an invitation from the Committee for the briefing and the relevant information will be provided by the Department of Corporate Assurance. Corporate Assurance Department will liaise with all other departments, including Treasury, at that time to make sure that everyone is on the same page.	In future years it is suggested that similar findings be included in the findings of the Premier's Vote where the function is vested. None.
Implementation phase of LOGIS not yet finalised in the Department of Local Government	3. Provincial Treasury should brief the Committee on the monitoring and outcome of emerging risks. 4. Provincial Treasury should brief the Committee on the outcome of the implementation and verification of the LOGIS (Logical Information System) data within the Department of Local Government (as and when the communication and agreement between the National Treasury and Provincial Treasury is completed).	The implementation of LOGIS at the Department of Local Government was finalised and the Department went live on LOGIS on 1 April 2013. In the interim, certain components of the Department relocated to a new building, leaving behind the majority of their assets (furniture, etc.), resulting in the LOGIS asset register having to be updated. The Department further obtained the approval from the Auditor-General to remove the current assets on LOGIS and load the audited asset register. The assets were programmatically removed during March 2014 as approval of National Treasury was required via the Provincial Treasury.	Improved controls in future.

Root Cause of Problem	SCOPA Resolution	Action taken on SCOPA Resolutions including associated costs	Impact on future financial years
Corrective measures to be instituted to reach its predetermined objectives targets	5. Provincial Treasury should brief the Committee on how it links its targets to the predetermined objectives, including the formulation and analysis of the budgets against these targets.	<p>The Provincial Treasury followed the National Treasury's Framework for Strategic Planning and Annual Performance Plans when compiling the Department's Annual Performance Plan was compiled.</p> <p>Strategic objectives were determined clearly stating what the Provincial Treasury intended doing to achieve its strategic outcomes oriented goals inclusive of performance indicators and targets to track on-going performance.</p> <p>The annual and quarterly targets can however not be linked as the current financial systems limit the measurement of activities.</p> <p>The Budget programme structure does not provide sufficient links between the objectives and its detail operational budgets.</p>	
Publication of actions in Annual Report that was not accurate	6. Provincial Treasury should publish the Committee's opening comments specific to this Department, this table of resolutions and the list of information requested by the Committee, in all future Annual Reports.	As from the 2013/14 financial year the Department did publish the Committees opening comments in three paragraphs above this Table.	SCOPA Resolution will consistently be adhered to in future to prevent a similar re-occurrence.
Lack of co-ordinated actions over a number of years to investigate overpayments of ministerial drivers in various departments	7. Provincial Treasury should brief the Committee on progress achieved and/or the outcomes of these investigations.	<p>On the 27<sup>th</sup> November 2012 Provincial Treasury was informed by the CS Centre of the investigation into overpayment of drivers in six ministerial offices.</p> <p>The Head of Treasury appointed the CFO of Education to Chair a Committee and resolve the overpayments in a uniform manner and in accordance to the PFMA Legislation and Regulations.</p>	Completed.

Root Cause of Problem	SCOPA Resolution	Action taken on SCOPA Resolutions including associated costs	Impact on future financial years
		After several meetings the Provincial Treasury and it was resolved that the departments investigate the debt of their Ministerial drivers and each department deal with their cases individually as each case had to be evaluated on its own merit and after all facts were considered an amount of R310 817.00 was written off as a charge against the state.	
Inadequate access to PERSAL database	8. Provincial Treasury and the Department of the Premier should engage the National Department of Public Service and Administration (DPSA) to request access to the National PERSAL Database.	All departments (National and Provincial) that utilise PERSAL have access on PERSAL to ascertain the reason why an employee left their services.	Provincial Treasury recommends that in future years the applicants being shortlisted must be verified to ascertain the reasons why applicants leave the service of departments, prior to inviting them to interviews.
	9. This matter should be referred to the relevant Standing Committee for further monitoring and evaluation, with Provincial Treasury.	The Department is awaiting an invitation from the Committee for the briefing and the relevant information will be provided by the Director: Strategic and Operational Management Support.	
Suitability checks are inadequate	10. The Corporate Services Centre (CSC) within the Department of the Premier should ensure that personnel suitability checks are done prior to appointing new staff within the government departments in order to verify the historic data of individuals.	The CSC has introduced control measures to ensure compliance with the DPSA's Vetting Strategy. In this regard Personnel Suitability Checks are now conducted as part of the interview process and no appointment letter is issued before favourable results of the Personnel Suitability Checks have been received. Similarly, when requests for contract employment are received, Suitability Checks are conducted before a contract is signed or employment letter issued.  AGSA again audited the vetting process in the Department and no findings were raised for the remainder of 2012/13 and for the 2013/14 reporting period.	To address gaps identified in the previous financial year, a verification centre was established in the CSC to audit verification of contract staff and internships, where vetting was previously not done before the appointment date. A project was launched to update all these verifications to ensure full compliance.



Root Cause of Problem	SCOPA Resolution	Action taken on SCOPA Resolutions including associated costs	Impact on future financial years
Inadequate controls over large overpayments	11. The Provincial Treasury to provide SCOPA with a detailed report on Erroneous payment to Bonitas including the mechanisms to prevent such a future occurrence (p 222 of Report).	A reply to the Bonitas erroneous payment was submitted to SCOPA on 15 January 2014.	Matter finalised.

## 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 UNIT

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

- The Internal Control Unit structure was increased and now comprises the posts of a Deputy Director, 2 Assistant Directors, 3 Senior State Accountants and 1 Clerk;
- The following Financial Instructions were compiled and issued during the financial year:
  - FI 10/2013 – Control over movement of Assets was updated and issued
  - FI 3/2013 – Irregular and Fruitless and Wasteful Expenditure was updated and issued
  - FI 3/2014 – Roles and responsibilities of the Internal Control Unit and departmental components was issued;
- Monthly reporting of the payments which are not paid within 30 days to the PFMA compliance Unit for the financial year;
- Updated the CGRO database on a quarterly basis that was presented to several fora;
- Loss management investigations for Losses, Irregular Expenditure, Fruitless and Wasteful Expenditure and GG vehicles;
- Performed post auditing functions on BAS & LOGIS payments and S&T claims to ensure that payments are in accordance with prescripts;
- Conducted inspections on Library Services, GG vehicle usage and telephone usage;
- A Compliance Monitoring tool for the Internal Control unit was compiled and issued; and

- Provided the following secretariat functions to the FARMCO:
  - Compiled the minutes for the FARMCO meeting for each quarter;
  - Ensured that the Operational Risk Register and Strategic Risk Register were signed by the SMS members;
  - Ensured that the terms of reference of FARMCO was updated and issued; and
  - Ensured that the Enterprise Risk Management Strategy was updated and issued.

## **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 the 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.

The following assurance engagements were approved in the 2013/14 Internal Audit Plan:

- MFMA Review; and
- Transfer Payments.

The 2013/14 Internal Audit Plan also included a consulting engagement in relation to Gap Analysis – Legislative Mandate.

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 responsibilities relating to:

- Internal Audit function;
- External Audit function (Auditor-General of South Africa - AGSA);
- Departmental accounting and reporting;
- Departmental accounting policies;
- Review of AGSA management and audit report;
- Review of 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	1 January 2012	N/A	9
Ms Judy Gunther	B Compt; Masters in Cost Accounting; CIA; AGA; CRMA	External	N/A	1 January 2013	N/A	9
Mr Louw van der Merwe	CA(SA); ACMA; CIA; CISA; CRMA	External	N/A	1 January 2013	N/A	9
Mr Kerry Larkin	BCompt; ND: FIS; CRMA; CCSA; CIA	External	N/A	1 January 2013	N/A	6
Mr Zaid Manjra	BCom; Dip Acc; CA(SA); MBL	External	N/A	1 January 2013	N/A	6

### 13. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2014.

#### 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

Following a risk based approach; the following Internal Audit work was completed during the year under review, with one project being completed after year-end:

- MFMA Review – Budget and In-Year Monitoring Process;
- Transfer Payments; and
- GAP Analysis – Legislative Mandate (completed after year-end).

The areas for improvement noted by Internal Audit during the performance of their work have been agreed by management and the implementation of corrective actions is being monitored by the Audit Committee on a quarterly basis.

The Audit Committee has considered the work of Internal Audit, as well as the assurance provided by the various other assurance providers such as management, internal control unit, treasury and external audit; and nothing has come to our attention which would indicate a material breakdown in the internal control systems in the department.

### **In-Year Management and Quarterly Performance Reports**

The Department has reported monthly and quarterly to the Treasury as is required by the PFMA.

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

### **Evaluation of Financial Statements**

The Audit Committee has:

- Reviewed and discussed the audited Annual Financial Statements as presented in the Annual Report, with the Auditor-General of South Africa and the Accounting Officer;
- Reviewed the Auditor-General of South Africa's Management Report and Management's responses thereto;
- Considered changes to the accounting policies and practices and where applicable these are reported in the Annual Financial Statements;
- Reviewed the Department's processes to ensure compliance with legal and regulatory provisions;
- Reviewed the information on predetermined objectives as reported in the annual report;
- Reviewed where appropriate material adjustments resulting from the audit of the Department; and
- Reviewed and where appropriate recommended changes to the interim financial statements as presented by the Department for the six months ending 30 September 2013.

### **Internal Audit**

Vacancies within the Internal Audit structures are receiving on going attention and good progress is being made to fulfil funded vacancies. There were no unresolved Internal Audit findings.

### **Risk Management**

The Department has taken full responsibility and ownership for the implementation of the Enterprise-wide Risk Management (ERM) methodology and function and this is reviewed on a quarterly basis by the Audit Committee. The challenge remains to institutionalise ERM throughout the Department. The Audit Committee noted a number of emerging risks and will be monitoring these on a regular basis.

### **Auditor-General of South Africa's Report**

- The Audit Committee concurs and accepts the Auditor-General of South Africa's opinion regarding the Annual Financial Statements, and proposes that the audited Annual Financial Statements be accepted and read together with the report of the Auditor-General of South Africa.
- The Audit Committee has met with the Auditor-General of South Africa and the Department to ensure that there are no unresolved issues emanating from the regulatory audit.
- The Audit Committee has reviewed the Department's implementation plan for audit issues raised in the previous year on a quarterly basis and is satisfied that the matters have been adequately resolved.
- The Audit Committee recommended that the Annual Financial Statements be approved by the Accounting Officer on 8<sup>th</sup> August 2014.

### **Appreciation**

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



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**Mr Mervyn Burton**

**Chairperson of the Governance and Administration Cluster Audit Committee  
Provincial Treasury**

**Date:** 18 August 2014



## PART D: HUMAN RESOURCE MANAGEMENT

### 1. LEGISLATION THAT GOVERN HR MANAGEMENT

The information provided in this part is prescribed by the Public Service Regulations (Chapter 1, Part III J.3 and J.4).

In addition to the Public Service Regulations, 2001 (as amended on 30 July 2012), the following prescripts direct Human Resource Management within the Public Service:

- **Public Service Act 1994, as amended by Act 30 of 2007**

To provide for the organisation and administration of the public service of the Republic, the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service, and matters connected therewith.

- **Occupational Health and Safety Act 85 of 1993**

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

- **Labour Relations Act 66 of 1995**

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

- **Basic Conditions of Employment Act 75 of 1997**

To give effect to the right to fair labour practices referred to in section 23(1) of the Constitution by establishing and making provision for the regulation of basic conditions of employment; and thereby to comply with the obligations of the Republic as a member state of the International Labour Organisation; and to provide for matters connected therewith.

- **Skills Development Act 97 of 1998**

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

- **Employment Equity Act 55 of 1998**

To promote equality, eliminate unfair discrimination in employment and to ensure the implementation of employment equity measures to redress the effects of discrimination; to achieve a diverse and efficient workforce broadly representative of the demographics of the province.

- **Public Finance Management Act 1 of 1999**

To regulate financial management in the national government and provincial governments; to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in those governments; and to provide for matters connected therewith.

- **Skills Development Levy Act 9 of 1999**

To provide any public service employer in the national or provincial sphere of Government with exemption from paying a skills development levy; and for exemption from matters connected therewith.

- **Promotion of Access to Information Act 2 of 2000**

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

- **Promotion of Administrative Justice Act (PAJA) of 2000**

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

## **2. INTRODUCTION**

### **2.1 The Value of Human Capital in the Department**

Our people are the foremost contributors to the achievements of the Department and of the successes of the Western Cape Government. Service excellence depends on the wellbeing of our organisation and its people. Hence, we:

- Value people who act with integrity, and are engaged, caring, competent, accountable and responsive;
- See people management to be the responsibility of everyone;
- Ground the management of our people in the principles of dignity, respect, transparency and equity;
- Grow, develop, empower and enable our people to reach and use their full potential; and
- Embrace diversity and have a deep respect for one another's culture, individuality, language, values and beliefs.



## 2.2 Overview of Human Resource Matters at the Department

Human resources (people) are a key element in achieving the strategic objectives of the Department. Therefore human resource planning **aims to ensure that the department has the right people, with the right skills, at the right place at the right time, all the time.** The Department's strategic planning cycle precedes the HR planning process where the latter process, among other things, links to the departmental skills development, recruitment, retention and affirmative action strategies.

The strategic HR Plan was developed and implemented for the period 1 April 2012 to 31 March 2017. The HR Plan is reviewed annually to determine whether the human resource strategic objectives are still valid and address the HR priorities in the department. Bi-annual progress reports monitor the implementation of the key activities contained within the HR Plan and are submitted to DPSA as directed.

Workforce planning can be defined as an inclusive and dynamic process that involves the identification of both current and future human resource needs as well as potential challenges in order for the Department to consistently achieve its departmental strategic objectives.

### Set Human Resource Priorities for the Year under Review and the Impact of these Priorities

After analysing the current workforce profile and the future demand, the following HR priorities were identified:

NR	HR PRIORITY	IMPACT
1.	Recruitment/Staffing	Improved R&S processes that contribute towards establishing the Department as an employer of choice
2.	Talent Management (Attraction and Retention)	Attract and retain skills (inclusive scarce and critical) across high risk occupational categories and age groups
3.	Training and Development	Promote a learning culture within the organisation
4.	Employment Equity	Ensure that the Department is representative of the broader population of the WC and that the Department has the appropriate competencies at its disposal
5.	Employee Health and Wellness (including Change Navigation)	Change navigation interventions to give effect to employees' health and well-being congruent with organisation values

### Workforce Planning Framework and Key Strategies to Attract and Recruit a Skilled and Capable Workforce

Without human resources (people), the Department cannot deliver an optimum service and without an adequate budget, they cannot recruit, develop and retain people needed to deliver optimum services.

The challenges facing the Department have been identified. These challenges have been addressed by identifying key activities which have been incorporated into the action plan.

The following are some of the main key activities as set out in the action plan:

KEY ACTIVITIES	
1.	<p>Annually determine the percentage of vacant posts on the establishment that can be funded in terms of scarce and critical skills.</p> <p>Implementation of a project-based approach for recruitment (Recruitment Plan) where line managers agree to scheduled dates for the filling of posts prior to advertising.</p> <p>Implementation of e-recruitment system.</p> <p>Reduce the number of contract workers where posts are of a permanent nature.</p> <p>Request for relaxation of experience requirements when posts are advertised (referring to interns).</p> <p>Earmark various posts for permanent filling by interns.</p>
2.	<p>Retirement and exit planning to ensure skills and knowledge transfer in high risk groups (e.g. youth – younger than 35, scarce and critical occupations and retiring employees, including HOD/SMS).</p> <p>Implementation of a transversal People Management Strategy which would facilitate the attraction and retention of high performing people.</p>
3.	<p>Continuous development of employees, especially within scarce and critical skills occupation groups, i.e. Economists, Financial Analysts, Expenditure Analysts, System Controller, etc. to be fully functional in their current positions and to prepare them for career progression</p> <p>Revive Skills Development Forum.</p> <p>Selection panels to be capacitated.</p>
4.	<p>Targeted recruitment interventions to reach numerical goals, in particular to address under-representation on all salary levels and in all directorates.</p> <p>Create a pool of MMS from designated groups to be eligible for promotion to SMS posts when a vacancy arises.</p>
5.	<p>Implement a change programme for the Department to:</p> <ul style="list-style-type: none"> <li>• Address the impact of continuous change.</li> <li>• Equip employees and managers to manage and cope with future change.</li> </ul> <p>Managers to market and promote overall wellness during wellness programmes, which may include flu injections, etc.</p>

It is expected that the Departmental management and the Corporate Services Centre take joint responsibility for the execution of the action plans, as well as ownership for delivering the necessary outcomes.

### Employee Performance Management Framework

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 PSO 12, namely *being the best-run regional government in the world*.

### **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 Services Centre that provides a trend analysis of utilisation, risk identification and its impact on productivity. Furthermore, on-going reporting to the Department of Public Service and Administration (DPSA) is a requirement and such reporting focuses on four areas namely, HIV/AIDS, Health and Productivity, Wellness Management and SHEQ (Safety Health Environment, Risk and Quality Management).

## **3. HUMAN RESOURCE 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). In particular, it provides an indication of the amount spent on personnel in terms of each of the programmes or salary bands within the Department.

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 total expenditure reflected on these systems.

The key in the table below is a description of the Programme's within the Department. Programmes will be referred to by their number from here on out.

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, 2013/14**

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
Programme 1	40 780	23 172	105	11 424	56.8	297	78
Programme 2	86 182	51 321	396	13 900	59.5	361	142
Programme 3	47 520	28 058	174	19 438	59.0	355	79
Programme 4	25 485	22 748	296	2 721	89.3	355	64
<b>Total</b>	<b>199 967</b>	<b>125 299</b>	<b>971</b>	<b>47 483</b>	<b>62.7</b>	<b>345</b>	<b>363</b>

Note: The number of employees refers to all individuals remunerated during the reporting period, excluding the Minister.

**Table 3.1.2 Personnel expenditure by salary bands, 2013/14**

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)	823	0.7	26	32
Skilled (Levels 3 - 5)	3 430	2.8	143	24
Highly skilled production (Levels 6 - 8)	15 057	12.2	212	71
Highly skilled supervision (Levels 9 - 12)	83 692	67.5	395	212
Senior management (Levels 13 - 16)	20 895	16.9	871	24
<b>Total</b>	<b>123 897</b>	<b>100.0</b>	<b>341</b>	<b>363</b>

Note: The number of employees refers to all individuals remunerated during the reporting period, excluding the Minister.

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. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

**Table 3.1.3 Salaries, Overtime, Housing Allowance and Medical Assistance by programme, 2013/14**

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	14 887	12.0	163	0.1	381	0.3	777	0.6
Programme 2	36 692	29.6	465	0.4	679	0.5	1 469	1.2
Programme 3	20 311	16.4	159	0.1	440	0.4	942	0.8
Programme 4	16 838	13.6	0	0.0	415	0.3	711	0.6
<b>Total</b>	<b>88 728</b>	<b>71.6</b>	<b>787</b>	<b>0.6</b>	<b>1 915</b>	<b>1.5</b>	<b>3 899</b>	<b>3.1</b>

Note: Salaries, overtime, housing allowance and medical assistance are calculated as a % of the total personnel expenditure which appears in Table 3.1.2 above. Furthermore, the table does not make provision for other expenditure such as Pensions, Bonus and other allowances which make up the total personnel expenditure. Therefore, Salaries, Overtime, Housing Allowance and Medical Assistance amount to 76.9% of the total personnel expenditure.

The totals of Tables 3.1.3 and 3.1.4 do balance, however, due to the fact that the data is grouped by either programme or salary band and that it is rounded off to thousands they reflect differently.

**Table 3.1.4 Salaries, Overtime, Housing Allowance and Medical Assistance by salary bands, 2013/14**

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)	695	0.6	0	0	11	0.0	11	0.0
Skilled (Levels 3 - 5)	2 313	1.9	90	0.1	161	0.1	247	0.2
Highly skilled production (Levels 6 - 8)	10 645	8.6	122	0.1	351	0.3	684	0.6
Highly skilled supervision (Levels 9 - 12)	61 666	49.8	574	0.5	1 320	1.1	2 703	2.2
Senior management (Levels 13 - 16)	13 411	10.8	0	0.0	72	0.1	253	0.2
<b>Total</b>	<b>88 730</b>	<b>71.6</b>	<b>786</b>	<b>0.6</b>	<b>1 915</b>	<b>1.5</b>	<b>3 898</b>	<b>3.1</b>

Note: The totals of Tables 3.1.3 and 3.1.4 do balance, however, due to the fact that the data is grouped by either programme or salary band and that it is rounded off to thousands they reflect differently.

### 3.2 Employment and vacancies

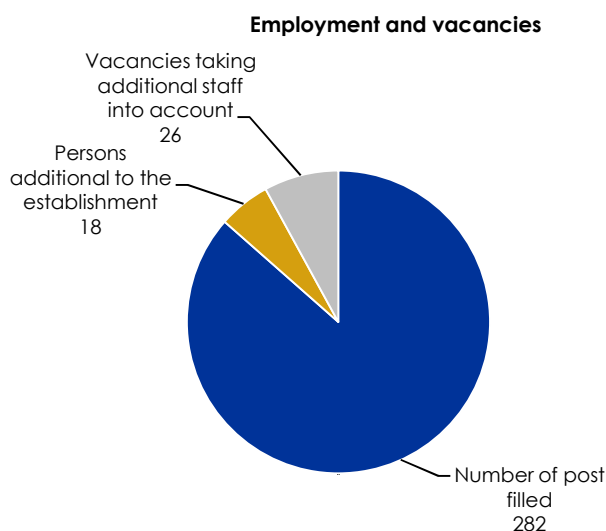
The following tables summarise the number of posts on the establishment, the number of employees, the percentage of vacant posts, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables: programme (Table 3.2.1), salary band (Table 3.2.2) and critical occupations (Table 3.2.3).

Departments have identified critical occupations that need to be monitored. Table 3.2.3 provides establishment and vacancy information for the key critical occupations of the department.

**Table 3.2.1 Employment and vacancies by programme, as at 31 March 2014**

Programme	Number of funded posts	Number of posts filled	Vacancy rate %	Number of persons additional to the establishment	Vacancy rate taking additional staff into account
Programme 1	68	54	20.6	2	17.6
Programme 2	132	116	12.1	5	8.3
Programme 3	75	64	14.7	5	8.0
Programme 4	51	48	5.9	6	0
<b>Total</b>	<b>326</b>	<b>282</b>	<b>13.5</b>	<b>18</b>	<b>8.0</b>

**Figure 1 Employment and vacancies**



**Table 3.2.2 Employment and vacancies by salary bands, as at 31 March 2014**

Salary Band	Number of funded posts	Number of posts filled	Vacancy rate %	Number of persons additional to the establishment	Vacancy rate taking additional staff into account
Lower skilled (Levels 1 - 2)	2	2	0.0	0	0.0
Skilled (Levels 3 - 5)	23	18	21.7	0	21.7
Highly skilled production (Levels 6 - 8)	52	43	17.3	17	0.0
Highly skilled supervision (Levels 9 - 12)	224	198	11.6	1	11.2
Senior management (Levels 13 - 16)	25	21	16.0	0	16.0
<b>Total</b>	<b>326</b>	<b>282</b>	<b>13.5</b>	<b>18</b>	<b>8.0</b>

Note: The information in each case reflects the situation as at 31 March 2014. For an indication of changes in staffing patterns over the year under review, please refer to section 3.4 of this report.

**Table 3.2.3 Employment and vacancies by critical occupation, as at 31 March 2014**

Critical Occupations	Number of funded posts	Number of posts filled	Vacancy rate %	Number of persons additional to the establishment	Vacancy rate taking additional staff into account
Economist	23	20	13.0	0	13.0
Expenditure Analyst	8	7	12.5	0	12.5
Financial Analyst	18	18	0.0	0	0.0
Procurement Specialist	15	10	33.3	3	13.3
State Accountant Senior	3	2	33.3	1	0.0
System Controller	29	25	13.8	0	13.8
<b>Total</b>	<b>96</b>	<b>82</b>	<b>14.6</b>	<b>4</b>	<b>10.4</b>

### 3.3 Job evaluation

The Public Service Regulations, 2001 as amended, introduced post evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any post in his or her organisation.

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 2013 to 31 March 2014**

Salary Band	Total number of posts	Number of posts evaluated	% of posts evaluated	Posts Upgraded		Posts Downgraded	
				Number	% of number of posts	Number	% of number of posts
Lower skilled (Levels 1 - 2)	2	0	0.0	0	0.0	0	0.0
Skilled (Levels 3 - 5)	23	1	0.3	0	0.0	0	0.0
Highly skilled production (Levels 6 - 8)	52	1	0.3	0	0.0	0	0.0
Highly skilled supervision (Levels 9 - 12)	224	4	1.2	2	0.6	0	0.0
Senior Management Service Band A (Level 13)	17	0	0.0	0	0.0	0	0.0
Senior Management Service Band B (Level 14)	5	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
<b>Total</b>	<b>326</b>	<b>6</b>	<b>1.8</b>	<b>2</b>	<b>0.6</b>	<b>0</b>	<b>0.0</b>

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

The majority of posts on the approved establishment were evaluated during previous reporting years, and the job evaluation results are thus still applicable.

**Table 3.3.2 Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2013 to 31 March 2014**

Beneficiaries	African	Indian	Coloured	White	Total
Female	0	0	1	0	1
Male	0	0	1	0	1
<b>Total</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>2</b>
<b>Employees with a disability</b>					<b>0</b>

Table 3.3.3 summarises the number of cases where salary levels exceeded the grade determined by job evaluation (including higher notches awarded). 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 race group, 1 April 2013 to 31 March 2014**

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
Infrastructure Manager	1	11	12	0	Attraction
Personal Assistant	1	7	0	5 notch increment	Attraction
Procurement Manager	1	11	0	11 notch increment	Attraction
<b>Total number of employees whose salaries exceed the level determined by job evaluation (including awarding of higher notches) in 2013/14</b>			3		
<b>Percentage of total employment</b>			1.0		

**Table 3.3.4 Employees who have been granted higher salaries than those determined by job evaluation per race group, 1 April 2013 to 31 March 2014**

Beneficiaries	African	Indian	Coloured	White	Total
Female	0	0	1	0	1
Male	0	0	1	1	2
<b>Total</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>3</b>
<b>Employees with a disability</b>					0

### 3.4 Employment changes

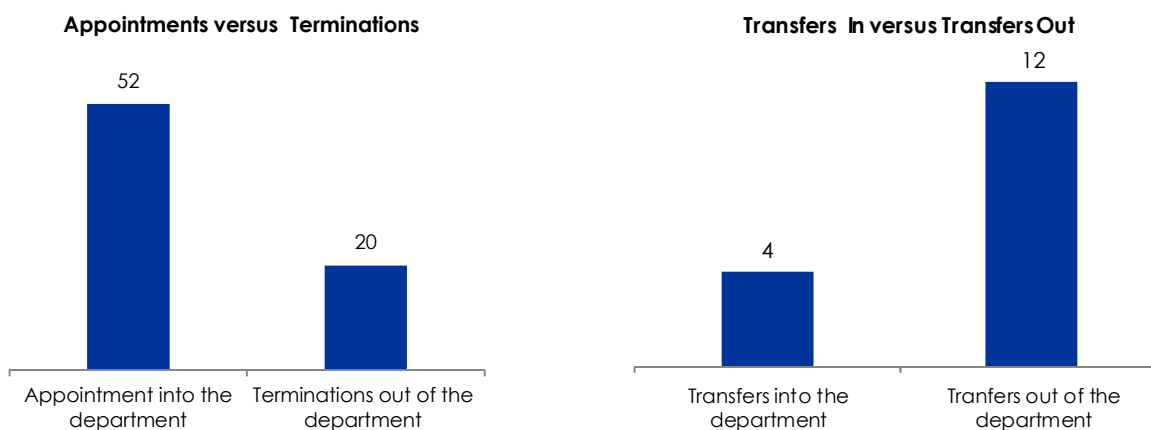
Turnover rates provide an indication of trends in the employment profile of the department during the year under review. The following tables provide a summary of turnover rates by salary band (Table 3.4.1) and by critical occupations (Table 3.4.2).



**Table 3.4.1 Annual turnover rates by salary band, 1 April 2013 to 31 March 2014**

Salary Band	Number of employees as at 31 March 2013	Turnover rate 2012/13	Appointments into the department	Transfers into the department	Terminations out of the department	Transfers out of the department	Turnover rate 2013/14
Lower skilled (Levels 1 - 2)	2	50.0	1	0	0	0	0.0
Skilled (Levels 3 - 5)	19	6.3	3	0	1	3	21.1
Highly skilled production (Levels 6 - 8)	45	20.5	24	2	12	3	33.3
Highly skilled supervision (Levels 9 - 12)	183	13.3	23	1	6	5	6.0
Senior Management Service Band A (Level 13)	16	13.3	1	1	1	0	6.3
Senior Management Service Band B (Level 14)	5	0.0	0	0	0	1	20.0
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
<b>Total</b>	<b>273</b>	<b>14.2</b>	<b>52</b>	<b>4</b>	<b>20</b>	<b>12</b>	<b>11.7</b>
			<b>56</b>		<b>32</b>		

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

**Figure 2 Appointment versus Terminations**

**Table 3.4.2 Annual turnover rates by critical occupation, 1 April 2013 to 31 March 2014**

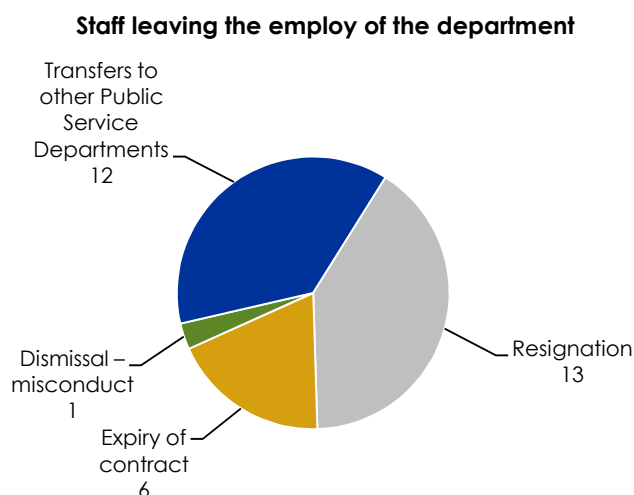
Critical Occupation	Number of employees as at 31 March 2013	Turnover rate 2012/13	Appointments into the department	Transfers into the department	Terminations out of the department	Transfers out of the department	Turnover rate 2013/14
Economist	17	27.8	5	0	1	1	11.8
Expenditure Analyst	7	33.3	1	0	0	0	0.0
Financial Analyst	17	0.0	0	0	0	0	0.0
Procurement Specialist	9	10.0	1	1	2	0	22.2
State Accountant Senior	4	33.3	3	0	2	1	75.0
System Controller	25	0.0	0	0	0	0	0.0
<b>Total</b>	<b>79</b>	<b>15.5</b>	<b>10</b>	<b>1</b>	<b>5</b>	<b>2</b>	<b>8.9</b>
			11		7		

**Table 3.4.3 Staff leaving the employ of the department, 1 April 2013 to 31 March 2014**

Exit Category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2013
Resignation*	13	40.6	4.8
Expiry of contract	6	18.8	2.2
Dismissal – misconduct	1	3.1	0.4
Transfers to other Public Service departments	12	37.5	4.4
<b>Total</b>	<b>32</b>	<b>100.0</b>	<b>11.7</b>

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

\* Resignations are further discussed in Tables 3.4.4 and 3.4.5.

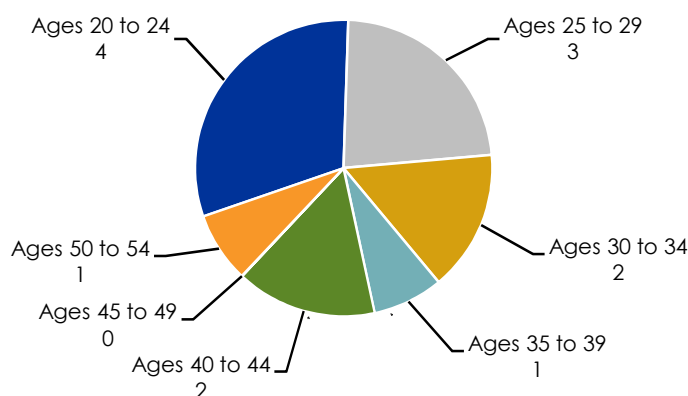
**Figure 3 Staff leaving the employment of the department**

**Table 3.4.4 Reasons why staff resigned, 1 April 2013 to 31 March 2014**

Resignation Reasons	Number	% of total resignations
Better remuneration	12	92.3
Further Studies	1	7.7
<b>Total</b>	<b>13</b>	<b>100</b>

**Table 3.4.5 Different age groups of staff who resigned, 1 April 2013 to 31 March 2014**

Age group	Number	% of total resignations
Ages 20 to 24	4	30.8
Ages 25 to 29	3	23.1
Ages 30 to 34	2	15.4
Ages 35 to 39	1	7.7
Ages 40 to 44	2	15.4
Ages 50 to 54	1	7.7
<b>Total</b>	<b>13</b>	<b>100.0</b>

**Figure 4 Age distribution of staff who have resigned****Table 3.4.6 Employee initiated severance packages**

Total number of employee initiated severance packages in 2013/14	None
--	------

**Table 3.4.7 Promotions by salary band, 1 April 2013 to 31 March 2014**

Salary Band	Employees as at 31 March 2013	Promotions to another salary level	Promotions as a % of employees	Progressions to another notch within a salary level	Notch progressions as a % of employees
Lower skilled (Levels 1 - 2)	2	0	0.0	1	50.0
Skilled (Levels 3 - 5)	19	1	5.3	12	63.2
Highly skilled production (Levels 6 - 8)	45	1	2.2	29	64.4
Highly skilled supervision (Levels 9 - 12)	183	2	1.1	128	69.9
Senior management (Levels 13 - 16)	24	0	0.0	17	70.8
<b>Total</b>	<b>273</b>	<b>4</b>	<b>1.5</b>	<b>187</b>	<b>68.5</b>

**Table 3.4.8 Promotions by critical occupation, 1 April 2013 to 31 March 2014**

Critical Occupation	Employees as at 31 March 2013	Promotions to another salary level	Promotions as a % of employees	Progressions to another notch within a salary level	Notch progressions as a % of employees
Economist	17	0	0.0	11	64.7
Expenditure Analyst	7	0	0.0	3	42.9
Financial Analyst	17	1	5.9	17	100.0
Procurement Specialist	9	0	0.0	8	88.9
State Accountant Senior	4	0	0.0	1	25.0
System Controller	25	0	0.0	22	88.0
<b>Total</b>	<b>79</b>	<b>1</b>	<b>1.3</b>	<b>62</b>	<b>78.5</b>

### 3.5 Employment equity

The information provided in this section depicts the department's demographic composition by race, gender and disability, as required by the Employment Equity Act and the Department of Public Service and Administration. Positions in our post establishment require various academic qualifications such as a Senior Certificate, technical qualification or graduate and post-graduate degrees, as well as certain competency levels. The Employment Equity Act states that in determining whether designated groups are equitably represented within an occupational category and level in an employer's workforce a number of factors must be taken into account including, the pool of suitably qualified people from designated groups from which the employer may reasonably be expected to promote or appoint employees. The figures presented in this section do not take these factors into account and do not reflect the fact that the population statistics provided by the 2011 Census reveal that a very small percentage of the Western Cape population have Matric and tertiary qualifications, which constitute the pool of "suitably qualified people" from which the Western Cape Government can employ staff (as specified by the Employment Equity Act and Public Service Regulations). The Department is continuing to invest in measures to broaden the pool of suitably qualified people who can compete for its employment opportunities to broaden its equitable representation in all occupational categories and levels in the workforce.

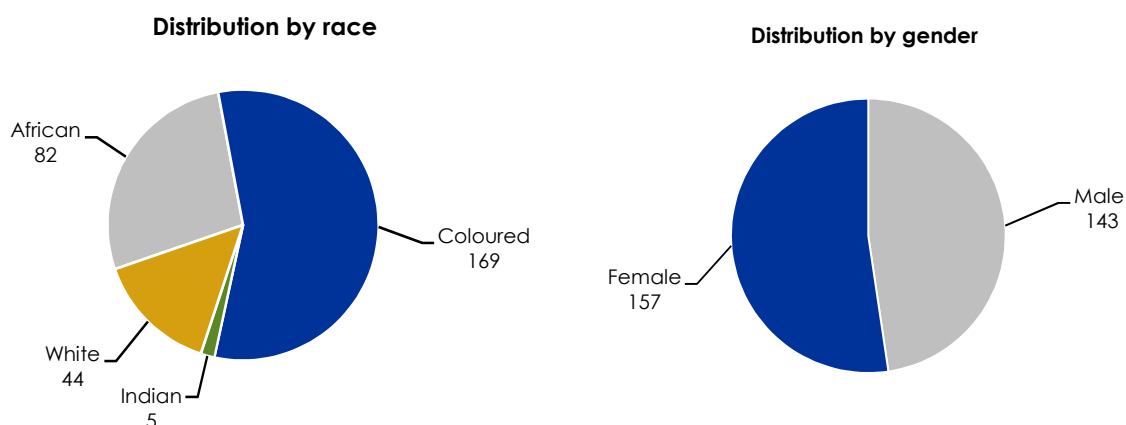
**Table 3.5.1 Total number of employees (including employees with disabilities) in each of the following occupational levels, as at 31 March 2014**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	0	1	1	1	0	0	0	0	0	0	3
Senior management (Levels 13 - 14)	2	5	1	3	1	3	1	2	0	0	18
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	25	55	1	20	28	62	1	8	0	0	200
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	9	6	0	1	12	24	0	7	0	0	59
Semi-skilled and discretionary decision making (Levels 3 - 5)	2	9	0	0	3	3	0	1	0	0	18
Unskilled and defined decision making (Levels 1 - 2)	0	0	0	1	0	1	0	0	0	0	2
<b>Total</b>	<b>38</b>	<b>76</b>	<b>3</b>	<b>26</b>	<b>44</b>	<b>93</b>	<b>2</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>300</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>38</b>	<b>76</b>	<b>3</b>	<b>26</b>	<b>44</b>	<b>93</b>	<b>2</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>300</b>

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

Note: The figures reflected per occupational levels include all permanent, part-time and contract employees. 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.

**Figure 5 Distribution by race and gender**

**Table 3.5.2 Total number of employees (with disabilities only) in each of the following occupational levels, as at 31 March 2014**

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	0	0	1	0	1	0	1	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	0	0	0	0	0	0	0	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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>3</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>3</b>

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

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

**Table 3.5.3 Recruitment, 1 April 2013 to 31 March 2014**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Levels 13 - 14)	1	0	0	1	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	2	9	0	3	6	4	0	0	0	0	24
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	5	4	0	2	8	7	0	0	0	0	26
Semi-skilled and discretionary decision making (Levels 3 - 5)	0	1	0	0	0	2	0	0	0	0	3
Unskilled and defined decision making (Levels 1 - 2)	0	0	0	1	0	0	0	0	0	0	1
<b>Total</b>	<b>8</b>	<b>14</b>	<b>0</b>	<b>7</b>	<b>14</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>56</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>8</b>	<b>14</b>	<b>0</b>	<b>7</b>	<b>14</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>56</b>

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

Note: Recruitment refers to new employees, including transfers into the Department, as per Table 3.4.1.

**Table 3.5.4 Promotions, 1 April 2013 to 31 March 2014**

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

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

Note: Promotions refer to the total number of employees promoted within the Department, as per Table 3.4.7.

**Table 3.5.5 Terminations, 1 April 2013 to 31 March 2014**

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	1	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	1	3	0	0	2	4	0	1	0	0	11
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	2	2	0	1	4	5	0	1	0	0	15
Semi-skilled and discretionary decision making (Levels 3 - 5)	1	2	0	0	0	1	0	0	0	0	4
Unskilled and defined decision making (Levels 1 - 2)	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>4</b>	<b>8</b>	<b>0</b>	<b>2</b>	<b>6</b>	<b>10</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>32</b>
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>4</b>	<b>8</b>	<b>0</b>	<b>2</b>	<b>6</b>	<b>10</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>32</b>

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

Note: Terminations refer to those employees 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 2013 to 31 March 2014**

Disciplinary actions	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Written warning	1	0	0	0	0	0	0	0	0	0	1
Dismissal/desertion	0	1	0	0	0	0	0	0	0	0	1
<b>Total</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>

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 types of misconduct addressed at disciplinary hearings, please refer to Tables 3.12.2 and Table 3.12.3.

**Table 3.5.7 Skills development, 1 April 2013 to 31 March 2014**

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15 - 16)	0	1	1	0	0	0	0	0	2
Senior management (Levels 13 - 14)	1	5	1	4	1	3	1	3	19
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	27	49	1	14	31	60	1	6	189
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	15	12	0	0	10	29	0	5	71
Semi-skilled and discretionary decision making (Levels 3 - 5)	1	10	0	0	4	2	0	1	18
Unskilled and defined decision making (Levels 1 - 2)	0	0	0	0	0	1	0	0	1
<b>Total</b>	<b>44</b>	<b>77</b>	<b>3</b>	<b>18</b>	<b>46</b>	<b>95</b>	<b>2</b>	<b>15</b>	<b>300</b>
Temporary employees	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>44</b>	<b>77</b>	<b>3</b>	<b>18</b>	<b>46</b>	<b>95</b>	<b>2</b>	<b>15</b>	<b>300</b>

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

Note: The above table refers to the total number of personnel who received training, and not the number of training courses attended by individuals. For further information on the actual training provided, please refer to Table 3.13.2.



### 3.6 Signing of performance agreements by SMS members

**Table 3.6.1 Signing of Performance Agreements by SMS Members, as at 31 May 2013**

SMS Level	Number of funded SMS posts per level	Number of SMS members per level	Number of signed Performance Agreements per level	Signed Performance Agreements as % of SMS members per level
Director-General/Head of Department	1	1	1	100.0
Salary Level 16, but not HOD	0	0	0	0.0
Salary Level 15	2	2	2	100.0
Salary Level 14	5	4	4	100.0
Salary Level 13	17	16	16	100.0
<b>Total</b>	<b>25</b>	<b>23</b>	<b>23</b>	<b>100.0</b>

Note: The allocation of performance-related rewards (cash bonus) for Senior Management Service members is dealt with later in the report. Please refer to Table 3.8.5.

**Table 3.6.2 Reasons for not having concluded Performance Agreements with all SMS on 31 May 2013**

Reasons for not concluding Performance Agreements with all SMS
N/A

**Table 3.6.3 Disciplinary steps taken against SMS Members for not having concluded Performance Agreements on 31 May 2013**

Disciplinary steps taken against SMS Members for not having concluded Performance Agreements
N/A

### 3.7 Filling of SMS posts

**Table 3.7.1 SMS posts information, as at 30 September 2013**

SMS Level	Number of funded SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Director-General/Head of Department	1	1	100.00	0	0.00
Salary Level 16, but not HOD	0	0	0.00	0	0.00
Salary Level 15	2	2	100.00	0	0.00
Salary Level 14	5	4	80.00	1	20.00
Salary Level 13	17	15	88.24	2	11.76
<b>Total</b>	<b>25</b>	<b>22</b>	<b>88.00</b>	<b>3</b>	<b>12.00</b>

**Table 3.7.2 SMS posts information, as at 31 March 2014**

SMS Level	Number of funded SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Director-General/ Head of Department	1	1	100.00	0	0.00
Salary Level 16, but not HOD	0	0	0.00	0	0.00
Salary Level 15	2	2	100.00	0	0.00
Salary Level 14	5	3	60.00	2	40.00
Salary Level 13	17	15	88.24	2	11.76
<b>Total</b>	<b>25</b>	<b>21</b>	<b>84.00</b>	<b>4</b>	<b>16.00</b>

**Table 3.7.3 Advertising and filling of SMS posts, as at 31 March 2014**

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
Director-General/Head of Department	0	0	0
Salary Level 16, but not HOD	0	0	0
Salary Level 15	0	0	0
Salary Level 14	2	0	0
Salary Level 13	3	0	0
<b>Total</b>	<b>5</b>	<b>0</b>	<b>0</b>

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

SMS Level	Reasons for non-compliance
Director-General/Head of Department	
Salary Level 16, but not HOD	
Salary Level 15	
Salary Level 14	<b>Chief Director: Local Government Public Finance</b> - The post became vacant during the 2013/14 reporting period and was advertised since becoming vacant. After assessing the applicants it was decided to embark on a head-hunt process as the number of suitable candidates were limited. No appointment could be made and the Department has since then re-advertised the post and embarked on a head hunt process without the necessary result as intended. The Department is currently in the process of re-advertising and is confident that a successful appointment will be made within the 2014/15 reporting period.
Salary Level 13	<b>Director: Local Government Supply Chain Management</b> - The post was advertised within six months of becoming vacant. No appointments could be made and the Department had to re-advertise the post three further times. The post has however been filled with effect 1 February 2014.

**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 within 12 months
None

### 3.8 Employee performance

**Table 3.8.1 Notch progressions by salary band, 1 April 2013 to 31 March 2014**

Salary Band	Employees as at 31 March 2013	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1 - 2)	2	1	50.0
Skilled (Levels 3 - 5)	19	12	63.2
Highly skilled production (Levels 6 - 8)	45	29	64.4
Highly skilled supervision (Levels 9 - 12)	183	128	69.9
Senior management (Levels 13 - 16)	24	17	70.8
<b>Total</b>	<b>273</b>	<b>187</b>	<b>68.5</b>

**Table 3.8.2 Notch progressions by critical occupation, 1 April 2013 to 31 March 2014**

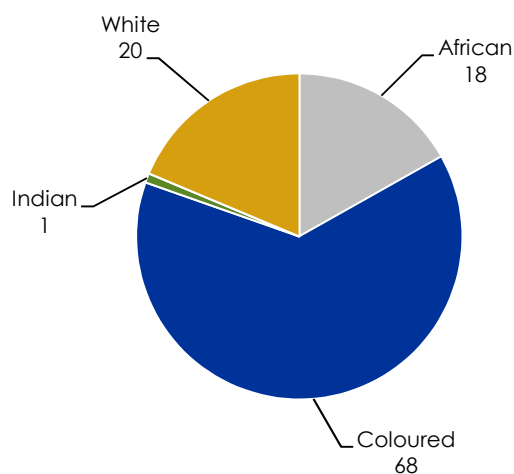
Critical Occupations	Employees as at 31 March 2013	Progressions to another notch within a salary level	Notch progressions as a % of employees by critical occupation
Economist	17	11	64.7
Expenditure Analyst	7	3	42.9
Financial Analyst	17	17	100.0
Procurement Specialist	9	8	88.9
State Accountant Senior	4	1	25.0
System Controller	25	22	88.0
<b>Total</b>	<b>79</b>	<b>62</b>	<b>78.5</b>

To encourage good performance, the Department has granted the following performance rewards allocated to personnel for the performance period 2012/13, but paid in the financial year 2013/14. The information is presented in terms of race, gender, and disability (Table 3.8.3), salary bands (Table 3.8.4 and Table 3.8.5) and critical occupations (Table 3.8.6).

**Table 3.8.3 Performance rewards by race, gender, and disability, 1 April 2013 to 31 March 2014**

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2013	% of total within group	Cost (R'000)	Average cost per beneficiary (R)
<b>African</b>	<b>18</b>	<b>67</b>	<b>26.9</b>	<b>186</b>	<b>10 309</b>
Male	11	32	34.4	119	10 795
Female	7	35	20.0	67	9 545
<b>Coloured</b>	<b>68</b>	<b>157</b>	<b>43.3</b>	<b>900</b>	<b>13 243</b>
Male	25	70	35.7	377	15 092
Female	43	87	49.4	523	12 169
<b>Indian</b>	<b>1</b>	<b>5</b>	<b>20.0</b>	<b>33</b>	<b>33 406</b>
Male	1	3	33.3	33	33 406
Female	0	2	0.0	0	0
<b>White</b>	<b>20</b>	<b>40</b>	<b>50.0</b>	<b>406</b>	<b>20 300</b>
Male	10	21	47.6	277	27 670
Female	10	19	52.6	129	12 930
<b>Employees with a disability</b>	<b>0</b>	<b>4</b>	<b>0.0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>107</b>	<b>273</b>	<b>39.2</b>	<b>1 525</b>	<b>14 257</b>

Note: The above table relates to performance rewards for the performance year 2012/13 and payment effected in the 2013/14 reporting period.

**Figure 6 Distribution of beneficiaries who received performance awards****Distribution of Beneficiaries who received performance rewards**

**Table 3.8.4 Performance rewards by salary bands for personnel below Senior Management Service level, 1 April 2013 to 31 March 2014**

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2013	% 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)	0	2	0.0	0	0	0.0
Skilled (Levels 3 - 5)	6	19	31.6	22	3 655	0.0
Highly skilled production (Levels 6 - 8)	24	45	53.3	174	7 246	0.2
Highly skilled supervision (Levels 9 - 12)	69	183	37.7	991	14 360	1.0
<b>Total</b>	<b>99</b>	<b>249</b>	<b>39.8</b>	<b>1 187</b>	<b>11 987</b>	<b>1.2</b>

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

**Table 3.8.5 Performance rewards (cash bonus), by salary band, for Senior Management Service level, 1 April 2013 to 31 March 2014**

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2013	% 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)	6	16	37.5	203	33 882	1.0
Senior Management Service Band B (Level 14)	0	5	0.0	0	0	0.0
Senior Management Service Band C (Level 15)	1	2	50.0	56	56 290	0.3
Senior Management Service Band D (Level 16)	1	1	100.0	79	79 238	0.4
<b>Total</b>	<b>8</b>	<b>24</b>	<b>33.3</b>	<b>338</b>	<b>42 353</b>	<b>1.6</b>

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

**Table 3.8.6 Performance rewards by critical occupations, 1 April 2013 to 31 March 2014**

Critical Occupation	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2013	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of total personnel expenditure
Economist	3	17	17.6	72	24 013	0.1
Expenditure Analyst	3	7	42.9	23	7 609	0.0
Financial Analyst	8	17	47.1	78	9 723	0.1
Procurement Specialist	5	9	55.6	79	15 819	0.1
State Accountant Senior	0	4	0.0	0	0	0.0
System Controller	10	25	40.0	137	13 661	0.1
<b>Total</b>	<b>29</b>	<b>79</b>	<b>36.7</b>	<b>389</b>	<b>13 392</b>	<b>0.4</b>

### 3.9 Foreign workers

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

**Table 3.9.1 Foreign Workers by salary band, 1 April 2013 to 31 March 2014**

Salary Band	1 April 2013		31 March 2014		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 2013 to 31 March 2014**

Major Occupation	1 April 2013		31 March 2014		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 2013 to 31 December 2013

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 3.10.1) and incapacity leave (Table 3.10.2). In both cases, the estimated cost of the leave is also provided.

**Table 3.10.1 Sick leave, 1 January 2013 to 31 December 2013**

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)	18	83.3	1	2	50.0	18	5
Skilled (Levels 3 - 5)	179	79.3	22	22	100.0	8	79
Highly skilled production (Levels 6 - 8)	445	80.4	62	69	89.9	7	312
Highly skilled supervision (Levels 9 - 12)	1 462	81.1	175	212	82.5	8	1 782
Senior management (Levels 13 - 16)	81	74.1	14	24	58.3	6	162
<b>Total</b>	<b>2 185</b>	<b>80.5</b>	<b>274</b>	<b>329</b>	<b>83.3</b>	<b>8</b>	<b>2 340</b>

Note: The three-year sick leave cycle started in January 2010. The information in each case reflects the totals excluding incapacity leave taken by employees. For an indication of incapacity leave taken, please refer to Table 3.10.2.

**Table 3.10.2 Incapacity leave, 1 January 2013 to 31 December 2013**

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)	0	0.0	0	2	0.0	0	0
Skilled (Levels 3 - 5)	0	0.0	0	22	0.0	0	0
Highly skilled production (Levels 6 - 8)	0	0.0	0	69	0.0	0	0
Highly skilled supervision (Levels 9 - 12)	0	0.0	0	212	0.0	0	0
Senior management (Levels 13 - 16)	0	0.0	0	24	0.0	0	0
<b>Total</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>329</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

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 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Commission Bargaining Chamber (PSCBC) in 2000 requires management of annual leave to prevent high levels of accrued leave having to be paid at the time of termination of service.

**Table 3.10.3 Annual leave, 1 January 2013 to 31 December 2013**

Salary Band	Total days taken	Total number employees using annual leave	Average days per employee
Lower skilled (Levels 1 - 2)	23	1	23
Skilled (Levels 3 - 5)	425	21	20
Highly skilled production (Levels 6 - 8)	1 206	67	18
Highly skilled supervision (Levels 9 - 12)	4 474	215	21
Senior management (Levels 13 - 16)	503	22	23
<b>Total</b>	<b>6 631</b>	<b>326</b>	<b>20</b>

**Table 3.10.4 Capped leave, 1 January 2013 to 31 December 2013**

Salary Band	Total capped leave available as at 31 Dec 2012	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 2013	Total capped leave available as at 31 Dec 2013
Lower skilled (Levels 1 - 2)	0	0	0	0	0	0
Skilled (Levels 3 - 5)	185	0	0	0	3	185
Highly skilled production (Levels 6 - 8)	304	1	1	1	12	296
Highly skilled supervision (Levels 9 - 12)	2 965	2	1	2	46	2 906
Senior management (Levels 13 - 16)	692	0	0	0	6	615
<b>Total</b>	<b>4 146</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>67</b>	<b>4 002</b>

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 payments made to employees as a result of leave that was not taken.

**Table 3.10.5 Leave pay-outs, 1 April 2013 to 31 March 2014**

Reason	Total Amount (R'000)	Average payment per incident (R'000)	Number of incidents per employee	Cost (R)
Leave pay-outs for 2013/14 due to non-utilisation of leave for the previous cycle	0	0	0	0
Capped leave pay-outs on termination of service for 2013/14	0	0	0	0
Current leave pay-outs on termination of service for 2013/14	11	11	1	10 619
<b>TOTAL</b>	<b>11</b>	<b>11</b>	<b>1</b>	<b>10 619</b>
<b>Total number of employees who received payments</b>			<b>1</b>	

### 3.11 HIV and AIDS & Health Promotion Programmes

**Table 3.11.1 Steps taken to reduce the risk of occupational exposure, 1 April 2013 to 31 March 2014**

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
The nature of the Department's work does not expose employees to increased risk of contracting HIV/AIDS. Despite the very low occupational risk, all employees have been targeted at all levels within the Department	<p>HIV/AIDS Counselling and Testing [HCT] and Wellness screenings sessions were conducted in general. The outsourced Health and Wellness contract (Employee Health and Wellness Programme [EHWP]) provides employees with their immediate family members [it means the spouse or partner of an employee or children living with an employee] are provided with a range of services. These services include the following:</p> <ul style="list-style-type: none"> <li>▪ 24/7/365 Telephone counselling;</li> <li>▪ Face to face counselling (6 + 2 session model);</li> <li>▪ Trauma and critical incident counseling;</li> <li>▪ Advocacy on HIV&amp;AIDS awareness, including online E-Care services; and</li> <li>▪ Training, coaching and targeted Interventions where these were required.</li> </ul>



**Table 3.11.2 Details of Health Promotion and HIV and AIDS Programmes, 1 April 2013 to 31 March 2014**

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	√		Ms Reygana Shade is the Director: Organisational Behaviour, (Department of the Premier). She fulfilled this role due to the corporatisation of the Employee Health and Wellness function,
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		<p>The Corporate Services Centre (CSC) within the Department of the Premier provides a transversal service to eleven (11) participating departments, including the Department of the Premier.</p> <p>A designated Employee Health and Wellness unit within the Directorate Organisational Behaviour and the Chief Directorate Organisation Development serves to promote the health and wellbeing of employees in the eleven (11) departments.</p> <p>The unit consists of a Deputy Director, three (3) Assistant Directors and four (4) Wellness Practitioners. Budget: R2 million.</p>
3. Has the department introduced an Employee Assistance or Health Promotion Programme for employees? If so, indicate the key elements/services of this Programme.	√		<p>The Department has entered into a service level agreement with <b>ICAS</b> [Service Provider] to render an Employee Health and Wellness Service to the eleven client departments of the Corporate Services Centre [CSC].</p> <p>The department conducted interventions namely, Management Consultancy, Employee Induction, Stress Management, Abuse and Sexual Health Awareness, Work Life Balance, Employee Advocacy Awareness, Personal Finance, Managerial Referral, Substance Abuse, Financial Wellbeing, Juicy Parenting, Re-Strung and Coaching for employees. These interventions were planned based on the trends reported quarterly through the Employee Health and Wellness Programme [EHWP] reports provided by the service provider, <b>ICAS</b>, for the period 2013/14. 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>

Question	Yes	No	Details, if yes
			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.
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>A new Health and Wellness Steering Committee has been established with members nominated by each department.</p> <p>Committee members are:</p> <ul style="list-style-type: none"> <li>▪ Agriculture: M Ferreira and H Jordaan (DJ);</li> <li>▪ Community Safety: A Brink; Simon Sekwadi &amp; C Coetzee;</li> <li>▪ Cultural Affairs: S Julies &amp; D Flandorp;</li> <li>▪ Economic Development &amp; Tourism: C Julies &amp; P Martin;</li> <li>▪ Environmental Affairs &amp; Development Planning: M Kroese &amp; P Cloete;</li> <li>▪ Health: S Newman &amp; C van Willing;</li> <li>▪ Human Settlements: J Roberts &amp; LL Groenewald;</li> <li>▪ Local Government: F Matthee &amp; K Adams;</li> <li>▪ Department of the Premier: R Shade &amp; N Norushe;</li> <li>▪ Provincial Treasury: D Sass &amp; S Sixubane;</li> <li>▪ Social Development: T Mtheku &amp; M Robinson;</li> <li>▪ Transport &amp; Public Works: C Marx &amp; Zinnia de Monk; and</li> <li>▪ Western Cape Education: M Cronje and C le Roux</li> </ul>
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	√		<p>The Transversal Management Framework for Employee Health and Wellness Programmes in the Western Cape Government is in effect and was adopted by the Co-ordinating Chamber of the PSCBC for the Western Cape Province on 10 August 2005.</p> <p>DPSA has developed several national policy documents in 2007/08 that govern Employee Health and Wellness [EHW] in the Public Service and that coordinate the programmes and services in a uniform manner.</p> <p>In this regard, all employment policies make provision for fair practices, regardless of the HIV status of staff or applicants.</p> <p>During the period under review, the Department of the Premier has developed a Transversal Employee Health and Wellness policy. The draft document is being consulted for ratification.</p> <p>Further to this, the Department of Health has currently approved the Transversal HIV and AIDS/STI Workplace Policy and Programme that will be applicable to all departments of the Western Government. The document is in line with the four pillars of the EHW Strategic Framework 2008.</p>

Question	Yes	No	Details, if yes
<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 &amp; 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"> <li>• Zero new HIV, STI and TB infections</li> <li>• Zero deaths associated with HIV and TB</li> <li>• Zero discrimination</li> </ul> <p>Also, the department is conducting the HCT and Wellness screening sessions to ensure that every employee in the CSC Departments of the Western Cape Government is tested for HIV and screened for TB, at least annually,</p> <p>The aim was to:</p> <ul style="list-style-type: none"> <li>▪ Reduce HIV and TB discrimination in the workplace. This included campaigns against unfair discrimination and empowerment of employees.</li> <li>▪ Reduce unfair discrimination in access to services. This included ensuring that Employee Relations Directorate addresses complaints or grievances and provides training to employees.</li> <li>▪ Other key elements that addressed anti HIV/AIDS discrimination issues were: Wellness Screenings and TB Testing Sessions with specific requests from departments were conducted, posters and pamphlets were distributed, HIV/AIDS counselling [HCT] and TB Testing were conducted, condom programme and spot talks, including [HIV/AIDS speak out programme] were conducted as well.</li> </ul>

Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo voluntary counselling and testing (VCT)? If so, list the results that you have you achieved.	√		<p><b>HCT SESSIONS:</b></p> <p>The following screening sessions were conducted: Blood pressure, Glucose, Cholesterol, TB, BMI [body mass index] and spot talks.</p> <p>The Department of Provincial Treasury participated in <b>5</b> HCT and Wellness screening sessions.</p> <p><b>84</b> Employees were tested and counselled for HIV, Tuberculosis and Sexually Transmitted Infections (STIs).</p> <p>There were <b>0</b> clinical referrals for TB, HIV or any other STIs.</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>The impact of health promotion programmes is indicated through information provided through the Employee Health and Wellness Contract (external EAP service provider).</p> <p>The Employee Health and Wellness Programme (EHWP) is monitored through Quarterly and Annual reporting. This reporting is provided by the External Service Provider. The most recent annual health review period was 1 April 2013 – 2014.</p> <p>The quarterly and annual review provides a breakdown of the EHWP Human Capital Demographic i.e. age, gender, length of service, dependent utilisation, language utilisation, employee vs. manager utilisation, no. of cases.</p> <p>The review further provides amongst others service utilisation, problem profiling and trending, assessment of employee and organisational risk and the impact thereof on the individual functioning in the work place.</p>

### 3.12 Labour relations

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

**Table 3.12.1 Collective agreements, 1 April 2013 to 31 March 2014**

<b>Total collective agreements</b>	<b>None</b>
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Table 3.12.2 summarises the outcome of disciplinary hearings conducted within the department for the year under review.

**Table 3.12.2 Misconduct and disciplinary hearings finalised, 1 April 2013 to 31 March 2014**

Outcomes of disciplinary hearings	Number	% of total
Final written warning	1	50.0
Dismissal/desertion	1	50.0
<b>Total</b>	<b>2</b>	<b>100</b>
<b>Percentage of total employment</b>		<b>0.6</b>

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

1 employee absconded during the period under review and was automatically classified as a case of desertion. A formal disciplinary hearing was not required.

**Table 3.12.3 Types of misconduct addressed at disciplinary hearings, 1 April 2013 to 31 March 2014**

Type of misconduct	Number	% of total
Misrepresentation	1	50.0
Theft	1	50.0
<b>Total</b>	<b>2</b>	<b>100</b>

**Table 3.12.4 Grievances lodged, 1 April 2013 to 31 March 2014**

Grievances lodged	Number	% of total
Number of grievances resolved	1	25.0
Number of grievances not resolved	3	75.0
<b>Total number of grievances lodged</b>	<b>4</b>	<b>100.0</b>

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 2013 to 31 March 2014**

Disputes lodged with Councils	Number	% of total
Number of disputes upheld	0	0.0
Number of disputes dismissed	0	0.0
<b>Total number of disputes lodged</b>	<b>0</b>	<b>0.0</b>

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

**Table 3.12.6 Strike actions, 1 April 2013 to 31 March 2014**

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 2013 to 31 March 2014**

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 being suspended with pay whilst the case is 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 2013 to 31 March 2014**

Occupational Categories	Gender	Number of employees as at 1 April 2013	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	8	0	11	0	<b>11</b>
	Male	16	0	9	0	<b>9</b>
Professionals	Female	93	0	63	0	<b>63</b>
	Male	89	0	53	0	<b>53</b>
Technicians and associate professionals	Female	9	0	23	0	<b>23</b>
	Male	7	0	14	0	<b>14</b>
Clerks	Female	34	0	37	0	<b>37</b>
	Male	14	0	19	0	<b>19</b>
Service and sales workers	Female	0	0	0	0	<b>0</b>
	Male	0	0	0	0	<b>0</b>
Skilled agriculture and fishery workers	Female	0	0	0	0	<b>0</b>
	Male	0	0	0	0	<b>0</b>
Craft and related trades workers	Female	0	0	1	0	<b>1</b>
	Male	0	0	4	0	<b>4</b>
Plant and machine operators and assemblers	Female	0	0	0	0	<b>0</b>
	Male	2	0	4	0	<b>4</b>
Elementary occupations	Female	1	0	0	0	<b>0</b>
	Male	2	0	0	0	<b>0</b>
Sub Total	Female	148	0	135	0	<b>135</b>
	Male	131	0	103	0	<b>103</b>
<b>Total</b>		<b>279</b>	<b>0</b>	<b>238</b>	<b>0</b>	<b>238</b>
<b>Employees with disabilities</b>	Female	3	0	0	0	<b>0</b>
	Male	1	0	0	0	<b>0</b>

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

**Table 3.13.2 Training provided, 1 April 2013 to 31 March 2014**

Occupational Categories	Gender	Number of employees as at 31 March 2014	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	7	0	19	0	<b>19</b>
	Male	14	0	14	0	<b>14</b>
Professionals	Female	105	0	63	0	<b>63</b>
	Male	109	0	54	0	<b>54</b>
Technicians and associate professionals	Female	9	0	16	0	<b>16</b>
	Male	6	0	9	0	<b>9</b>
Clerks	Female	42	0	42	0	<b>42</b>
	Male	21	0	34	0	<b>34</b>
Service and sales workers	Female	0	0	0	0	<b>0</b>
	Male	0	0	0	0	<b>0</b>
Skilled agriculture and fishery workers	Female	0	0	0	0	<b>0</b>
	Male	0	0	0	0	<b>0</b>
Craft and related trades workers	Female	0	0	0	0	<b>0</b>
	Male	0	0	0	0	<b>0</b>
Plant and machine operators and assemblers	Female	0	0	0	0	<b>0</b>
	Male	2	0	6	0	<b>6</b>
Elementary occupations	Female	1	0	3	0	<b>3</b>
	Male	2	0	2	0	<b>2</b>
Sub Total	Female	166	0	146	0	<b>146</b>
	Male	155	0	119	0	<b>119</b>
<b>Total</b>		<b>321</b>	<b>0</b>	<b>265</b>	<b>0</b>	<b>265</b>
<b>Employees with disabilities</b>	Female	2	0	3	0	<b>3</b>
	Male	1	0	0	0	<b>0</b>

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

### 3.14 Injury on duty

Table 3.14.1 provides basic information on injury on duty.

**Table 3.14.1 Injury on duty, 1 April 2013 to 31 March 2014**

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0
Temporary disablement	1	100.0
Permanent disablement	0	0
Fatal	0	0
<b>Total</b>	<b>1</b>	<b>100.00</b>
Percentage of total employment		0.3

### 3.15 Utilisation of consultants

**Table 3.15.1 Utilisation of consultants**

REPORT OF CONSULTANT APPOINTMENTS USING APPROPRIATED FUNDS 2013/14										
PROGRAMME	CONSULTING FIRM	PROJECT TITLE	TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT	DURATION: WORK DAYS/HOURS	CONTRACT VALUE IN RAND (R'000)	TOTAL NUMBER OF PROJECTS	% OWNERSHIPS BY HDI GROUP	% MANAGEMENT BY HDI GROUPS	NUMBER OF CONSULTANTS FROM HDI GROUP THAT WORK ON THE PROJECT	HDI VALUE IN RAND
Programme 1	Mr AJ Du Plessis	Drafting of PTI's	1	365	R1 062	-	-	-	-	-
	Makana	Consulting Services	1	365	R124	1	100	100	Various	124
	Barrett Value Centre LLC	Barrett Survey	1	1	R16	1				
	Mrs W Klinger, Mr J Blaauw, Ms Z Bekeweni	Translation	1	184	R117	7	66.66%	66.66%	2	78
Programme 2	Corporation for Economic Research	MERO	1	365	R1 204	1	-	-	-	-
	University of Cape Town Development Policy Research Unit	Province's Annual Medium Term Budget Policy Statement	1	365	R279	1	N/A	N/A	N/A	N/A
	University of Stellenbosch-Bureau for Economic Research	PERO, Exclusivity Fees, Fuel Levy, Casino Taxes	1	365	R1 337	1	N/A	N/A	N/A	N/A
	University of Stellenbosch Business School Executive Development (Pty) Ltd	USB Training	1	365	R5 024	1	N/A	N/A	N/A	N/A
Programme 3	Makana Technologies & Solutions	Consultancy Services and Rollout of LOGIS	1	365	R5 170	1	100	100	Various	5 170
	Business Connexion	Kitso and PERSAL Support	1	365	R4 181	1	35.01%	42%	1	4 181
	Strategic Sourcing & Y-Africa Technology Solutions	Strategic Sourcing Services	1	124	R2 170	1	-	-	-	-
	Commerce Edge South Africa (Pty) Ltd	Annual Smart Procurement World Conference and Workshop	1	3	R621	1	-	-	-	-
Programme 4	Institute of Internal Auditors	COSO Framework Training	1	3	R150	1	N/A	N/A	N/A	N/A
<b>GRAND TOTAL</b>					<b>R21 455</b>					



## PART E: FINANCIAL INFORMATION

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**REPORT OF THE AUDITOR-GENERAL  
for the year ended 31 March 2014**

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

**REPORT ON THE FINANCIAL STATEMENTS**

**Introduction**

1. I have audited the financial statements of the Western Cape Provincial Treasury set out on pages 134 to 174, which comprise the appropriation statement, the statement of financial position as at 31 March 2014, 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, comprising a summary of significant accounting policies and other explanatory information.

**Accounting officer's responsibility for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2013 (Act No. 2 of 2013) (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.

**Auditor's responsibility**

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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**REPORT OF THE AUDITOR-GENERAL  
for the year ended 31 March 2014**

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

**Opinion**

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Provincial Treasury as at 31 March 2014 and its financial performance and cash flows for the year then ended, in accordance with the MCS prescribed by the National Treasury and the requirements of the PFMA and DoRA.

**Additional matter**

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

**Unaudited supplementary schedules**

8. The supplementary information set out on pages 175 to 184 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

9. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for the selected programmes presented in the annual report, non-compliance with legislation as well as internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

**Predetermined objectives**

10. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2014:
- Programme 2: Sustainable Resource Management (on pages 44 to 58)
  - Programme 3: Asset Management (on pages 59 to 66)
  - Programme 4: Financial Governance (on pages 67 to 73)

**WESTERN CAPE PROVINCE  
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**REPORT OF THE AUDITOR-GENERAL  
for the year ended 31 March 2014**

11. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
12. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information*.
13. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. I did not raise any material findings on the usefulness and reliability of the reported performance information for the selected programmes.

**Additional matters**

15. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matters:

**Achievement of planned targets**

16. Refer to the annual performance report on pages 39 to 74 for information on the achievement of the planned targets for the year.

**Adjustment of material misstatements**

17. I identified material misstatements in the annual performance report submitted for auditing on the reported performance information for Programme 3: Asset Management and Programme 4: Financial Governance. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

**Compliance with legislation**

18. I performed procedures to obtain evidence that the department had complied with legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

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**REPORT OF THE AUDITOR-GENERAL  
for the year ended 31 March 2014**

**Internal control**

19. I considered internal control relevant to my audit of the financial statements, performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

**OTHER REPORT**

**Performance audit**

**Performance audit of the readiness of government to report on its performance**

20. The report of the Auditor-General of South Africa on the readiness of government to report on its performance will be tabled during 2014. The Western Cape Provincial Treasury was one of the 61 institutions/departments audited during this audit. The performance audit focused on the following:

- The systems and processes that government departments have put in place to report on their performance.
- The performance reporting guidance and oversight government departments received.

*Auditor - General*

Cape Town

30 July 2014



**A U D I T O R - G E N E R A L  
S O U T H A F R I C A**

*Auditing to build public confidence*

**WESTERN CAPE PROVINCE  
PROVINCIAL TREASURY  
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**APPROPRIATION STATEMENT  
for the year ended 31 March 2014**

Appropriation per programme									
Programmes	2013/14							2012/13	
	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
<b>1. Administration</b>									
Current payment	36 963	(846)	(1 522)	<b>34 595</b>	34 595	-	100.0	31 678	31 239
Transfers and subsidies	916	473	-	<b>1 389</b>	1 389	-	100.0	1 116	1 116
Payment for capital assets	4 944	5	-	<b>4 949</b>	4 359	590	88.1	3 404	3 075
Payment for financial assets	69	368	-	<b>437</b>	437	-	100.0	32	32
	42 892	-	(1 522)	<b>41 370</b>	40 780	590	-	36 230	35 462
<b>2. Sustainable Resource Management</b>									
Current payment	67 579	(2 357)	-	<b>65 222</b>	65 222	-	100.0	60 228	60 228
Transfers and subsidies	16 390	2 357	2 213	<b>20 960</b>	20 960	-	100.0	10 670	10 670
	83 969	-	2 213	<b>86 182</b>	86 182	-	-	70 898	70 898
<b>3. Asset Management</b>									
Current payment	47 747	(24)	-	<b>47 723</b>	47 496	227	99.5	35 391	33 930
Transfers and subsidies	-	24	-	<b>24</b>	24	-	100.0	4	4
	47 747	-	-	<b>47 747</b>	47 520	227	-	35 395	33 934
<b>4. Financial Governance</b>									
Current payment	26 781	(10)	(691)	<b>26 080</b>	25 470	610	97.7	22 434	21 984
Transfers and subsidies	5	10	-	<b>15</b>	15	-	100.0	5	5
	26 786	-	(691)	<b>26 095</b>	25 485	610	-	22 439	21 989
<b>Total</b>	<b>201 394</b>	<b>-</b>	<b>-</b>	<b>201 394</b>	<b>199 967</b>	<b>1 427</b>	<b>99.3</b>	<b>164 962</b>	<b>162 283</b>
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add: Departmental receipts</b>				143 927				88 300	
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				<b>345 321</b>				<b>253 262</b>	
<b>Actual amounts per Statement of Financial Performance Expenditure</b>					<b>199 967</b>				<b>162 283</b>

**WESTERN CAPE PROVINCE  
PROVINCIAL TREASURY  
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**APPROPRIATION STATEMENT  
for the year ended 31 March 2014**

Appropriation per Economic classification									
Economic classification	2013/14							2012/13	
	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
<b>Current payments</b>									
Compensation of employees	129 619	(2 498)	(1 040)	126 081	125 299	782	99.4	108 165	107 182
Goods and services	49 451	(740)	(1 173)	47 538	47 483	55	99.9	41 566	40 199
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	10 850	2 306	2 213	15 369	15 369	-	100.0	8 250	8 250
Departmental agencies & accounts	5 523	2	-	5 525	5 525	-	100.0	2 411	2 411
Households	938	354	-	1 292	1 292	-	100.0	1 134	1 134
Gifts and donations	-	203	-	203	203	-	100.0	-	-
<b>Payment for capital assets</b>									
Machinery & equipment	4 944	(30)	-	4 914	4 324	590	88.0	3 404	3 075
Intangible assets	-	35	-	35	35	-	100.0	-	-
<b>Payment for financial assets</b>									
Payment for financial assets	69	368	-	437	437	-	100.0	32	32
<b>Total</b>	<b>201 394</b>	<b>-</b>	<b>-</b>	<b>201 394</b>	<b>199 967</b>	<b>1 427</b>	<b>99.3</b>	<b>164 962</b>	<b>162 283</b>

**WESTERN CAPE PROVINCE  
PROVINCIAL TREASURY  
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**APPROPRIATION STATEMENT  
for the year ended 31 March 2014**

**Detail per Programme 1 – Administration  
for the year ended 31 March 2014**

Details per Sub-programme	2013/14							2012/13	
	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
<b>1.1 Office of the Minister</b>									
Current payment	6 476	(234)	(17)	6 225	6 225	-	100.0	5 464	5 585
Transfers and subsidies	9	-	-	9	9	-	100.0	28	28
Payment for capital assets	3	5	-	8	8	-	100.0	-	-
<b>1.2 Management Services</b>									
Current payment	11 959	-	(1 505)	10 454	10 454	-	100.0	9 655	9 095
Transfers and subsidies	905	473	-	1 378	1 378	-	100.0	823	823
<b>1.4 Financial Management</b>									
Current payment	18 528	(612)	-	17 916	17 916	-	100.0	16 559	16 559
Transfers and subsidies	2	-	-	2	2	-	100.0	265	265
Payment for capital assets	4 941	-	-	4 941	4 351	590	88.1	3 404	3 075
Payment for financial assets	69	368	-	437	437	-	100.0	32	32
<b>Total</b>	<b>42 892</b>	<b>-</b>	<b>(1 522)</b>	<b>41 370</b>	<b>40 780</b>	<b>590</b>	<b>98.6</b>	<b>36 230</b>	<b>35 462</b>

Programme 1 Per Economic classification	2013/14							2012/13	
	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
<b>Current payments</b>									
Compensation of employees	24 210	-	(1 040)	23 170	23 170	-	100.0	20 073	19 576
Goods and services	12 753	(847)	(482)	11 424	11 424	-	100.0	11 605	11 663
<b>Transfers &amp; subsidies</b>									
Departmental agencies & accounts	-	2	-	2	2	-	100.0	-	-
Households	916	269	-	1 185	1 185	-	100.0	1 116	1 116
Gifts and donations	-	203	-	203	203	-	100.0	-	-
<b>Payment for capital assets</b>									
Machinery & equipment	4 944	(30)	-	4 914	4 324	590	88.0	3 404	3 075
Software & other intangible assets	-	35	-	35	35	-	100.0	-	-
<b>Payment for financial assets</b>									
	69	368	-	437	437	-	100.0	32	32
<b>Total</b>	<b>42 892</b>	<b>-</b>	<b>(1 522)</b>	<b>41 370</b>	<b>40 780</b>	<b>590</b>	<b>98.6</b>	<b>36 230</b>	<b>35 462</b>



**WESTERN CAPE PROVINCE  
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**APPROPRIATION STATEMENT  
for the year ended 31 March 2014**

**Detail per Programme 2 – Sustainable Resource Management  
for the year ended 31 March 2014**

Details per sub-programme	2013/14							2012/13	
	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
<b>2.1 Programme Support</b>									
Current payment	5 425	(356)	-	5 069	5 069	-	100.0	5 897	5 897
Transfers and subsidies	10	1	-	11	11	-	100.0	-	-
<b>2.2 Fiscal Policy</b>									
Current payment	8 420	(111)	-	8 309	8 309	-	100.0	8 706	8 706
Transfers and subsidies	5 523	-	-	5 523	5 523	-	100.0	2 411	2 411
<b>2.3 Budget Management</b>									
Current payment	14 969	(1 404)	-	13 565	13 565	-	100.0	14 295	14 295
Transfers and subsidies	-	49	-	49	49	-	100.0	9	9
<b>2.4 Public Finance</b>									
Current payment	38 765	(486)	-	38 279	38 279	-	100.0	31 330	31 330
Transfers and subsidies	10 857	2 307	2 213	15 377	15 377	-	100.0	8 250	8 250
<b>Total</b>	<b>83 969</b>	<b>-</b>	<b>2 213</b>	<b>86 182</b>	<b>86 182</b>	<b>-</b>	<b>100.0</b>	<b>70 898</b>	<b>70 898</b>

Programme 2 Per Economic classification	2013/14							2012/13	
	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
<b>Current payments</b>									
Compensation of employees	53 643	(2 321)	-	51 322	51 322	-	100.0	45 953	45 953
Goods and services	13 936	(36)	-	13 900	13 900	-	100.0	14 275	14 275
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	10 850	2 306	2 213	15 369	15 369	-	100.0	8 250	8 250
Departmental agencies & accounts	5 523	-	-	5 523	5 523	-	100.0	2 411	2 411
Households	17	51	-	68	68	-	100.0	9	9
<b>Total</b>	<b>83 969</b>	<b>-</b>	<b>2 213</b>	<b>86 182</b>	<b>86 182</b>	<b>-</b>	<b>100.0</b>	<b>70 898</b>	<b>70 898</b>

**WESTERN CAPE PROVINCE  
PROVINCIAL TREASURY  
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**APPROPRIATION STATEMENT  
for the year ended 31 March 2014**

**Detail per Programme 3 – Asset Management  
for the year ended 31 March 2014**

Details per sub-programme	2013/14							2012/13	
	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
<b>3.1 Programme Support</b>									
Current payment	3 592	(188)	-	3 404	3 404	-	100.0	2 248	1 861
Transfers and subsidies	-	4	-	4	4	-	100.0	-	-
<b>3.2 Supply Chain Management</b>									
Current payment	14 342	453	-	14 795	14 795	-	100.0	10 438	10 029
Transfers and subsidies	-	20	-	20	20	-	100.0	4	4
<b>3.4 Supporting and Interlinked Financial Systems</b>									
Current payment	29 813	(289)	-	29 524	29 297	227	99.2	22 705	22 040
<b>Total</b>	<b>47 747</b>	<b>-</b>	<b>-</b>	<b>47 747</b>	<b>47 520</b>	<b>227</b>	<b>99.5</b>	<b>35 395</b>	<b>33 934</b>

Programme 3 Per Economic classification	2013/14							2012/13	
	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
<b>Current payments</b>									
Compensation of employees	28 462	(177)	-	28 285	28 058	227	99.2	22 851	22 456
Goods and services	19 285	153	-	19 438	19 438	-	100.0	12 540	11 474
<b>Transfers &amp; subsidies</b>									
Households	-	24	-	24	24	-	100.0	4	4
<b>Total</b>	<b>47 747</b>	<b>-</b>	<b>-</b>	<b>47 747</b>	<b>47 520</b>	<b>227</b>	<b>99.5</b>	<b>35 395</b>	<b>33 934</b>

**WESTERN CAPE PROVINCE  
PROVINCIAL TREASURY  
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**APPROPRIATION STATEMENT  
for the year ended 31 March 2014**

**Detail per Programme 4 – Financial Governance  
for the year ended 31 March 2014**

Details per sub-programme	2013/14							2012/13	
	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
<b>4.1 Programme Support</b>									
Current payment	3 223	(233)	(691)	2 299	1 982	317	86.2	2 068	1 821
<b>4.2 Accounting Services</b>									
Current payment	13 181	223	-	13 404	13 404	-	100.0	10 632	10 553
Transfers and subsidies	5	10	-	15	15	-	100.0	5	5
<b>4.3 Corporate Governance</b>									
Current payment	10 377	-	-	10 377	10 084	293	97.2	9 734	9 610
<b>Total</b>	<b>26 786</b>	<b>-</b>	<b>(691)</b>	<b>26 095</b>	<b>25 485</b>	<b>610</b>	<b>97.7</b>	<b>22 439</b>	<b>21 989</b>

Programme 4 Per Economic classification	2013/14							2012/13	
	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
<b>Current payments</b>									
Compensation of employees	23 304	-	-	23 304	22 749	555	97.6	19 288	19 197
Goods and services	3 477	(10)	(691)	2 776	2 721	55	98.0	3 146	2 787
<b>Transfers &amp; subsidies</b>									
Households	5	10	-	15	15	-	100.0	5	5
<b>Total</b>	<b>26 786</b>	<b>-</b>	<b>(691)</b>	<b>26 095</b>	<b>25 485</b>	<b>610</b>	<b>97.7</b>	<b>22 439</b>	<b>21 989</b>

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**NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2014**

**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-D) 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. R'000
Administration	41 370	40 780	590	1.43
The underspending is the result of capital works that could not be procured in time and was postponed to the 2014/15 financial year.				
Sustainable Resource Management	86 182	86 182	0.00	0.00
Asset Management	47 747	47 520	227	0.48
The underspending was due to vacant positions that were filled late in the financial year.				
Financial Governance	26 095	25 485	610	2.34
The underspending is mainly due to vacant positions that were filled late in the financial year and the underspending on goods and services that was the result of late procurement of consultancy services.				

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**NOTES TO THE APPROPRIATION STATEMENT  
for the year ended 31 March 2014**

**4.2 Per economic classification**

Per economic classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Approp. %
<b>Current expenditure</b>				
Compensation of employees	126 081	125 299	782	0.62
Goods and services	47 538	47 483	55	0.12
<b>Transfers and subsidies</b>				
Provinces and municipalities	15 369	15 369	-	-
Departmental agencies and accounts	5 525	5 525	-	-
Households	1 292	1 292	-	-
<b>Payments for capital assets</b>				
Machinery and equipment	4 914	4 324	590	12.01
Intangible assets	35	35	-	-
<b>Payments for financial assets</b>	437	437	-	-

The underspending on compensation of employees of R782 000 was mainly due to vacant positions that were filled late in the financial year. The underspending on capital assets amounting to R590 000 was a result of capital works that could not be procured in time and was deferred to 2014/15.

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**STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 2014**

	Note	2013/14 R'000	2012/13 R'000
<b>REVENUE</b>			
Annual appropriation	1	201 394	164 962
Departmental revenue	2	143 927	88 300
<b>TOTAL REVENUE</b>		<b>345 321</b>	<b>253 262</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	3	125 299	110 820
Goods and services	4	47 483	36 561
<b>Total current expenditure</b>		<b>172 782</b>	<b>147 381</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	6	22 389	11 795
<b>Total transfers and subsidies</b>		<b>22 389</b>	<b>11 795</b>
<b>Expenditure for capital assets</b>			
Tangible assets	7	4 324	3 075
Intangible assets		35	-
<b>Total expenditure for capital assets</b>		<b>4 359</b>	<b>3 075</b>
<b>Payments for financial assets</b>	5	437	32
<b>TOTAL EXPENDITURE</b>		<b>199 967</b>	<b>162 283</b>
<b>SURPLUS FOR THE YEAR</b>		<b>145 354</b>	<b>90 979</b>
<b>Reconciliation of Net Surplus for the year</b>			
Voted Funds	10	1 427	2 679
Departmental revenue and NRF Receipts	11	143 927	88 300
<b>SURPLUS FOR THE YEAR</b>		<b>145 354</b>	<b>90 979</b>

**WESTERN CAPE PROVINCE  
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**STATEMENT OF FINANCIAL POSITION  
as at 31 March 2014**

	Note	2013/14 R'000	2012/13 R'000
<b>ASSETS</b>			
<b>Current Assets</b>		<b>2 312</b>	<b>3 472</b>
Cash and cash equivalents	8	1 758	3 104
Receivables	9	554	368
		-	-
<b>TOTAL ASSETS</b>		<b>2 312</b>	<b>3 472</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>		<b>2 222</b>	<b>3 390</b>
Voted funds to be surrendered to the Revenue Fund	10	1 427	2 679
Departmental revenue to be surrendered to the Revenue Fund	11	481	490
Payables	12	314	221
<b>TOTAL LIABILITIES</b>		<b>2 222</b>	<b>3 390</b>
<b>NET ASSETS</b>		<b>90</b>	<b>82</b>

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**STATEMENT OF CHANGES IN NET ASSETS  
for the year ended 31 March 2014**

<b>NET ASSETS</b>	<b>Note</b>	<b>2013/14 R'000</b>	<b>2012/13 R'000</b>
<b>Recoverable revenue</b>			
Opening balance		82	89
Transfers		<b>8</b>	<b>(7)</b>
Irrecoverable amounts written off	5.2	(311)	(4)
Debts recovered (included in departmental receipts)		(26)	(81)
Debts raised		345	78
Closing balance		<b>90</b>	<b>82</b>
<b>Total</b>		<b>90</b>	<b>82</b>



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**CASH FLOW STATEMENT  
for the year ended 31 March 2014**

	Note	2013/14 R'000	2012/13 R'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>653 909</b>	<b>553 935</b>
Annual appropriated funds received	1.1	201 394	164 962
Departmental revenue received	2	452 507	388 971
Interest received	2.3	8	2
Net (increase)/ decrease in working capital		(93)	249
Surrendered to Revenue Fund		(455 203)	(389 708)
Current payments		(172 782)	(147 374)
Payments for financial assets	5	(437)	(32)
Transfers and subsidies paid		(22 389)	(11 795)
<b>Net cash flow available from operating activities</b>	<b>13</b>	<b>3 005</b>	<b>5 275</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	7	(4 359)	(3 075)
<b>Net cash flows from investing activities</b>		<b>(4 359)</b>	<b>(3 075)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/ (decrease) in net assets		8	(7)
<b>Net cash flows from financing activities</b>		<b>8</b>	<b>(7)</b>
Net increase/ (decrease) in cash and cash equivalents		(1 346)	2 193
Cash and cash equivalents at beginning of period		3 104	911
<b>Cash and cash equivalents at end of period</b>	<b>14</b>	<b>1 758</b>	<b>3 104</b>

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**ACCOUNTING POLICIES  
for the year ended 31 March 2014**

**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.

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

**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. 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.

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**ACCOUNTING POLICIES  
for the year ended 31 March 2014**

**6. Revenue**

**6.1 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.

**6.2 Departmental revenue**

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

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

**6.3 Accrued departmental revenue**

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

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

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

Accrued tax revenue is measured at amounts receivable from collecting agents.

**7. Expenditure**

**7.1 Compensation of employees**

**7.1.1 Salaries and wages**

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

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**ACCOUNTING POLICIES  
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**7.1.2 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.

**7.2 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.

**7.3 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.

Accrued expenditure payable is measured at cost.

**7.4 Leases**

**7.4.1 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.

**7.4.2 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.

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**ACCOUNTING POLICIES  
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**8. 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.

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.

**9. 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.

**10. Payables**

Loans and payables are recognised in the statement of financial position at cost.

**11. Capital Assets**

**11.1 Moveable capital assets**

- Moveable capital assets are initially recorded in the notes to the financial statements at cost. Moveable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.
- Where the cost of moveable capital assets cannot be determined accurately, the moveable capital assets are measured at fair value and where fair value cannot be determined; the moveable assets are measured at R1.
- All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) are recorded at R1.
- Moveable 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 moveable 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 2014**

**11.2 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.
- Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

**12. Provisions and Contingents**

**12.1 Contingent liabilities**

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

**12.2 Contingent assets**

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

**12.3 Commitments**

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

**13. 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.

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**ACCOUNTING POLICIES  
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**14. 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.

**15. 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 therefor 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.

**16. Prior period errors**

Prior period errors are omissions from, and misstatements in, the department's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Retrospective restatement is correcting the recognition, measurement and disclosure of amounts of elements of financial statements and or disclosure notes as if a prior error had never occurred.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2014**

**1. Annual Appropriation**

**1.1 Annual Appropriation**

<b>Programmes</b>	<b>Final Appropriation 2013/14 R'000</b>	<b>Actual Funds Received 2013/14 R'000</b>	<b>Funds not requested/ not received 2013/14 R'000</b>	<b>Appropriation Received 2012/13 R'000</b>
ADMINISTRATION	41 370	41 370	-	36 230
SUSTAINABLE RESOURCE MANAGEMENT	86 182	86 182	-	70 898
ASSET AND LIABILITIES MANAGEMENT	47 747	47 747	-	35 395
FINANCIAL GOVERNANCE	26 095	26 095	-	22 439
<b>Total</b>	<b>201 394</b>	<b>201 394</b>	<b>-</b>	<b>164 962</b>

	<b>Note</b>	<b>2013/14 R'000</b>	<b>2012/13 R'000</b>
<b>2. Departmental Revenue</b>			
Tax revenue		441 130	382 663
Sales of goods and services other than capital assets	2.1	2 646	2 527
Fines, penalties and forfeits	2.2	693	935
Interest, dividends and rent on land	2.3	8	2
Transactions in financial assets and liabilities	2.4	8 038	2 846
<b>Total revenue collected</b>		<b>452 515</b>	<b>388 973</b>
Less: Own revenue included in appropriation	11	308 588	300 673
<b>Departmental revenue collected</b>		<b>143 927</b>	<b>88 300</b>

**2.1 Sales of goods and services other than capital assets**

	<b>2</b>	<b>2013/14 R'000</b>	<b>2012/13 R'000</b>
Sales of goods and services produced by the department		<b>2 646</b>	<b>2 527</b>
Administrative fees		2 610	2 485
Other sales		36	42
<b>Total</b>		<b>2 646</b>	<b>2 527</b>



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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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	Note	2013/14 R'000	2012/13 R'000
<b>2.2 Fines, penalties and forfeits</b>	2		
Fines		21	-
Penalties		672	935
<b>Total</b>		<b>693</b>	<b>935</b>
<b>2.3 Interest, dividends and rent on land</b>	2		
Interest		8	2
<b>Total</b>		<b>8</b>	<b>2</b>
<b>2.4 Transactions in financial assets and liabilities</b>	2		
Other Receipts including Recoverable Revenue		8 038	2 846
<b>Total</b>		<b>8 038</b>	<b>2 846</b>
<b>3. Compensation of employees</b>			
<b>3.1 Salaries and wages</b>			
Basic salary		89 473	75 998
Performance award		1 533	1 673
Service Based		66	215
Compensative/circumstantial		2 037	5 025
Other non-pensionable allowances		17 272	14 613
<b>Total</b>		<b>110 381</b>	<b>97 524</b>

**Note:** The increase in basic salary is due to graduate interns that were appointed as contract workers and now earn a higher salary plus the 37% for fringe benefits.

In 2013/14, SCoA was re-implemented and the expenditure item Learnership was re-allocated from Goods & Services to Compensative/circumstantial under Compensation of employees. The expenditure for 2012/13 has been re-stated.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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	Note	2013/14 R'000	2012/13 R'000
<b>3.2 Social Contributions</b>			
<b>Employer contributions</b>			
Pension		11 009	9 621
Medical		3 891	3 661
Bargaining council		18	14
<b>Total</b>		<b>14 918</b>	<b>13 296</b>
<b>Total compensation of employees</b>			
		<b>125 299</b>	<b>110 820</b>
Average number of employees		272	248
<b>4. Goods and services</b>			
Administrative fees		153	100
Advertising		914	246
Minor assets	4.1	177	146
Bursaries (employees)		286	348
Catering		521	440
Communication		974	1 010
Computer services	4.2	6 135	4 410
Consultants, contractors and agency/outsourced services	4.3	22 355	15 251
Entertainment		123	137
Audit cost – external	4.4	5 122	4 385
Inventory	4.5	3 351	2 564
Operating leases		332	329
Property payments	4.6	4	501
Transport provided as part of the departmental activities		5	3
Travel and subsistence	4.7	4 562	4 828
Venues and facilities		1 084	935
Training and development		970	492
Other operating expenditure	4.8	415	436
<b>Total</b>		<b>47 483</b>	<b>36 561</b>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2014**

	Note	2013/14 R'000	2012/13 R'000
<b>4.1 Minor assets</b>	4		
<b>Tangible assets</b>		177	146
Machinery and equipment		177	146
<b>Total</b>		<b>177</b>	<b>146</b>
<b>4.2 Computer services</b>	4		
SITA computer services		849	897
External computer service providers		5 286	3 513
<b>Total</b>		<b>6 135</b>	<b>4 410</b>
<b>4.3 Consultants, contractors and agency/outsourced services</b>	4		
Business and advisory services		21 455	14 521
Legal costs		70	27
Contractors		671	539
Agency and support/outsourced services		159	164
<b>Total</b>		<b>22 355</b>	<b>15 251</b>
<b>Note:</b> The increase in Business and advisory services from 2012/13 to 2013/14 was mainly due to the increased roll-out of LOGIS and for strategic consultant services.			
<b>4.4 Audit cost – external</b>	4		
Regularity audits		4 737	3 394
Performance audits		107	547
Computer audits		278	444
<b>Total</b>		<b>5 122</b>	<b>4 385</b>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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	Note	2013/14 R'000	2012/13 R'000
<b>4.5 Inventory (Western Cape only)</b>	4		
Learning and teaching support material		-	2
Food and food supplies		74	66
Other consumables		40	37
Materials and supplies		8	6
Stationery and printing		3 229	2 453
<b>Total</b>		<b>3 351</b>	<b>2 564</b>
<b>4.6 Property payments</b>	4		
Property maintenance and repairs		4	501
<b>Total</b>		<b>4</b>	<b>501</b>
<b>4.7 Travel and subsistence</b>	4		
Local		4 210	4 281
Foreign		352	547
<b>Total</b>		<b>4 562</b>	<b>4 828</b>
<b>4.8 Other operating expenditure</b>	4		
Professional bodies, membership and subscription fees		133	30
Resettlement costs		77	227
Gifts		12	15
Other		193	164
<b>Total</b>		<b>415</b>	<b>436</b>

**Note:** The decrease in Other Operating Expenditure from R4.074 million to R436 000 in the 2012/13 reporting period has been as a result of the re-classification of learnership expenditure under the SCoA item Compensation of Employees.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2014**

	Note	2013/14 R'000	2012/13 R'000
<b>5. Payments for financial assets</b>			
Material losses through criminal conduct		<b>64</b>	<b>15</b>
Theft	5.3	64	15
Other material losses written off	5.1	62	13
Debts written off	5.2	311	4
<b>Total</b>		<b>437</b>	<b>32</b>
<b>5.1 Other material losses written off</b>	5		
<b>Nature of losses</b>			
Missing keys and blue tag to GG vehicle		-	3
Damaged laptops (2)		24	-
Missing Library books		28	-
Car rental damages		7	-
GG Vehicle Damages		3	10
<b>Total</b>		<b>62</b>	<b>13</b>
<b>5.2 Debts written off</b>	5		
<b>Nature of debts written off</b>			
Recoverable revenue written off			
Ministerial driver - Salary over payment		311	-
<b>Total</b>		<b>311</b>	<b>-</b>
Other debt written off			
Interest to bursary debt written off		-	2
Salary overpayments		-	2
<b>Total</b>		<b>-</b>	<b>4</b>
<b>Total debt written off</b>		<b>311</b>	<b>4</b>
<b>5.3 Details of theft</b>	5		
<b>Nature of theft</b>			
Stolen Laptops (4)		63	6
Digital recorder & external hard drive		1	9
<b>Total</b>		<b>64</b>	<b>15</b>

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	Note	2013/14 R'000	2012/13 R'000
<b>6. Transfers and Subsidies</b>			
Provinces and municipalities	Annexure 1A	15 369	8 250
Departmental agencies and accounts	Annexure 1B	5 525	2 411
Households	Annexure 1C	1 292	945
Gifts, donations and sponsorships made	Annexure 1D	203	189
<b>Total</b>		<b>22 389</b>	<b>11 795</b>
<b>7. Expenditure for capital assets</b>			
<b>Tangible assets</b>		<b>4 324</b>	<b>3 075</b>
Machinery and equipment	25	4 324	3 075
<b>Intangible assets</b>		<b>35</b>	<b>-</b>
Software	26	35	-
<b>Total</b>		<b>4 359</b>	<b>3 075</b>

**Note:** The comparative amount of R3.404 million in the 2012/13 reporting period was restated to R3.075 million as a result of photocopy machines that were excluded.

**7.1 Analysis of funds utilised to acquire capital assets - 2013/14**

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
<b>Tangible assets</b>	<b>4 324</b>	<b>-</b>	<b>4 324</b>
Machinery and equipment	4 324	-	4 324
<b>Intangible assets</b>	<b>35</b>	<b>-</b>	<b>35</b>
Software	35	-	35
<b>Total</b>	<b>4 359</b>	<b>-</b>	<b>4 359</b>

**7.2 Analysis of funds utilised to acquire capital assets - 2012/13**

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
<b>Tangible assets</b>	<b>3 075</b>	<b>-</b>	<b>3 075</b>
Machinery and equipment	3 075	-	3 075
<b>Total</b>	<b>3 075</b>	<b>-</b>	<b>3 075</b>

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	Note	2013/14 R'000
<b>7.3 Finance lease expenditure included in Expenditure for capital assets</b>		
<b>Tangible assets</b>		<b>1 109</b>
Machinery and equipment		1 109
<b>Total</b>		1 109

	Note	2013/14 R'000	2012/13 R'000
<b>8. Cash and Cash Equivalents</b>			
Consolidated Paymaster General Account		1 441	2 921
Cash on hand		3	3
Investments (Domestic)		314	180
<b>Total</b>		<b>1 758</b>	<b>3 104</b>

**Note:** The amount of R314 000 is bursary monies being administered by Provincial Treasury on behalf of Nedbank for the students still busy with their studies. The balance represent amounts of R77 000 for 2011 and R237 000 for 2012 respectively.

	Note	2013/14			Total R'000	2012/13 R'000
		Less than one year	One to three years	Older than three years		
		R'000	R'000	R'000		
<b>9. Receivables</b>						
Claims recoverable	9.1	260	-	-	260	99
	Annexure 3	-	-	-	-	-
Recoverable expenditure	9.2	138	-	33	171	178
Staff debt	9.3	14	-	-	14	5
Other debtors	9.4	49	-	60	109	86
<b>Total</b>		<b>461</b>	-	<b>93</b>	<b>554</b>	<b>368</b>

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	Note	2013/14 R'000	2012/13 R'000
<b>9.1 Claims recoverable</b>	9		
National departments		38	27
Provincial departments		222	72
<b>Total</b>		<b>260</b>	<b>99</b>
<b>9.2 Recoverable expenditure (disallowance accounts)</b>	9		
Disallowance miscellaneous		79	96
Disall: Damages & Losses: CA		53	45
Tax debts		5	1
Income tax		33	33
Private Telephone		1	3
<b>Total</b>		<b>171</b>	<b>178</b>
<b>9.3 Staff debt</b>	9		
Accommodation		-	1
T & S transport		4	-
Bursary debt		10	-
Theft of laptop		-	4
<b>Total</b>		<b>14</b>	<b>5</b>
<b>9.4 Other debtors</b>			
Ex - Employees			
- Tax		2	-
- Salary		71	56
- Thefts & losses		11	-
- Bursary debt		25	30
<b>Total</b>		<b>109</b>	<b>86</b>
<b>10. Voted Funds to be Surrendered to the Revenue Fund</b>			
Opening balance		2 679	801
As restated		2 679	801
Transfer from statement of financial performance (as restated)		1 427	2 679
Paid during the year		(2 679)	(801)
<b>Closing balance</b>		<b>1 427</b>	<b>2 679</b>



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	Note	2013/14 R'000	2012/13 R'000
<b>11. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund</b>			
Opening balance		490	424
As restated		490	424
Transfer from Statement of Financial Performance (as restated)		143 927	88 300
Own revenue included in appropriation		308 588	300 673
Paid during the year		(452 524)	(388 907)
<b>Closing balance</b>		<b>481</b>	<b>490</b>
<b>12. Payables - current</b>			
Advances received	12.1	314	221
<b>Total</b>		<b>314</b>	<b>221</b>
<b>12.1 Advances received</b>			
Other institutions		314	221
<b>Total</b>		<b>314</b>	<b>221</b>
<p><b>Note:</b> The amount of R314 000 is the balance of bursaries received from Nedbank in respect of under-graduates who commenced studies in 2011 and 2012. A balance of R77 000 for 2011 and R237 000 for 2012 is retained by the department to administer the bursaries on Nedbank's behalf.</p>			
<b>13. Net cash flow available from operating activities</b>			
Net surplus as per Statement of Financial Performance		145 354	90 979
Add back non cash/cash movements not deemed operating activities		(142 349)	(85 704)
(Increase)/decrease in receivables – current		(186)	35
Increase in payables – current		93	221
Expenditure on capital assets		4 359	3 075
Surrenders to Revenue Fund		(455 203)	(389 708)
Other non-cash items		308 588	300 673
<b>Net cash flow generated by operating activities</b>		<b>3 005</b>	<b>5 275</b>

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	Note	2013/14 R'000	2012/13 R'000
<b>14. Reconciliation of cash and cash equivalents for cash flow purposes</b>			
Consolidated Paymaster General account		1 441	2 921
Cash on hand		3	3
Cash with commercial banks (Local)		314	180
<b>Total</b>		<b>1 758</b>	<b>3 104</b>
<b>15. Contingent liabilities and contingent assets</b>			
<b>15.1 Contingent liabilities</b>			
<b>Liable to</b>	<b>Nature</b>		
Housing loan guarantees	Employees	Annexure 2A 66	66
Claims against the department		Annexure 2B -	800
Intergovernmental payables (unconfirmed balances)		Annexure 4 67	-
<b>Total</b>		<b>133</b>	<b>866</b>
<b>Note:</b> The housing loan guarantee will be re-evaluated during 2014/15.			
<b>15.2 Contingent assets</b>			
<b>Nature of contingent asset</b>			
Overpayment of non-pensionable allowance to ministerial driver		-	138
<b>Total</b>		<b>-</b>	<b>138</b>
<b>16. Commitments</b>			
<b>Current expenditure</b>			
Approved and contracted		143	289
		<b>143</b>	<b>289</b>
<b>Capital Expenditure</b>			
Approved and contracted		61	-
		<b>61</b>	<b>-</b>
<b>Total Commitments</b>		<b>204</b>	<b>289</b>

**Note:** The following service providers have contracts that exceeds one year: Trigon Travel. The comparative amount for 2012/13 has been restated due to an error in the calculation of commitments.

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	Note	2013/14 R'000	2012/13 R'000
<b>17. Accruals</b>			
<b>Listed by economic classification</b>	<b>30 Days</b> <b>30+ Days</b>	<b>Total</b>	<b>Total</b>
Goods and services	1 951	17	1 968
Transfers and subsidies	50	-	50
Capital assets	-	-	-
<b>Total</b>	<b>2 001</b>	<b>17</b>	<b>2 018</b>
<b>Listed by programme level</b>			
Administration		489	395
Sustainable Resource Management		449	543
Assets and Liabilities		696	265
Financial Governance		384	164
		<b>2 018</b>	<b>1 367</b>

**Note:** Invoices pertaining to goods and services received during 2013/14 were received late from service providers. The comparative amount for 2012/13 has been restated due to an error in the calculation of accruals.

Confirmed balances with departments	Annexure 4	3	209
Confirmed balances with other government entities	Annexure 4	184	166
<b>Total</b>		<b>187</b>	<b>375</b>

<b>18. Employee benefits</b>			
Leave entitlement		4 027	2 393
Service bonus (Thirteenth cheque)		3 027	2 743
Performance awards		2 086	1 886
Capped leave commitments		5 845	5 713
Other		142	305
<b>Total</b>		<b>15 127</b>	<b>13 040</b>

**Note:** An amount of R579 496 is included in leave entitlement that represents future leave (credits) taken by officials but not captured yet. Other employee benefits include salary related expenditure in respect of March 2014 but paid in April 2014.

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**19. Lease Commitments**

**19.1 Operating leases expenditure (Photocopy machines)**

	Specialised military assets R'000	Land R'000	Buildings & other fixed structures R'000	Machinery and equipment R'000	Total R'000
<b>2013/14</b>					
Not later than 1 year	-	-	-	129	129
Later than 1 year and not later than 5 years	-	-	-	72	72
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>201</b>	<b>201</b>

**Note:** During the 2013/14 financial year, the department re-classified their photocopy machines from the finance leases to operating leases in accordance with the Modified Cash Standards (MCS). The following accounts on the statement of financial performance were affected by this change, Goods and services increased by R329 000 and Tangible assets decreased by R329 000 for the 2012/13 period. The comparative figures for finance leases commitments in the notes have been re-stated due to this re-classification of this expenditure item. The future commitment for operating leases in 2013/14 have been calculated at R201 000.

	Specialised military assets R'000	Land R'000	Buildings & other fixed structures R'000	Machinery and equipment R'000	Total R'000
<b>2012/13</b>					
Not later than 1 year	-	-	-	302	302
Later than 1 year and not later than 5 years	-	-	-	181	181
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>483</b>	<b>483</b>

**Note:** The department leases 13 photocopy machines. Lease contracts are for 36 months where after it is replaced by the service provider. A monthly premium is paid to the service provider.

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**19.2 Finance leases expenditure (Data card and cellphones)**

	Specialised military assets R'000	Land R'000	Buildings & other fixed structures R'000	Machinery and equipment R'000	Total R'000
<b>2013/14</b>					
Not later than 1 year	-	-	-	10	10
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>10</b>
	Specialised military assets R'000	Land R'000	Buildings & other fixed structures R'000	Machinery and equipment R'000	Total R'000
<b>2012/13</b>					
Not later than 1 year	-	-	-	66	66
Later than 1 year and not later than 5 years	-	-	-	10	10
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76</b>	<b>76</b>

**Note:** The department classify data cards and cellphones under finance leases. Contracts are entered into with service providers for periods of 24 months and monthly subscription and usage paid.

**19.3 Future finance lease commitments: GG Vehicles**

	Within 1 year R'000	2 - 5 years R'000	More than 5 years R'000
<b>2013/14</b>			
Total lease payments	1 131	3 907	569
	Within 1 year R'000	2 - 5 years R'000	More than 5 years R'000
<b>2012/13</b>			
Total lease payments	1 066	2 698	328

**Note:** The Provincial Treasury leases 22 vehicles from GMT. Daily tariffs are payable on a monthly basis, covering operational costs, capital costs towards the replacement of vehicles.

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	Note	2013/14 R'000	2012/13 R'000
<b>20. Accrued departmental revenue</b>			
Tax revenue		38 044	34 363
Sales of goods and services other than capital assets		87	200
Fines, penalties and forfeits		29	46
Transactions in financial assets and liabilities		64	12 282
<b>Total</b>		<b>38 224</b>	<b>46 891</b>
<b>20.1 Analysis of accrued departmental revenue</b>			
Opening balance		46 891	34 376
Less: Amounts received		46 006	33 491
Add: Amounts recognised		37 339	46 006
<b>Closing balance</b>		<b>38 224</b>	<b>46 891</b>
<b>21. Irregular expenditure</b>			
<b>21.1 Reconciliation of irregular expenditure</b>			
Opening balance		2 590	1 801
Add: Irregular expenditure - relating to current year		9	849
Less: Prior year amounts condoned		(1 161)	(60)
Less: Current year amounts condoned		(7)	-
<b>Irregular expenditure awaiting condonation</b>		<b>1 431</b>	<b>2 590</b>
<b>Analysis of awaiting condonation per age classification</b>			
Current year		2	849
Prior years		1 429	1 741
<b>Total</b>		<b>1 431</b>	<b>2 590</b>

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**2013/14  
R'000**

**21.2 Details of irregular expenditure - current year**

<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>	
Supplier not registered on SCM Database, no tax clearance certificate	None	6
Pre-approval for municipal conference not obtained. (Nekkies)	None	1
Additional catering expenditure without prior approval.	None	2
		<u><u>9</u></u>

**21.3 Details of irregular expenditure condoned**

<b>Incident</b>	<b>Condoned by (condoning authority)</b>	
Incorrect procedure followed regarding SCM delegations not adhered to.	Accounting Officer	312
Supplier not registered on SCM Database, no tax clearance certificate.	Accounting Officer	6
Pre-approval for municipal conference not obtained. (Nekkies)	Accounting Officer	1
Post facto printing approval	Accounting Officer	849
		<u><u>1 168</u></u>

**21.4 Details of irregular expenditure awaiting condonement**

<b>Incident</b>	
Payments processed without service providers completing the WCBD4 forms and submitting tax clearance certificates - 2009/10	457
Payments processed without service providers completing the WCBD4 forms and submitting tax clearance certificates - 2010/11	972
Additional catering expenditure without prior approval	2
	<u><u>1 431</u></u>

<b>Note:</b> The respective amounts of R457 000 and R972 000 is still subject to National Treasury condonement.
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	Note	2013/14 R'000	2012/13 R'000
<b>22. Fruitless and wasteful expenditure</b>			
<b>22.1 Reconciliation of fruitless and wasteful expenditure</b>			
Opening balance		21	11
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		1	25
Less: Amounts resolved		(17)	(13)
Less: Amounts transferred to receivables for recovery		-	(2)
<b>Fruitless and wasteful expenditure awaiting resolution</b>		<b>5</b>	<b>21</b>
<b>22.2 Analysis of awaiting resolution per economic classification</b>			
Current		5	21
<b>Total</b>		<b>5</b>	<b>21</b>
<b>22.3 Analysis of Current Year's Fruitless and wasteful expenditure</b>			<b>2013/14</b>
<b>Incident</b>	<b>Disciplinary steps taken/criminal proceedings</b>		<b>R'000</b>
Interest paid to AGSA on overdue invoices	Official was held liable and amount was deducted.		1
<b>Total</b>			<b>1</b>
<b>23. Related party transaction</b>			
<p>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.</p> <p>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:</p> <ul style="list-style-type: none"> <li>- Information and Communication Technology</li> <li>- Organisation Development</li> <li>- Provincial Training (transversal)</li> <li>- Human Resource Management</li> <li>- Enterprise Risk Management</li> <li>- Internal Audit</li> <li>- Forensic investigations</li> <li>- Legal Services</li> <li>- Corporate Communication</li> </ul> <p>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.</p> <p>A related party relationship exists between the Department and Government Motor Transport (GMT) with regard to the management of government motor vehicles of the Departments. This relationship is based on an arm's length transaction in terms of tariffs approved by the Provincial Treasury.</p> <p>Provincial Treasury received Security Advisory Services and Security Operations from the Department of Community Safety in the Western Cape.</p> <p>The MEC of Finance was also responsible for the following departments and entities at 31 March 2014:</p> <ul style="list-style-type: none"> <li>- Department of Economic Development and Tourism,</li> <li>- WESGRO and</li> <li>- Western Cape Liquor Authority</li> </ul>			



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	No. of Individuals	2013/14 R'000	2012/13 R'000
<b>24. Key management personnel</b>			
Political office bearers (provide detail below)	1	1 654	1 652
Officials:			
Level 15 to 16	3	4 465	3 449
Level 14	6	5 749	5 405
<b>Total</b>		<b>11 868</b>	<b>10 506</b>

**Note:** The CFO is appointed on salary level 13 and has been included with the information for salary level 14 statistics.

**25. Movable Tangible Capital Assets**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2014**

	Opening balance R'000	Current year adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>HERITAGE ASSETS</b>	<b>280</b>	-	-	-	<b>280</b>
Heritage assets	280	-	-	-	280
<b>MACHINERY AND EQUIPMENT</b>	<b>13 665</b>	<b>24</b>	<b>4 231</b>	<b>3 612</b>	<b>14 308</b>
Transport assets	3 370	1	1 001	966	3 406
Computer equipment	7 702	2	2 916	2 345	8 275
Furniture and office equipment	1 439	17	124	75	1 505
Other machinery and equipment	1 154	4	190	226	1 122
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>13 945</b>	<b>24</b>	<b>4 231</b>	<b>3 612</b>	<b>14 588</b>

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**25.1 Additions**

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2014**

	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
<b>MACHINERY AND EQUIPMENT</b>	<b>5 324</b>	<b>15</b>	<b>(1 108)</b>	<b>-</b>	<b>4 231</b>
Transport assets	2 044	-	(1 043)	-	1 001
Computer equipment	2 916	-	-	-	2 916
Furniture and office equipment	109	15	-	-	124
Other machinery and equipment	255	-	(65)	-	190
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>5 324</b>	<b>15</b>	<b>(1 108)</b>	<b>-</b>	<b>4 231</b>

**25.2 Disposals**

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE  
YEAR ENDED 31 MARCH 2014**

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash received Actual R'000
<b>MACHINERY AND EQUIPMENT</b>	<b>27</b>	<b>3 585</b>	<b>3 612</b>	<b>-</b>
Transport assets	-	966	966	-
Computer equipment	-	2 345	2 345	-
Furniture and office equipment	27	48	75	-
Other machinery and equipment	-	226	226	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>27</b>	<b>3 585</b>	<b>3 612</b>	<b>-</b>

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**25.3 Movement for 2012/13**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2013**

	Opening balance R'000	Current year adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>HERITAGE ASSETS</b>	<b>280</b>	-	-	-	<b>280</b>
Heritage assets	280	-	-	-	280
<b>MACHINERY AND EQUIPMENT</b>	<b>13 973</b>	<b>14</b>	<b>2 525</b>	<b>2 847</b>	<b>13 665</b>
Transport assets	3 109	-	577	316	3 370
Computer equipment	7 996	14	1 740	2 048	7 702
Furniture and office equipment	1 501	-	143	205	1 439
Other machinery and equipment	1 367	-	65	278	1 154
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>14 253</b>	<b>14</b>	<b>2 525</b>	<b>2 847</b>	<b>13 945</b>

**25.4 Minor assets**

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014**

	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	-	453	134	5 380	-	5 967
Curr Year Adjustments to Prior Yr Balances	-	-	3	41	-	44
Additions	-	-	-	692	-	692
Disposals	-	453	-	745	-	1 198
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>137</b>	<b>5 368</b>	<b>-</b>	<b>5 505</b>
	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
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	-	83	4 633	-	4 716
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>-</b>	<b>83</b>	<b>4 633</b>	<b>-</b>	<b>4 716</b>

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**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013**

	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	-	-	140	5 385	-	5 525
Curr Year Adjustments to Prior Yr Balances	-	453	-	(1)	-	452
Additions	-	-	4	1 473	-	1 477
Disposals	-	-	10	1 477	-	1 487
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>453</b>	<b>134</b>	<b>5 380</b>	<b>-</b>	<b>5 967</b>

	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
Number of minor assets at cost	-	111	91	4 820	-	5 022
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>111</b>	<b>91</b>	<b>4 820</b>	<b>-</b>	<b>5 022</b>

**25.5 Movable assets written off**

**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2014**

	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	-	-	-	88	-	88
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88</b>	<b>-</b>	<b>88</b>

**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2013**

	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	-	-	-	15	-	15
<b>TOTAL MOVABLE ASSETS WRITTEN OFF</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>15</b>

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**26. Intangible Capital Assets**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2014**

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	-	-	35	-	35
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>-</b>	<b>35</b>	<b>-</b>	<b>35</b>

**26.1 Additions**

**ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2014**

	Cash	Non-cash	(Development work-in- progress current costs )	Received current, not paid (Paid current year, received prior year	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	35	-	-	-	35
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35</b>

**26.2 Movement for 2012/13**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED  
31 MARCH 2013**

	Opening balance	Current year adjustments to prior year balances	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	418	(369)	-	49	-
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>418</b>	<b>(369)</b>	<b>-</b>	<b>49</b>	<b>-</b>

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	<b>Note</b>	<b>2012/13 R'000</b>
<b>27. Prior period errors</b>		
<b>27.1 Correction of prior period error for secondary information</b>		
The comparative amounts in Note 16 were restated as follows:		
Commitments		(247)
Net effect on the note		<u>(247)</u>
The comparative amounts in Note 17 were restated as follows:		
Accruals		92
Net effect on the note		<u>92</u>

**Note:** Commitments were overstated due to services being provided in the 2012/13 financial year which impacted on the accruals.

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

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2012/13
	Division of Revenue Act 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	% of available funds spent by municipality %	Division of Revenue Act R'000
Laingsburg Municipality	400	-	1 259	1 259	1 259	-	-	1 259	-	-	400
Bitou Municipality	400	-	400	400	400	-	-	400	-	-	200
George Municipality	400	-	400	400	400	-	-	400	-	-	200
Overberg Municipality	100	-	1 015	1 015	1 015	-	-	1 015	-	-	550
Oudtshoorn Municipality	-	-	1 017	1 017	1 017	-	-	1 017	-	-	250
Kannaland Municipality	-	-	-	-	-	-	-	-	-	-	300
Beaufort West Municipality	800	-	800	800	800	-	-	800	-	-	400
Matzikama Municipality	350	-	350	350	350	-	-	350	-	-	200
Prince Albert Municipality	300	-	1 113	1 113	1 113	-	-	1 113	-	-	400
Mossel Bay Municipality	400	-	400	400	400	-	-	400	-	-	150
Swartland Municipality	200	-	200	200	200	-	-	200	-	-	750
Stellenbosch Municipality	400	-	400	400	400	-	-	400	-	-	300
Cederberg Municipality	400	-	400	400	400	-	-	400	-	-	400
Bergriver Municipality	1 050	-	1 050	1 050	1 050	-	-	1 050	-	-	200
Swellendam Municipality	450	-	450	450	450	-	-	450	-	-	1 350
Central Karoo Municipality	300	-	1 215	1 215	1 215	-	-	1 215	-	-	700
Knysna Municipality	400	-	400	400	400	-	-	400	-	-	350
Eden District Municipality	500	-	500	500	500	-	-	500	-	-	550
West Coast Municipality	400	-	400	400	400	-	-	400	-	-	300
Cape Winelands Municipality	300	-	300	300	300	-	-	300	-	-	300
Drakenstein Municipality	400	-	400	400	400	-	-	400	-	-	-
Witzenberg Municipality	300	-	300	300	300	-	-	300	-	-	-
Breede Valley Municipality	650	-	650	650	650	-	-	650	-	-	-
Langeberg Municipality	250	-	250	250	250	-	-	250	-	-	-
Theewaterskloof Municipality	100	-	100	100	100	-	-	100	-	-	-
Overstrand Municipality	800	-	800	800	800	-	-	800	-	-	-
Cape Agulhas Municipality	200	-	200	200	200	-	-	200	-	-	-
Hessequa Municipality	600	-	600	600	600	-	-	600	-	-	-
<b>Total</b>	<b>10 850</b>	<b>-</b>	<b>15 369</b>	<b>15 369</b>	<b>15 369</b>	<b>-</b>	<b>-</b>	<b>15 369</b>	<b>-</b>	<b>-</b>	<b>8 250</b>

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

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2012/13
	Adjusted appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds %	Appropriation Act R'000
Western Cape Gambling and Racing Board	-	-	5 523	5 523	5 523	100	2 411
SABC TV licences	-	-	2	2	2	100	-
	-	-	<b>5 525</b>	<b>5 525</b>	<b>5 525</b>		<b>2 411</b>



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

	TRANSFER ALLOCATION				TRANSFER		2012/13
	Adjusted appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds transferred %	Appropriation Act R'000
HOUSEHOLDS							
Leave Gratuity	-	-	32	32	113	353	127
Bursaries to non-employees	-	-	898	898	1 175	131	818
Injury on Duty	-	-	-	-	4		-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>930</b>	<b>930</b>	<b>1 292</b>		<b>945</b>

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**ANNEXURE 1D**

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

NATURE OF GIFT, DONATION OR SPONSORSHIP	2013/14 R'000	2012/13 R'000
<b>Paid in cash</b>		
- Gifts for overseas trip	6	-
- Gift voucher to speaker at Library events	1	1
- Gifts to suppliers at open day	-	4
- Gift vouchers to music providers at Employees Appreciation Day	-	3
<b>Best performing Previously Disadvantaged Schools</b>		
- Malibu High School	-	50
- Mondale High School	-	50
- De Kuilen High School	50	-
- Bernadino High School	50	-
<b>Essay competition</b>		
- Laptops to teachers of best performing learners	-	20
- Cash prizes to teachers	60	30
- Cash prizes to learners	29	27
- Gift vouchers to curriculum advisors	4	4
- Gift voucher to Hugo Lambrechts for entertainment at competition	2	-
- Gift voucher to Master of Ceremony	1	-
<b>Total</b>	<b>203</b>	<b>189</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 2A****STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2014 - LOCAL**

<b>GUARANTOR INSTITUTION</b>	<b>Guarantee in respect of</b>	<b>Original guaranteed capital amount R'000</b>	<b>Opening balance 1 April 2013 R'000</b>	<b>Guarantees draw downs during the year R'000</b>	<b>Guaranteed repayments/ cancelled/ reduced/ released during the year R'000</b>	<b>Revaluations R'000</b>	<b>Closing balance 31 March 2014 R'000</b>	<b>Guaranteed interest for year ended 31 March 2014 R'000</b>	<b>Realised losses not recoverable i.e. claims paid out R'000</b>
<b>Housing</b>									
Standard Bank	Ggcwazi VG	66	66	-	-	-	66	-	-
<b>Total</b>		<b>66</b>	<b>66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66</b>	<b>-</b>	<b>-</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 2B  
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2014**

Nature of liability	Opening balance 1 April 2013 R'000	Liabilities incurred during the year R'000	Liabilities paid/ cancelled/ reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing balance 31 March 2014 R'000
<b>Claims against the department</b>					
Khulani Personnel Group	800	-	800	-	-
<b>Total</b>	<b>800</b>	<b>-</b>	<b>800</b>	<b>-</b>	<b>-</b>

**Note:** The case file against the Khulani Personnel group was closed as they did not respond on the department's request to go to arbitration.

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 3  
CLAIMS RECOVERABLE**

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2013/14*	
	31/03/2014 R'000	31/03/2013 R'000	31/03/2014 R'000	31/03/2013 R'000	31/03/2014 R'000	31/03/2013 R'000	Receipt date up to six (6) working days after year end	Amount R'000
<b>Government entity</b>								
<b>Department</b>								
Department of Health	-	-	-	54	-	54	-	-
Department of Social Development	-	-	-	18	-	18	-	-
Department of Finance - North West	-	27	-	-	-	27	-	-
Department of the Premier	-	-	172	-	172	-	-	-
Department of Economic Development and Tourism	-	-	50	-	50	-	-	-
Department of Justice and Constitutional Development	-	-	26	-	26	-	-	-
Department of National Tourism	12	-	-	-	12	-	-	-
<b>Total</b>	<b>12</b>	<b>27</b>	<b>248</b>	<b>72</b>	<b>260</b>	<b>99</b>		<b>-</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 4  
INTER-GOVERNMENT PAYABLES**

Government entity	Confirmed balance		Unconfirmed balance		Total		Cash in transit at year end 2013/14*	
	31/03/2014 R'000	31/03/2013 R'000	31/03/2014 R'000	31/03/2013 R'000	31/03/2014 R'000	31/03/2013 R'000	Payment date up to six (6) working days before year end	Amount R'000
<b>DEPARTMENTS</b>								
<b>Current</b>								
Department of the Premier	3	209	-	-	3	209	31/03/2014	3
Department of Transport and Public Works	-	-	65	-	65	-	-	-
Department of Economic Development and Tourism	-	-	2	-	2	-	-	-
<b>Subtotal</b>	<b>3</b>	<b>209</b>	<b>67</b>	<b>-</b>	<b>70</b>	<b>209</b>		<b>3</b>
<b>Total Departments</b>	<b>3</b>	<b>209</b>	<b>67</b>	<b>-</b>	<b>70</b>	<b>209</b>		<b>3</b>
<b>OTHER GOVERNMENT ENTITY</b>								
<b>Current</b>								
Government Motor Transport	182	166	-	-	182	166	-	-
Government Printing Works	2	-	-	-	2	-	-	-
<b>Subtotal</b>	<b>184</b>	<b>166</b>	<b>-</b>	<b>-</b>	<b>184</b>	<b>166</b>		<b>-</b>
<b>Total Other Government Entities</b>	<b>184</b>	<b>166</b>	<b>-</b>	<b>-</b>	<b>184</b>	<b>166</b>		<b>-</b>
<b>TOTAL INTERGOVERNMENTAL</b>	<b>187</b>	<b>375</b>	<b>67</b>	<b>-</b>	<b>254</b>	<b>375</b>		<b>-</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 5  
INVENTORY**

	Note	2013/14		2012/13	
		Quantity	R'000	Quantity	R'000
<b>Inventory</b>					
Opening balance		4 589	195	4 703	180
Add: Additions/Purchases - Cash		36 755	1 658	31 469	1 217
(Less): Issues		(35 795)	(1 608)	(31 583)	(1 202)
<b>Closing balance</b>		<b>5 549</b>	<b>245</b>	<b>4 589</b>	<b>195</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 6  
INTER-ENTITY ADVANCES RECEIVED (note 12)**

Confirmed balance		Unconfirmed balance		Total	
31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
R'000	R'000	R'000	R'000	R'000	R'000

**OTHER INSTITUTIONS**

**Current**

Nedbank - bursary monies for students

**TOTAL**

-	-	314	221	314	221
<b>-</b>	<b>-</b>	<b>314</b>	<b>221</b>	<b>314</b>	<b>221</b>