

**Western Cape Government
Provincial Treasury**

**Annual Report
2017/18**

Provincial Treasury

Directorate Financial Management

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PROVINCIAL TREASURY

Annual Report

2017/18

Dr I Meyer

Minister of Finance

I have the honour of submitting the Annual Report of the Provincial Treasury for the period 1 April 2017 to 31 March 2018.



ZAKARIYA HOOSAIN
ACCOUNTING OFFICER

DATE: 31 August 2018

CONTENTS

PART A: GENERAL INFORMATION	3
1. DEPARTMENT GENERAL INFORMATION	3
2. LIST OF ABBREVIATIONS/ACRONYMS	4
3. FOREWORD BY THE MINISTER	10
4. REPORT OF THE ACCOUNTING OFFICER	11
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	20
6. STRATEGIC OVERVIEW	21
6.1 Vision	21
6.2 Mission	21
6.3 Values	21
7. LEGISLATIVE AND OTHER MANDATES	22
8. ORGANISATIONAL STRUCTURE	25
9. ENTITIES REPORTING TO THE MINISTER	26
PART B: PERFORMANCE INFORMATION	29
1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES	29
2. OVERVIEW OF DEPARTMENTAL PERFORMANCE	29
2.1 Service Delivery Environment	29
2.2 Service Delivery Improvement Plan	32
2.3 Organisational environment	41
2.4 Key policy developments and legislative changes	42
3. STRATEGIC OUTCOME ORIENTATED GOALS	42

4.	PERFORMANCE INFORMATION BY PROGRAMME	44
4.1	Programme 1: Administration	44
4.2	Programme 2: Sustainable Resource Management	48
4.3	Programme 3: Asset Management	60
4.4	Programme 4: Financial Governance	69
5.	TRANSFER PAYMENTS	76
5.1	Transfer payments to public entities	76
5.2	Transfer payments to all organisations other than public entities	77
6.	CONDITIONAL GRANTS	78
6.1	Conditional grants and earmarked funds paid	78
6.2	Conditional grants and earmarked funds received	79
7.	DONOR FUNDS	79
7.1	Donor Funds Received	79
8.	CAPITAL INVESTMENTS	79
8.1	Capital investment, maintenance and asset management plan.....	79
	PART C: GOVERNANCE	83
1.	INTRODUCTION	83
2.	RISK MANAGEMENT	83
3.	FRAUD AND CORRUPTION	85
4.	MINIMISING CONFLICT OF INTEREST	86
5.	CODE OF CONDUCT	87
6.	HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES	87
7.	ACCESS TO INFORMATION	88
8.	STANDING COMMITTEES	88
9.	SCOPA RESOLUTIONS	92
10.	PRIOR MODIFICATIONS TO AUDIT REPORTS	94
11.	INTERNAL CONTROL	95
12.	INTERNAL AUDIT AND AUDIT COMMITTEES	96
13.	AUDIT COMMITTEE REPORT	98

PART D: HUMAN RESOURCE MANAGEMENT	103
1. INTRODUCTION	103
2. STATUS OF PEOPLE MANAGEMENT AT THE DEPARTMENT	103
2.1 Departmental Workforce Planning Priorities	103
2.2 Employee Performance Management	104
2.3 Employee Wellness.....	104
2.4 People Management Monitoring.....	105
3. PEOPLE MANAGEMENT OVERSIGHT STATISTICS	105
3.1 Personnel related expenditure	105
3.2 Employment and vacancies	108
3.3 Job evaluation	109
3.4 Employment changes	110
3.5 Employment equity	114
3.6 Signing of Performance Agreements by SMS members	119
3.7 Filling of SMS posts	119
3.8 Employee performance	121
3.9 Foreign workers	123
3.10 Leave utilisation for the period 1 January 2017 to 31 December 2017	124
3.11 Health Promotion Programmes, including HIV and AIDS	126
3.12 Labour relations	130
3.13 Skills development	132
3.14 Injury on duty	133
3.15 Utilisation of consultants	134
PART E: FINANCIAL INFORMATION	141

PART A

General Information

PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

AC	Audit Committee
ACFS	Annual Consolidated Financial Statements
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
AM	Asset Management
AO	Accounting Officer
AOS	Accounting Officer System
APP	Annual Performance Plan
BAS	Basic Accounting System
BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
BER	Bureau for Economic Research
BS	Budget Statement
BTO	Budget Treasury Office
C-AMP	Custodian-Asset Management Plans
CAP	Compliance Acceleration Plan
CD	Chief Director
Ce-I	Centre for e-Innovation
CFO	Chief Financial Officer
CG	Conditional Grant
CGRO	Corporate Governance Review and Outlook
CIDB	Construction Industry Development Programme
CoE	Compensation of Employees
COSO	Community of Sponsored Organisations
COTS	Commercial Off-The-Shelf
CRU	Corporate Relations Unit
CSC	Corporate Services Centre
CSD	Central Supplier Database
DBAC	Departmental Bid and Adjudication Committee
DCAS	Department of Cultural Affairs and Sport
DCF	District Council Forum
DDG	Deputy Director-General
DEDAT	Department of Economic Development and Tourism
DI	Departmental Instructions
DLG	Department of Local Government

DoRA	Division of Revenue Act
DoTP	Department of the Premier
DPME	Department of Planning Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DSD	Department of Social Development
e-GAP	Electronic Governance Action Plan
EDU	Economic Development Unit
EEP	Employment Equity Plan
EHW	Employee Health and Wellness
EOC	Employer of Choice
EPM	Enterprise Project Management
EPS	Electronic Purchasing System
EPRE	Estimates of Provincial Revenue and Expenditure
EPWP	Expanded Public Works Programme
ERM	Enterprise Risk Management
ERMCO	Enterprise Risk Management Committee
FGRO	Financial Governance Review and Outlook
FI	Finance Instruction
FMC	Financial Management Capability
FMCM	Financial Management Capability Model
G&A	Government and Administration
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross Domestic Product
GEPF	Government Employees Pension Fund
GIAMA	Government-wide Immoveable Asset Management Act
GMT	Government Motor Transport
GPSSBC	General Public Service Sector Bargaining Council
GRAP	Generally Recognised Accounting Practice
HCT	HIV & AIDS Counselling and Testing
HD	Helpdesk
HDIs	Historically Disadvantaged Individuals
HDI	Human Development Index
HOD	Head of Department
HOT	Head Official Treasury
HR	Human Resource
HRD	Human Resource Development

HRDS	Human Resource Development Strategy
HRM	Human Resource Management
ICS	Improvement of Conditions of Service
ICT	Information Communication Technology
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure Delivery Management System
IDP	Infrastructure Delivery Plan
IDP	Integrated Development Plans
IDP	Individual Development Plans
IFMS	Integrated Financial Management System
IFS	Interim Financial Statements
IGR	Intergovernmental Relations
IIA	Institute for Internal Auditors
IMFO	Institute of Municipal Finance Officers
IPS	Integrated Procurement System
ISA	International Standards on Auditing
IRM	Infrastructure Reporting Model
IT	Information Technology
IYM	In-Year Monitoring
LG	Local Government
LGA	Local Government Accounting
LG MTEC	Local Government Medium Term Expenditure Committee
LOGIS	Logistical Information System
LRA	Labour Relations Act
M&E	Monitoring and Evaluation
MAM	Moveable Asset Management
MCS	Modified Cash Standards
MEC	Member of Executive Council
MEDSAS	Medical Stores Administration System
MERO	Municipal Economic Review and Outlook
MFMA	Municipal Finance Management Act, 2003
M-GAP	Municipal Governance Action Plan
MGRO	Municipal Governance Review and Outlook
MISS	Minimum Information Security Standards
ML	Management Letters
MM	Municipal Manager

MPAT	Monitoring Performance Assessment Tool
MTBPS	Medium Term Budget Policy Statement
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTFF	Medium Term Fiscal Framework
MTREF	Medium Term Revenue and Expenditure Framework
NDP	National Development Plan
NT	National Treasury
NT MTEC	National Treasury Medium Term Expenditure Committee
NTI	National Treasury Instruction
NTPSRMF	National Treasury Public Sector Risk Management Framework
NTR	National Treasury Regulation
OAG	Office of Accountant-General
OCPD	Office of the Chief Procurement Officer
OD	Organisational Development
OHAS	Occupational Health and Safety
OSD	Occupational Specific Dispensation
PAA	Public Audit Act
PAC	Public Accounts Committee
PAIA	Promotion of Access to Information Act
PAJA	Promotion of Administrative Justice Act
PAY	Premier's Advancement of Youth
PDO	Pre-Determined Objectives
PERSAL	Personnel and Salary Administration System
PERO	Provincial Economic Review and Outlook
PES	Provincial Equitable Share
PFMA	Public Finance Management Act, 1999
PFS	Provincial Forensic Services
PG	Provincial Government
PG MTEC	Provincial Government Medium Term Expenditure Committee
PI	Performance Indicator
PID	Project Initiation Documents
PILIR	Policy on Incapacity Leave and Ill-Health Retirement
PMDS	Performance Management Development System
PMF	Performance Management Frameworks
PMI	Performance Measure Indicator

PMU	Programme Management Unit
PPP	Public Private Partnership
PPFA	Preferential Procurement Policy Framework Act
PPSC	Provincial Portfolio Steering Committee
PRF	Provincial Revenue Fund
PSC	Public Service Commission
PSCBC	Public Service Commission Bargaining Council
PSDF	Provincial Spatial Development Framework
PSG	Provincial Strategic Goal
PSO	Provincial Strategic Objective
PSR	Public Service Regulations
PSRMF	Public Service Risk Management Framework
PT	Provincial Treasury
PTI	Provincial Treasury Instruction
PTM	Provincial Treasury Management
PTRPA	Provincial Tax Regulation Process Act
QPR	Quarterly Performance Report
REAL	Revenue, Expenditure, Assets, and Liabilities
RSEP	Regional Socio-Economic Programme
RWOP	Remunerative Work Outside of the Public Service
SABC	South African Broadcasting Corporation
SAIGA	Southern African Institute of Government Auditors
SAMPI	South African Multi-Dimensional Poverty Index
SAQA	South African Qualification Authority
SARS	South African Revenue Services
SCM	Supply Chain Management
SCoA	Standard Chart of Accounts
SCOF	Standing Committee on Finance
SCOPA	Standing Committee on Public Accounts
SDBIP	Service Delivery and Budget Implementation Plan
SDIP	Service Delivery Improvement Plan
SDR	Service Delivery Review
SEFA	Small Enterprise Finance Agency
SEP	Socio-economic Profile
SER	Socio-economic Review
SETA	Sector Education and Training Authority

SHEQ	Safety Health Environment and Quality
SIP	Strategic Infrastructure Plan
SIPDM	Standard for Infrastructure Procurement and Delivery Management
SITA	State Information Technology Agency
SLA	Service Level Agreement
SME	Small and Medium Enterprises
SMME	Small, Medium and Micro Enterprise
SMS	Senior Management Service
SP	Strategic Plan
SPMS	Staff Performance Management System
SOP	Standard Operating Procedure
SOPI	Strategic Objective Performance Indicator
the dti	Department of Trade and Industry
TIME	Technical Integrated Municipal Engagements
TMM	Treasury Management Meeting
TPW	Transport and Public Works
TQM	Total Quality Management
U-AMP	User-Asset Management Plans
USB-ED	University of Stellenbosch – Executive Development
WCARS	Western Cape Archives and Records Services
WCED	Western Cape Education Department
WCG	Western Cape Government
WCGRB	Western Cape Gambling and Racing Board
WC MTBPS	Western Cape Medium Term Budget Policy Statement
WCPP	Western Cape Provincial Parliament
WCSD	Western Cape Supplier Database
WSP	Workplace Skills Plan

3. FOREWORD BY THE MINISTER

The 2017/18 Annual Report considers Provincial Treasury's progress towards delivering on its vision of Good Financial Governance and the extent to whether there has been improvement in accountability and oversight, creating public value and the enabling of service delivery through partnerships and capacity building in public sector finance.

In this regard I am pleased to note that despite an environment that is increasingly volatile and more often than not characterised by uncertainty, complexity and ambiguity, the Department has successfully delivered on its undertaking to adopt an Integrated Work Plan for Provincial and Municipal Planning, Budgeting and Governance and improving the integration of budget planning and procurement.

Provincial Treasury has remained committed to the principles of fiscal consolidation, fiscal discipline and fiscal sustainability and will continue to do so. Fiscal consolidation demands behavioural change from all of the actors in the financial governance pipeline. Our objective is to ensure that our efforts contribute in the creation of public value.

The annual Fiscal Policy Workshop, the Minister - Mayco Member Finance Seminars and *The Taking the Budget to the People* Initiatives have now been institutionalised within the Provincial Treasury and play a critical role in informing citizens of Western Cape Budget allocations to their respective regions. These interactions aim to enable citizens to participate more effectively in the budgetary processes.

I wish to thank the Management and staff of Provincial Treasury for their dedication, professionalism and tireless commitment to the people of the Western Cape. Through the integrated management approach Provincial Treasury has once again highlighted that we are indeed **BETTER TOGETHER**.



Dr Ivan Meyer
Minister of Finance

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

DR IVAN MEYER
MINISTER OF FINANCE
DATE: 31 August 2018

4. REPORT OF THE ACCOUNTING OFFICER

Overview of the operations of the Department

During the 2017/18 financial year Provincial Treasury focused its resources mainly on achieving the objectives and targets as set out in its Annual Performance Plan, underpinned by Provincial Strategic Goal 5 – Embed good governance and integrated service delivery through partnership and spatial alignment. Continued emphasis is placed on progressively improving the following outcomes:

- Enhanced governance; and
- Integrated Management.

The Department has managed to achieve most of its planned targets. This was not achieved without challenges. In addition to the need to respond to the drought, we have noted an increase in demand for support and assistance from our client departments and municipalities, without any commensurate increase in resources.

The following are some of the significant achievements and challenges experienced by the Provincial Treasury during the 2017/18 financial year:

Departmental administration and governance

The Department has managed to attain another clean audit, its fifth consecutive one. This was achieved through the dedication and hard work of all employees of the department. However, while we note this achievement, we acknowledge the recommendations by the Auditor-General to improve internal control that would ensure we improve our asset management practices and ensure our budget is spent effectively and efficiently while exercising fiscal prudence.

Resource Allocation and Monitoring

The planning of the 2018 Provincial and Municipal Budgets was informed by evidence based economic and socio-economic research. An integrated approach which involved the integration of policy, planning and budgeting for service delivery was taken for the 2018 Provincial Budget. To further strengthen the integrated approach, the Western Cape Government and municipalities also endorsed a revised Integrated Work Plan in August 2017 for promoting a more coordinated, integrated and strategic approach to government planning, budgeting and delivery. The monitoring of the implementation of budget, including infrastructure delivery was performed through institutionalised processes and systems throughout the year under review, and across both spheres of government. (Refer to pages 48 to 60 for more detail).



Zakariya Hoosain
Accounting Officer
Provincial Treasury

Supply Chain Management and Financial Systems

The National Treasury's SCM Reform process compelled the Provincial Treasury to manage and mitigate transversal risks and implementation challenges emanating out of these reforms. Provincial departments and municipalities had to be provided with the desired level of support, assistance and guidance to meet the implementation requirements, and to sustain previous clean audits in relation to supply chain and moveable asset management. The use of technology, through business intelligence tools and data analyses of procurement information, was strengthened and SCM performance information was provided to departments to enable better procurement planning.

Within the financial management systems environment, the Provincial Treasury continued to fulfil its mandate in providing assistance to all provincial systems users (LOGIS, BAS and PERSAL). In addition, the clean-up of system data in preparation for the move to the Integrated Financial Management System (IFMS) continued as National Treasury indicated the implementation of the IFMS will start in the 2019/20 financial year. (Refer to pages 60 to 69 for more detail.)

Improved Corporate Governance and Accounting Practices

Both departments and municipalities were supported, through various initiatives, to improve the understanding and application of accounting and financial reporting in line with existing reporting frameworks applicable to each sphere, as well as the requisite support on updates and changes to the reporting frameworks. The provincial strategy of embedding good governance was further strengthened through the institutionalising of quarterly governance engagements with departments and Technical Integrated Municipal Engagements (TIME) with municipalities. (Refer to pages 69 to 76 for more detail).

Overview of financial results of the department

Table 1 Departmental receipts

Departmental Receipts	2017/18			2016/17		
	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	498 141	591 495	(93 354)	432 267	572 789	(140 522)
<i>Casino taxes</i>	470 141	537 498	(67 357)	412 267	524 384	(112 117)
<i>Horse racing taxes</i>	28 000	53 997	(25 997)	20 000	48 405	(28 405)
Sale of goods and services other than capital assets	1 214	4 365	(3 151)	1 214	2 890	(1 676)
Transfers received	1	-	1	-	-	-
Fines, penalties and forfeits	-	287	(287)	1	38	(37)
Interest, dividends and rent on land	1	4	(3)	-	25	(25)
Sale of capital assets	-	28	(28)	-	7	(7)
Financial transactions in assets and liabilities	47	8 693	(8 646)	47	4 055	(4 008)
Total	499 404	604 872	(105 468)	433 529	579 804	(146 275)

Total receipts as depicted in Table 1 for the 2017/18 financial year amounted to R604.872 million, or 121.1 per cent of the original budget of R499.404 million. It should be noted that gambling revenue is dependent on the quantum available in households to be spent on this type of entertainment. Given the constrained fiscal environment, coupled with global uncertainty and growth prospects, own revenue projections were estimated conservatively. The final revenue outcome for 2017/18 was positive in that revenue collected was more than what was originally budgeted for. These funds were surrendered to the Provincial Revenue Fund which can be considered for allocation in the new MTEF. When compared with the same period in 2016/17, a substantial year-on-year increase of 4.3 per cent was achieved.

Tax receipts consisted of Casino taxes and Horse racing taxes. The collection on this item for the financial year amounted to R591.495 million, reflecting an 18.7 per cent over collection compared with the original budget of R498.141 million. Amendments provided for in the Cost and Fees Regulations were in line with the annual inflationary adjustment to all new licence applications; annual licence and investigation fees. The Western Cape Gambling and Racing Board continues to perform the administrative function of collecting revenues due to the Provincial Revenue Fund on behalf of the Provincial Treasury.

Sale of goods and services, other than capital assets' revenue amounted to R4.365 million, this reflects a collection of 259.6 per cent compared to the original budget of R1.214 million for the reporting period. This is the result of over-collection on bookmaker's licences and sale of minor assets.

Fines, penalties and forfeits consisting of court fines and penalties on court orders, received from the Western Cape Gambling and Racing Board, amounted to R287 000 for the financial year.

Financial transactions in assets and liabilities recorded a surplus of R8.646 million mainly because of the surrender of previous year's surplus from the Western Cape Gambling and Racing Board.

Table 2 Programme expenditure

Programme Name	2017/18			2016/17		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	60 177	57 492	2 685	50 934	49 537	1 397
Sustainable Resource Management	136 028	132 195	3 833	113 943	111 431	2 512
Asset Management	53 311	51 023	2 288	54 833	54 106	727
Financial Governance	39 077	37 434	1 643	34 838	32 927	1 911
Total	288 593	278 144	10 449	254 548	248 001	6 547

Reasons for under expenditure

The underspending under Programme 1 - Administration amounts to R2.685 million or 4.46 per cent of the Final Appropriation. This is mainly due to vacant posts that were not filled as planned, the appointment of fewer graduate interns than anticipated due to requests received from bursary holders for deferment, the allocation of fewer external bursaries and the non-acceptance of bursaries by applicants and training that could not be concluded in time.

The underspending under Programme 2 - Sustainable Resource Management amounts to R3.833 million or 2.82 per cent of the Final Appropriation. This is mainly due to a number of staff exits and the vacant posts that were not filled as planned, as well as less travelling by employees and training that did not take place as planned. In addition, three municipalities did not take up the Financial Management Support Grant and one municipality only requesting a reduced Financial Management Capacity Grant as it being the first year of participation.

The underspending under Programme 3 - Asset Management amounts to R2.288 million or 4.29 per cent of the Final Appropriation. This is mainly due to the late procurement of research and advisory services, less traveling by employees due to the implementation of the district approach and less utilisation of venue facilities for training.

The underspending under Programme 4 - Financial Governance amounts to R1.643 million or 4.20 per cent of the Final Appropriation. This is mainly due to the late procurement of research and advisory services, less catering for training workshops than anticipated as well as lower audit costs.

Virement

The Department ended the 2017/18 financial year with an adjusted appropriation of R288.593 million of which an amount of R278.144 million was actually spent. A provisional virement was approved by the Member of the Executive Authority on 18 April 2018 and the Department ended with a net underspending of R10.449 million or 3.6 per cent for the reporting period. The details of the shifts between the main divisions can be found on the Appropriation Statement (pages 149 to 160).

Unauthorised, fruitless and wasteful expenditure

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

Future plans of the Department

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

- Conduct research and analysis informing the development of the provincial and local government's fiscal frameworks and budget policy that includes sustainability of provincial and municipal revenue budgets.
- Analyse and report on the in-year cash flow and revenue performance for both provincial and local government.

- Maintain Departmental oversight of the Western Cape Gambling and Racing Board (WCGRB).
- Focus on impact evaluations and assessments of budget priorities and spend, overall, the research, analysis and assessments is to support provincial departments on budget policy matters and inform the formulation of the provincial budget policy to recommend allocations in line with government's strategic priorities outlined in the Provincial Strategic Plan and other applicable national policies.
- Coordinate the Western Cape Medium Term Budget Policy Statement (WC MTBPS) and provide the economic, fiscal and policy context within which the provincial budget is formulated.
- Communicate the intended budget policy framework and budget priorities that support the delivery of the WCG's policies, programmes and projects that drives service delivery within the Province.
- Provide research, advice and analysis on the regional and local economy, issues and trends relevant to local government budget and fiscal policy matters.
- Research and analysis culminating in two key annual publications: The Municipal Economic Review and Outlook (MERO) and the Socio-economic Profiles for Local Government (SEP-LG).
- Support the municipal budget process through recommendations to improve the responsiveness of the budgets to target socio-economic and policy objectives and coordination of the Local Government Medium Term Expenditure Committee engagements.
- Assessment of provincial budgets to improve the credibility and sustainability thereof and monitor the implementation of budgets to enhance accountability, efficiency and data integrity.
- Fiscal consolidation as part of the Fiscal Strategy and therefore the focus on expenditure control within budget limits and stringent management of personnel budgets.
- Improving on the efficiency of expenditure management in departments through an integrated approach with the Provincial Treasury Supply Chain Management unit.
- Facilitate and co-ordinate the implementation of the MFMA in Provincial Treasury and municipalities to ensure that the objectives of the Local Government reform agenda is achieved.
- Drive the implementation of the MFMA through Intergovernmental Relations (IGR) coordination between municipalities, provincial national departments and other related stakeholders.
- Drive the Infrastructure Delivery Management System (IDMS) to enhance efficiency in the delivery of infrastructure and value realised through the provincial asset base.
- Monitor the infrastructure spending of designated departments and support the Western Cape Ministerial Infrastructure Coordinating Committee (WCMICoCo), to improve efficient and effective delivery.

- Assess User-Asset Management Plans (U-AMPs), Custodian Asset Management Plans (C-AMPs), as well as Concept Reports and Project Proposals of Departments (in terms of the Guidelines for Performance Based Incentive Process).
- Manage Security aspects and coordinate requests for information in terms of the Promotion of Access to Information Act, 2000 (PAIA) for the Provincial Treasury.
- Manage datasets in support of Provincial Treasury's strategic goals and embrace and promote special integration of information between spheres of government.
- Mainstream Information Communication Technology (ICT) within the Department through the implementation of the Department of Public Service and Administration (DPSA) Corporate Governance Information Communication Technology Policy Framework and the monitoring of the Strategic ICT Plan Initiatives.
- Continue to focus on improving the integrity of data in the legacy systems to ensure smooth migration to the IFMS when implemented.
- The creation of a legacy system data warehouse to host all financial data and from which the necessary dashboards will be built to provide credible financial data to our stakeholders.
- Provision of training services in respect of transversal financial systems to all provincial departments and where required to other provincial and national departments.
- Focus on using technology as an enabler to improve Supply Chain Management (SCM) performance.
- Continued implementation of the central supplier database, improved efficiencies and governance on the e-procurement solution for quotations and the continuous building of the business intelligence competence to support procurement decision-making and better supply chain information management.
- Procurement efficiencies and prudent procurement spending will continue to be supported by strategic sourcing methodologies in the procurement planning process to leverage efficiency gains and economies of scale through bulk/consolidated buying initiatives and potential transversal contracts.
- Continue driving the District SCM model where municipalities are provided the opportunity to take ownership of SCM related issues in their district with the support of the relevant district municipalities.
- Focus on sustainable procurement initiatives to drive local economic development within the respective districts through integrated planning between municipal SCM, Local Economic Development and Integrated Development Planning managers.
- Ensure conformance with applicable financial laws, regulations and the municipal standard chart of accounts and complete recording of transactions as required by Generally Recognised Accounting Practices (GRAP) to municipalities.
- Assist in preventing irregularities and material financial misstatements in both the modified cash basis of accounting applied by departments and accrual basis of accounting applied by public entities.

- Monitor and report quarterly on the departmental Corporate Governance Review and Outlook (CGRO) governance action plans to enable the improvement of financial management.
- Coordinate the Municipal Governance Review and Outlook (MGRO) and progressively driving the maturity criteria across various disciplines to achieve higher levels of governance.
- Develop and drive norms and standards, as well as compliance to legislation in respect of capacity building.

Public Private Partnerships

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

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

Registered Provincial PPP projects: Closed deals

Project name	Description	Department	Start date	End date
Chapman's Peak Drive Toll Road	Design, construct, finance, operations and maintenance of Chapman's Peak Drive.	Department of Transport and Public Works	21 May 2003	21 May 2033
WC Rehabilitation Centre and Lentegeur Hospital	Provision of estate maintenance, medical and non-medical equipment, hard and soft facilities management and related services in respect of the Western Cape Rehabilitation Centre and Lentegeur Psychiatric Hospital.	Department of Health	1 March 2007	28 February 2019
CapeNature: De Hoop Nature Reserve	The De Hoop Nature Reserve PPP project entails the upgrading of existing tourism facilities, the creation of new products and the provision of activities for tourism.	Department of Environmental Affairs and Development Planning and implemented by CapeNature.	2 December 2009	30 year long-term contracts (with the option of renewal for another 15 years).

Supply Chain Management

Unsolicited bids

No unsolicited bids were received during the period under review.

Irregular expenditure

A Finance Instruction (FI No. 8 of 2017) on the Roles and Responsibilities for the implementation of an effective, efficient and transparent system of internal control was issued. The FI sets out the principles for each component of an effective, efficient and transparent system of internal control as well as roles and responsibilities of the role-players within the control environment. One of the responsibilities of the Internal Control Unit is to monitor compliance with regulatory framework.

All possible irregular expenditure identified by or reported to the Internal Control Section is investigated to determine responsibility and accountability. Once the investigation is concluded, recommendations are submitted to the Chief Financial Officer and Accounting Officer for final consideration.

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

Challenges within SCM

Supply Chain Management has evolved tremendously over the last few years, without the concomitant increase in capacity within the SCM unit. Supply chain management is not purely about purchasing supplies anymore, but is strategic sourcing which requires good product knowledge, research on commodities, pricing and an ability to negotiate with service providers to achieve good value for money. The insufficient capacity will be addressed via an alignment of the current structure to the generic SCM structure for the Office of the CFO as determined by the National Treasury in consultation with the Department of Public Service and Administration. In addition, the I-develop Training Needs Analysis tool will be used to identify individual competencies and training needs for development purposes.

Gifts and Donations received in kind from non-related parties

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

In aggregate, gifts to the amount of R21 123.00 were received by officials during the reporting period which are disclosed in the gift register maintained within the Financial Management section of the Department.

Exemptions and deviations received from the National Treasury

No exemptions and deviations were requested from the National Treasury.

Events after the reporting date

There were no events after the reporting period.

Conclusion

I would like to take this opportunity to express my sincere appreciation to the entire team finance for their support on this journey of enhanced governance and integrated management. Without their hard work and dedication, the progress we have made would not have been possible.

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

Acknowledgment and gratitude is extended to Minister Meyer for his leadership on this road to enhance governance and integrated management.

Approval and sign off



Zakariya Hoosain
Accounting Officer
Provincial Treasury
Date: 31 August 2018

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 2018.

Yours faithfully



Zakariya Hoosain
Accounting Officer
Provincial Treasury
Date: 31 August 2018

6. STRATEGIC OVERVIEW

6.1 Vision

Good financial governance.

6.2 Mission

To improve governance through:

Enhancing accountability and oversight;

Creating public value;

Enabling delivery of quality services through partnerships; and

Capacity building in public sector finance.

6.3 Values

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



Caring

To care for those we serve and work with



Competence

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



Accountability

We take responsibility



Integrity

To be honest and do the right thing



Innovation

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



Responsiveness

To serve the needs of our citizens and employees

7. LEGISLATIVE AND OTHER MANDATES

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

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

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

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

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 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.

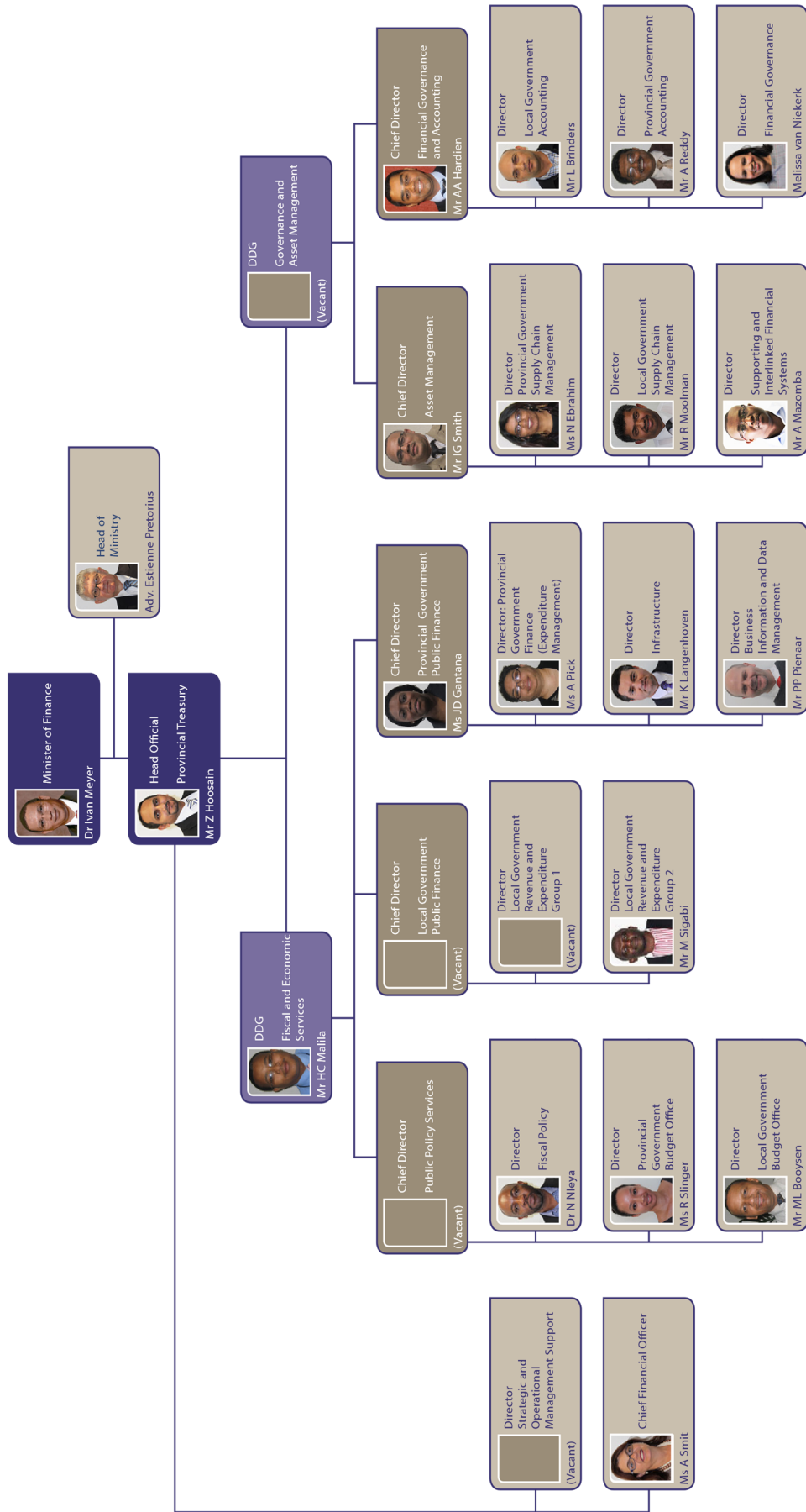
Organogram

As at 1 July 2018



BETTER TOGETHER.

8. ORGANISATIONAL STRUCTURE



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

PART B

Performance Information

PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The 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 142 of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

During the 2017/18 financial year South Africa's economic performance continued to reflect subdued growth but has also displayed signs of improvement. National growth is predicted to accelerate in 2018 which will largely be driven by higher consumer and business confidence as a result of greater policy certainty. The Western Cape economy usually tracks the performance of the national economy, however growth in the Western Cape is estimated to have remained largely flat in 2017. Economic performance in the Province continues to be adversely affected by the developments in the agricultural sector, which has been negatively affected by the drought and higher incidence of Avian Influenza.

Improvements in key socio-economic indicators have been recorded over the past few years in the Western Cape. However, the subdued economic performance and outlook have adversely affected the pace of socio-economic development in the Province. Key provincial risks other than the low economic growth which the Provincial Treasury took into account included the widespread impact of the drought and water crisis; the increasing demand for services amid reduced transfers from national government; the broader impact of climate change; deterioration of the provincial infrastructure asset base and issues related to crime and safety. National fiscal risks such as lower than expected revenue collection and the uncertainty related to the wage negotiations have also had implications for provincial public finances.

Within the context of a constrained economic and fiscal environment, the fiscal approach continued to focus on creating public value, recognising that economic growth and development is critical to improving the living standards and socio-economic conditions of the people. Aligned to policy objectives, the Provincial Treasury, together with partners in the Western Cape Government remains committed to creating an enabling environment for growth through stability in public finances and prioritising areas that stimulate growth and

promote confidence in the economy. Guided by the Western Cape's Fiscal Strategy, the fiscal approach focused on maintaining a sustainable fiscal path by giving effect to policy priorities, managing the implications of the current economic and fiscal risks and presenting a credible, sustainable and responsive Budget. Over the medium term, the Western Cape Government is committed to good financial governance, fiscal discipline and creating public value.

The Provincial Treasury's key focus was aimed at improving core transversal functions to drive governance efficiencies and enhancing good financial governance, within the current fiscal constraints and various national reform processes. These processes continued to place tremendous pressure on the Provincial Treasury, not only to manage and mitigate the transversal risks and implementation challenges emanating out of these reform process but also to provide provincial departments and municipalities with the desired level of support, assistance and guidance required to meet implementation requirements and to sustain previous clean audit outcomes.

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

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

In giving effect to the PSG 5 goal statement: Embed Good Governance and Integrated Service Delivery through Partnerships and Spatial Alignment, the key priorities identified for an integrated governance approach are as follows:

- Efficient, effective and responsive local and provincial governance;
- Integrated management within the WCG, between the WCG and municipalities, with internal and external partners; and

- Embedding good governance performance through the established governance platforms (i.e. PTM/MM Forum; CFO Forums; Financial and Management Accounting Forums SCM Forums and focus Groups and the District modular approach for municipalities).

Key initiatives towards delivery of the Provincial Strategic Goal 5 objectives include:

- Developing and Implementing the Integrated Work Plan for Provincial and Municipal Integration;
- Implementing Integrated Management across the various phases of the planning and budgeting process including the PG MTEC and LG MTEC engagements.
- Driving the principles of evidence- based practices through the 2017 Provincial and Municipal Economic Review and Outlook;
- Integrated Governance Performance Reviews through quarterly assessments and/or engagements with departments and the MGRO process with municipalities and the enablement of support plans through the e-Gap and m-Gap tools;
- Maintenance and optimisation of the SCM strategy for WCG and local municipalities; and
- Enhancing current financial systems in the absence of the IFMS to improve financial reporting.

The CGRO and MGRO processes evolved in this financial year towards a more integrated approach and model and were redefined as the Quarterly Governance Engagements for departments and the Technical Integrated Municipal Engagements (TIME) for municipalities, which provided for better integration, partnerships and joint response plans.

The governance environment from a local government side received heightened focus in respect of the demand to investigate or assess governance issues as they relate to tender processes and governance specific challenges within certain municipalities in the Province, placing pressure on the Financial Governance and Local Government Supply Chain Management Directorates to deliver to the demands placed on them given their strained capacity within the current austere environment.

Provincial Treasury's governance efforts for provincial departments are supported and underpinned by the transversal financial systems. During 2014 the Western Cape Government agreed to support the piloting of the IFMS by the National Treasury, however the originally communicated deadlines for the IFMS did not materialise and National Treasury indicated that implementation would only start in the 2019/20 financial year. Further discussions are underway to finalise governance and other implications between the province and National Treasury. The Provincial Treasury has continued to do preparatory work in terms of data clean-up and enablement in preparation for the IFMS in respect of 13 provincial departments and to assist departments with improving the integrity of data in the legacy systems to ensure smooth migration to IFMS when implemented. The Directorate also continued to perform the user account management and capacitation and development function that it performs to sustain and manage the governance requirements on the legacy systems as its core function. This also necessitated the reorganization of current resources internally within the unit to enable key focus on Legacy Systems – IFM readiness and business intelligence within the Programme.

Both Provincial and Local Government Supply Chain management continued to work under an austere environment with the SCM reform process continuing to be a challenge. Whilst fully meeting the strategic objective, performance indicators and planned targets as they relate to assessments conducted and to strategic sourcing initiatives undertaken; an overachievement on training/support interventions with departments became necessary due to the promulgation of the Preferential Procurement Policy Framework Regulations, 2017 and also in respect of supplier interventions due to the added focus and implementation requirements of the National Treasury Central Supplier Database (CSD) and the alignment to the WCG's own e-procurement governance requirements.

The use of technology via business intelligence tools and data analyses of procurement information was sustained, strengthened and developed further, to present SCM performance information to departments to enable better procurement decision making as well as to support and improve procurement planning initiatives within departments.

Cost Containment Instructions, transversal contract requirements for various initiatives as well as revised functionality requirements on the central supplier database, G-commerce, revised BBBEE sector codes, local content instructions, continued to assail the already regulatory intensive procurement environment. The helpdesk - support through query handling and structured SCM opinions and guidance was provided on both the municipal and provincial side with key focus on CSD registration and the implementation of PPPFR implementation requirements and SCM policy and compliance interpretation requirements. The SCM Forum together with the SCM Policy, Demand Management, SCM Technology and SCM Capacitation and Development Focus Groups were utilised to capacitate, create awareness and manage the changes in the SCM environment for provincial departments with the municipal SCM Forum and District Fora playing a similar role in the local sphere.

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

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

Leadership changes in the prior year still had an effect on some municipalities. This culminated in additional requests for support in the domain of local government financial management. In the provincial government space, differing interpretations on accounting reared its head resulting in an audit for one of the 13 departments not being finalised by the due date.

2.2 Service Delivery Improvement Plan

The department has completed a Service Delivery Improvement Plan (SDIP) through the provision of supply chain management helpdesk (i.e. for support assistance and guidance) to provincial departments, provincial public entities, municipalities, municipal entities and

suppliers with the objective to outline key services (i.e. "how to do business with the Western Cape Government"), addressing gaps and areas for improvement within procurement, and defining standards for delivering of procurement as a service to enable service delivery.

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

Main service and standards

Main services	Beneficiaries	Current/actual standard of service 2016/17	Desired standard of service 2017/18	Actual achievement 2017/18
1. Supply Chain Management (SCM) help desk service provided to Provincial departments, Public entities and Suppliers	<ul style="list-style-type: none"> Western Cape Provincial Departments Public Entities Municipalities Suppliers 	<p>a) An average of 98.75% of the queries received during the financial year were resolved within the specified timeframes. A total of 5 916 queries were successfully attended to.</p> <p>b) Perception surveys were conducted and for all quarters of the financial year 100% of the beneficiaries indicated their satisfaction with the service provided.</p>	<p>a) 99% of SCM issues, complaints, queries resolved.</p> <p>b) 98% of service beneficiaries indicated satisfaction with the level and standard of service provided by the SCM Help Desk.</p>	<p>a) An average of 99% of the queries received during the financial year were resolved within the specified timeframes. A total of 1 082 queries were successfully attended to.</p> <p>b) Perception surveys were conducted for all quarters of the financial year. 100% of the beneficiaries indicated their satisfaction with the service provided.</p>
2. Supply Chain Management (SCM) help desk service provided to Municipalities and Suppliers	<ul style="list-style-type: none"> Western Cape Citizens Small Medium and Micro Enterprise (SMME) 	<p>a) An average of 95.25% of the queries received during the financial year were resolved within the specified timeframes.</p> <p>b) 99% Client satisfaction was noted for the entire year. In the absence of the survey, this is measured by not getting come backs.</p>	<p>a) 90% of SCM issues, complaints, queries resolved.</p> <p>b) 95% Client satisfaction (i.t.o. evaluation questionnaire).</p>	<p>a) 98% of SCM issues, complaints, queries resolved.</p> <p>b) 99% of service beneficiaries indicated satisfaction with the level of standard of Service provided by the SCM Help desk.</p>

Main services	Beneficiaries	Current/actual standard of service 2016/17	Desired standard of service 2017/18	Actual achievement 2017/18
3. Supply Chain Management (SCM) Engagements with Suppliers	<ul style="list-style-type: none"> • Western Cape Provincial Departments • Public Entities • Suppliers 	<p>a) 19 Supplier open days/ engagements were hosted to create awareness and develop knowledge and skills with suppliers. 6 of the 19 events were hosted in collaboration with the Departments of Economic Development and Tourism; Transport and Public Works; SEFA and SARS. 15 of the events focused on central supplier database registration, e-procurement (IPS) enablement and tax and BBBEE compliance and 4 of the events were commodity specific in terms of the security industry. Events were held in all 6 municipal regions.</p>	<p>a) 12 Supplier Open Days hosted</p>	<p>a) Target achieved:</p> <ul style="list-style-type: none"> - 10 interventions in collaboration with the Departments of Economic Development & Tourism; Transport and Public Works. - 1 x intervention held in collaboration with LGSCM and Overstrand Municipality on how to do business with WCG and Western Cape municipalities. - 1 x Local Content engagement held in collaboration with the Department of Trade Industry. - Ongoing support to assist suppliers with CSD registration.

Main services	Beneficiaries	Current/actual standard of service 2016/17	Desired standard of service 2017/18	Actual achievement 2017/18
		<p>b) 100% of service beneficiaries indicated satisfaction with the level and standard of service except in the 3rd quarter were 78% indicated satisfaction. This was as a result of not all beneficiaries completing the survey.</p>	<p>b) 98% of service beneficiaries indicated satisfaction with the level and standard of service provided by the SCM Help Desk.</p>	<p>Additionally: 11 roadshows were held in collaboration with the Department of Transport and Public Works, Department of Economic Development and Tourism, Small Enterprise Finance Agency, Small Enterprise Development Agency and the South African Revenue Services in all 6 districts on Central Supplier Database (CSD) awareness/ registration Western Cape Supplier Database, Broad Based Black Economic Empowerment and presentations from various stakeholders.</p> <p>b) 100% of service beneficiaries indicated satisfaction with the level and standard of service.</p>

Batho Pele Arrangements with Beneficiaries (Consultation, Access etc.)**(1) Supply Chain Management (SCM) help desk service provided to Provincial departments, Public entities and Suppliers**

Targeted/Desired arrangements 2017/18	Actual arrangements 2017/18
<p>Consultation: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Workshops b) Written correspondence c) Telephonically d) Emails e) One-on-one meetings f) District Council Forum (DCF) for municipalities g) Provincial & Local SCM Forums h) Municipal Chief Financial Officers (CFO) Forum 	<p>Consultation: The desired arrangements were met and in addition the following were achieved:</p> <ul style="list-style-type: none"> a) Monthly meetings with the Department of Economic Development and Tourism on economic aspects of procurement b) Specific focus group meetings relating to SCM policy and governance; Strategic Sourcing (Demand Management); and SCM Capacitation and Development held.
<p>Courtesy: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Management b) Email c) Telephonically d) Written correspondence e) Verbal communication f) Face-to-face 	<p>Courtesy: The desired arrangements were met and in addition the following were achieved:</p> <ul style="list-style-type: none"> a) 99% of queries concluded within the allocated timeframes of the Helpdesk framework. b) Meeting with suppliers as and when required.
<p>Access: Via Provincial Legislature Building, 7 Wale Street, Cape Town.</p>	<p>Access: Via Provincial Legislature Building, 7 Wale Street, Cape Town.</p>
<p>Openness and Transparency: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Telephone b) Written correspondence c) Email d) One-on-one meetings e) Annual Report f) Workshops g) District Council Forum (DCF) for municipalities h) Provincial & Local SCM Forums i) Municipal Chief Financial Officers (CFO) Forum 	<p>Openness and Transparency: The desired arrangements were met and in addition the following were achieved:</p> <ul style="list-style-type: none"> a) Utilisation of an e-procurement system to invite quotations in which leads and tenders are advertised; b) Publication of tender awards on National Treasury e-Portal; and c) Utilisation of PT Website to publish policies and guidelines, procurement instructions and templates.

Targeted/Desired arrangements 2017/18	Actual arrangements 2017/18
<p>Value for money: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Provide support and advice to all Citizens and SMME's within the Western Cape Province. b) Clients get useful and useable information at no cost. 	<p>Value for money: The desired arrangements were met and in addition the following were achieved:</p> <ul style="list-style-type: none"> a) Training of officials and suppliers on procurement requirements. b) Review of departmental spend and procurement activities in terms of procurement planning. c) Provide support assistance and guidance, tools templates and checklists to departments to ensure efficiency gains in departmental procurement processes.

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

Targeted/Desired arrangements 2017/18	Actual arrangements 2017/18
<p>Consultation: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Workshops b) Written correspondence c) Telephonically d) Emails e) During the Supplier Open Days f) Roadshows 	<p>Consultation: The desired arrangements were met and in addition the following were achieved:</p> <ul style="list-style-type: none"> a) One-on-one meetings b) Provincial & Local SCM Forums c) Municipal Chief Financial Officers (CFO) Forum. d) District Visits (District Approach strategy) - This has been aligned with our new District Approach Model, where we visit district municipalities and service the entire district at a central geo position/locality.
<p>Courtesy: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Management b) Email c) Telephonically d) Written correspondence e) Face-to-face f) LG SCM: Helpdesk g) Red Tape Reduction Call Centre h) Evaluation questionnaires 	<p>Courtesy: The desired arrangements were met and in addition the following were achieved:</p> <ul style="list-style-type: none"> a) Verbal communication. b) Face-to-face during the district visits.
<p>Access:</p> <ul style="list-style-type: none"> a) Via Provincial Legislature Building, 7 Wale Street, Cape Town. 	<p>Access:</p> <ul style="list-style-type: none"> a) Via Provincial Legislature Building, 7 Wale Street, Cape Town. <p>Additional achievement:</p> <ul style="list-style-type: none"> b) On site visits to clients for accessibility.

Targeted/Desired arrangements 2017/18	Actual arrangements 2017/18
<p>Openness and transparency: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Telephonically b) Written correspondence c) Email d) One-on-one meetings e) Annual Report f) During the Supplier Open Days (evaluation questionnaires) g) Supplier Open Day Report h) Supplier Open Day Article (departmental website) i) Press/Media Article j) Workshops k) Roadshows 	<p>Openness and Transparency: The desired arrangements were met and in addition the following were achieved:</p> <ul style="list-style-type: none"> a) Local Government District SCM Forums and SCM indaba b) Municipal Chief Financial Officers (CFO) Forum <p>Apart from:</p> <ul style="list-style-type: none"> c) Supplier Open Day Report - as all reports are directly issued to municipalities and not published on the departmental Website.
<p>Value for money: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Provide support and advice to all Citizens and SMMEs within the Western Cape Province. b) Clients get useful and useable information at no cost. 	<p>Value for money: The desired arrangements were met and in addition the following were achieved:</p> <ul style="list-style-type: none"> a) Provided onsite and telephonic support and advice to all Citizens and SMMEs within the Western Cape Province. b) Clients received useful and useable information at no cost, in their localities.

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

Targeted/Desired arrangements 2017/18	Actual arrangements 2017/18
<p>Consultation: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Workshops b) Written correspondence c) Telephonically d) Emails e) One-on-one meetings f) District Council Forum (DCF) g) Provincial & Local SCM Forums 	<p>Consultation: Desired arrangements were met by the Department.</p>
<p>Courtesy: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Management b) Email c) Telephonically d) Written correspondence e) Verbal communication f) Face-to-face 	<p>Courtesy: Desired arrangements were met by the Department and in addition the following were achieved:</p> <ul style="list-style-type: none"> a) Advised departments and suppliers on the utilisation of the National Treasury e-Portal and CSD.

Targeted/Desired arrangements 2017/18	Actual arrangements 2017/18
<p>Access: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <p>a) Via Provincial Legislature Building, 7 Wale Street, Cape Town.</p>	<p>Access: Desired arrangements were met by the Department and in addition the following were achieved:</p> <p>a) In the absence of a dedicated venue ongoing support to assist suppliers with CSD registration at 4 Dorp Street, Cape Town</p> <p>b) Assisted suppliers with CSD registration via dedicated Helpdesk.</p>
<p>Openness and Transparency: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <p>a) Telephonically</p> <p>b) Written correspondence</p> <p>c) Email</p> <p>d) One-on-one meetings</p> <p>e) Annual Report</p> <p>f) Workshops</p> <p>g) District Council Forum (DCF)</p> <p>h) Provincial and Local SCM Forums</p>	<p>Openness and Transparency: Desired arrangements were met by the Department and in addition the following were achieved:</p> <p>a) Advised suppliers of the tender information on the National Treasury e-Portal.</p>
<p>Value for Money: In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <p>a) Provide support and advice to all Western Cape Provincial Departments, Public Entities and Suppliers.</p> <p>b) Clients get useful and useable information at no cost.</p>	<p>Value for Money: Desired arrangements were met by the Department and in addition the following were achieved:</p> <p>a) Training provided to officials and suppliers on procurement requirements.</p>

Service Delivery Information Tool

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

Targeted/Desired arrangements 2017/18	Actual arrangements 2017/18
<p>In terms of the Department's SDIP the following were the targeted and desired arrangements:</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) District Council Forum (DCF)</p> <p>f) Provincial & Local SCM Forums</p> <p>g) Municipal Chief Financial Officers (CFO) Forum</p>	<p>All aspects reflected in the desired arrangements column for the year 2017/18 were achieved. Information is stored on a register on an excel format and a quarterly helpdesk performance report is produced to assess gaps within the procurement environment and training needs.</p>

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

Targeted/Desired arrangements 2017/18	Actual arrangements 2017/18
<p>In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Departmental website b) Annual Report c) One-on-one meetings d) Information sessions e) Municipal Chief Financial Officers (CFO) Forum f) Media Adverts g) Hosting Supplier Open Days h) Supplier Open Day Report i) Press/Media j) Telephonically k) Written correspondence l) Email 	<p>All desired aspects were met by the Department and in addition the following were achieved:</p> <ul style="list-style-type: none"> a) SCM Indaba b) SCM Indaba Report

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

Targeted / Desired arrangements 2017/18	Actual arrangements 2017/18
<p>In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Departmental website b) Annual Report c) One-on-one meetings d) Information sessions e) District Council Forum (DCF) f) Provincial & Local SCM Forums 	<p>All aspects reflected in the desired arrangements column for the year 2017/18 were achieved.</p>

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

Targeted/Desired arrangements 2017/18	Actual arrangements 2017/18
<p>In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <p>Through official channels i.e.:</p> <ul style="list-style-type: none"> a) Management b) Face-to-face c) Verbal communication d) Written correspondence e) Email 	<p>All complaints mechanisms as reflected in the targeted/desired column were made available.</p> <p>A complaint's register is maintained to document and track complaints received from suppliers in respect of departmental specific procurement processes.</p> <p>9 complaints received for the financial year suppliers in respect SCM process within departments which have been resolved with the suppliers and departments concerned.</p>

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

Targeted/Desired arrangements 2017/18	Actual arrangements 2017/18
<p>In terms of the Department's SDIP the following were the targeted and desired arrangements: Through official channels i.e.:</p> <ul style="list-style-type: none"> a) Management b) Face-to-face c) Verbal Communication d) Written Correspondence e) Email f) Evaluation Questionnaires g) LG SCM: Helpdesk h) Red Tape Reduction Call Centre 	<p>All complaints mechanisms as reflected in the targeted/desired column were made available apart from:</p> <ul style="list-style-type: none"> a) Red Tape Reduction Call Centre. b) The Red tape reduction centre is not applicable to municipalities. We deal with the issues during our District Visits, and handle the issues at localities.

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

Targeted/Desired arrangements 2017/18	Actual arrangements 2017/18
<p>In terms of the Department's SDIP the following were the targeted and desired arrangements:</p> <ul style="list-style-type: none"> a) Management b) Face-to-face c) Verbal Communication d) Written Correspondence e) Email 	<p>All complaints mechanisms as reflected in the targeted/desired column were made available.</p>

2.3 Organisational environment

The current organisational structure consisting of three hundred and twenty-eight (328) posts was approved by the previous Minister of Finance, in November 2011. As at 31 March 2018 only two hundred and eighty-eight (288) posts were filled.

Despite the high vacancy rate the Provincial Treasury was still able to fully achieve fifty-seven (57) of the sixty (60) programme performance indicators, two (2) programme performance indicators were partially achieved and one (1) was achieved, later than the date specified in the APP. Of the fifty-seven (57) performance indicators achieved eight (8) were overachieved. This achievement can be attributed to the commitment and dedication of the employees of the Provincial Treasury.

The Chief Financial Officer (CFO) retired on 31 October 2017. An Acting CFO was appointed from 1 November 2017 until the post was permanently filled on 1 May 2018. Despite the exit of the CFO the department maintained a clean audit for the 2017/18 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 that affected the mandate of the Provincial Treasury. National Treasury issued instructions in respect of compulsory participation in transversal contracts. It was issued via cost containment Circulars/instructions which is inconsistent with National Treasury Regulations 16A6.5 and section 38(1)(a)(iii) of the PFMA. The Provincial Treasury has raised this with the National Treasury via a provincial position paper and formally via the MEC for Finance with the National Minister of Finance.

National Treasury is in the process of revising the Treasury Regulations. This has had a number of iterations, and once it is issued it may introduce a number of new requirements that may affect the operations of departments. The Treasury is already in the process of pro-actively workshopping some of the changes that it anticipates.

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

In the interim the Preferential Procurement Policy Framework Regulations, Cost Containment Instructions, Transversal contract requirements for various initiatives, revised functionality requirements on the Central Supplier Database, G-commerce, revised BBBEE sector codes, Local Content Instructions, CIDB standards and leasing standards were issued by National Treasury as well as the increase in VAT from 14% to 15% and the draft Guidelines on Transfer Payments which has impacted and will further impact the work and resource capacity of Provincial Treasury.

3. STRATEGIC OUTCOME ORIENTATED GOALS

Programme 1 – Administration

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

Programme 2 – Sustainable Resource Management

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

Programme 3 – Asset Management

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

Programme 4 – Financial Governance and Accounting

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

All Provincial Treasury's initiatives, notably the Corporate Governance Review and Outlook (CGRO), Municipal Governance Review and Outlook (MGRO) are processes that are directly in support of the Chapter 13 of the NDP – Building a capable and developmental state.

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

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

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

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

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

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

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

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

Strategic objectives, performance indicators, planned targets and actual achievements

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

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

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

aspects in accordance with the identified performance management and reporting requirements.

Financial management achieved all its performance indicators. This contributed to the achievement of an unqualified with no material findings audit opinion for the 2017/18 financial year.

Strategic objectives:

PROGRAMME 1: ADMINISTRATION								
Sub-programme 1.1: Office of the Minister								
Strategic objective performance indicator	Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations	
	2014/15	2015/16	2016/17					
1. Number of reports to monitor compliance with statutory and executive requirements	New SOPI	New SOPI	4	4	4	None	None	

Performance indicators:

Sub-programme 1.1: Office of the Minister								
Programme performance indicator	Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations	
	2014/15	2015/16	2016/17					
1.1 Number of formal engagements with the Department on meeting statutory and executive requirements	Revised PI	Revised PI	Revised PI	8	8	None	None	
1.2 Number of formal engagements with the Western Cape Gambling and Racing Board on meeting statutory and executive requirements	Revised PI	New PI	Revised PI	4	4	None	None	

Sub-programme 1.1: Office of the Minister								
Programme performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
1.3	Number of meetings/ engagements with the Consul Generals, members of the Diplomatic Corps and incoming foreign delegations	Revised PI	Revised PI	Revised PI	7	7	None	None

Strategy to overcome areas of under performance

There are no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 1: ADMINISTRATION								
Sub-programme 1.2: Management Services								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
2.	Number of material Human Resource Management and Performance Management audit findings	0	0	0	0	0	None	None

Performance indicators:

Sub-programme 1.2: Management Services								
Programme performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
2.1	Number of prescribed performance plans and reports submitted	7	6	7	7	6	1	1 Evaluation Report not finalised due to the longer than planned time taken to finalise matters pertaining to the roll-out of the evaluation. Evaluation will be done in the 2018/19 financial year.
2.2	Number of reports on the implementation of the Workforce Plan	Revised PI	Revised PI	4	4	4	None	None

Strategy to overcome areas of under performance

The evaluation will be done in the 2018/19 financial year.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 1: ADMINISTRATION								
Sub-programme 1.3: Financial Management								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
3.	Number of material financial management audit findings	0	0	0	0	0	None	None

Performance indicators:

Sub-programme 1.3: Financial Management								
Programme performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
3.1	Number of IYM reports	12	12	12	12	12	None	None
3.2	Number of Budget Submissions	4	4	4	4	4	None	None
3.3	Number of Corporate Reports	4	4	4	4	4	None	None

Strategy to overcome areas of under performance

There are no areas of under performance.

Changes to planned targets

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

Sub-programme expenditure

Sub-programme name	2017/18			2016/17		
	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	6 511	6 078	433	6 045	5 660	385
1.2 Management Services	26 826	25 100	1 726	20 909	20 115	794
1.3 Financial Management	26 840	26 314	526	23 980	23 762	218
Total	60 177	57 492	2 685	50 934	49 537	1 397

4.2 Programme 2: Sustainable Resource Management

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

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

Sub-programme 2.1: Programme Support

Sub-programme 2.2: Fiscal Policy

Sub-programme 2.3: Budget Management

Sub-programme 2.4: Public Finance

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

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

Strategic objectives, performance indicators, planned targets and actual achievements

Fiscal Policy

Research and analysis undertaken on the Provincial and Local Government Fiscal system in 2017/18 informed the development of the provincial and local government fiscal policy. Research undertaken include a focus on the provincial and local government fiscal framework including the implications of the current economic environment and how it impacts on the fiscal sustainability of the provincial government and municipalities. The focus included translating the research and analysis into budget policy formulation and fiscal framework of the Province and formulation of the Provincial Fiscal Strategy. The Fiscal Strategy combines elements of revenue and expenditure management to deliver a balanced and sustainable budget. On the Local Government front, the focus included strengthening research and fiscal policy focus to inform intergovernmental discussions on fiscal policy matters and strengthening integration between fiscal and budget policy.

The monitoring, analysing and reporting on the provincial revenue, inclusive of cash management, plays a key role in giving effect to the Fiscal Strategy in support of the principles of fiscal sustainability, fiscal consolidation and fiscal discipline. Monitoring and reporting covers own revenue, conditional grants, departmental debt and revenue related policy issues to feed into overall budget process. The directorate also supports the promotion of good governance within the Western Cape Gambling and Racing Board through monitoring and reporting on the performance of the WCGRB and fulfilling strategic oversight responsibilities.

Budget Management

The planning of the 2018 Budget is informed by evidenced-based economic and socio-economic research contained in the 2017 Provincial Economic Review and Outlook and 2017 Municipal Economic Review and Outlook, and subsequent updates to the economic outlook, which set the economic context. The annual Fiscal Policy Seminar, hosted by the Provincial Minister of Finance, attended by economic and fiscal policy specialists across government, academia and the public sector, was held to stimulate thinking on economic and fiscal developments and inform fiscal and budget policy development and action required to enhance economic growth. In November, post the tabling of the 2017 National Medium Term Budget Policy Statement, the 2017 Western Cape Medium Term Budget Policy Statement provided the framework within which the 2018 Budget is formulated and set the economic and fiscal context for the Medium Term Expenditure Framework.

The 2018 Budget took an Integrated Management approach which involves the integration of policy, planning and budgeting for service delivery impact. This process included interaction with a number of stakeholders, including policy direction provided in the Cabinet Bosberaads, engagement within government through Provincial Government Medium Term Expenditure Committee (PG MTEC) and strategic engagements with Western Cape municipalities to further drive joint planning and execution.

The 2017 Local Government Medium Term Expenditure Committee (LG MTEC) engagements, which aim to improve the conformance, responsiveness, credibility and sustainability of municipal budgets were successfully completed. The Western Cape Provincial Government and municipalities also endorsed a revised Integrated Work plan in August 2017 for promoting a more coordinated, integrated and strategic approach to government planning, budgeting and delivery. This laid the foundation for the Strategic Integrated Municipal Engagement in October 2017 which focused on Local Government sustainability and Technical Integrated Municipal Engagements in February 2018 to assist municipalities with the revision or amendment of their 4th Generation Integrated Development Plans.

Public Finance

Government responded to the constrained fiscal environment through the Adjusted Estimates and main budget estimates. The weak economic environment intensified the need to ensure fiscal sustainability. Provincial Government Finance assessed provincial budgets to improve the credibility and sustainability of the budget and monitored the implementation of budgets to enhance accountability, efficiency and data integrity. Fiscal consolidation is part of the Fiscal Strategy and therefore the focus remained on expenditure control within budget limits and stringent management of personnel budgets.

Local Government Finance continued to facilitate and co-ordinate the implementation of the MFMA in Provincial Treasury and municipalities to ensure that the objectives of the Local Government reform agenda is achieved. Implementation of the MFMA is driven through IGR coordination between municipalities, provincial and national departments and other related stakeholders. Key responsibilities include monitoring, support and intervention in respect of MFMA implementation, budget implementation and revenue and expenditure management.

In support of strengthening municipalities' financial management and budgeting practices the unit analysed and reported on the in-year revenue and expenditure management for municipalities.

Increased Infrastructure investment remained a key focus to stimulate economic growth, particularly at a time of subdued economic growth. The unit monitored the infrastructure spending of designated departments and supported the Western Cape Ministerial Infrastructure Coordinating Committee, under the chair of the Provincial Minister of Finance, for the efficient and effective delivery of infrastructure in the Province.

The Western Cape Government's capacity to select, plan, appraise and build infrastructure projects was strengthened through the assessments of User-Asset Management Plans (U-AMPs), Custodian-Asset Management Plan (C-AMP) and related planning documents.

Business Information and Data Management continues to be the enabler for the Programme to execute its responsibilities in relation to client interface, data collating, data and information management and records management for the department and forms an integral part in driving the development of the knowledge information management system for the Provincial Treasury.

Strategic objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT								
Sub-programme 2.1: Programme Support								
Strategic objective performance indicator	Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations	
	2014/15	2015/16	2016/17					
4. Percentage of Programme 2 - Sustainable Resource Management's programme performance indicator targets achieved	100%	100%	100%* 25/25	100%** 25/25	100%** 25/25	None	None	

* Method of calculation 2016/17:

Numerator: Number of achieved performance indicator targets (25)

Denominator: Number of planned performance indicator targets (25)

** Method of calculation 2017/18

Numerator: Number of achieved performance indicator targets (25)

Denominator: Number of planned performance indicator targets (25)

Performance indicators:

Sub-programme 2.1: Programme Support								
Programme performance indicator		Audited/Actual Achieved			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
4.1	Number of quarterly performance reports for Programme 2 - Sustainable Resource Management submitted	New PI	4	4	4	4	None	None

Strategy to overcome/areas of under performance

There are no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT								
Sub-programme 2.2: Fiscal Policy								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
5.	Number of fiscal policy reports	New PI	20	20	20	20	None	None

Performance indicators:

Sub-programme 2.2: Fiscal Policy								
Programme performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
5.1	Number of research reports on the Provincial and Local Government Fiscal System	2	4	4	4	4	None	None

Sub-programme 2.2: Fiscal Policy								
Programme performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
5.2	Number of Provincial Revenue reports	Revised PI	4	4	4	4	None	None
5.3	Number of Cash Management Reports	Revised PI	8	8	8	8	None	None
5.4	Number of reports on the performance of the WCGRB	4	4	4	4	4	None	None

Strategy to overcome areas of under performance

There are no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT								
Sub-programme 2.3: Budget Management								
Element: Provincial Government Budget Office								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
6.	Timeous publication of the Overview of Provincial Revenue and Expenditure	March 2015	March 2016	March 2017	March 2018	March 2018	None	None

Performance indicators:

Sub-programme 2.3: Budget Management								
Element: Provincial Government Budget Office								
Programme performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
6.1	Number of provincial budget policy assessment reports	28	28	28	28	28	None	None
6.2	Timeous publication of the Provincial Economic Review and Outlook	October 2014	October 2015	September 2016	October 2017	29 September 2017	One month earlier	The change of parliamentary schedules to an earlier date resulted in the target being achieved in the 2 nd quarter of the financial year.
6.3	Timeous publication of the Medium Term Budget Policy Statement	November 2014	November 2015	November 2016	November 2017	23 November 2017	None	None

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT								
Sub-programme 2.3: Budget Management								
Element: Local Government Budget Office								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
7.	Number of municipal budgets with effective resource allocations	30	Revised	30	30	30	None	None

Performance indicators:

Sub-programme 2.3: Budget Management								
Element: Local Government Budget Office								
Programme performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
7.1	Number of municipal budget policy assessment reports	30	30	30	30	30	None	None
7.2	Percentage of Quarterly Performance Reports received, assessed	100%	100%	100%*	100%**	100%**	None	None
7.3	Timeous publication of the Municipal Economic Review and Outlook	Revised PI	October 2015	September 2016	October 2017	29 September 2017	One month earlier	The change of parliamentary schedules to an earlier date resulted in the target being achieved in the 2 nd quarter of the financial year.

* Method of calculation 2016/17

Numerator: Number of quarterly performance reports assessed (120)

Denominator: Number of quarterly performance reports received (120)

** Method of calculation 2017/18

Numerator: Number of quarterly performance reports assessed (120)

Denominator: Number of quarterly performance reports received (120)

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT								
Sub-programme 2.4: Public Finance								
Element: Provincial Government Finance								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
8.	Timeous tabling of the Estimates of Provincial Revenue and Expenditure	March 2015	March 2016	March 2017	March 2018	March 2018	None	None

Performance indicators:

Sub-programme 2.4: Public Finance								
Element: Provincial Government Finance								
Programme performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
8.1	Number of provincial budget assessment reports	28	28	28	28	28	None	None
8.2	Number of expenditure reviews	New PI	1	1	1	1	None	None
8.3	Number of quarterly reports on the implementation of the budget	4	4	4	4	4	None	None

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT								
Sub-programme 2.4: Public Finance								
Element: Local Government Finance (Groups 1 and 2)								
Strategic objective performance indicator	Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations	
	2014/15	2015/16	2016/17					
9.	Number of quarterly reports on the implementation of municipal budgets	4	4	4	4	4	None	None

Performance indicators:

Sub-programme 2.4: Public Finance								
Element: Local Government Finance (Groups 1 and 2)								
Programme performance indicator	Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations	
	2014/15	2015/16	2016/17					
9.1	Number of monthly IYM assessment reports on the implementation of the municipal budget	372	372	372	372	372	None	None
9.2	Number of Municipal budget assessment reports	30	30	30	30	30	None	None
9.3	Number of reports on MFMA implementation	4	4	4	4	4	None	None
9.4	Number of efficiency assessments on selected municipal budget expenditure items	New PI	1	1	1	1	None	None

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT								
Sub-programme 2.4: Public Finance								
Element: Infrastructure								
Strategic objective performance indicator	Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations	
	2014/15	2015/16	2016/17					
10. Number of assessments on the institutionalisation of the IDMS	Revised SOPI	5	5	5	5	None	None	

Performance indicators:

Sub-programme 2.4: Public Finance								
Element: Infrastructure								
Programme performance indicator	Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations	
	2014/15	2015/16	2016/17					
10.1 Number of asset management plans assessed	New PI	28	28	28	30	2	Two of the public entities also submitted asset management plans to comply with the GIAM Act, which were assessed by PT.	
10.2 Number of Infrastructure expenditure reports assessed	72	72	72	72	78	6	It was not anticipated at the time of compiling the annual performance plan, that the Department of Social Development (DSD) would be required to submit infrastructure expenditure reports. However, subsequent to the compilation of the annual performance plan the DSD received a DoRA conditional grant. PT has to conduct assessments on the expenditure of the grant. Hence the over-achievement.	

Sub-programme 2.4: Public Finance								
Element: Infrastructure								
Programme performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
10.3	Number of infrastructure project delivery assessments	10	10	10	10	10	None	None
10.4	Number of quarterly reports on the implementation of infrastructure budgets to Cabinet	New PI	New PI	4	4	4	None	None
10.5	Number of developed and tested infrastructure delivery management system(s) in municipalities	New PI	Revised PI	1	1	1	None	None

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

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

Strategic objectives:

Programme 2: SUSTAINABLE RESOURCE MANAGEMENT								
Sub-programme 2.4: Public Finance								
Element: Business Information and Data Management								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
11.	An available central repository	1	1	1	1	1	None	None

Performance indicators:

Sub-programme 2.4: Public Finance								
Element: Business Information and Data Management								
Programme performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
11.1	Number of datasets managed	4	4	4	4	4	None	None
11.2	Number of budget process plans managed	3	3	3	3	3	None	None

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

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

Sub-programme expenditure

Sub-programme name	2017/18			2016/17		
	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	7 004	6 343	661	6 676	6 152	524
2.2 Fiscal Policy	31 714	30 972	742	21 650	21 432	218
2.3 Budget Management	17 977	17 338	639	17 713	17 038	675
2.4 Public Finance	79 333	77 542	1 791	67 904	66 809	1 095
Total	136 028	132 195	3 833	113 943	111 431	2 512

4.3 Programme 3: Asset Management

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

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

Sub-programme 3.1: Programme Support

Sub-programme 3.2: Supply Chain Management

Sub-programme 3.3: Supporting and Interlinked Financial Systems

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

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

Strategic objectives, performance indicators, planned targets and actual performance

Supply Chain Management

As indicated under the section for overall performance of the department, under service delivery environment, the National Treasury SCM Reform process placed tremendous pressure on the programme to manage and mitigate the transversal risks and implementation challenges emanating out of these reforms. These reform processes had to be aligned and customised to suit provincial needs as well as to sustain the governance model already in place for supply chain management and financial systems utilised in the Province.

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

Both the Provincial and Local Government SCM Units fully met their strategic objectives performance indicators and planned targets and in particular instances overachieved due to the prioritised focus required for the implementation and enablement of Preferential Procurement Policy Framework Regulations, 2017. The Central Supplier Database as a result of these developments additional targeted interventions with both SCM practitioners, programme and sub-programme managers, CFOs and accounting officers and the supplier community were spearheaded.

The use of technology, via business intelligence tools and data analyses of procurement information, was strengthened to present SCM performance information to departments to enable better procurement governance requirements and to support improving procurement planning initiatives within departments. Procurement planning and further enablement through the development of empowerment impact assessment criteria and toolkits was a key focus to enable departments with using procurement as a lever for SMME development.

Helpdesk support through query handling, SCM opinions and redress on supplier and practitioner queries emanated in the main due to the added focus on CSD registration and the implementation of BBBEE requirements in both the provincial and local spheres. The SCM Forum together with the SCM Policy, Demand Management, SCM Technology and SCM Capacitation and Development Focus Groups were used to capacitate, create awareness and manage the changes in the SCM environment for the provincial sphere. The i-Develop

process was a further initiative that took flight to determine a baseline for skills gaps within the SCM cadre which will be further implemented and enhanced in the 2018/19 financial year.

The Local Government Supply Chain Management unit assisted all municipal districts to Improve Supply Chain Management and continued to make in-roads to the district approach. The Model is built on strengthening the District Municipalities to give effect to their mandate. This approach became an extended arm of the directorate and district SCM Fora was established which are chaired by Municipal SCM Heads. This approach encourages a certain amount of trust between the municipal fraternity and the province. It also allowed municipal officials to take accountability for its service delivery obligations. The approach led to the over-achievement of the unit's performance targets.

The unit hosted the 2nd SCM Indaba which had the objective to provide a socio-economic context for the imperative of the utilisation of procurement as a significant contributor to inclusive economic growth and development. Through this Indaba, challenges posed by SCM compliance requirements were shared, learnings from both an institutional and business perspective were exchanged and the successful implementation of projects and programmes were showcased in how procurement contributes to economic well-being. The unit made significant strides in SCM Training and Capacity as it spearheaded the short course in Municipal Asset Management. The success of the training programme is the building block for the implementation of the governance structures within municipalities.

Significant achievements were attained despite resource capacity challenges by the Directorate: Provincial Government SCM in which 1 059 queries received from provincial departments, entities and suppliers which were successfully dealt with for the financial year. 11 additional roadshows to the targeted 12 interventions were held in collaboration with the Department of Transport and Public Works, Department of Economic Development and Tourism, Small Enterprise Finance Agency, Small Enterprise Development Agency and the South African Revenue Services in all 6 districts on Central Supplier Database (CSD) awareness/registration Western Cape Supplier Database, Broad Based Black Economic Empowerment and presentations from various stakeholders. This was also part of the Service Delivery Improvement Plan (SDIP) of the Department. The Directorate: Local Government SCM partnered on some of these interventions as well as held the SCM Indaba as indicated above. Other significant achievements include the baseline skills development assessments that were concluded for 9 departments (i.e. i-Develop) and the in-roads made in the utilisation of business intelligence tools to produce performance information for departments.

Supporting and Interlinked Financial Systems

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

The Supporting and Interlinked Financial Systems unit continued to sustain and address improvements and efficiencies within its business model in achieving its strategic objectives targets set. There were no significant changes to the articulation of targets and deliverables as compared to the previous financial year as the focus was internal of business process improvement and business continuity within the unit given its aging capacity and many of its

resources retiring and close to retirement. Hence the unit continued fulfil its mandate in providing assistance to all provincial system users (LOGIS, BAS, PERSAL) with user management services and continually training and capacitating system users to ensure that there is quality and optimal use of the above transversal systems.

The clean-up of system data in preparation for the eventual move to the IFMS has been a key focus area. In the 2017/18 financial year the focus has been on assisting the 13 Provincial Departments with cleaning up of dated commitments, inventory, consumables and ICN reporting levels in preparation and readiness for the IFMS Project implementation. The Directorate has realised the importance of the system data and ensures that it produces reports that are custom made to assist departments with decision-making tools.

Strategic objectives:

Programme 3: ASSET MANAGEMENT								
Sub-programme 3.1: Programme Support								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
12.	Percentage of Programme 3 - Asset Management's programme performance indicator targets achieved	100%	100%	92%* 12/13	100%** 13/13	100%* 13/13	None	None

* Method of calculation 2016/17:

Numerator: Number of achieved performance indicator targets (12)

Denominator: Number of planned performance indicator targets (13)

** Method of calculation 2017/18

Numerator: Number of achieved performance indicator targets (13)

Denominator: Number of planned performance indicator targets (13)

Performance indicators:

Sub-programme 3.1: Programme Support								
Programme performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
12.1	Number of quarterly performance reports for Programme 3 - Asset Management submitted	New PI	4	4	4	4	None	None

Strategy to overcome areas of under performance

There are no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 3: ASSET MANAGEMENT								
Sub-programme 3.2: Supply Chain Management								
Element: Supply Chain Management: Provincial Government								
Strategic objective performance indicator	Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations	
	2014/15	2015/16	2016/17					
13. Number of departments assisted to continuously improve management of supply chain and moveable assets	13	13	13	13	13	None	None	

Performance indicators:

Sub-programme 3.2: Supply Chain Management								
Element: Supply Chain Management: Provincial Government								
Programme performance indicator	Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations	
	2014/15	2015/16	2016/17					
13.1 Number of interventions performed to assist departments with the continuous improvements of their supply chain and asset management systems	Revised PI	Revised PI	Revised PI	26	31	5	The Preferential Procurement Regulations, 2017 were issued by NT that became effective as from 1 April 2017 which necessitated additional interventions and also for awareness creation on WCG Cabinet decision on PPPR which required enablement and implementation of Cabinet resolutions	

Sub-programme 3.2: Supply Chain Management								
Element: Supply Chain Management: Provincial Government								
Programme performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
13.2	Number of SCM/AM and SCM system assessment reports	Revised PI	Revised PI	Revised PI	169	169	None	None
13.3	Number of interventions for strategic sourcing implementation	Revised PI	3	4	3	3	None	None
13.4	Number of supplier engagement sessions held to develop and educate suppliers	11	4	4	12	16	4	Additional interventions for CSD registration required co-partnering with Departments to manage provincial risk profile and audit outcomes for SCM to have suppliers that we do business with registered on the National CSD.

Strategy to overcome areas of under performance

There are no areas of under performance.

Changes to planned targets

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

Strategic objectives:

Programme 3: ASSET MANAGEMENT								
Sub-programme 3.2: Supply Chain Management								
Element: Supply Chain Management: Local Government								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
14.	Number of municipalities assisted to improve management of supply chain and assets	30	30	30	30	30	None	None

Performance indicators:

Sub-programme 3.2: Supply Chain Management								
Element: Supply Chain Management: Local Government								
Programme performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
14.1	Number of municipal SCM and MAM Virtuous Cycle assessment reports	20	22	10	10	10	None	None
14.2	Number of municipalities assisted with the implementation of the model policy for infrastructure procurement	New PI	New PI	5	10	10	None	None
14.3	Number of structured municipal training interventions	14	10	10	12	13	1	Request from the MEC of Finance, to assist Overstrand Municipality with a Special Supplier Intervention Training Session. This emanated from issues of unrest in the Kleinmond area because of the award of municipal contracts.

Sub-programme 3.2: Supply Chain Management								
Element: Supply Chain Management: Local Government								
Programme performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
14.4	Number of municipalities assisted with asset management business process	New PI	Revised PI	15	5	5	None	None
14.5	Number of Municipal Districts assisted with localisation of procurement	New PI	New PI	5	5	5	None	None

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

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

Strategic objectives:

Programme 3: ASSET MANAGEMENT								
Sub-programme 3.3: Supporting and Interlinked Financial Systems								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
15.	Number of votes assisted to effectively utilise the suite of financial systems	14	14	14	14	14	None	None

Performance indicators:

Sub-programme 3.3: Supporting and Interlinked Financial Systems								
Programme performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
15.1	Number of institutions provided with user account management service i.r.o. provincially operated financial systems	118	125	152	147	147	None	None
15.2	Number of votes assisted with planning and preparation i.r.o. all provincially operated financial systems for migration to the IFMS	New PI	Revised PI	11	13	13	None	None
15.3	Number of votes assisted in providing and analysing data	New PI	New PI	New PI	14	14	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	2017/18			2016/17		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
3.1 Programme Support	4 113	3 727	386	4 478	4 217	261
3.2 Supply Chain Management	23 202	22 792	410	18 421	18 191	230
3.3 Supporting and Interlinked Financial Systems	25 996	24 504	1 492	31 934	31 698	236
Total	53 311	51 023	2 288	54 833	54 106	727

4.4 Programme 4: Financial Governance

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

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

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

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

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

Strategic objectives, performance indicators, planned targets and actual achievements**Accounting Services**

The Local Government Accounting Directorate met all its planned targets, except for the target relating to the reports submitted for the MGRO engagements. The reasons for not meeting the target is explained in the table below. The focus was to continue supporting municipalities in complying with the municipal standard chart of accounts (mSCOA)

regulation and GRAP accounting standards. The directorate provided support through the issuing of GRAP checklists and quality reviews of annual financial statements prior to it being submitted to the assurance providers by municipalities. The directorate also provided GRAP training to municipal officials. The mSCOA support provided has also been integral to the municipalities in complying with the regulations.

The Directorate Provincial Government Accounting and Compliance has met all its planned targets for the 2017/18 financial year. The implementation of accounting frameworks based on the Modified Cash Standard for Departments and the GRAP Standards for entities have been stable, yielding consistent audit outcomes.

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

Corporate Governance

The Directorate Corporate Governance achieved all its planned targets for the 2017/18 financial year. The directorate provided focused training on Public Sector Governance, Community of Sponsored Organisations (COSO) in terms of how to implement the 3 lines of defence to aid in the implementation of the combined assurance plans within municipalities and departmental officials, the importance of consequence management in the municipal sphere, in preparation of AGSA's new auditing focus area for municipal officials in the year under review. These initiatives were identified as governance gaps during the MGRO 2017 assessments.

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

This directorate played an instrumental role in spearheading the Technical Integrated Municipal Engagements (TIME) which inculcated a methodology of aligning provincial and local government financial policy, planning and implementation throughout the financial year on review to ensure a continuation and inculcation of support plans identified. These engagements involved Provincial Treasury, the Department of Local Government, Department of Environmental Affairs and Development Planning, select sector departments and municipalities. TIME was conducted, again, during February 2018.

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

Strategic objectives:

PROGRAMME 4: FINANCIAL GOVERNANCE								
Sub-programme 4.1: Programme Support								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
16.	Percentage of Programme 4 - Financial Governance's programme performance indicator targets achieved	100%	100%	100%* 12/13	100%** 13/13	100%** 13/13	None	None

* Method of calculation 2016/17:

Numerator: Number of achieved performance indicator targets (12)

Denominator: Number of planned performance indicator targets (13)

** Method of calculation 2017/18

Numerator: Number of achieved performance indicator targets (13)

Denominator: Number of planned performance indicator targets (13)

Performance indicators:

Sub-programme 4.1: Programme Support								
Programme performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
16.1	Number of quarterly performance reports for Programme 4 – Financial Governance submitted	New PI	4	4	4	4	None	None

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

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

Strategic objectives:

Programme 4: FINANCIAL GOVERNANCE								
Sub-programme 4.2: Accounting Services								
Element: Local Government Accounting								
Strategic objective performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
17.	Number of municipalities supported to comply with the GRAP standards	30	30	30	30	30	None	None

Performance indicators:

Sub-programme 4.2: Accounting Services								
Element: Local Government Accounting								
Programme performance indicator		Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations
		2014/15	2015/16	2016/17				
17.1	Number of Municipalities supported with the accounting reporting framework	30	30	30	30	30	None	None
17.2	Number of Reports submitted for MGRO engagements including progress on mSCOA	Revised PI	New PI	Revised PI	30	29	1	LGA originally planned to submit 30 reports for all Western Cape municipalities. However, when the project was rolled out, no report was required for City of Cape Town as the municipality is non-delegated and the mid-year engagement is driven by National Treasury
17.3	Number of Reports submitted for MTEC engagements	Revised PI	New PI	Revised PI	30	30	None	None

Strategy to overcome areas of under performance

LGA originally planned to submit 30 reports (consisting of a governance section and an mSCOA section) for all Western Cape municipalities. However, when the project was rolled out, only an mSCOA report was prepared for City of Cape Town, as the governance matters were covered by National Treasury in the mid-year engagement. The LGA unit, however, does monitor aspects of governance in relation to the metro, in line with LGA responsibilities; whilst not submitting a governance report to the metro, we support and monitor the metro on a differentiated basis.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 4: FINANCIAL GOVERNANCE								
Sub-programme 4.2: Accounting Services								
Element: Provincial Government Accounting and Compliance								
Strategic objective performance indicator	Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations	
	2014/15	2015/16	2016/17					
18. Number of votes assisted to comply with financial accounting and governance norms and standards	14	14	14	14	14	None	None	

Performance indicators:

Sub-programme 4.2: Accounting Services								
Element: Provincial Government Accounting and Compliance								
Programme performance indicator	Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations	
	2014/15	2015/16	2016/17					
18.1 Number of votes assessed with the applicable accounting and norms and standards requirements	14	14	14	14	14	None	None	

Sub-programme 4.2: Accounting Services								
Element: Provincial Government Accounting and Compliance								
Programme performance indicator	Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations	
	2014/15	2015/16	2016/17					
18.2	Number of accounting training interventions	6	5	5	5	6	1	An additional training session on the Modified Cash Standard was provided to all departments to facilitate improved financial reporting.
18.3	Timeous Publication and tabling of the ACFS	1 month after receipt of audited AFS	1 months after receipt of audited ACFS	1 month after receipt of audited ACFS	1 month after receipt of audit report on the ACFS	Audited ACFS tabled on 29 January 2018	10 days	A letter was tabled with the speaker of parliament for a delay in tabling of the annual consolidated financial statements, indicating that it would be tabled by 31 January 2018. The audit report was received on 18 December 2017.
18.4	Number of CGRO assessment reports coordinated per vote	4	4	4	4	4	None	None
18.5	Number of quarterly governance engagements with departments	New PI	New PI	New PI	2	2	None	None

Strategy to overcome areas of under performance

To address the timeous tabling of the consolidated annual financial statements, we will submit a report to parliament when the audit report is received, whilst simultaneously going ahead with the procurement process for the publication of the ACFS.

Changes to planned targets

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

Strategic objectives:

Programme: CORPORATE GOVERNANCE								
Sub-programme 4.3: Corporate Governance								
Strategic objective performance indicator	Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations	
	2014/15	2015/16	2016/17					
19.	Number of municipalities assisted to improve corporate governance	30	30	30	30	30	None	None

Performance indicators:

Sub-programme 4.3: Corporate Governance								
Programme performance indicator	Audited/Actual Achievement			Planned target 2017/18	Actual achievement 2017/18	Deviation from planned target to actual achievement for 2017/18	Comment on deviations	
	2014/15	2015/16	2016/17					
19.1	Number of municipal support initiatives on integrated capacity building and training	11	15	10	10	10	None	None
19.2	Number of municipal MGRO assessment reports	2	2	1	28	28	None	None
19.3	Number of municipal support initiatives on Governance, Risk and Control	41	20	12	12	12	None	None
19.4	Number of municipalities and departments supported with financial delegation framework and policies	Revised PI	Revised PI	Revised PI	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 planned targets, but performance exceeded the planned targets.

Linking performance with budgets

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

Sub-programme expenditure

Sub-programme Name	2017/18			2016/17		
	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	6 377	5 741	636	4 904	4 493	411
4.2 Accounting Services	19 597	18 873	724	18 070	17 084	986
4.3 Corporate Governance	13 103	12 820	283	11 864	11 350	514
Total	39 077	37 434	1 643	34 838	32 927	1 911

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 R19.707 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	19 707	19 707	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 2017 to 31 March 2018.

Name of transferee	Purpose for which the funds were used	Compliance with s38(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	33 130	5 084	Due to the funds being transferred to the municipalities during the latter part of the financial year the municipalities were not able to expend all funds transferred before 31 March 2018.
Departmental agencies and accounts	SABC TV licences	Yes	4	4	None
Households	Bursaries and leave gratuity	Yes	3 482	3 482	None
Gifts and donations	Best performing Previously Disadvantaged School and Essay writing competition	Yes	52	52	None

The table below reflects the transfer payments which were budgeted for in the period 1 April 2017 to 31 March 2018, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for R'000	Amount transferred R'000	Reasons why funds were not transferred
None				

6. CONDITIONAL GRANTS

6.1 Conditional grants and earmarked funds paid

Western Cape Financial Management Support Grant

Department/Municipality to whom the grant has been transferred	Various municipalities across the Western Cape Province.
Purpose of the grant	To provide financial assistance to Municipalities to improve overall financial governance within municipalities inclusive of optimising and administration of revenue, improving credibility and responsiveness of municipal budgets, improving of municipal audit outcomes and addressing institutional challenges.
Expected outputs of the grant	<ul style="list-style-type: none"> • Strengthening of IT systems to deliver reports required for financial management improvement. Improvements in data quality that informs the IDP and SDBIPs. • Training and support to municipalities for IT usage. • Improved revenue streams and transparency in tariff setting. • Improvements to internal and external reporting on budget performance (in-year reports). • Compliance with regulatory requirements related to performance management and improvement in the usefulness and reliability of reported information against PDOs. • Improved SCM compliance and regulatory conformance. • Improvement in Financial Governance issues (Updating and creation of municipal websites, improved internal audit and risk units). • Improved audit outcomes.
Actual outputs achieved	<ul style="list-style-type: none"> • Strengthened financial and IT related systems and capacitated staff. • Improved data quality that informs the IYM, IDP and SDBIPs. • Improved revenue estimation and transparency in tariff setting. • Improved internal and external reporting on budget performance. • Improved compliance with regulatory requirements related to performance management. • Improvement in the usefulness and reliability of reported information against PDOs. • Improved SCM compliance and regulatory conformance. • Improvement in financial governance issues such as internal audit and risk management. • Improved audit outcomes.
Amount per amended DoRA (R'000)	R33.966
Amount transferred (R'000)	R33.130
Reasons if amount as per DoRA not transferred	None
Amount spent by the department/municipality (R'000)	An amount of R33.130 million was transferred to municipalities as at 31 March 2018, The amount spent by the municipalities was not yet known as at 31 March 2018.
Reasons for the funds unspent by the entity	None
Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> • Monitoring and management of the programme (outputs and intended outcomes). • Transfer funds to municipalities to assist implementation of the MFMA and its supporting regulations. • Finalise and agree on business plans with affected municipalities. • Ad hoc visits by the Department to monitor the impact and the appropriateness in terms of the spending of the funds allocated.

6.2 Conditional grants and earmarked funds received

None.

7. DONOR FUNDS

7.1 Donor Funds Received

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

8. CAPITAL INVESTMENTS

8.1 Capital investment, maintenance and asset management plan

The Department has no capital assets of its own as these are managed by the Department of Transport and Public Works (TPW). Annually it is expected of the Department to submit an Immoveable User-Asset Management Plan (U-AMP). Two U-AMPs were submitted to TPW during the reporting period. The U-AMP did not include any funds for capital works. However, the Infrastructure Directorate within the Provincial Treasury assisted the other key provincial departments to improve the degree and quality of infrastructure delivery. This included enhanced planning and more efficient procurement methodologies. The Infrastructure Delivery Management System or the WC-IDMS as approved by the Provincial Cabinet, is being systematically rolled-out and should set the tone for further infrastructure delivery improvements within the Province.

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

PART C

Governance

PART C: GOVERNANCE

1. INTRODUCTION

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

2. RISK MANAGEMENT

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

In compliance with the National Treasury Public Sector Risk Management Framework (PSRMF) and to further embed risk management within the Department, the Provincial Top Management of the Western Cape Government (WCG) has adopted the ERM Policy Statement on 14 March 2017 which sets out the WCG's overall intention with regard to ERM. The Department adopted the ERM Policy for the period 2016/17 - 2017/18, approved by the Accounting Officer on 19 April 2016; and an ERM Strategy and Implementation Plan for 2017/18, approved by the Accounting Officer on 6 April 2017. The ERM Implementation Plan gave effect to the departmental ERM Policy and Strategy and outlines the roles and responsibilities of management and staff in embedding risk management in the department.

Enterprise Risk Management Committee

The Provincial Treasury has established an Enterprise Risk Management Committee (ERMCO) to assist the Accounting Officer in executing his respective responsibilities related to risk management. The ERMCO also aims to assist the Accounting Officer in creating an appropriate culture and system within which the practice of risk management and fraud prevention can take root and flourish. The Committee operates under a charter approved by the Accounting Officer on 5 May 2017. The Committee comprises of the members of the top management of the Department as well as the provincial partners in the areas of Enterprise Risk Management, Internal Audit and on invitation Provincial Forensic Services.

As per the charter the Committee should meet at least once a quarter. The Committee meetings during the financial year under review were attended as follows:

Member	Position	No. of scheduled meetings	No. of meetings attended
Mr Z Hoosain	Head of Department: Provincial Treasury	4	4
Mr H Malila	Deputy Director-General: Fiscal and Economic Services	4	3*
Mr Hardien	Deputy Director-General: Governance and Asset Management	2	2
Ms M Korsten	Chief Director: Public Policy Services	4	2
Ms J Gantana	Chief Director: Provincial Government Public Finance	4	3*
Mr M Sigabi	Acting Chief Director: Local Government Public Finance	4	1*
Mr I Smith	Chief Director: Asset Management	4	2*
Mr Hardien	Chief Director: Financial Governance & Accounting	2	2
Mr A Gildenhuis	Chief Financial Officer	2	2
Ms U Brink	Acting Chief Financial Officer	2	2
Ms A Smit	Director: Strategic and Operational Management Services	4	4
Adv E Pretorius	Head of Office: Ministry	4	2
Mr M Williams	Director: Internal Audit	4	2*
Ms B Beukes	Deputy Director: Internal Audit	4	3
Ms A Haq	Director: Provincial Enterprise Risk Management	4	1
Ms G Solomons	Chief Risk Advisor	4	4
Mr N Tembani	Risk Advisor	4	4
Ms B Cebukhulu	Department of the Premier: Provincial Forensic Services	2	1*

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

Risk management process

During the period under review, Provincial Treasury assessed its risks that might impede the achievement of the department's objectives. Risk assessments are conducted on a strategic level on an annual basis and updated quarterly. At a programme or operational level, the risk assessments are conducted on a quarterly basis in order to review and update the existing risks and to identify emerging risks under the guidance of ERM within DoTP. Significant risks relevant to objectives were assessed in terms of its likelihood and impact; risk treatment plans are developed and managed by allocated risk owners. The ERM unit had risk sessions with managers on a quarterly basis to update the department's strategic and operational risks. These were discussed and evaluated in quarterly ERMCO meetings.

ERMCO evaluates the effectiveness of mitigating strategies to address the material risks of the department, reviews all risks outside the tolerance levels for further action/attention. This process also feeds into the evaluation of the performance environment of the Department during their Quarterly Performance Review sessions.

The activities within ERMCO also culminate into quarterly cluster audit committee 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 on pages 98 to 100 of Part C of this document.

3. FRAUD AND CORRUPTION

As part of the Western Cape Government's (WCGs) commitment to maintaining a zero-tolerance stance towards fraud, theft and corruption the WCG Anti-Corruption Strategy was adopted by the Provincial Top Management. The Department is committed to zero-tolerance with regard to corrupt, fraudulent or any other criminal activities, whether internal or external, and will vigorously pursue and prosecute by all legal means available, any parties who engage in such practices or attempt to do so.

The Department has an approved Fraud and Corruption Prevention Plan 2017/18 - 2018/19 approved on 27 March 2017 which was communicated to the officials within the Department via a Finance Instruction (FI) 2 of 2017. Furthermore, the Fraud Prevention Implementation Plan for 2017/18 was approved on 30 June 2017 which gives effect to the Fraud Prevention Plan.

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

Employees who blow the whistle on suspicions of fraud, corruption and theft are protected if the disclosure is a protected disclosure (i.e. meets statutory requirements e.g. was made in good faith). In this regard the transversal Whistle-blowing Policy provides guidelines to employees on how to raise concerns with the appropriate line management, specific designated persons in the WCG or external institutions, where they have reasonable grounds for believing that offences or improprieties have been or are being perpetrated within the WCG. The opportunity to remain anonymous is afforded to any person who would like to report acts of fraud, theft and corruption and should they do so in person, their identities are kept confidential by the person to whom they are reporting.

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

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

Open cases as at 1 April 2017	0
New cases (2017/18)	0
Closed cases (2017/18)	0
Open cases as at 31 March 2018	0

The following table further analyses the closed cases indicated above:

Outcome of cases closed	
Outcome	Number
Allegations substantiated	0
Only preliminary investigation with no adverse findings	0
Only preliminary investigation with no findings but with recommendations	0

4. MINIMISING CONFLICT OF INTEREST

In terms of Chapter 2 – Conduct, Financial Disclosure, Anti-corruption and Ethics Management, Part 2 – Financial Disclosure of the Public Service Regulations (PSR), 2016 read with the Determination on other categories of designated employees to disclose their financial interest and Directive on the form, date and financial interests to be disclosed issued by the Minister for the Public Service and Administration the financial disclosures of Senior Management Services (SMS) members were completed and submitted to the Public Service Commission (PSC) and the Department of Public Administration (DPSA). The officials on salary level 11 and 12 as well as the officials within the Supply Chain Management and Financial Accounting unit completed their financial disclosures for the period 2017/18.

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

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

Provincial Government Supply Chain Management also on a quarterly basis informs the Accounting Officer of employees who has a registered supplier profile on the WCSD/CSD. During the reporting period two potential conflicts were identified. These were investigated and no actual conflict was identified.

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

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

5. CODE OF CONDUCT

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

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

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

The explanatory manual on the Code of Conduct for Public Service is provided to all new employees and forms part of the induction programme offered to all new employees.

The manual is accessible on the Department's intranet.

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

6. HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES

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

The Department occupies parts of buildings of which it is not the custodian, but provides and maintains, as far as possible a working environment that is safe and without risks to the health and safety of the employees. The Department ensured that it remains as far as possible compliant to the Occupational Health and Safety Act and thus ensured a functional

departmental Occupational Health and Safety Committee, having the necessary equipment and capacity. The Health and Safety Representatives conduct regular inspections and deficiencies are reported to the building custodian. During the period under review, the Department implemented an approved Evacuation Contingency plan which has been communicated to employees and also accessible in the dedicated spaces in the corridors. The Departmental Occupational Health and Safety policy statement is in its final consultation stages and it is envisaged to be approved in the new financial year.

7. ACCESS TO INFORMATION

During the 2017/18 financial year, the Department managed the request for information in terms of the Promotion of Access to Information Act, 2000. The Department submitted its section 32 report for the financial year to the Human Rights Commission and also submitted its section 15 automatically available information to the Minister of Justice and Constitutional Development for publication in the Government Gazette. The Department's section 14 manual was also submitted to the Human Rights Commission and is available on the official website in all three official languages.

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

8. STANDING COMMITTEES

Date of Meeting	Committee	Subject	Response from Department
27 July 2017	Budget Committee	The Department was invited to brief the Budget Committee on the 2016/17 4 th Quarter Performance (Financial and Non-Financial).	The Department briefed the committee on 27 July 2017.
17 August 2017	Budget Committee	The Department was invited to brief the Budget Committee on the Western Cape Adjustments Appropriation (Emergency Funds) Bill, 2017.	The Department briefed the committee on 17 August 2017.
24 August 2017	Budget Committee	The Department was invited to brief the Budget Committee on the 2017/18 1 st Quarter Performance (Financial and Non-Financial).	The Department briefed the committee on 24 August 2017.
29 September 2017	Budget Committee	The Department was invited to brief the Budget Committee on the following: <ol style="list-style-type: none"> 1. Provincial Economic Review and Outlook (PERO) & Municipal Economic Review and Outlook (MERO); and 2. 2016/17 Annual Reporting Process. 	The Department briefed the committee on 29 September 2017.

Date of Meeting	Committee	Subject	Response from Department
23 November 2017	Budget Committee	<p>The Department was invited to brief the Budget Committee on the following:</p> <ol style="list-style-type: none"> 1. Western Cape Adjustment Estimates Appropriation Bill; 2. Medium Term Budget Policy Statement; and 3. 2017/18 2nd Quarter Performance (Financial and Non-Financial). 	The Department briefed the committee on 23 November 2017.
06 March 2018	Budget Committee	<p>The Department was invited to brief the Budget Committee on the following:</p> <ol style="list-style-type: none"> 1. Western Cape Appropriation Bill, 2018; and 2. Western Cape Additional Adjustments Appropriation Bill (2017/18 Financial Year), 2018 Vote 8 Human Settlements and Vote 17 Local Government. 	The Department briefed the committee on 6 March 2018.
20 March 2018	Budget Committee	The Department was invited to brief the Budget Committee on the 2017/18 3 rd Quarter Performance (Financial and Non-Financial).	The Department briefed the committee on 20 March 2018.
19 September 2017	Standing Committee of Finance	<p>The Department was invited to brief the SCOF Committee on the 4th Quarter Performance Report for the period January 2017 - March 2017.</p> <p>The following Resolutions emanated from the meeting and the Department was requested to submit the following:</p> <ol style="list-style-type: none"> 1. A list of all the students making use of the study grant which is co-funded by Provincial Treasury and municipalities. 2. A list of all the vacant funded posts and a list of the critical posts. 3. A breakdown of the R233 000 in Programme 2 for infrastructure and the reason for the underspending. 4. A report on the Swellendam Municipal Student Support Programme. 	<p>The Department briefed the committee on 19 September 2017.</p> <p>A response was submitted to the Chairperson on 18 December 2017.</p>
27 September 2017	Standing Committee of Finance	The Department was invited to brief the SCOF Committee on the 1 st Quarter Performance Report for the period April 2017 - June 2017.	The Department briefed the committee on 27 September 2017.

Date of Meeting	Committee	Subject	Response from Department
24 October 2017	Standing Committee on Finance	<p>The Department was invited to brief the committee on the Annual Report for the 2016/17 financial year.</p> <p>The following Resolutions emanated from the meeting and the Department was requested to submit the following:</p> <ol style="list-style-type: none"> 1. A list of schools and students who have received funds under the Provincial Treasury and Nedbank Joint Bursary Programme as well as the criteria used and/or applied in granting funds to students. 2. A copy of Provincial Treasury's Employment Equity Plan and its Workforce Plan. 3. A report that clarifies the content of the term "various" under nature of the Project relating to Programme 2: Department of the Premier, on page 122, of the Annual Report. 4. An update on the status of the accommodation for the Board. 5. A copy of the Board and Provincial Treasury's Social Economic Report. 6. A list of consultants utilised by Provincial Treasury. 7. A report on the R18.6 million redistribution to the Kenilworth Racecourse. 8. Reasons as to why the Department of Agriculture had not tabled its 2016/17 Annual Report. 9. The impact of the non-tabling of the 2016/17 Annual Report on the 2017/18 and the 2018/19 Budget process. 	<p>The Department briefed the committee on 24 October 2017.</p> <p>A response was submitted to the Chairperson on 18 December 2017.</p>
24 November 2017	Standing Committee of Finance	The Department was invited to brief the committee on the Western Cape Adjustments Appropriation Bill 2017.	The Department briefed the committee on 24 November 2017.
9 March 2018	Standing Committee of Finance	The Department was invited to brief the committee on the Western Cape Appropriation Bill, 2018.	The Department briefed the committee on 9 March 2018.

Date of Meeting	Committee	Subject	Response from Department
		<p>The following Resolutions emanated from the meeting and the Department was requested to submit the following:</p> <ol style="list-style-type: none"> 1. A copy of the approved funded vacant posts and unfunded posts. 2. A copy of the Bursary Funding Programme, the Municipal Bursary Programme and its Co-Funding Programme. 3. A copy of the academic progress of the Interns. 4. A progress report on the implementation of the Generally Recognised Accounting Practices of Kannaland Municipality. 5. A list of sales of Goods and Services that comprises of less than 0.2 of the Departmental receipts as listed on page 90 of the 2018 Budget Estimates of Provincial Revenue and Expenditure. 6. A written view on the dispute between the Auditor-General and the Department of Agriculture (as reported in the 2016/17 Annual Report of Provincial Treasury). 7. A review of possible legislative amendments relating to the Western Cape Gambling & Racing Board (the Board) in relation to: <ol style="list-style-type: none"> a. The appointment of Board members with specific reference to the Minister considering the Committee's next candidate on the list of persons recommended after the most recent interviews, this will ensure a more efficient appointment process. b. The removal of Board members in the event that this action is required. 8. A summary of payments and estimates by economic classification as listed on page 109 of the 2018 Budget Estimates of Provincial Revenue and Expenditure related to payments for "Consultants and professional services: business and advisory services". 9. An action plan on how gender budgeting can be implemented to fund women empowerment projects. 	<p>A response was submitted to the Chairperson on 25 April 2018.</p>

9. SCOPA RESOLUTIONS

The Committee noted the audit opinion of the AGSA regarding the annual financial statements of the Department for the 2016/17 financial year, having obtained a clean audit report with no findings. This audit opinion remains unchanged from the 2015/16 financial year.

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

On 24 October 2017, the WCPP tabled an erratum on behalf of Provincial Treasury (ATC 77 - 2017).

The errata affected the following financial data of the Annual Report of the Department for the 2016/17 financial year, as follows:

Page 135: Appropriation Statement

- Departmental receipts changed to R146.275 million.
- Total revenue changed to R400.823 million.

Page 149: Statement of Financial Performance

- Departmental revenue changed to R146.275 million.
- Total revenue changed to R400.823 million.
- Surplus for the year changed to R152.822 million.
- Departmental revenue and PRF receipts changed to R146.275 million.
- Surplus for the year changed to R152.822 million.

Page 163: Note 2: Provincial and Departmental Revenue

- Departmental revenue changed to R146.275 million.
- Own revenue included in appropriation changed to R433.529 million.

Page 173: Note 12: Departmental revenue and PRF receipts to be surrounded to the Revenue Fund

- Transfer from Statement of Financial Performance (as restated) changed to R146.275 million.
- Own revenue included in appropriation changed to R433.529 million.

Page 174: Note 14: Net cash flow available from operating activities

- Net surplus as per the Statement of Financial Performance changed to R152.822 million.
- Add back non cash/cash movements not deemed operating activities changed to R153.787 million.
- Other non-cash items changed to R433.529 million.

Pages 127 to 134: Report of the AGSA for the year ended 31 March 2017

A new report was issued by AGSA, dated 20 October 2017, which replaced the Report contained in the printed Annual Report of the Department.

Financial management

Provincial Treasury spent R248.001 million of a budget of R254.548 million, which resulted in a material under-expenditure of R6.547 million (2.6%).

The material under-expenditure of R6.547 million occurred under the following “goods and services” economic indicators:

- Administration (R1.397 million);
- Sustainable Resource Management (R2.512 million);
- Asset Management (R727 000); and
- Financial Governance (R1.911 million).

In addition, the total departmental revenue budget of R433.529 million was over-collected by R146.275 million, which resulted in a departmental receipt of R579.804 million.

The revenue over-collection was due to the following factors:

- Tax receipts (casino and horse racing taxes);
- Sale of goods and services;
- Interest, dividends and rent on land;
- Fines, penalties and forfeits;
- Sale of the Departmental capital assets; and
- Financial transactions in assets and liabilities.

The Committee wishes to bring to the attention of the Department the new pronouncements, which are considered as emerging risks and which requires continuous monitoring, as follows:

Modified Cash Standard;

- Componentisation of assets; and
- Inventory.

For the 2016/17 financial year, the Department recorded a financial end-of-year balance of R2 000 for fruitless and wasteful expenditure and paid all invoices within 30 days.

SCOPA Resolution	Action taken on SCOPA Resolutions including associated costs	Impact on future financial years
That the Department introduces a mitigating mechanism that would ensure that the underspending of the Department remains within the allowable limit of 2% either in over- or under expenditure and, thereafter, brief the Committee on the implementation of such a mechanism.	The response was submitted to the Chairperson of the Public Accounts Committee (PAC): Mr FC Christians (MPP) on 7 March 2018. A Presentation was also made to the Committee on 3 June 2018.	None.
That the Department implements a consequence management mechanism to mitigate any future losses of IT equipment, and thereafter brief the Committee on the implementation of such a mechanism.	The response was submitted to the Chairperson of the Public Accounts Committee (PAC): Mr FC Christians (MPP) on 7 March 2018. A Presentation was also made to the Committee on 3 June 2018.	None.

10. PRIOR MODIFICATIONS TO AUDIT REPORTS

No modifications were made to prior audit reports.

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

11. INTERNAL CONTROL

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

- Financial Instructions (FI) were issued during the 2017/18 financial year:
 - FI 2 of 2017 Fraud Prevention Plan;
 - FI 8 of 2017 Roles and Responsibilities for the Implementation of an Effective, Efficient and Transparent System of Internal Control; and
 - FI 9 of 2017 Financial Instruction on Financial Misconduct and Criminal Proceedings.
- Followed-up on the outstanding Internal Audit findings that were handed over to Internal Control and pursued them further in liaison with the relevant managers where after feedback was provided to the CFO, AO and Audit Committee.
- Monthly reported all payments which were not paid within 30 days to the PFMA Compliance Unit for the financial year and the Audit Committee.
- Updated the CGRO database on a quarterly basis that was presented at several fora.
- Updated and submitted the AGSA key controls to the Auditor-General on a quarterly basis for the CFO and AOs approval.
- Loss management investigations of Losses, Irregular Expenditure, Fruitless and Wasteful Expenditure and GG vehicles were maintained and driven as a priority area.
- Performed post auditing functions on 100 per cent of the BAS, LOGIS payments and T&S claims which ensured that payments were in accordance with prescripts that improved standards of financial administration for audit purposes. Deviations were reported quarterly to the respective units.
- Performed random checks on payments to ensure that cost containment measures were adhered to.
- Conducted inspections on Disposal Process, Store Items and Petty Cash. Follow-up inspection were performed on Asset Management: Notebooks, GG vehicles: Log Books, SCM: Contract Management and Granting and acceptance of gifts, donations and sponsorships in cash or kind.
- Provided the following secretariat functions to the ERMCO that included:
 - Compiling the minutes for the ERMCO meeting for each quarter;
 - Ensured that the Operational Risk Register and Strategic Risk Register were updated and signed off by the relevant SMS member and the AO;
 - Ensured that the Enterprise Risk Management Policy was updated and issued;

- Ensured that the terms of reference of ERMCO was updated and issued; and
- Ensured that the Enterprise Risk Management Strategy and Implementation Plan was updated and issued.
- Provided the support functions to the Provincial Forensic Services Unit (PFS) that included four awareness sessions with officials and assisted PFS to update the fraud risk register.
- Quarterly submission of the IYM, AGSA key controls, Tracking sheet, QPR and CGRO documents to the G&A Cluster Audit Committee meeting.

12. INTERNAL AUDIT AND AUDIT COMMITTEES

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

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

Internal Audit work completed during the year under review for the Department included seven assurance engagements, two consulting engagements and nine follow-ups. The details of these engagements are included in the Audit Committee report.

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

- Internal Audit function;
- External Audit function (Auditor-General of South Africa - AGSA);
- Departmental Accounting and reporting;
- Departmental Accounting Policies;

- AGSA management and audit report;
- Departmental In-year Monitoring;
- Departmental Risk Management;
- Internal Control;
- Predetermined objectives; and
- Ethics and Forensic Investigations.

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

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Mr Mervyn Burton	B Compt; B Compt (Hons); CA (SA)	External	N/A	01 January 2015 (2 nd term)	2 nd term expired 31 December 2017	6
Mr Kerry Raymond Larkin	B Compt; ND FIS; FIASA CIA; CRMA; CCSA	External	N/A	01 January 2018 (1 st term)	N/A	2
Ms Merle Kinnes	BA; LLB; Higher Certificate in Forensics Examination; Attorney of the High Court	External	N/A	01 January 2016 (1 st term)	N/A	8
Mr Mohamed Yaseen Ismail	B Com, PGDA, Certificate in Advanced Taxation, Certificate in Forensic and Investigative auditing, CA (SA), RA (SA), CFE	External	N/A	1 May 2016 (1 st term)	N/A	8
Mr Jeremy James Fairbairn	Certificate in General Management and Consultancy; Hons B Com (Bus. Management); B. Com (Hons.); Higher Diploma in Education; B Com (Law)	External	N/A	1 January 2017 (1 st term)	N/A	6

13. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2018.

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

The Effectiveness of Internal Control

In line with the PFMA and Treasury Regulations, Internal Audit provides the Audit Committee and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved by an approved risk-based internal audit plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective actions.

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

Assurance Engagements:

- Normative Financial Compliance (MFMA)/MGRO Processes;
- DPSA Delegations Framework;
- Provincial Government Accounting;
- Local Government Accounting;
- Transfer Payments;
- Legal and Policy Development; and
- IT Governance: Framework Setting (ICT Audit Plan).

Consulting Engagements:

- Internal Control: Follow-up Process; and
- COSO Consulting Engagement.

The above assignments were completed during the year.

The areas for improvement, as noted by Internal Audit during performance of their work, were agreed to by management. The Audit Committee monitors the implementation of the agreed actions on a quarterly basis. The Audit Committee notes management's commitment to improving the level of implementation of agreed management action plans.

In-Year Management and Monthly/Quarterly Report

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

Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the Audited Annual Financial Statements to be included in the Annual Report, with the Auditor-General South Africa (AGSA) and the Accounting Officer;
- reviewed the AGSA's Management Report and Management's responses thereto; and
- reviewed changes to accounting policies and practices as reported in the Annual Financial Statements.

Compliance

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

Provincial Forensic Services

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

Performance Information

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

Auditor-General's Report

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

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

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

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

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

A handwritten signature in black ink, appearing to read 'K R Larkin', with a stylized flourish at the end.

Mr Kerry R Larkin

Chairperson of the Governance & Administration Cluster Audit Committee

Western Cape Provincial Treasury

07 August 2018

PART D

Human Resource Management

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

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

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

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

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

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

2. STATUS OF PEOPLE MANAGEMENT AT THE DEPARTMENT

2.1 Departmental Workforce Planning Priorities

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

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

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

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

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

The Workforce Plan has been reviewed during March/April 2018 to ensure that the Workforce Strategies and key activities remain valid and appropriate to ensure that the Department will meet its strategic mandate for the duration of the period (2016/17 - 2020/21).

2.2 Employee Performance Management

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

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

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

2.3 Employee Wellness

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

The EHW Programme is monitored in the Department through monthly utilisation reports for primary services (24/7/365 telephonic counselling service, online e-Care service and reporting)

and secondary services (face-to-face counselling, trauma and critical incidents, training and targeted intervention, executive coaching, advocacy).

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

2.4 People Management Monitoring

The Department, in collaboration with the CSC monitors the implementation of a range of people management compliance indicators. The monthly Barometer Fact File, that is developed by the Chief Directorate: People Management Practices within the CSC, provides the Department with regular updates on the workforce profile and other relevant people management data to enable decision-making. The indicators include, inter alia, staff establishment information, headcount, people expenditure projections, sick leave patterns, the monetary value of annual leave credits, discipline cases, vacancy rates, staff movement, employment equity etcetera.

During the year under review, the Department furthermore participated in the implementation of the annual Management Performance Assessment Tool (MPAT 1.7) coordinated by the Department of Planning Monitoring and Evaluation (DPME). In this regard, an average score of 3.4 out of 4 was achieved for the people management key performance area (KPA 3).

3. PEOPLE MANAGEMENT OVERSIGHT STATISTICS

3.1 Personnel related expenditure

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

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

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

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

Table 3.1.1 Personnel expenditure by programme, 2017/18

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Goods & Services (R'000)	Personnel expenditure as a % of total expenditure	Average personnel expenditure per employee (R'000)	Number of Employees remunerated
Programme 1	57 492	38 490	9 722	10 767	66.9	258	149
Programme 2	132 195	68 839	136	10 430	52.1	593	116
Programme 3	51 023	35 058	165	15 541	68.7	501	70
Programme 4	37 434	28 785	3 073	8 638	76.9	472	61
Total	278 144	171 172	13 096	45 376	61.5	432	396

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

Table 3.1.2 Personnel expenditure by salary band, 2017/18

Salary bands	Personnel Expenditure (R'000)	% of total personnel expenditure	Average personnel expenditure per employee (R'000)	Number of Employees
Lower skilled (Levels 1 - 2)	1 020	0.6	54	19
Skilled (Levels 3 - 5)	13 375	7.9	145	92
Highly skilled production (Levels 6 - 8)	17 919	10.5	289	62
Highly skilled supervision (Levels 9 - 12)	112 301	65.9	562	200
Senior management (Levels 13 - 16)	25 668	15.1	1 116	23
Total	170 285	100.0	430	396

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

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

Table 3.1.3 Salaries, Overtime, Housing Allowance and Medical Assistance by programme, 2017/18

Programme	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Programme 1	26 711	15.7	63	0.0	619	0.4	1 147	0.7
Programme 2	49 489	29.1	361	0.2	1 083	0.6	1 878	1.1
Programme 3	25 133	14.8	0	0.0	694	0.4	1 233	0.7
Programme 4	22 240	13.1	14	0.0	494	0.3	847	0.5
Total	123 573	72.6	438	0.3	2 890	1.7	5 105	3.0

Table 3.1.4 Salaries, Overtime, Housing Allowance and Medical Assistance by salary band, 2017/18

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)	967	0.6	0	0.0	0	0.0	0	0.0
Skilled (Levels 3 - 5)	9 711	5.7	30	0.0	212	0.1	322	0.2
Highly skilled production (Levels 6 - 8)	13 400	7.9	76	0.0	549	0.3	1 027	0.6
Highly skilled supervision (Levels 9 - 12)	82 654	48.5	332	0.2	1 876	1.1	3 556	2.1
Senior management (Levels 13 - 16)	16 840	9.9	0	0.0	252	0.1	199	0.1
Total	123 573	72.6	438	0.3	2 890	1.7	5 105	3.0

3.2 Employment and vacancies

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

Table 3.2.1 Employment and vacancies by programme, as at 31 March 2018

Programme	Number of active posts	Number of posts filled	Vacancy rate %
Programme 1	58	58	0
Programme 2	108	108	0
Programme 3	64	64	0
Programme 4	59	58	1.7%
Total	289	288	0.3%

Table 3.2.2 Employment and vacancies by salary band, as at 31 March 2018

Salary Band	Number of active posts	Number of posts filled	Vacancy rate %
Lower skilled (Levels 1 - 2)	3	3	0
Skilled (Levels 3 - 5)	23	23	0
Highly skilled production (Levels 6 - 8)	58	57	1.7%
Highly skilled supervision (Levels 9 - 12)	184	184	0
Senior management (Levels 13 - 16)	21	21	0
Total	289	288	0.3%

Table 3.2.3 Employment and vacancies by critical occupation, as at 31 March 2018

Critical Occupations	Number of active posts	Number of posts filled	Vacancy rate %
Cash Management Analyst (LG)	2	2	0
Economist	18	18	0
Expenditure Analyst (PG)	10	10	0
Financial Analyst	17	17	0
Infrastructure Analyst	8	8	0
Procurement Specialist/Analyst	18	18	0
Revenue and Expenditure Analyst (LG)	16	16	0
State Accountant	3	3	0
Total	92	92	0

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

3.3 Job evaluation

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

Table 3.3.1 Job evaluation, 1 April 2017 to 31 March 2018

Salary Band	Total number of posts as at 31 March 2017	Number of posts evaluated	% of posts evaluated	Posts Upgraded		Posts Downgraded	
				Number	Posts upgraded as a % of total posts	Number	Posts downgraded as a % of total posts
Lower skilled (Levels 1 - 2)	3	0	0.0	0	0.0	0	0.0
Skilled (Levels 3 - 5)	23	0	0.0	0	0.0	0	0.0
Highly skilled production (Levels 6 - 8)	58	0	0.0	0	0.0	0	0.0
Highly skilled supervision (Levels 9 - 12)	184	2	0.7	0	0.0	0	0.0
Senior Management Service Band A (Level 13)	15	1	0.3	0	0.0	0	0.0
Senior Management Service Band B (Level 14)	4	1	0.3	0	0.0	0	0.0
Senior Management Service Band C (Level 15)	1	0	0.0	0	0.0	0	0.0
Senior Management Service Band D (Level 16)	1	0	0.0	0	0.0	0	0.0
Total	289	4	1.4	0	0.0	0	0.0

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

Table 3.3.2 Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2017 to 31 March 2018

Beneficiaries	African	Indian	Coloured	White	Total
None					

Table 3.3.3 Employees who have been granted higher salaries than those determined by job evaluation per major occupation, 1 April 2017 to 31 March 2018

Major Occupation	Number of employees	Job evaluation level	Remuneration on a higher salary level	Remuneration on a higher notch of the same salary level	Reason for deviation
Director	1	13	-	7 notch increment	Retention
Total				1	
Percentage of total employment				0.3	

Table 3.3.4 Profile of employees who have been granted higher salaries than those determined by job evaluation, 1 April 2017 to 31 March 2018

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

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

3.4 Employment changes

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

Table 3.4.1 Annual turnover rates by salary band, 1 April 2017 to 31 March 2018

Salary Band	Number of employees as at 31 March 2017	Turnover rate % 2016/17	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate 2017/18
Lower skilled (Levels 1 - 2)	2	66.7%	1	0	1	0	50.0
Skilled (Levels 3 - 5)	37	0.0%	5	0	4	0	10.8
Highly skilled production (Levels 6 - 8)	52	21.9%	3	2	13	1	26.9
Highly skilled supervision (Levels 9 - 12)	193	5.5%	6	1	14	2	8.3
Senior Management Service Band A (Level 13)	15	14.3%	0	1	1	0	6.7

Salary Band	Number of employees as at 31 March 2017	Turnover rate % 2016/17	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate 2017/18
Senior Management Service Band B (Level 14)	4	0.0%	0	0	1	0	25.0
Senior Management Service Band C (Level 15)	2	0.0%	0	0	0	0	0.0
Senior Management Service Band D (Level 16)	1	0.0%	0	0	0	0	0.0
Total	306	9.2%	15	4	34	3	12.1
			19		37		

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

Table 3.4.2 Annual turnover rates by critical occupation, 1 April 2017 to 31 March 2018

Critical Occupation	Number of employees as at 31 March 2017	Turnover rate % 2016/17	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate % 2017/18
Cash Management Analyst (LG)	2	0.0%	0	0	0	0	0.0
Economist	20	0.0%	0	0	1	0	5.0
Expenditure Analyst (PG)	10	0.0%	0	0	0	0	0.0
Financial Analyst	15	0.0%	0	0	0	0	0.0
Infrastructure Analyst	9	0.0%	0	0	0	1	11.1
Procurement Specialist/Analyst	18	5.6%	0	0	1	0	5.6
Revenue and Expenditure Analyst (LG)	17	17.6%	3	0	1	0	5.9
State Accountant	3	33.3%	0	0	0	0	0.0
Total	94	5.4%	3	0	3	1	4.3
			3		4		

Table 3.4.3 Staff leaving the employ of the Department, 1 April 2017 to 31 March 2018

Exit Category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2017
Death	3	8.1	1.0
Resignation*	20	54.1	6.5
Expiry of contract	7	18.9	2.3
Dismissal – operational changes	0	0.0	0.0
Dismissal – misconduct	0	0.0	0.0
Dismissal – inefficiency	0	0.0	0.0
Discharged due to ill-health	0	0.0	0.0
Retirement	4	10.8	1.3
Employee initiated severance package	0	0.0	0.0
Transfers to Statutory	0	0.0	0.0
Transfers to other Public Service departments	3	8.1	1.0
Total	37	100.0	12.1

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

* Resignations are further discussed in Tables 3.4.4 and 3.4.5.

Table 3.4.4 Reasons why staff resigned, 1 April 2017 to 31 March 2018

Resignation Reasons	Number	% of total resignations
Better remuneration	2	10.0
Family/personal circumstances	6	30.0
Interpersonal relationships	2	10.0
Lack of Promotional Opportunity	6	30.0
No reason provided	4	20.0
Total	20	100.0

Table 3.4.5 Different age groups of staff who resigned, 1 April 2017 to 31 March 2018

Age group	Number	% of total resignations
Ages <19	0	0.0
Ages 20 to 24	3	15.0
Ages 25 to 29	8	40.0
Ages 30 to 34	3	15.0
Ages 35 to 39	2	10.0
Ages 40 to 44	3	15.0
Ages 45 to 49	1	5.0
Ages 50 to 54	0	0.0
Ages 55 to 59	0	0.0
Ages 60 to 64	0	0.0
Ages 65 >	0	0.0
Total	20	100.0

Table 3.4.6 Employee initiated severance packages

Total number of employee initiated severance packages offered in 2017/18	None
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Table 3.4.7 Promotions by salary band, 1 April 2017 to 31 March 2018

Salary Band	Number of Employees as at 31 March 2017	Promotions to another salary level	Promotions as a % of total employees	Progressions to another notch within a salary level	Notch progressions as a % of total employees
Lower skilled (Levels 1 - 2)	2	0	0.0	1	50.0
Skilled (Levels 3 - 5)	37	0	0.0	14	37.8
Highly skilled production (Levels 6 - 8)	52	1	1.9	26	50.0
Highly skilled supervision (Levels 9 - 12)	193	4	2.1	144	74.6
Senior management (Levels 13 - 16)	22	0	0.0	10	45.5
Total	306	5	1.6	195	63.7

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

Table 3.4.8 Promotions by critical occupation, 1 April 2017 to 31 March 2018

Critical Occupation	Number of Employees as at 31 March 2017	Promotions to another salary level	Promotions as a % of total employees in critical occupations	Progressions to another notch within a salary level	Notch progressions as a % of total employees in critical occupations
Cash Management Analyst (LG)	2	0	0.0	0	0.0
Economist	20	0	0.0	4	20.0
Expenditure Analyst (PG)	10	0	0.0	3	30.0
Financial Analyst	15	0	0.0	4	26.7
Infrastructure Analyst	9	0	0.0	8	88.9
Procurement Specialist/ Analyst	18	0	0.0	2	11.1
Revenue and Expenditure Analyst (LG)	17	0	0.0	12	70.6
State Accountant	3	1	33.3	2	66.7
Total	94	1	1.1	35	37.2

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

3.5 Employment equity

Table 3.5.1 Total number of employees (including employees with disabilities) in each of the following occupational levels, as at 31 March 2018

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	0	1	1	0	0	0	0	0	0	0	2
Senior management (Levels 13 - 14)	3	5	1	3	0	4	1	1	1	0	19
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	18	46	2	17	27	65	1	8	0	0	184
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	6	4	0	0	7	25	0	6	0	0	48
Semi-skilled and discretionary decision-making (Levels 3 - 5)	5	10	0	0	7	11	0	0	0	0	33
Unskilled and defined decision-making (Levels 1 - 2)	0	1	0	0	0	1	0	0	0	0	2
Total	32	67	4	20	41	106	2	15	1	0	288
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	32	67	4	20	41	106	2	15	1	0	288

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

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

For the number of employees with disabilities, refer to Table 3.5.2.

Table 3.5.2 Total number of employees (with disabilities only) in each of the following occupational levels, as at 31 March 2018

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

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

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

Table 3.5.3 Recruitment, 1 April 2017 to 31 March 2018

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	1	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	1	2	0	0	2	1	0	1	0	0	7
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	0	0	0	0	1	4	0	0	0	0	5
Semi-skilled and discretionary decision-making (Levels 3 - 5)	1	0	0	0	2	2	0	0	0	0	5
Unskilled and defined decision-making (Levels 1 - 2)	0	1	0	0	0	0	0	0	0	0	1
Total	2	3	0	1	5	7	0	1	0	0	19
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	2	3	0	1	5	7	0	1	0	0	19

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

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

Table 3.5.4 Promotions, 1 April 2017 to 31 March 2018

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	2	0	0	0	2	0	0	0	0	4
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

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

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

Note: Promotions refer to the total number of employees who have advanced to a higher post level within the Department, as per Table 3.4.7.

Table 3.5.5 Terminations, 1 April 2017 to 31 March 2018

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	7	0	1	3	3	0	1	0	0	16
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	3	4	0	0	2	1	0	4	0	0	14
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	1	0	0	0	0	0	1
Total	5	14	0	2	6	5	0	5	0	0	37
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	5	14	0	2	6	5	0	5	0	0	37

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

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

Table 3.5.6 Disciplinary actions, 1 April 2017 to 31 March 2018

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

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

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

Table 3.5.7 Skills development, 1 April 2017 to 31 March 2018

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15 - 16)	0	0	1	0	0	0	0	0	1
Senior management (Levels 13 - 14)	1	2	1	2	0	0	0	1	7
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	12	27	2	10	9	20	0	0	80
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	5	2	0	0	3	8	0	1	19
Semi-skilled and discretionary decision-making (Levels 3 - 5)	4	11	0	0	2	5	0	0	22
Unskilled and defined decision-making (Levels 1 - 2)	0	1	0	0	0	0	0	0	1
Total	22	43	4	12	14	33	0	2	130
Temporary employees	0	0	0	0	0	0	0	0	0
Grand total	22	43	4	12	14	33	0	2	130

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

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

3.6 Signing of Performance Agreements by SMS members

Table 3.6.1 Signing of Performance Agreements by SMS Members, as at 31 May 2017

SMS Post Level	Number of active SMS posts per level	Number of SMS members per level	Number of signed Performance Agreements per level	Signed Performance Agreements as % of SMS members per level
Head of Department	1	1	1	100.0
Salary Level 15	2	2	2	100.0
Salary Level 14	3	3	3	100.0
Salary Level 13	16	16	16	100.0
Total	22	22	22	100.0

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

Table 3.6.2 Reasons for not having concluded Performance Agreements with all SMS Members on 31 May 2017

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 2017

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

3.7 Filling of SMS posts

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

Table 3.7.1 SMS posts information, as at 30 September 2017

SMS Level	Number of active SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Head of Department	1	1	100.0%	0	0.0%
Salary Level 15	2	2	100.0%	0	0.0%
Salary Level 14	3	3	100.0%	0	0.0%
Salary Level 13	16	16	100.0%	0	0.0%
Total	22	22	100.0%	0	-

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

Table 3.7.2 SMS posts information, as at 31 March 2018

SMS Level	Number of active SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Head of Department	1	1	100.0%	0	0.0%
Salary Level 15	1	1	100.0%	0	0.0%
Salary Level 14	4	4	100.0%	0	0.0%
Salary Level 13	15	15	100.0%	0	0.0%
Total	21	21	100.0%	0	-

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

Table 3.7.3 Advertising and Filling of SMS posts, as at 31 March 2018

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months after becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Head of Department	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	2	0	0
Total	2	0	0

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

SMS Level	Reasons for non-compliance
Head of Department	N/A
Salary level 16, but not HOD	N/A
Salary Level 15	N/A
Salary Level 14	N/A
Salary Level 13	N/A

Table 3.7.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months

Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts
None.

3.8 Employee performance

The following tables note the number of staff by salary band (Table 3.8.1) and staff within critical occupations (Table 3.8.2) who received a notch progression as a result of performance management (i.e. qualifying employees who scored between 3 - 5 in their performance ratings).

Table 3.8.1 Notch progressions by salary band, 1 April 2017 to 31 March 2018

Salary Band	Employees as at 31 March 2017	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)	37	14	37.8
Highly skilled production (Levels 6 - 8)	52	26	50.0
Highly skilled supervision (Levels 9 - 12)	193	144	74.6
Senior management (Levels 13 - 16)	22	10	45.5
Total	306	195	63.7

Table 3.8.2 Notch progressions by critical occupation, 1 April 2017 to 31 March 2018

Critical Occupations	Employees as at 31 March 2017	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Cash Management Analyst (LG)	2	0	0.0
Economist	20	4	20.0
Expenditure Analyst (PG)	10	3	30.0
Financial Analyst	15	4	26.7
Infrastructure Analyst	9	8	88.9
Procurement Specialist/ Analyst	18	2	11.1
Revenue and Expenditure Analyst (LG)	17	12	70.6
State Accountant	3	2	66.7
Total	94	35	37.2

To encourage good performance, the Department has granted the following performance rewards to employees for the performance period 2016/17 but paid in the financial year 2017/18. 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 2017 to 31 March 2018

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2017	% of total within group	Cost (R'000)	Average cost per beneficiary (R)
African	29	79	36.7	240	8 268
Male	14	37	37.8	139	9 942
Female	15	42	35.7	101	6 704
Coloured	99	180	55.0	1 068	10 789
Male	37	77	48.1	413	11 162
Female	62	103	60.2	655	10 567
Indian	4	6	66.7	98	24 454
Male	2	4	50.0	55	27 738
Female	2	2	100.0	42	21 170
White	19	38	50.0	275	14 478
Male	9	21	42.9	140	15 577
Female	10	17	58.8	135	13 488
Employees with a disability	2	3	66.7	11	5604
Total	153	306	50.0	1 692	11 059

Table 3.8.4 Performance rewards (cash bonus), by salary bands for personnel below Senior Management Service level, 1 April 2017 to 31 March 2018

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2017	% 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)	13	37	35.1	51	3 908	0.0
Highly skilled production (Levels 6 - 8)	27	52	51.9	166	6 161	0.1
Highly skilled supervision (Levels 9 - 12)	102	193	52.8	1 221	11 967	0.8
Total	142	284	50.0	1 438	10 125	1.0

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

Table 3.8.5 Performance rewards (cash bonus), by salary band, for Senior Management Service level, 1 April 2017 to 31 March 2018

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2017	% 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)	7	15	46.7	144	20 607	0.6
Senior Management Service Band B (Level 14)	2	4	50.0	46	23 201	0.2
Senior Management Service Band C (Level 15)	1	2	50.0	29	29 278	0.1
Senior Management Service Band D (Level 16)	1	1	100.0	34	34 302	0.1
Total	11	22	50.0	253	23 112	1.0

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

Table 3.8.6 Performance rewards (cash bonus) by critical occupation, 1 April 2017 to 31 March 2018

Critical Occupation	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2017	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of total personnel expenditure
Cash Management Analyst (LG)	2	2	100.0	13	6 724	0.0
Economist	7	20	35.0	139	19 878	0.1
Expenditure Analyst (PG)	5	10	50.0	64	12 806	0.0
Financial Analyst	8	15	53.3	96	12 042	0.1
Infrastructure Analyst	5	9	55.6	56	11 180	0.0
Procurement Specialist/ Analyst	10	18	55.6	103	10 332	0.1
Revenue and Expenditure Analyst (LG)	9	17	52.9	64	7 120	0.0
State Accountant	2	3	66.7	8	4 047	0.0
Total	48	94	51.1	543	11 341	0.4

3.9 Foreign workers

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

Table 3.9.1 Foreign Workers by salary band, 1 April 2017 to 31 March 2018

Salary Band	1 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1 - 2)	0	0.0	0	0.0	0	0
Skilled (Levels 3 - 5)	0	0.0	0	0.0	0	0
Highly skilled production (Levels 6 - 8)	0	0.0	0	0.0	0	0
Highly skilled supervision (Levels 9 - 12)	0	0.0	0	0.0	0	0
Senior management (Levels 13 - 16)	1	100.0	1	100.0	0	0
Total	1	100.0	1	100.0	0	0

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

Table 3.9.2 Foreign Workers by major occupation, 1 April 2017 to 31 March 2018

Major Occupation	1 April 2017		31 March 2018		Change	
	Number	% of total	Number	% of total	Number	% change
Director	1	100.0	1	100.0	0	0.0
Total	1	100.0	1	100.0	0	0.0

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

3.10 Leave utilisation for the period 1 January 2017 to 31 December 2017

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

Table 3.10.1 Sick leave, 1 January 2017 to 31 December 2017

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)	101	49.5	19	18	105.6	5	20
Skilled (Levels 3 - 5)	345	63.2	56	90	62.2	6	202
Highly skilled production (Levels 6 - 8)	420	72.9	51	65	78.5	8	399
Highly skilled supervision (Levels 9 - 12)	1 550	70.9	187	200	93.5	8	2585
Senior management (Levels 13 - 16)	119	81.5	16	23	69.6	7	371
Total	2 535	69.8	329	396	83.1	8	3 577

Note: The leave dispensation as determined in the "Leave Determination", read with the applicable collective agreements, provides for normal sick leave of 36 working days in a sick leave cycle of three years. The three-year sick leave cycle started in January 2016 and ends in December 2018. The information in each case reflects the totals excluding incapacity leave taken by employees. For an indication of incapacity leave taken, refer to Table 3.10.2.

Table 3.10.2 Incapacity leave, 1 January 2017 to 31 December 2017

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	18	0.0	0	0
Skilled (Levels 3 - 5)	16	100.0	2	90	2.2	8	9
Highly skilled production (Levels 6 - 8)	54	100.0	1	65	1.5	54	49
Highly skilled supervision (Levels 9 - 12)	232	100.0	8	200	4.0	29	362
Senior management (Levels 13 - 16)	0	0.0	0	23	0.0	0	0
Total	302	100.0	11	396	2.8	27	420

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

Incapacity leave is not an unlimited amount of additional sick leave days at an employee's disposal. Incapacity leave is additional sick leave granted conditionally at the employer's discretion, as provided for in the Leave Determination and Policy on Incapacity Leave and Ill-Health Retirement (PILIR).

Table 3.10.3 Annual Leave, 1 January 2017 to 31 December 2017

Salary Band	Total days taken	Total number of employees using annual leave	Average number of days taken per employee
Lower skilled (Levels 1 - 2)	265	24	11
Skilled (Levels 3 - 5)	1 075	68	16
Highly skilled production (Levels 6 - 8)	1 352	69	20
Highly skilled supervision (Levels 9 - 12)	4 820	197	24
Senior management (Levels 13 - 16)	534	23	23
Total	8 046	381	21

Table 3.10.4 Capped leave, 1 January 2017 to 31 December 2017

Salary Band	Total capped leave available as at 31 Dec 2016	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 2017	Total capped leave available as at 31 Dec 2017
Lower skilled (Levels 1 - 2)	0	0	0	0	0	0
Skilled (Levels 3 - 5)	178	0	0	0	1	100
Highly skilled production (Levels 6 - 8)	222	5	1	5	10	115
Highly skilled supervision (Levels 9 - 12)	2 630	1	1	1	37	1 999
Senior management (Levels 13 - 16)	572	0	0	0	4	389
Total	3 602	6	2	3	52	2 603

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

Table 3.10.5 Leave pay-outs, 1 April 2017 to 31 March 2018

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee (R)
Leave pay-outs during 2017/18 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service	558	4	139 598
Current leave pay-outs on termination of service	355	13	27 309
Total	913	17	53 730

3.11 Health Promotion Programmes, including HIV and AIDS

Table 3.11.1 Steps taken to reduce the risk of occupational exposure, 1 April 2017 to 31 March 2018

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
The nature of the Department's work does not expose employees to increased risk of contracting HIV & AIDS. Despite the very low occupational risk, all employees have been targeted at all levels within the Department.	<p>HIV & AIDS Counselling and Testing (HCT) and Wellness screenings were conducted in general. The outsourced Health and Wellness contract for the Employee Health and Wellness Programme (EHWP) provides employees and their immediate family members (it means the spouse or partner of an employee or children living with an employee) with a range of services. These services include the following:</p> <ul style="list-style-type: none"> ▪ 24/7/365 Telephone counselling; ▪ Face-to-face counselling (4 session model); ▪ Trauma and critical incident counselling; ▪ Advocacy on HIV&AIDS awareness, including online E-Care services and ▪ Training, coaching and targeted Interventions where these were required.

Table 3.11.2 Details of Health Promotion including HIV & AIDS Programmes, 1 April 2017 to 31 March 2018

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2016? If so, provide her/his name and position.	√		Ms Reygana Shade, Director: Organisational Behaviour, (Department of the Premier).
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		<p>The Corporate Services Centre (CSC) within the Department of the Premier provides a transversal service to the eleven (11) departments, including the Department of Provincial Treasury.</p> <p>A designated Employee Health and Wellness unit within the Directorate Organisational Behaviour and the Chief Directorate Organisation Development serves to promote the health and well-being of employees in the eleven (11) client departments.</p> <p>The unit consists of a Deputy Director (vacant from February 2018), three (3) Assistant Directors, and three (3) EHW Practitioners.</p> <p>Budget: R2.65 m</p>
3. Has the department introduced an Employee Assistance or Health Promotion Programme for employees? If so, indicate the key elements/services of this Programme.	√		<p>The Department of the Premier has entered into a service level agreement with ICAS (external service provider) to render an Employee Health and Wellness Service to the eleven departments of the Corporate Services Centre (CSC).</p> <p>The following interventions were conducted: Stress and Resilience, Relationship Enrichment, Managerial Referral, Diversity Management, Financial Literacy (Consumer Protection Awareness), Men's Health, Cancer Awareness Employee Information session and Information desks HCT and Wellness Screening.</p> <p>These interventions were planned based on the trends reported quarterly through the Employee Health and Wellness Programme (EHWP) reports provided by the service provider, ICAS, for the period 2017/18. 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>

Question	Yes	No	Details, if yes
			<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 employees and managers.</p> <p>Information sessions were also provided to inform employees of the EHW service and how to access the Employee Health and Wellness Programme (EHWP). Promotional material such as pamphlets, posters and brochures were distributed.</p>
<p>4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2016? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.</p>	√		<p>The Provincial Employee Health and Wellness Steering Committee has been established with members nominated by each department.</p> <p>The Department of Provincial Treasury is represented by Sweetness Sixubane.</p>
<p>5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.</p>	√		<p>The Transversal Management Framework for Employee Health and Wellness Programmes in the Western Cape Government is in effect and was adopted by the Coordinating Chamber of the PSCBC for the Western Cape Province on 10 August 2005.</p> <p>In this regard, all employment policies make provision for fair practices, regardless of the HIV status of staff or applicants.</p> <p>Whilst the four (4) Provincial Employee Health and Wellness Policies were ratified and approved during the previous financial year, the workplace practices are constantly monitored to ensure policy compliance and fairness.</p> <p>One of the policies, HIV & AIDS and TB Management, responds to the prevention of discrimination against employees affected and infected by HIV & AIDS and TB in the workplace.</p> <p>Further to this, the Department of Health, that is the lead department for HIV & AIDS, has approved the Transversal HIV and AIDS/STI Workplace Policy and Programme that is applicable to all departments of the Western Cape Government. The document is in line with the four pillars of the EHW Strategic Framework 2008.</p>

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 Provincial Strategic Plan on HIV & AIDS, STIs and TB 2017 - 2022 has been implemented to mainstream HIV and TB and its gender and rights-based dimensions into the core mandates to reduce HIV-related stigma.</p> <p>The overarching aim of the said Provincial Strategic Plan is to protect HIV-positive employees by advocating to reduce the number of new HIV infections and the number of TB cases. Through expanded treatment and care services, the province aims to meet the 90-90-90 targets for both HIV and TB, as well as to achieve a 75% treatment success rate for drug-resistant TB.</p> <p>HIV 90-90-90 target, as recommended by UNAIDS, provides that by 2020:</p> <ul style="list-style-type: none"> ● 90% of all people living with HIV will know their HIV status; ● 90% of all people with an HIV diagnosis receive sustained antiretroviral therapy; and ● 90% of all people receiving antiretroviral therapy achieve viral suppression. <p>TB 90-90-90 target provides for:</p> <ul style="list-style-type: none"> ● 90% of vulnerable groups should have been screened for TB; ● 90% of people with TB should be diagnosed and started on treatment; and ● 90% of those treated for TB should be cured. <p>The department participated in HCT and Wellness screenings to ensure that every employee is tested for HIV and screened for TB, at least annually.</p> <p>The aim was to:</p> <ul style="list-style-type: none"> ● Reduce HIV and TB discrimination in the workplace. This included campaigns against unfair discrimination and empowerment of employees. ● Reduce unfair discrimination in access to services. This included ensuring that the Directorate Employee Relations addresses complaints or grievances relating to unfair discrimination and provides training to employees. <p>Other key elements that addressed anti HIV & AIDS discrimination issues were:</p> <ul style="list-style-type: none"> ● Conducting Wellness and TB Screenings with specific requests from departments; ● Distributing posters and pamphlets; ● Providing HCT and TB Screenings, condom distribution and spot talks; and ● Commemoration of World AIDS Day and Wellness events.

Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo HIV counselling and testing (HCT)? If so, list the results that you have you achieved.	√		<p>HCT SESSIONS:</p> <p>The following screening sessions were conducted: Blood pressure, Glucose, Cholesterol, TB, BMI [body mass index] and spot talks.</p> <p>The Department of Provincial Treasury participated in 7 HCT and Wellness screening sessions.</p> <p>55 Employees were tested and counselled for HIV, Tuberculosis and Sexually Transmitted Infections (STI's).</p> <p>There were 0 clinical referrals for TB, HIV, STIs or any other similar condition.</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 service provider).</p> <p>The Employee Health and Wellness Programme (EHWP) is monitored through Quarterly and Annual reporting. This reporting is provided by (ICAS). The most recent annual health review period was 1 April 2017 - 31 March 2018.</p> <p>The quarterly and annual review provides a breakdown of the EHWP Demographic i.e. age, gender, length of service, dependent utilisation, language utilisation, employee vs. manager utilisation, number of cases, etc.</p> <p>The review further provides, amongst others, details pertaining to service utilisation, problem profiling and trending, assessment of employee and organisational risk and the impact thereof on the individual functioning in the workplace.</p>
9. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2016? If so, provide her/his name and position.	√		Ms Reygana Shade, Director: Organisational Behaviour, (Department of the Premier).

3.12 Labour relations

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

Table 3.12.1 Collective agreements, 1 April 2017 to 31 March 2018

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

Table 3.12.2 Misconduct and disciplinary hearings finalised, 1 April 2017 to 31 March 2018

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

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

Table 3.12.3 Types of misconduct addressed at disciplinary hearings, 1 April 2017 to 31 March 2018

Type of misconduct	Number	% of total
None		

Table 3.12.4 Grievances lodged, 1 April 2017 to 31 March 2018

Grievances lodged	Number	% of total
Number of grievances resolved	3	50.0
Number of grievances not resolved	3	50.0
Total number of grievances lodged	6	100.0

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

Table 3.12.5 Disputes lodged with Councils, 1 April 2017 to 31 March 2018

Disputes lodged with Councils	Number	% of total
Number of disputes upheld	1	25.0
Number of disputes dismissed	3	75.0
Total number of disputes lodged	4	100

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

Table 3.12.6 Strike actions, 1 April 2017 to 31 March 2018

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 2017 to 31 March 2018

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

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

3.13 Skills development

This section highlights the efforts of the Department with regard to skills development. Table 3.13.1 reflect the training needs as at the beginning of the period under review, and Table 3.13.2 the actual training provided.

Table 3.13.1 Training needs identified, 1 April 2017 to 31 March 2018

Occupational Categories	Gender	Number of employees as at 1 April 2017	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	6	0	12	0	12
	Male	16	0	38	0	38
Professionals	Female	102	0	336	0	336
	Male	90	0	272	0	272
Technicians and associate professionals	Female	36	0	84	0	84
	Male	16	0	41	0	41
Clerks	Female	19	0	65	0	65
	Male	18	0	45	0	45
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	3	0	0	0	0
	Male	1	0	0	0	0
Sub Total	Female	166	0	497	0	497
	Male	141	0	396	0	396
Total		307	0	893	0	893
Employees with disabilities	Female	2	0	0	0	0
	Male	1	0	0	0	0

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

Table 3.13.2 Training provided, 1 April 2017 to 31 March 2018

Occupational Categories	Gender	Number of employees as at 31 March 2018	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	6	0	2	0	2
	Male	15	0	8	0	8
Professionals	Female	101	0	50	0	50
	Male	83	0	85	0	85
Technicians and associate professionals	Female	38	0	19	0	19
	Male	10	0	15	0	15
Clerks	Female	18	0	16	0	16
	Male	15	0	28	0	28
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	1	0	0	0	0
	Male	1	0	1	0	1
Sub Total	Female	164	0	87	0	87
	Male	124	0	137	0	137
Total		288	0	224	0	224
Employees with disabilities	Female	2	0	0	0	0
	Male	1	0	0	0	0

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

3.14 Injury on duty

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

Table 3.14.1 Injury on duty, 1 April 2017 to 31 March 2018

Nature of injury on duty	Number	% of total
None		

3.15 Utilisation of consultants

Table 3.15.1 Consultant appointments using appropriated funds

Programme	Consulting Firm	Project Title	Nature of the Project	Total number of Consultants that worked on the Project	Duration: Work Days/ Hours	Contract Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
Programme 1	Proftrans Language Services	Translations	Translation of Annual Report from English to Afrikaans	DCAS Contract	-	46	-	-
	isiXhosa Sethu Translation	Translations	Translation of Gambling and Racing Amendment Bill	DCAS Contract	-	5	-	-
	Dr Mhlobo Jadezwi	Translations	Translations of Annual Performance Plan	DCAS contract	-	60	-	-
	Mr AJ du Plessis	Review of the Provincial Treasury's SCM Policy and Delegations.	Review and drafting of Financial Management Policies and Delegations.	1	60 days	343	-	4
	Barrett Value Centre	Barrett Cultural Survey 2017	Organisational Culture Assessment	Department of the Premier contract	-	68	-	-
Programme 2	University of Stellenbosch: Bureau for Economic Research (BER)	Provincial Economic Review and Outlook (PERO)	To provide Fiscal Policy research and advisory services and economic research for the Provincial Economic Review and Outlook (PERO).	Various	-	1 187	-	0
	University of Cape Town: Department Policy Research Unit (DPRU)		To provide Labour Market Economic Research for the Provincial Economic Review and Outlook.	Various	-	-	-	0
	Urban-Econ Development Economists	Municipal Economic Review and Outlook (MERO) Predetermined Objectives Training	Conducting research and production of the Municipal Economic Review and Outlook (MERO).	Various	Spans 2 - 3 days/ per category of training	492	-	3

Programme	Consulting Firm	Project Title	Nature of the Project	Total number of Consultants that worked on the Project	Duration: Work Days/ Hours	Contract Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
	University of Stellenbosch: Executive Development (Pty) Ltd	Municipal Cash flow Management, Annual Budgets and IYM Training, Revenue Management Training	Transversal Training and Capacity Building for Municipal and Western Cape Government Officials.	Various	-	1 659	-	0
	KPMG	Probity Investigations	Probity investigations for the appointment	Various	-	141	-	1
	Gijima (Pty) Ltd	Business Analysts	Support on Various Projects on the Department's ICT Plan	Department of the Premier Contract	-	409	-	2
Programme 3	HPM	Strategic Sourcing Consultant	To facilitate the Provincial Travel Management Strategy and Transversal Contract	Various	-	450	-	1
	Mr AJ du Plessis	Policy review and drafting	Review of the Provincial Treasury Instructions	1	40	291	-	4
	Towergroup	Supplier Database Registration	Supported with registration of Suppliers on Central Supplier Database.	Various	365	75	-	4
	University of Stellenbosch: Executive Development (Pty) Ltd	Supply Chain Asset Management Training, Supply Chain Risk Performance Management Training	Transversal Training and Capacity Building for Municipal and Western Cape Government Officials.	Various	365	948	-	0
	Business Connexion	Kitso	Maintain and further develop the current Business Intelligence System (KITSO) for the Basic Accounting System (BAS).	Various	365	1 700	-	3

Programme	Consulting Firm	Project Title	Nature of the Project	Total number of Consultants that worked on the Project	Duration: Work Days/ Hours	Contract Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
	Business Connexion	PERSAL Support	Rendering functional, technical and management support on the Personnel and Salary Administration System (PERSAL).	Various	365	2 544	-	3
	Quantum Leap Consulting	Systems Analysts	Support on the execution of the Directorate's ICT Plan	Department of the Premier Contract	365	2 065	-	2
	Quantum Leap Consulting	Business Analysts	Support on the Enhancement of the Legacy Systems (ICT Project)	Department of the Premier Contract	365	173	-	2
Programme 4	Grant Thornton	Inventory Roll Out	Appointment of an Inventory Management Specialist.	Various	326	99	-	2
	Ducharme Consulting	MCS Training	Training on the Modified Cash Standard to departments and public entities	1	-	30	-	4
	Altimax	GRAP Training	Training finance practitioners on the implementation of the GRAP standards.	Various	-	50	-	4
	Quantum Leap Consulting	Systems Analyst	MSCOA Systems Analyst	Department of the Premier Contract	326	1 628	-	2
	Ignite Advisory	e-GAP Tool Development	To develop the municipal Governance Review and Outlook (MGRO) e-GAP tool for 30 municipalities.	Various	326	715	-	0
	University of Stellenbosch: Executive Development (Pty) Ltd	MFMA Induction	Transversal Training and Capacity Building for Municipal and Western Cape Government Officials.	Various	2 - 3 days per training category	2 133	-	0

Programme	Consulting Firm	Project Title	Nature of the Project	Total number of Consultants that worked on the Project	Duration: Work Days/ Hours	Contract Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
	KPMG	Consequence management support to Municipalities	Consequence Management Decision Tree and Process Mapping	Various	3 months	282	-	1
	Melech & Associates	Development of MFMA Budget Related Policies	MFMA Budget Related Policies	Various	3 months	327	-	4
	KPMG	Development of MFMA System of Delegations	Policy development - MFMA System of Delegations	Various	180 days	382	-	1

PART E

Financial Information

PART E: FINANCIAL INFORMATION

	Page No
Report of the Auditor-General	142
Appropriation Statement	149
Notes to the Appropriation Statement	161
Statement of Financial Performance	163
Statement of Financial Position	164
Statement of Changes in Net Assets	165
Cash Flow Statement	166
Accounting Policies	167
Notes to the Annual Financial Statements	176
Annexures	205

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2018**

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Western Cape Provincial Treasury set out on pages 149 to 204, which comprise the appropriation statement, the statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Provincial Treasury as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No.1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2017 (Act No. 3 of 2017) (Dora).

Basis for opinion

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

Emphasis of matter

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2018**

Material underspending of the vote

7. As disclosed in note 4.1 to the appropriation statement, the department materially underspent its overall budget by R10,4 million (3,6%). The explanations of material variances from amounts voted per programme and the standard classifications are set out in notes 4.1 and 4.2 to the appropriation.

Other matter

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

Unaudited supplementary schedules

9. The supplementary information set out on pages 205 to 211 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS prescribed by the National Treasury and the requirements of the PFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. In preparing the financial statements, the accounting officer is responsible for assessing the Western Cape Provincial Treasury's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2018**

Report on the audit of the annual performance report

Introduction and scope

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
15. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2018:

Programmes	Pages in the Annual Performance Report
Programme 2 – Sustainable Resource Management	48 – 60
Programme 4 – Financial Governance	69 – 75

17. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- Programme 2 – Sustainable Resource Management
 - Programme 4 – Financial Governance

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2018**

Other matter

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

Achievement of planned targets

20. Refer to the Annual Performance Report on pages 51 to 60 and 71 to 75 for information on the achievement of planned targets for the year and explanations provided for the under/over achievement of a number of targets.

Report on audit of compliance with legislation

Introduction and scope

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

Other information

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2018**

Internal control deficiencies

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

Auditor General

Cape Town
31 July 2018



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2018**

Annexure – Auditor-General’s responsibility for the audit

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

Financial statements

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2018**

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence, and where applicable, related safeguards.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2018**

Appropriation per programme									
	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Voted funds and Direct charges									
Programme									
1. ADMINISTRATION	60 298	-	(121)	60 177	57 492	2 685	95.5	50 934	49 537
2. SUSTAINABLE RESOURCE MANAGEMENT	135 872	-	156	136 028	132 195	3 833	97.2	113 943	111 431
3. ASSET MANAGEMENT	52 943	-	368	53 311	51 023	2 288	95.7	54 833	54 106
4. FINANCIAL GOVERNANCE	39 480	-	(403)	39 077	37 434	1 643	95.8	34 838	32 927
Total	288 593	-	-	288 593	278 144	10 449	96.4	254 548	248 001
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				105 468				146 275	
Actual amounts per Statement of Financial Performance (Total Revenue)				394 061				400 823	
Actual amounts per Statement of Financial Performance Expenditure					278 144				248 001

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2018**

Appropriation per programme									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	225 571	(70)	-	225 501	216 548	8 953	96.0	214 682	208 985
Compensation of employees	173 074	-	-	173 074	171 172	1 902	98.9	159 228	157 405
Salaries and wages	153 239	(31)	-	153 208	151 437	1 771	98.8	140 453	138 723
Social contributions	19 835	31	-	19 866	19 735	131	99.3	18 775	18 682
Goods and services	52 497	(70)	-	52 427	45 376	7 051	86.6	55 454	51 580
Administrative fees	443	(394)	-	49	36	13	73.5	583	530
Advertising	1 139	8	-	1 147	827	320	72.1	654	539
Minor assets	290	152	-	442	442	-	100.0	293	293
Audit costs: External	5 057	85	-	5 142	4 855	287	94.4	5 050	4 736
Bursaries: Employees	751	-	-	751	591	160	78.7	581	531
Catering: Departmental activities	1 038	29	-	1 067	691	376	64.8	587	520
Communication (G&S)	835	28	-	863	651	212	75.4	767	568
Computer services	6 980	(616)	-	6 364	6 274	90	98.6	9 264	9 145
Consultants: Business and advisory services	19 905	124	-	20 029	18 303	1 726	91.4	23 422	22 498
Contractors	570	77	-	647	451	196	69.7	510	439
Agency and support / outsourced services	-	-	-	-	-	-	-	108	31
Entertainment	196	-	-	196	92	104	46.9	196	113
Fleet services (including government motor transport)	1 080	(28)	-	1 052	990	62	94.1	901	901
Consumable supplies	233	1	-	234	195	39	83.3	233	185
Consumable: Stationery, printing and office supplies	2 430	22	-	2 452	1 842	610	75.1	1 774	1 534
Operating leases	378	159	-	537	537	-	100.0	393	393
Property payments	6	-	-	6	5	1	83.3	-	-
Transport provided: Departmental activity	4	4	-	8	8	-	100.0	4	-
Travel and subsistence	5 975	182	-	6 157	5 165	992	83.9	5 872	5 173
Training and development	1 839	96	-	1 935	839	1 096	43.4	1 418	919
Operating payments	1 676	5	-	1 681	1 422	259	84.6	1 667	1 400
Venues and facilities	1 672	(4)	-	1 668	1 160	508	69.5	1 177	1 132
Transfers and subsidies	57 703	50	-	57 753	56 375	1 378	97.6	36 547	35 814
Provinces and municipalities	33 966	-	-	33 966	33 130	836	97.5	22 014	21 554
Municipalities	33 966	-	-	33 966	33 130	836	97.5	22 014	21 554
Municipal bank accounts	33 966	-	-	33 966	33 130	836	97.5	22 014	21 554
Departmental agencies and accounts	19 711	-	-	19 711	19 711	-	100.0	9 912	9 912
Departmental agencies (non- business entities)	19 711	-	-	19 711	19 711	-	100.0	9 912	9 912
Households	4 026	50	-	4 076	3 534	542	86.7	4 621	4 348
Social benefits	900	73	-	973	915	58	94.0	1 839	1 694
Other transfers to households	3 126	(23)	-	3 103	2 619	484	84.4	2 782	2 654
Payments for capital assets	5 255	-	-	5 255	5 137	118	97.8	3 194	3 077
Machinery and equipment	5 214	-	-	5 214	5 137	77	98.5	3 155	3 039
Transport equipment	1 408	(154)	-	1 254	1 177	77	93.9	1 387	1 387
Other machinery and equipment	3 806	154	-	3 960	3 960	-	100.0	1 768	1 652
Software and other intangible assets	41	-	-	41	-	41	-	39	38
Payment for financial assets	64	20	-	84	84	-	100.0	125	125
Total	288 593	-	-	288 593	278 144	10 449	96.4	254 548	248 001

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2018**

Programme 1: ADMINISTRATION									
Sub programme	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1. OFFICE OF THE MINISTER	6 511	-	-	6 511	6 078	433	93.3	6 045	5 660
2. MANAGEMENT SERVICES	26 826	-	-	26 826	25 100	1 726	93.6	20 909	20 115
3. FINANCIAL MANAGEMENT	26 961	-	(121)	26 840	26 314	526	98.0	23 980	23 762
Total	60 298	-	(121)	60 177	57 492	2 685	95.5	50 934	49 537

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2018**

Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	51 481	(20)	(121)	51 340	49 257	2 083	95.9	44 951	43 743
Compensation of employees	39 558	-	(121)	39 437	38 490	947	97.6	34 006	33 339
Salaries and wages	35 840	(11)	(93)	35 736	34 804	932	97.4	30 523	29 864
Social contributions	3 718	11	(28)	3 701	3 686	15	99.6	3 483	3 475
Goods and services	11 923	(20)	-	11 903	10 767	1 136	90.5	10 945	10 404
Administrative fees	430	(394)	-	36	36	-	100.0	526	526
Advertising	668	-	-	668	455	213	68.1	405	340
Minor assets	290	152	-	442	442	-	100.0	293	293
Audit costs: External	3 073	85	-	3 158	3 158	-	100.0	3 236	3 236
Bursaries: Employees	751	-	-	751	591	160	78.7	581	531
Catering: Departmental activities	265	59	-	324	297	27	91.7	175	113
Communication (G&S)	188	-	-	188	151	37	80.3	167	143
Computer services	1 499	(177)	-	1 322	1 304	18	98.6	1 852	1 852
Consultants: Business and advisory services	751	(220)	-	531	523	8	98.5	191	99
Contractors	308	81	-	389	339	50	87.1	232	230
Agency and support / outsourced services	-	-	-	-	-	-	-	1	1
Entertainment	44	-	-	44	18	26	40.9	42	34
Fleet services (including government motor transport)	1 080	(28)	-	1 052	990	62	94.1	901	901
Consumable supplies	125	-	-	125	105	20	84.0	111	89
Consumable: Stationery, printing and office supplies	600	30	-	630	515	115	81.7	565	534
Operating leases	378	159	-	537	537	-	100.0	393	393
Property payments	6	-	-	6	5	1	83.3	-	-
Transport provided: Departmental activity	4	4	-	8	8	-	100.0	4	-
Travel and subsistence	806	208	-	1 014	986	28	97.2	976	795
Training and development	395	-	-	395	47	348	11.9	53	53
Operating payments	239	-	-	239	217	22	90.8	222	222
Venues and facilities	23	21	-	44	43	1	97.7	19	19
Transfers and subsidies	3 498	-	-	3 498	3 014	484	86.2	2 804	2 676
Departmental agencies and accounts	4	-	-	4	4	-	100.0	4	4
Departmental agencies (non- business entities)	4	-	-	4	4	-	100.0	4	4
Households	3 494	-	-	3 494	3 010	484	86.1	2 800	2 672
Social benefits	368	23	-	391	391	-	100.0	18	18
Other transfers to households	3 126	(23)	-	3 103	2 619	484	84.4	2 782	2 654
Payments for capital assets	5 255	-	-	5 255	5 137	118	97.8	3 054	2 993
Machinery and equipment	5 214	-	-	5 214	5 137	77	98.5	3 015	2 955
Transport equipment	1 408	(154)	-	1 254	1 177	77	93.9	1 387	1 387
Other machinery and equipment	3 806	154	-	3 960	3 960	-	100.0	1 628	1 568
Software and other intangible assets	41	-	-	41	-	41	-	39	38
Payment for financial assets	64	20	-	84	84	-	100.0	125	125
Total	60 298	-	(121)	60 177	57 492	2 685	95.5	50 934	49 537

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2018**

Subprogramme: 1.1: OFFICE OF THE MINISTER									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	6 511	-	-	6 511	6 078	433	93.3	6 045	5 660
Compensation of employees	5 283	-	-	5 283	5 170	113	97.9	5 098	4 997
Goods and services	1 228	-	-	1 228	908	320	73.9	947	663
Total	6 511	-	-	6 511	6 078	433	93.3	6 045	5 660

Subprogramme: 1.2: MANAGEMENT SERVICES									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	23 689	-	-	23 689	22 447	1 242	94.8	18 109	17 443
Compensation of employees	21 122	-	-	21 122	20 495	627	97.0	16 313	15 904
Goods and services	2 567	-	-	2 567	1 952	615	76.0	1 796	1 539
Transfers and subsidies	3 137	-	-	3 137	2 653	484	84.6	2 800	2 672
Households	3 137	-	-	3 137	2 653	484	84.6	2 800	2 672
Total	26 826	-	-	26 826	25 100	1 726	93.6	20 909	20 115

Subprogramme: 1.3: FINANCIAL MANAGEMENT									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	21 281	(20)	(121)	21 140	20 732	408	98.1	20 797	20 640
Compensation of employees	13 153	-	(121)	13 032	12 825	207	98.4	12 595	12 438
Goods and services	8 128	(20)	-	8 108	7 907	201	97.5	8 202	8 202
Transfers and subsidies	361	-	-	361	361	-	100.0	4	4
Departmental agencies and accounts	4	-	-	4	4	-	100.0	4	4
Households	357	-	-	357	357	-	100.0	-	-
Payments for capital assets	5 255	-	-	5 255	5 137	118	97.8	3 054	2 993
Machinery and equipment	5 214	-	-	5 214	5 137	77	98.5	3 015	2 955
Software and other intangible assets	41	-	-	41	-	41	-	39	38
Payment for financial assets	64	20	-	84	84	-	100.0	125	125
Total	26 961	-	(121)	26 840	26 314	526	98.0	23 980	23 762

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2018**

Programme 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub programme	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1. PROGRAMME SUPPORT	6 973	31	-	7 004	6 343	661	90.6	6 676	6 152
2. FISCAL POLICY	31 745	(31)	-	31 714	30 972	742	97.7	21 650	21 432
3. BUDGET MANAGEMENT	17 977	-	-	17 977	17 338	639	96.4	17 713	17 038
4. PUBLIC FINANCE	79 177	-	156	79 333	77 542	1 791	97.7	67 904	66 809
Total	135 872	-	156	136 028	132 195	3 833	97.2	113 943	111 431

Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	82 142	(32)	156	82 266	79 269	2 997	96.4	81 858	79 951
Compensation of employees	69 690	-	-	69 690	68 839	851	98.8	62 531	62 301
Salaries and wages	61 332	-	-	61 332	60 570	762	98.8	55 032	54 833
Social contributions	8 358	-	-	8 358	8 269	89	98.9	7 499	7 468
Goods and services	12 452	(32)	156	12 576	10 430	2 146	82.9	19 327	17 650
Administrative fees	-	-	-	-	-	-	-	5	4
Advertising	419	-	-	419	364	55	86.9	199	199
Audit costs: External	958	-	-	958	876	82	91.4	847	783
Catering: Departmental activities	230	(30)	-	200	160	40	80.0	202	202
Communication (G&S)	295	28	-	323	287	36	88.9	286	196
Computer services	97	(20)	-	77	9	68	11.7	193	92
Consultants: Business and advisory services	3 986	(37)	156	4 105	3 888	217	94.7	11 889	11 666
Contractors	118	10	-	128	33	95	25.8	144	93
Agency and support / outsourced services	-	-	-	-	-	-	-	107	30
Entertainment	98	-	-	98	39	59	39.8	108	55
Consumable supplies	57	-	-	57	48	9	84.2	66	47
Consumable: Stationery, printing and office supplies	1 302	(17)	-	1 285	954	331	74.2	723	661
Travel and subsistence	2 773	-	-	2 773	2 298	475	82.9	2 437	2 047
Training and development	697	-	-	697	136	561	19.5	625	241
Operating payments	1 143	5	-	1 148	1 054	94	91.8	1 191	1 029
Venues and facilities	279	29	-	308	284	24	92.2	305	305
Transfers and subsidies	53 730	32	-	53 762	52 926	836	98.4	32 085	31 480
Provinces and municipalities	33 966	-	-	33 966	33 130	836	97.5	22 014	21 554
Municipalities	33 966	-	-	33 966	33 130	836	97.5	22 014	21 554
Municipal bank accounts	33 966	-	-	33 966	33 130	836	97.5	22 014	21 554
Departmental agencies and accounts	19 707	-	-	19 707	19 707	-	100.0	9 908	9 908
Departmental agencies (non-business entities)	19 707	-	-	19 707	19 707	-	100.0	9 908	9 908
Households	57	32	-	89	89	-	100.0	163	18
Social benefits	57	32	-	89	89	-	100.0	163	18
Total	135 872	-	156	136 028	132 195	3 833	97.2	113 943	111 431

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2018**

Subprogramme: 2.1: PROGRAMME SUPPORT									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	6 973	31	-	7 004	6 343	661	90.6	6 676	6 152
Compensation of employees	5 306	31	-	5 337	5 337	-	100.0	5 170	5 170
Goods and services	1 667	-	-	1 667	1 006	661	60.3	1 506	982
Total	6 973	31	-	7 004	6 343	661	90.6	6 676	6 152

Subprogramme: 2.2: FISCAL POLICY									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	12 038	(63)	-	11 975	11 233	742	93.8	11 742	11 524
Compensation of employees	9 647	(31)	-	9 616	9 270	346	96.4	7 591	7 563
Goods and services	2 391	(32)	-	2 359	1 963	396	83.2	4 151	3 961
Transfers and subsidies	19 707	32	-	19 739	19 739	-	100.0	9 908	9 908
Departmental agencies and accounts	19 707	-	-	19 707	19 707	-	100.0	9 908	9 908
Households	-	32	-	32	32	-	100.0	-	-
Total	31 745	(31)	-	31 714	30 972	742	97.7	21 650	21 432

Subprogramme: 2.3: BUDGET MANAGEMENT									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	17 958	-	-	17 958	17 319	639	96.4	17 713	17 038
Compensation of employees	14 105	-	-	14 105	14 045	60	99.6	13 356	13 271
Goods and services	3 853	-	-	3 853	3 274	579	85.0	4 357	3 767
Transfers and subsidies	19	-	-	19	19	-	100.0	-	-
Households	19	-	-	19	19	-	100.0	-	-
Total	17 977	-	-	17 977	17 338	639	96.4	17 713	17 038

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2018**

Subprogramme: 2.4: PUBLIC FINANCE									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	45 173	-	156	45 329	44 374	955	97.9	45 727	45 237
Compensation of employees	40 632	-	-	40 632	40 187	445	98.9	36 414	36 297
Goods and services	4 541	-	156	4 697	4 187	510	89.1	9 313	8 940
Transfers and subsidies	34 004	-	-	34 004	33 168	836	97.5	22 177	21 572
Provinces and municipalities	33 966	-	-	33 966	33 130	836	97.5	22 014	21 554
Households	38	-	-	38	38	-	100.0	163	18
Total	79 177	-	156	79 333	77 542	1 791	97.7	67 904	66 809

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2018**

Programme 3: ASSET MANAGEMENT									
	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Sub programme									
1. PROGRAMME SUPPORT	4 205	(67)	(25)	4 113	3 727	386	90.6	4 478	4 217
2. SUPPLY CHAIN MANAGEMENT	22 742	67	393	23 202	22 792	410	98.2	18 421	18 191
3. SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS	25 996	-	-	25 996	24 504	1 492	94.3	31 934	31 698
Total	52 943	-	368	53 311	51 023	2 288	95.7	54 833	54 106

	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	52 516	(18)	368	52 866	50 599	2 267	95.7	53 175	52 448
Compensation of employees	35 166	-	(25)	35 141	35 058	83	99.8	34 514	34 153
Salaries and wages	30 620	(15)	(20)	30 585	30 529	56	99.8	30 010	29 690
Social contributions	4 546	15	(5)	4 556	4 529	27	99.4	4 504	4 463
Goods and services	17 350	(18)	393	17 725	15 541	2 184	87.7	18 661	18 295
Administrative fees	13	-	-	13	-	13	-	-	-
Advertising	52	-	-	52	-	52	-	50	-
Catering: Departmental activities	193	-	-	193	150	43	77.7	66	61
Communication (G&S)	238	-	-	238	149	89	62.6	209	159
Computer services	5 375	(430)	-	4 945	4 941	4	99.9	7 194	7 193
Consultants: Business and advisory services	8 350	438	393	9 181	8 246	935	89.8	8 384	8 362
Contractors	82	-	-	82	67	15	81.7	67	64
Entertainment	26	-	-	26	14	12	53.8	16	10
Consumable supplies	31	1	-	32	29	3	90.6	38	37
Consumable: Stationery, printing and office supplies	358	(1)	-	357	272	85	76.2	317	285
Travel and subsistence	1 316	(26)	-	1 290	984	306	76.3	1 384	1 333
Training and development	352	-	-	352	165	187	46.9	345	230
Operating payments	89	-	-	89	6	83	6.7	12	12
Venues and facilities	875	-	-	875	518	357	59.2	579	549
Transfers and subsidies	427	18	-	445	424	21	95.3	1 658	1 658
Households	427	18	-	445	424	21	95.3	1 658	1 658
Social benefits	427	18	-	445	424	21	95.3	1 658	1 658
Total	52 943	-	368	53 311	51 023	2 288	95.7	54 833	54 106

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2018**

Subprogramme: 3.1: PROGRAMME SUPPORT									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	4 205	(67)	(25)	4 113	3 727	386	90.6	4 478	4 217
Compensation of employees	3 137	(67)	(25)	3 045	3 003	42	98.6	3 521	3 463
Goods and services	1 068	-	-	1 068	724	344	67.8	957	754
Total	4 205	(67)	(25)	4 113	3 727	386	90.6	4 478	4 217

Subprogramme: 3.2: SUPPLY CHAIN MANAGEMENT									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	22 705	49	393	23 147	22 737	410	98.2	18 421	18 191
Compensation of employees	13 283	67	-	13 350	13 350	-	100.0	13 519	13 452
Goods and services	9 422	(18)	393	9 797	9 387	410	95.8	4 902	4 739
Transfers and subsidies	37	18	-	55	55	-	100.0	-	-
Households	37	18	-	55	55	-	100.0	-	-
Total	22 742	67	393	23 202	22 792	410	98.2	18 421	18 191

Subprogramme: 3.3: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	25 606	-	-	25 606	24 135	1 471	94.3	30 276	30 040
Compensation of employees	18 746	-	-	18 746	18 705	41	99.8	17 474	17 238
Goods and services	6 860	-	-	6 860	5 430	1 430	79.2	12 802	12 802
Transfers and subsidies	390	-	-	390	369	21	94.6	1 658	1 658
Households	390	-	-	390	369	21	94.6	1 658	1 658
Total	25 996	-	-	25 996	24 504	1 492	94.3	31 934	31 698

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2018**

Programme 4: FINANCIAL GOVERNANCE									
Sub programme	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1. PROGRAMME SUPPORT	6 399	(22)	-	6 377	5 741	636	90.0	4 904	4 493
2. ACCOUNTING SERVICES	19 550	22	25	19 597	18 873	724	96.3	18 070	17 084
3. CORPORATE GOVERNANCE	13 531	-	(428)	13 103	12 820	283	97.8	11 864	11 350
Total	39 480	-	(403)	39 077	37 434	1 643	95.8	34 838	32 927

Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	39 432	-	(403)	39 029	37 423	1 606	95.9	34 698	32 843
Compensation of employees	28 660	-	146	28 806	28 785	21	99.9	28 177	27 612
Salaries and wages	25 447	(5)	113	25 555	25 534	21	99.9	24 888	24 336
Social contributions	3 213	5	33	3 251	3 251	-	100.0	3 289	3 276
Goods and services	10 772	-	(549)	10 223	8 638	1 585	84.5	6 521	5 231
Administrative fees	-	-	-	-	-	-	-	52	-
Advertising	-	8	-	8	8	-	100.0	-	-
Audit costs: External	1 026	-	-	1 026	821	205	80.0	967	717
Catering: Departmental activities	350	-	-	350	84	266	24.0	144	144
Communication (G&S)	114	-	-	114	64	50	56.1	105	70
Computer services	9	11	-	20	20	-	100.0	25	8
Consultants: Business and advisory services	6 818	(57)	(549)	6 212	5 646	566	90.9	2 958	2 371
Contractors	62	(14)	-	48	12	36	25.0	67	52
Entertainment	28	-	-	28	21	7	75.0	30	14
Consumable supplies	20	-	-	20	13	7	65.0	18	12
Consumable: Stationery, printing and office supplies	170	10	-	180	101	79	56.1	169	54
Travel and subsistence	1 080	-	-	1 080	897	183	83.1	1 075	998
Training and development	395	96	-	491	491	-	100.0	395	395
Operating payments	205	-	-	205	145	60	70.7	242	137
Venues and facilities	495	(54)	-	441	315	126	71.4	274	259
Transfers and subsidies	48	-	-	48	11	37	22.9	-	-
Households	48	-	-	48	11	37	22.9	-	-
Social benefits	48	-	-	48	11	37	22.9	-	-
Payments for capital assets	-	-	-	-	-	-	-	140	84
Machinery and equipment	-	-	-	-	-	-	-	140	84
Other machinery and equipment	-	-	-	-	-	-	-	140	84
Total	39 480	-	(403)	39 077	37 434	1 643	95.8	34 838	32 927

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2018**

Subprogramme: 4.1: PROGRAMME SUPPORT									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	6 399	(22)	-	6 377	5 741	636	90.0	4 764	4 409
Compensation of employees	4 716	(22)	-	4 694	4 673	21	99.6	3 563	3 458
Goods and services	1 683	-	-	1 683	1 068	615	63.5	1 201	951
Payments for capital assets	-	-	-	-	-	-	-	140	84
Machinery and equipment	-	-	-	-	-	-	-	140	84
Total	6 399	(22)	-	6 377	5 741	636	90.0	4 904	4 493

Subprogramme: 4.2: ACCOUNTING SERVICES									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	19 502	22	25	19 549	18 862	687	96.5	18 070	17 084
Compensation of employees	14 983	22	25	15 030	15 030	-	100.0	15 120	14 835
Goods and services	4 519	-	-	4 519	3 832	687	84.8	2 950	2 249
Transfers and subsidies	48	-	-	48	11	37	22.9	-	-
Households	48	-	-	48	11	37	22.9	-	-
Total	19 550	22	25	19 597	18 873	724	96.3	18 070	17 084

Subprogramme: 4.3: CORPORATE GOVERNANCE									
Economic classification	2017/18							2016/17	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	13 531	-	(428)	13 103	12 820	283	97.8	11 864	11 350
Compensation of employees	8 961	-	121	9 082	9 082	-	100.0	9 494	9 319
Goods and services	4 570	-	(549)	4 021	3 738	283	93.0	2 370	2 031
Total	13 531	-	(428)	13 103	12 820	283	97.8	11 864	11 350

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2018**

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. %
Administration	60 177	57 492	2 685	4.46
The underspending was mainly due to vacant posts that were not filled, fewer graduate trainees, less external bursaries and training that could not be concluded in time.				
Sustainable Resource Management	136 028	132 195	3 833	2.82
The underspending is mainly due to exits, vacant posts that could not be filled, as well as travel commitments and training that did not take place as planned. In addition, 3 municipalities no longer required the Financial Management Support Grant and 1 municipality that only requested a reduced amount due to it being the first year participating in the Financial Management Capacity Grant.				
Asset Management	53 311	51 023	2 288	4.29
The underspending is mainly due to the late procurement of research and advisory services, less travelling by employees and less utilisation of venue facilities for training.				
Financial Governance	39 077	37 434	1 643	4.20
The underspending is mainly due to the late procurement of research and advisory services, less catering for training workshops as well as lower audit costs.				

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2018**

4.2 Per economic classification

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Approp. %
Per economic classification:				
Current expenditure				
Compensation of employees	173 074	171 172	1 902	1.10
Goods and services	52 427	45 376	7 051	13.45
Transfers and subsidies				
Provinces and municipalities	33 966	33 130	836	2.46
Departmental agencies and accounts	19 711	19 711	-	-
Households	4 076	3 534	542	13.30
Payments for capital assets				
Machinery and equipment	5 214	5 137	77	1.48
Software and other intangible assets	41	-	41	100.00
Payments for financial assets	84	84	-	-

The underspending on compensation of employees is mainly due to officials who exited the department, late filling of vacancies and the appointment of fewer graduate trainees. The underspending on goods and services is mainly due to the late procurement of research and advisory services, less utilisation of venues and facilities, less travelling of employees and training that did not take place as planned.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2018**

	Note	2017/18 R'000	2016/17 R'000
REVENUE			
Annual appropriation	1	288 593	254 548
Departmental revenue	2	105 468	146 275
TOTAL REVENUE		394 061	400 823
EXPENDITURE			
Current expenditure			
Compensation of employees	3	171 172	157 405
Goods and services	4	45 376	51 580
Total current expenditure		216 548	208 985
Transfers and subsidies			
Transfers and subsidies	6	56 375	35 814
Total transfers and subsidies		56 375	35 814
Expenditure for capital assets			
Tangible assets	7	5 137	3 039
Intangible assets	7	-	38
Total expenditure for capital assets		5 137	3 077
Payments for financial assets	5	84	125
TOTAL EXPENDITURE		278 144	248 001
SURPLUS FOR THE YEAR		115 917	152 822
Reconciliation of Net Surplus for the year			
Voted Funds		10 449	6 547
Departmental revenue and PRF Receipts	12	105 468	146 275
SURPLUS FOR THE YEAR		115 917	152 822

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2018**

	Note	2017/18 R'000	2016/17 R'000
ASSETS			
Current Assets		12 387	8 838
Cash and cash equivalents	8	12 219	8 651
Prepayments and advances	9	-	35
Receivables	10	168	152
Non-Current Assets		55	101
Receivables	10	55	101
TOTAL ASSETS		12 442	8 939
LIABILITIES			
Current Liabilities		12 388	8 884
Voted funds to be surrendered to the Revenue Fund	11	10 449	6 547
Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund	12	1 706	2 181
Payables	13	233	156
TOTAL LIABILITIES		12 388	8 884
NET ASSETS		54	55
Represented by:			
Recoverable revenue		54	55
TOTAL		54	55

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**STATEMENT OF CHANGES IN NET ASSETS
For the year ended 31 March 2018**

	Note	2017/18 R'000	2016/17 R'000
NET ASSETS			
Recoverable revenue			
Opening balance		55	113
Transfers		(1)	(58)
Irrecoverable amounts written off	5.2	-	(59)
Debts recovered (included in departmental receipts)		(98)	(110)
Debts raised		97	111
Closing balance		54	55
TOTAL		54	55

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**CASH FLOW STATEMENT
for the year ended 31 March 2018**

	Note	2017/18 R'000	2016/17 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		893 437	834 345
Annual appropriated funds received	1.1	288 593	254 548
Departmental revenue received	2	604 840	579 772
Interest received	2.3	4	25
Net (increase)/decrease in working capital		142	-
Surrendered to Revenue Fund		(611 894)	(590 386)
Current payments		(216 548)	(208 985)
Payments for financial assets		(84)	(125)
Transfers and subsidies paid		(56 375)	(35 814)
Net cash flow available from operating activities	14	8 678	(965)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(5 137)	(3 077)
Proceeds from sale of capital assets	2.4	28	7
Net cash flows from investing activities		(5 109)	(3 070)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in net assets		(1)	(58)
Net cash flows from financing activities		(1)	(58)
Net increase in cash and cash equivalents		3 568	(4 093)
Cash and cash equivalents at beginning of period		8 651	12 744
Cash and cash equivalents at end of period	15	12 219	8 651

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2018**

Summary of significant accounting policies

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

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

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1. Basis of preparation

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

2. Going concern

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

3. Presentation currency

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

4. Rounding

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

5. Foreign currency translation

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2018**

6. Comparative information

6.1 Prior period comparative information

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

6.2 Current year comparison with budget

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

7. Revenue

7.1 Appropriated funds

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

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

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

7.2 Provincial revenue

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

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2018**

7.3 Accrued departmental revenue

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

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

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

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

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

8. Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

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

8.1.2 Social contributions

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

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

8.2 Other expenditure

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

8.3 Accruals and payables not recognised

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2018**

8.4 Leases

8.4.1 Operating leases

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

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

8.4.2 Finance leases

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

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

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

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

9. Cash and cash equivalents

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

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

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

10. Prepayments and advances

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

Prepayments and advances are initially and subsequently measured at cost.

11. Loans and receivables

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2018**

12. Financial assets

12.1 Financial assets (not covered elsewhere)

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

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

12.2 Impairment of financial assets

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

13. Payables

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

14. Capital Assets

14.1 Movable capital assets

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

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

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

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

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2018**

14.2 Intangible assets

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

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

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

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

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

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

15. Provisions and Contingents

15.1 Provisions

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

15.2 Contingent liabilities

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2018**

15.3 Contingent assets

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

15.4 Commitments

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

16. 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.

17. 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.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2018**

18. Irregular expenditure

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

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

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

19. Changes in accounting policies, accounting estimates and errors

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

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

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

20. Events after the reporting date

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

21. Departures from the MCS requirements

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2018**

22. Recoverable revenue

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

23. Related party disclosures

23.1 Related party transactions

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

23.2 Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.

24. Employee benefits

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

1. Appropriation

1.1 Annual Appropriation

Programmes	2017/18			2016/17	
	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Final Appropriation R'000	Appropriation Received R'000
ADMINISTRATION	60 177	60 177	-	50 934	50 934
SUSTAINABLE RESOURCE MANAGEMENT	136 028	136 028	-	113 943	113 943
ASSET MANAGEMENT	53 311	53 311	-	54 833	54 833
FINANCIAL GOVERNANCE	39 077	39 077	-	34 838	34 838
Total	288 593	288 593	-	254 548	254 548

	Note	2017/18 R'000	2016/17 R'000
2. Provincial and Departmental Revenue			
Tax revenue		591 495	572 789
Sales of goods and services other than capital assets	2.1	4 365	2 890
Fines, penalties and forfeits	2.2	287	38
Interest, dividends and rent on land	2.3	4	25
Sales of capital assets	2.4	28	7
Transactions in financial assets and liabilities	2.5	8 693	4 055
Total revenue collected		604 872	579 804
Less: Own revenue included in appropriation	12	499 404	433 529
Departmental revenue collected		105 468	146 275

During the financial year an amount of R591 494 693.50 was received from the WCGRB for taxes collected. In total an amount of R602 340 457.10 was received from the WCGRB and paid over to the PRF.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

	Note	2017/18 R'000	2016/17 R'000
2.1 Sales of goods and services other than capital assets	2		
Sales of goods and services produced by the department		4 363	2 888
Administrative fees		4 324	2 860
Other sales		39	28
Sales of scrap, waste and other used current goods		2	2
Total		4 365	2 890

Administrative Fees are bookmaker licence fees received from the WCGRB. "Other sales" refers to commission on insurance and sale of minor assets.

2.2 Fines, penalties and forfeits	2		
Penalties		287	38
Total		287	38
2.3 Interest, dividends and rent on land	2		
Interest		4	25
Total		4	25
2.4 Sales of capital assets	2		
Tangible assets		28	7
Machinery and equipment	26	28	7
Total		28	7
2.5 Transactions in financial assets and liabilities	2		
Other Receipts including Recoverable Revenue		8 693	4 055
Total		8 693	4 055

Other receipts includes receipts from previous year's expenditure, Cash Surplus from WCGRB and debts recovered.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

	Note	2017/18 R'000	2016/17 R'000
3. Compensation of employees			
3.1 Salaries and wages			
Basic salary		124 626	114 503
Performance award		1 699	2 264
Service Based		50	164
Compensative/circumstantial		765	894
Other non-pensionable allowances		24 297	20 898
Total		151 437	138 723
3.2 Social contributions			
Employer contributions			
Pension		14 623	13 857
Medical		5 088	4 803
Bargaining council		24	22
Total		19 735	18 682
Total compensation of employees		171 172	157 405
Average number of employees		265	274

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

	Note	2017/18 R'000	2016/17 R'000
4. Goods and services			
Administrative fees		36	530
Advertising		827	539
Minor assets	4.1	442	293
Bursaries (employees)		591	531
Catering		691	520
Communication		651	568
Computer services	4.2	6 274	9 145
Consultants: Business and advisory services		18 303	22 498
Contractors		451	439
Agency and support / outsourced services		-	31
Entertainment		92	113
Audit cost – external	4.3	4 855	4 736
Fleet services		990	901
Consumables	4.4	2 037	1 719
Operating leases		537	393
Property payments	4.5	5	-
Transport provided as part of the departmental activities		8	-
Travel and subsistence	4.6	5 165	5 173
Venues and facilities		1 160	1 132
Training and development		839	919
Other operating expenditure	4.7	1 422	1 400
Total		45 376	51 580
4.1 Minor assets	4		
Tangible assets		442	293
Machinery and equipment		442	293
Total		442	293

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

	Note	2017/18 R'000	2016/17 R'000
4.2 Computer services	4		
SITA computer services		1 274	1 810
External computer service providers		5 000	7 335
Total		6 274	9 145

The ARIBA contract commenced in 2016/17 and the Department paid for all service providers to be registered on the database. In 2017/18 the Department only paid for the maintenance of the database and new service providers.

4.3 Audit cost – external	4		
Regularity audits		4 504	4 012
Computer audits		351	724
Total		4 855	4 736

4.4 Consumables	4		
Consumable supplies		195	185
Uniform and clothing		9	8
Household supplies		134	134
Building material and supplies		18	11
IT consumables		7	12
Other consumables		27	20
Stationery, printing and office supplies		1 842	1 534
Total		2 037	1 719

"Other consumables" refers to gifts and awards and accessories.

4.5 Property payments	4		
Property maintenance and repairs		5	-
Total		5	-

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

	Note	2017/18 R'000	2016/17 R'000
4.6 Travel and subsistence	4		
Local		4 783	4 857
Foreign		382	316
Total		5 165	5 173
4.7 Other operating expenditure	4		
Professional bodies, membership and subscription fees		236	133
Resettlement costs		105	80
Other		1 081	1 187
Total		1 422	1 400
"Other" refers to Printing and Publication services.			
5. Payments for financial assets			
Material losses through criminal conduct		58	22
Theft	5.3	58	22
Other material losses written off	5.1	26	44
Debts written off	5.2	-	59
Total		84	125
5.1 Other material losses written off	5		
Nature of losses			
Laptop damaged		-	23
Fruitless and wasteful expenditure - late cancellations.		5	2
GG Vehicles Damages		21	15
External hard drive		-	1
Laptop depreciation		-	2
Data card loss		-	1
Total		26	44

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

	Note	2017/18 R'000	2016/17 R'000
5.2 Debts written off	5		
Nature of debts written off			
Other debt written off			
Bad debt -ex-employee		-	59
Total		<u>-</u>	<u>59</u>
Total debt written off		<u>-</u>	<u>59</u>
5.3 Details of theft	5		
Nature of theft			
Stolen laptops		57	20
Theft of Urn		-	2
External hard drive		1	-
Total		<u>58</u>	<u>22</u>
6. Transfers and Subsidies			
Provinces and municipalities	29	33 130	21 554
Departmental agencies and accounts	Annexure 1B	19 711	9 912
Households	Annexure 1C	3 534	4 348
Total		<u>56 375</u>	<u>35 814</u>
7. Expenditure for capital assets			
Tangible assets		5 137	3 039
Machinery and equipment	26	5 137	3 039
Intangible assets	27	-	38
Software		-	38
Total		<u>5 137</u>	<u>3 077</u>

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

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

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

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

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

7.3 Finance lease expenditure included in Expenditure for capital assets

	2017/18 R'000	2016/17 R'000
Tangible assets		
Machinery and equipment	1 177	1 387
Total	1 177	1 387

8. Cash and Cash Equivalents

	2017/18 R'000	2016/17 R'000
Consolidated Paymaster General Account	12 214	8 646
Cash on hand	5	5
Total	12 219	8 651

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

	Note	2017/18 R'000	2016/17 R'000
9. Prepayments and Advances			
Travel and subsistence		-	35
Total		-	35

9.1 Prepayments (Expensed)

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

The amount of R80 000 is in respect of a franking machine that the department bought and paid for before delivery took place. Delivery could only happen after the department settled the invoice.

10. Receivables

	Note	2017/18			2016/17		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	10.1	-	-	-	19	-	19
Recoverable expenditure	10.2	52	33	85	82	33	115
Staff debt	10.3	27	10	37	20	-	20
Fruitless and wasteful expenditure	10.5	-	-	-	2	-	2
Other debtors	10.4	89	12	101	29	68	97
Total		168	55	223	152	101	253

	Note	2017/18 R'000	2016/17 R'000
10.1 Claims recoverable	10		
Provincial departments	Annexure 2	-	19
Total		-	19

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

	Note	2017/18 R'000	2016/17 R'000
10.2 Recoverable expenditure (disallowance accounts)	10		
Disallowance Miscellaneous		-	45
Disallowance: Damages & Losses		52	37
Income Tax		33	33
Total		85	115
10.3 Staff debt	10		
Salary Debt		8	20
Laptops stolen/lost		29	-
Total		37	20
10.4 Other debtors	10		
Salary Debt		51	43
Bursary Debt		50	54
Total		101	97
10.5 Fruitless and wasteful expenditure	10		
Opening balance		2	-
Less amounts recovered		(2)	-
Transfers from note 23 Fruitless and Wasteful expenditure		-	2
Total		-	2
11. Voted Funds to be surrendered to the Revenue Fund			
Opening balance		6 547	9 990
Transfer from statement of financial performance (as restated)		10 449	6 547
Paid during the year		(6 547)	(9 990)
Closing balance		10 449	6 547

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

	Note	2017/18 R'000	2016/17 R'000
12. Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund			
Opening balance		2 181	2 773
Transfer from Statement of Financial Performance (as restated)		105 468	146 275
Own revenue included in appropriation		499 404	433 529
Paid during the year		(605 347)	(580 396)
Closing balance		1 706	2 181
13. Payables – current			
Advances received	13.1	233	153
Clearing accounts	13.2	-	3
Total		233	156
13.1 Advances received	13		
Other institutions	Annexure 4	233	153
Total		233	153
Advances received refer to monies received from Nedbank for the payment of bursary monies to undergraduate students. Provincial Treasury administer the bursaries on their behalf.			
13.2 Clearing accounts	13		
Salary Reversal Control		-	3
Total		-	3

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

	Note	2017/18 R'000	2016/17 R'000
14. Net cash flow available from operating activities			
Net surplus as per Statement of Financial Performance		115 917	152 822
Add back non cash/cash movements not deemed operating activities		(107 239)	(153 787)
(Increase)/decrease in receivables		30	(82)
(Increase)/decrease in prepayments and advances		35	(35)
Increase/(decrease) in payables – current		77	117
Proceeds from sale of capital assets		(28)	(7)
Expenditure on capital assets		5 137	3 077
Surrenders to Revenue Fund		(611 894)	(590 386)
Own revenue included in appropriation		499 404	433 529
Net cash flow generated by operating activities		8 678	(965)
15. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		12 214	8 646
Cash on hand		5	5
Total		12 219	8 651
16. Contingent liabilities and contingent assets			
16.1 Contingent liabilities			
 Liable to	 Nature		
Intergovernmental payables (unconfirmed balances)	Annexure 3	14	167
Total		14	167

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

	Note	2017/18 R'000	2016/17 R'000
16.2 Contingent assets			
Nature of contingent asset			
PILIR cases		91	112
Total		91	112

The Department of Public Service and Administration (DPSA) contracted Metropolitan Health (Pty) Ltd as the preferred Health Risk Manager to evaluate and finalise the stockpiled PILIR cases as from 2015/16. The CSC continuously monitors these cases with Metropolitan. Provincial Treasury has 6 PILIR cases under investigation.

17. Commitments

Current expenditure

Approved and contracted

13 767	19 172
13 767	19 172

Capital Expenditure

Approved and contracted

123	-
123	-

Total Commitments

13 890	19 172
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The following service providers have contracts longer than one year: Ariba, Business Connexion, Nedbank and School of Public Leadership:US.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

18. Accruals and payables not recognised

18.1 Accruals

Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	358	7	365	290
Capital assets	36	-	36	-
Total	394	7	401	290

Listed by programme level	Note	2017/18 R'000	2016/17 R'000
Administration		303	147
Sustainable Resource management		72	111
Asset Management		7	24
Financial Governance		19	8
Total		401	290

18.2 Payables not recognised

Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	44	14	58	50
Transfers and subsidies	-	-	-	54
Capital assets	3	-	3	-
Total	47	14	61	104

Listed by programme level	Note	2017/18 R'000	2016/17 R'000
Administration		31	55
Sustainable Resource management		28	33
Asset Management		2	5
Financial Governance		-	11
Total		61	104

Included in the above totals are the following:

Confirmed balances with departments	Annexure 3	9	26
Total		9	26

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

19. Employee benefits

Leave entitlement	4 149	3 884
Service bonus (Thirteenth cheque)	3 963	3 860
Performance awards	898	1 837
Capped leave commitments	5 073	4 905
Other	327	252
Total	14 410	14 738

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

Leave entitlement is excluding leave credits amounting to R524 879.68.

20. Lease commitments**20.1 Operating leases (Photocopy machines and one GG vehicle)**

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

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

Photocopiers and one GG vehicle is classified as an operating lease.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

20.2 Finance leases (GG vehicles)

	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2017/18					
Not later than 1 year	-	-	-	1 126	1 126
Later than 1 year and not later than 5 years	-	-	-	1 623	1 623
Total lease commitments	-	-	-	2 749	2 749
	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2016/17					
Not later than 1 year	-	-	-	1 323	1 323
Later than 1 year and not later than 5 years	-	-	-	1 963	1 963
Total lease commitments	-	-	-	3 286	3 286

The Department leases vehicles from GMT.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

	Note	2017/18 R'000	2016/17 R'000
21. Accrued provincial revenue			
Tax revenue		49 157	45 630
Sales of goods and services other than capital assets		186	850
Fines, penalties and forfeits		5	20
Transactions in financial assets and liabilities		3 536	6 236
Total		52 884	52 736
21.1 Analysis of accrued provincial revenue			
Opening balance		52 736	48 030
Less: Amounts received		52 736	48 030
Add: Amounts recognised		52 884	52 736
Closing balance		52 884	52 736

Accrued revenue refers to Taxes and Levies due by WCGRB.

22. Irregular expenditure

22.1 Reconciliation of irregular expenditure

Opening balance	14	1 934
Prior period error	-	10
As restated	14	1 944
Add: Irregular expenditure - relating to prior year	37	-
Add: Irregular expenditure - relating to current year	42	4
Less: Prior year amounts condoned	(51)	(8)
Less: Current year amounts condoned	(42)	-
Less: Amounts not condoned and recoverable	-	-
Less: Amounts not condoned and not recoverable	-	(1 926)
Irregular expenditure awaiting condonation	-	14

Irregular expenditure increased with R79 000 being R37 000 relating to prior year for MMA Purifiers and R42 000 relating to current year of which R13 000 is in respect of MMA Purifiers and R29 000 for printing expenditure.

Analysis of awaiting condonation per age classification

Current year	-	4
Prior years	-	10
Total	-	14

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

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

		2017/18 R'000
Incident	Disciplinary steps taken/criminal proceedings	
MMA Purifiers - contract lapsed	None	50
Printing expenditure in excess of approved amount	None	29
Total		79

The amount of R50 000 for MMA Purifiers is made up of R37 000 and R13 000 which were discovered in the 2016/17 and 2017/18 financial year respectively.

22.3 Details of irregular expenditure condoned

		2017/18 R'000
Incident	Condoned by (condoning authority)	
MMA Purifiers - contract lapsed	Accounting Officer	60
Printing expenditure in excess of approved amount	Chief Financial Officer	29
Procurement of conference venue in excess of amount approved.	Accounting Officer	4
Total		93

22.4 Prior period error

	2016/17 R'000
Nature of prior period error	
MMA Purifiers - contract lapsed. Amount paid in 2015/16	10
Relating to 2016/17	37
MMA Purifiers - contract lapsed. Amount paid in 2016/17	37
Total	47

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

	Note	2017/18 R'000	2016/17 R'000
23. Fruitless and wasteful expenditure			
23.1 Reconciliation of fruitless and wasteful expenditure			
Opening balance		-	2
Fruitless and wasteful expenditure – relating to current year		6	1
Less: Amounts resolved		(6)	(1)
Less: Amounts transferred to receivables for recovery	10.5	-	(2)
Closing balance		<u>-</u>	<u>-</u>

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

		2017/18 R'000
Incident	Disciplinary steps taken/criminal proceedings	
Accommodation cancellation fees	None	4
Flight ticket change fees	None	2
Total		<u><u>6</u></u>

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

	2017/18 R'000
Incident	
Non-attendance of Training	12
Total	<u><u>12</u></u>

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

24. Related party transactions

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

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

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

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

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

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

The MEC of Finance was also responsible for the following departments and entities at 31 March 2018:

- Provincial Treasury
- Western Cape Gambling and Racing Board

25. Key management personnel

	No. of Individuals	2017/18 R'000	2016/17 R'000
Political office bearers	1	1 978	1 902
Officials:			
Level 15 to 16	3	4 736	4 804
Level 14 (incl CFO if at a lower level)	6	6 888	6 758
Total		13 602	13 464

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

26. Movable Tangible Capital Assets

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

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

Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	9	136

9 laptops were stolen.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

Additions

26.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Cash R'000	Non-cash R'000	(Capital work- in-progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
MACHINERY AND EQUIPMENT	5 138	583	(1 177)	112	4 656
Transport assets	1 177	583	(1 177)	-	583
Computer equipment	3 551	-	-	88	3 639
Furniture and office equipment	191	-	-	24	215
Other machinery and equipment	219	-	-	-	219
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	5 138	583	(1 177)	112	4 656

Included in furniture and office equipment is an amount of R80 000.00 for the franking machine payment on BAS not yet on Logis.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

Disposals

26.2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash received Actual R'000
MACHINERY AND EQUIPMENT	789	1 226	2 015	28
Transport assets	-	1 204	1 204	-
Computer equipment	621	22	643	28
Furniture and office equipment	68	-	68	-
Other machinery and equipment	100	-	100	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	789	1 226	2 015	28

The assets that were disposed of under "sold for cash" was not removed from the asset register as at 31 March 2018.

26.3 Movement for 2016/17

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

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

26.4 Minor assets

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

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	5	-	6 067	-	6 072
Value adjustments	-	-	-	(33)	-	(33)
Additions	-	-	-	444	-	444
Disposals	-	-	-	505	-	505
TOTAL MINOR ASSETS	-	5	-	5 973	-	5 978

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

Minor Capital Assets under investigation

	Number	Value
Machinery and equipment	238	93

Included in the minor asset is library books totalling to an amount of R93 191.29 that is still under investigation and which will be finalised in the 2018/19 financial year. Minor assets to the value of R505 461.54 was not removed from the asset register as at 31 March 2018.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

Minor assets

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

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	5	-	5 790	-	5 795
Additions	-	-	-	292	-	292
Disposals	-	-	-	15	-	15
TOTAL MINOR ASSETS	-	5	-	6 067	-	6 072

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

26.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2018

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	58	-	58
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	58	-	58

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2017

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	48	-	48
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	48	-	48

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

26.6 S42 Movable Capital Assets

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

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

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

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

27. Intangible Capital Assets

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
SOFTWARE	694	-	-	596	98
TOTAL INTANGIBLE CAPITAL ASSETS	694	-	-	596	98

Disposals

27.1 DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash received Actual R'000
SOFTWARE	-	596	596	-
TOTAL DISPOSAL OF INTANGIBLE CAPITAL ASSETS	-	596	596	-

Movement for 2016/17

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

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
SOFTWARE	656	-	38	-	694
TOTAL INTANGIBLE CAPITAL ASSETS	656	-	38	-	694

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

28. Prior period errors

28.1 Correction of prior period errors

	Note	Amount before error correction R'000	2016/17	
			Prior period error R'000	Restated amount R'000
Other:				
Irregular expenditure iro MMA Purifiers where contract lapsed	22	-	47	47
Net effect		<u>-</u>	<u>47</u>	<u>47</u>

The irregular expenditure was identified in the current financial year but payment made in previous years.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

29. Statement of Conditional Grants and other transfers to municipalities

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department R'000
BEAUFORT WEST	240	-	2 530	2 770	2 770	-	-
BERGRIVIER	240	-	330	570	570	-	-
BITOU	240	-	1 330	1 570	1 570	-	-
BREEDE VALLEY	240	-	410	650	650	-	-
CAPE AGULHAS	240	-	330	570	570	-	-
CAPE WINELANDS DISTRICT	240	-	480	720	720	-	-
CEDERBERG	240	-	980	1 220	1 220	-	-
CENTRAL KAROO DISTRICT	240	-	1 775	2 015	2 015	-	-
CITY OF CAPE TOWN	240	-	230	470	470	-	-
DRAKENSTEIN	240	-	255	495	495	-	-
EDEN DISTRICT	240	-	380	620	620	-	-
GEORGE	240	-	255	495	495	-	-
HESSEQUA	240	-	330	570	570	-	-
KANNALAND	240	-	3 130	3 370	3 170	-	-
KNYSNA	240	-	2 280	2 520	2 520	-	-
LAINGSBURG	240	-	1 530	1 770	1 770	-	-
LANGEBERG	240	-	330	570	570	-	-
MATZIKAMA	240	-	530	770	770	-	-
MOSSSEL BAY	240	-	280	520	520	-	-
ODTSHOORN	240	-	3 280	3 520	3 320	-	-
OVERBERG DISTRICT	240	-	780	1 020	1 020	-	-
OVERSTRAND	240	-	280	520	240	-	-
PRINCE ALBERT	240	-	1 430	1 670	1 670	-	-
SALDANHA BAY	240	-	630	870	870	-	-
STELLENBOSCH	240	-	255	495	495	-	-
SWARTLAND	240	-	760	1 000	1 000	-	-
SWELLENDAM	240	-	330	570	450	-	-
THEEWATERSKLOOF	240	-	680	920	920	-	-
WITZENBERG	240	-	330	570	570	-	-
WEST COAST DISTRICT	240	-	280	520	520	-	-
UNALLOCATED	26 766	-	(26 730)	36	-	-	-
	33 966	-	-	33 966	33 130	-	-

The following four municipalities did not take up their transfer payments for the following reasons:

1. Overstrand - Do not require the FMSG anymore.
2. Swellendam - Although an amount of R240 000 was gazetted, the municipality only took up R120 000 as it is their 1st year participating in the FMSG.
3. Kannaland - Do not require the FMSG anymore.
4. Oudtshoorn - Do not require the FMSG anymore.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

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

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2016/17
	DoRA and other transfers R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department R'000	Amount received by Municipality R'000	Amount spent by municipality R'000	Unspent funds R'000	% of available funds spent by municipality %	Division of Revenue Act R'000
BEAUFORT WEST	240	-	2 530	2 770	2 770	-	-	2 770	830	1 940	30	340
BERGRIVIER	240	-	330	570	570	-	-	570	-	570	-	120
BITOU	240	-	1 330	1 570	1 570	-	-	1 570	-	1 570	-	340
BREEDE VALLEY	240	-	410	650	650	-	-	650	-	650	-	554
CAPE AGULHAS	240	-	330	570	570	-	-	570	-	570	-	340
CAPE WINELANDS DISTRICT	240	-	480	720	720	-	-	720	271	449	38	1 040
CEDERBERG	240	-	980	1 220	1 220	-	-	1 220	-	1 220	-	340
CENTRAL KAROO DISTRICT	240	-	1 775	2 015	2 015	-	-	2 015	499	1 516	25	1 940
CITY OF CAPE TOWN	240	-	230	470	470	-	-	470	-	470	-	120
DRAKENSTEIN	240	-	255	495	495	-	-	495	-	495	-	120
EDEN DISTRICT	240	-	380	620	620	-	-	620	127	493	20	340
GEORGE	240	-	255	495	495	-	-	495	-	495	-	340
HESSEQUA	240	-	330	570	570	-	-	570	99	471	17	120
KANNALAND	240	-	3 130	3 370	3 170	-	-	3 170	1 300	1 870	41	1 340
KNYSNA	240	-	2 280	2 520	2 520	-	-	2 520	-	2 520	-	120
LAINGSBURG	240	-	1 530	1 770	1 770	-	-	1 770	-	1 770	-	340
LANGEBERG	240	-	330	570	570	-	-	570	330	240	58	340
MATZIKAMA	240	-	530	770	770	-	-	770	-	770	-	340
MOSSEL BAY	240	-	280	520	520	-	-	520	-	520	-	340
OUDTSHOORN	240	-	3 280	3 520	3 320	-	-	3 320	348	2 972	10	3 240
OVERBERG DISTRICT	240	-	780	1 020	1 020	-	-	1 020	-	1 020	-	1 940
OVERSTRAND	240	-	280	520	240	-	-	240	-	240	-	-
PRINCE ALBERT	240	-	1 430	1 670	1 670	-	-	1 670	224	1 446	13	2 340
SALDANHA BAY	240	-	630	870	870	-	-	870	-	870	-	340
STELLENBOSCH	240	-	255	495	495	-	-	495	-	495	-	340
SWARTLAND	240	-	760	1 000	1 000	-	-	1 000	530	470	53	340
SWELLENHAM	240	-	330	570	450	-	-	450	196	254	44	220
THEEWATERSKLOOF	240	-	680	920	920	-	-	920	-	920	-	340
WITZENBERG	240	-	330	570	570	-	-	570	330	240	58	2 340
WEST COAST DISTRICT	240	-	280	520	520	-	-	520	-	520	-	1 240
UNALLOCATED	26 766	-	(26 730)	36	-	-	-	-	-	-	-	-
Total	33 966	-	-	33 966	33 130	-	-	33 130	5 084	28 046		21 554

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

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

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2016/17
	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	16 407	-	3 300	19 707	19 707	100	9 908
SABC TV licences	4	-	-	4	4	100	4
Total	16 411	-	3 300	19 711	19 711		9 912

Transfers are made to the WCGRB to supplement their budget (expenditure), while the board generated about R591 million in 2017/18 for gambling taxes that had to be paid over to the PRF.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

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

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2016/17
	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
Transfers							
Leave Gratuity	464	-	433	897	913	102	1 689
Bursaries to non-employees	2 858	-	100	2 958	2 566	87	2 353
Injury on duty	-	-	3	3	3	100	5
Schools Essay writing competition - cash prizes	-	-	158	158	42	27	301
Cash donation to deceased official's family	-	-	10	10	10	100	-
Total	3 322	-	704	4 026	3 534		4 348

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

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

NATURE OF GIFT, DONATION OR SPONSORSHIP	2017/18 R'000	2016/17 R'000
Made in kind		
Saldanha Bay Municipality: Sponsoring for catering towards SCOA training for municipality officials.	-	14
TOTAL	-	14

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

**ANNEXURE 2
CLAIMS RECOVERABLE**

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2017/18	
	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000	Receipt date up to six (6) working days after year end	Amount R'000
GOVERNMENT ENTITY								
DEPARTMENTS								
Department of Human Settlements	-	12	-	-	-	12	-	-
Department of Education	-	-	-	7	-	7	-	-
Total	-	12	-	7	-	19	-	-

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

**ANNEXURE 3
INTER-GOVERNMENT PAYABLES**

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2017/18	
	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000	Payment date up to six (6) working days before year end	Amount R'000
GOVERNMENT ENTITY								
DEPARTMENTS								
Current								
Department of Premier	9	26	14	167	23	193	29/03/2018	96
Subtotal	9	26	14	167	23	193		96
Total Departments	9	26	14	167	23	193		96
OTHER GOVERNMENT ENTITY								
Current								
South African Police Services	-	-	-	-	-	-	29/03/2018	6
South African Revenue Service	-	-	-	-	-	-	26/03/2018	44
SITA	-	-	-	-	-	-	28/03/2018	190
Subtotal	-	-	-	-	-	-		240
Total Other Government Entities	-	-	-	-	-	-		240
TOTAL INTERGOVERNMENTAL	9	26	14	167	23	193		336

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

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

**ANNEXURE 4
INTER-ENTITY ADVANCES RECEIVED (Note 13)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000	31/03/2018 R'000	31/03/2017 R'000
OTHER INSTITUTIONS						
Current						
Nedbank - bursary monies for students	-	-	233	153	233	153
TOTAL	-	-	233	153	233	153