

Reference: RCS/C.6

TREASURY CIRCULAR NO. 26/2018

THE PREMIER
THE MINISTER OF ECONOMIC OPPORTUNITIES
THE MINISTER OF COMMUNITY SAFETY
THE MINISTER OF CULTURAL AFFAIRS AND SPORT
THE MINISTER OF EDUCATION
THE MINISTER OF FINANCE
THE MINISTER OF HEALTH
THE MINISTER OF HUMAN SETTLEMENTS
THE MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING
THE MINISTER OF SOCIAL DEVELOPMENT
THE MINISTER OF TRANSPORT AND PUBLIC WORKS
THE SPEAKER: PROVINCIAL PARLIAMENT
THE DEPUTY SPEAKER: PROVINCIAL PARLIAMENT
THE EXECUTIVE AUTHORITY: WESTERN CAPE GAMBLING AND RACING BOARD (MINISTER IH MEYER)
THE EXECUTIVE AUTHORITY: WESTERN CAPE NATURE CONSERVATION BOARD (MINISTER A BREDELL)
THE EXECUTIVE AUTHORITY: WESTERN CAPE INVESTMENTS AND TRADE PROMOTION AGENCY (MINISTER A WINDE)
THE EXECUTIVE AUTHORITY: SALDANHA BAY IDZ LICENCING COMPANY (MINISTER A WINDE)
THE EXECUTIVE AUTHORITY: WESTERN CAPE CULTURAL COMMISSION (MINISTER A MARAIS)
THE EXECUTIVE AUTHORITY: WESTERN CAPE LANGUAGE COMMITTEE (MINISTER A MARAIS)
THE EXECUTIVE AUTHORITY: WESTERN CAPE HERITAGE (MINISTER A MARAIS)
THE EXECUTIVE AUTHORITY: CASIDRA (MINISTER A WINDE)
THE EXECUTIVE AUTHORITY: WESTERN CAPE LIQUOR AUTHORITY (MINISTER D PLATO)

THE ACCOUNTING OFFICER: VOTE 1: PREMIER (ADV B GERBER)
THE ACCOUNTING OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (DR G LAWRENCE)
THE ACCOUNTING OFFICER: VOTE 3: PROVINCIAL TREASURY (MR Z HOOSAIN)
THE ACCOUNTING OFFICER: VOTE 4: COMMUNITY SAFETY (MR G MORRIS)
THE ACCOUNTING OFFICER: VOTE 5: EDUCATION (MR BK SCHREUDER)
THE ACCOUNTING OFFICER: VOTE 6: HEALTH (DR B ENGELBRECHT)
THE ACCOUNTING OFFICER: VOTE 7: SOCIAL DEVELOPMENT (DR R MACDONALD)
THE ACCOUNTING OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR T MGULI)
THE ACCOUNTING OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR P VAN ZYL)
THE ACCOUNTING OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (MS J GOOCH)
THE ACCOUNTING OFFICER: VOTE 11: AGRICULTURE (MS J ISAACS)
THE ACCOUNTING OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MR S FOURIE)
THE ACCOUNTING OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MR B WALTERS)
THE ACCOUNTING OFFICER: VOTE 14: LOCAL GOVERNMENT (MR G PAULSE)

THE CHIEF FINANCIAL OFFICER: VOTE 1: PREMIER (MR D BASSON)
THE CHIEF FINANCIAL OFFICER: VOTE 2: PROVINCIAL PARLIAMENT (MS N PETERSEN)
THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MS A SMIT)
THE CHIEF FINANCIAL OFFICER: VOTE 4: COMMUNITY SAFETY (MR M FRIZLAR)
THE CHIEF FINANCIAL OFFICER: VOTE 5: EDUCATION (MR L ELY)
THE CHIEF FINANCIAL OFFICER: VOTE 6: HEALTH (MR A VAN NIEKERK)
THE CHIEF FINANCIAL OFFICER: VOTE 7: SOCIAL DEVELOPMENT (MR JO SMITH)
THE CHIEF FINANCIAL OFFICER: VOTE 8: HUMAN SETTLEMENTS (MR F DE WET)
THE CHIEF FINANCIAL OFFICER: VOTE 9: ENVIRONMENTAL AFFAIRS AND DEVELOPMENT PLANNING (MR T GILDENHUYS)
THE CHIEF FINANCIAL OFFICER: VOTE 10: TRANSPORT AND PUBLIC WORKS (ADV C SMITH)
THE CHIEF FINANCIAL OFFICER: VOTE 11: AGRICULTURE (MR F HUYSAMER)
THE CHIEF FINANCIAL OFFICER: VOTE 12: ECONOMIC DEVELOPMENT AND TOURISM (MS M ABRAHAMS)
THE CHIEF FINANCIAL OFFICER: VOTE 13: CULTURAL AFFAIRS AND SPORT (MS BG RUTGERS)
THE CHIEF FINANCIAL OFFICER: VOTE 14: LOCAL GOVERNMENT (MS B SEWLALL-SINGH)

} For information

THE HEAD OFFICIAL: PROVINCIAL TREASURY (MR Z HOOSAIN)
THE DEPUTY DIRECTOR GENERAL: FISCAL AND ECONOMIC SERVICES (MR H MALILA)
THE DEPUTY DIRECTOR GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MR IG SMITH) (ACTING)
THE CHIEF DIRECTOR: PUBLIC POLICY SERVICES (MR ML BOOYSEN) (ACTING)
THE CHIEF DIRECTOR: PROVINCIAL GOVERNMENT PUBLIC FINANCE (MS JD GANTANA)
THE CHIEF DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE (VACANT)
THE CHIEF DIRECTOR: ASSET MANAGEMENT (MS N EBRAHIM) (ACTING)
THE CHIEF DIRECTOR: FINANCIAL GOVERNANCE AND ACCOUNTING (MR A HARDIEN)
THE CHIEF FINANCIAL OFFICER (MS A SMIT)
THE HEAD: OFFICE OF THE FINANCE MINISTRY (ADV E PRETORIUS)
THE DIRECTOR: BUSINESS INFORMATION AND DATA MANAGEMENT (MR PP PIENAAR)
THE DIRECTOR: FINANCIAL GOVERNANCE (MS M VAN NIEKERK)
THE DIRECTOR: FISCAL POLICY (DR N NLEYA)
THE DIRECTOR: INFRASTRUCTURE (MR K LANGENHOVEN)
THE DIRECTOR: LOCAL GOVERNMENT ACCOUNTING (MR L BRINDERS)
THE DIRECTOR: LOCAL GOVERNMENT BUDGET OFFICE (MR D CRONJÉ) (ACTING)
THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP ONE) (VACANT)
THE DIRECTOR: LOCAL GOVERNMENT REVENUE AND EXPENDITURE (GROUP TWO) (MR M SIGABI)
THE DIRECTOR: LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MR R MOOLMAN)
THE DIRECTOR: PROVINCIAL GOVERNMENT ACCOUNTING (MR A REDDY)
THE DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE (MS RH SLINGER)
THE DIRECTOR: PROVINCIAL GOVERNMENT FINANCE (EXPENDITURE MANAGEMENT) (MS A PICK)
THE DIRECTOR: PROVINCIAL GOVERNMENT SUPPLY CHAIN MANAGEMENT (MS T RAKIEP) (ACTING)
THE DIRECTOR: STRATEGIC AND OPERATIONAL MANAGEMENT SUPPORT (VACANT)
THE DIRECTOR: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS (MR A MAZOMBA)
THE PROVINCIAL AUDITOR
MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT
THE DEPUTY DIRECTOR GENERAL: CORPORATE ASSURANCE, DEPARTMENT OF THE PREMIER (MS H ROBSON)

REPORTING ON 2018/19 EARMARKED PRIORITY ALLOCATIONS

1. PURPOSE

The purpose of this circular is to inform departments of the reporting requirements on the 2018/19 earmarked allocations and the associated reporting timelines.

2. BACKGROUND

As stipulated in section 3(b) of the Western Cape Appropriation Act (No. 3 of 2018) dated 7 June 2018, earmarked allocations may be used only for the purpose stipulated in the Schedule and in accordance with the directives issued in terms of section 4(2) of the Act.

Section 4(3) of the Act further indicates that a directive must set out in writing the reporting requirements to be complied with by provincial departments on a function funded or partially funded by each allocation, except where such comprehensive reporting is already required in terms of other legislation; and may further set out measures in respect of an allocation to ensure transparency, accountability and expenditure control.

To further strengthen the coordination and alignment between planning, budgeting and implementation in the Western Cape Government for service delivery impact

the focus will be programme and project effectiveness and performance of earmarked allocations.

Earmarked allocations will require quarterly reporting to the Provincial Treasury for the 2018/19 financial year, which includes reporting already covered in the normal In-Year Monitoring (IYM), Quarterly Performance Reports (QPR), Infrastructure Reporting Model (IRM) and Game Changers.

3. REPORTING REQUIREMENTS AND ASSOCIATED REPORTING TIMELINES

Reporting on the 2018/19 earmarked allocations will continue on the existing process and therefore no amendments are made to the reporting requirements as set out for the 2017/18 financial year. Departments are required to submit a narrative report on a quarterly basis to the Provincial Treasury and would have to certify that this narrative report is correct, and can be verified by way of supporting documentation and gives a true reflection of the performance of the allocation.

This report should describe progress on performance and include the following sections:

Section 1: Basic details around the purpose of the Earmarked allocation. This section should be included as a standard section throughout the reporting period.

Section 2: Departments are required to report on the financial and non-financial performance of the Earmarked allocations.

The financial information

This includes reporting on the actual expenditure outcome for the specified period against the main or adjusted budget together with the projections for the remaining months of the 2018/19 financial year. Any over or under spending projected/ reported for the remainder of the financial year must be explained as part of the narrative and supported by the necessary remedial action.

Departments are further requested to ensure that all Earmarked allocations required for reporting are identifiable on the Basic Accounting System (BAS) for verification and transparency purposes. This can be done through the utilisation of the various segments available on BAS; such as; the Fund, Project, Objective and/or Responsibility segment.

Non-financial information

The non-financial performance information to be reported for Earmarked allocations should be done in conjunction with the budget allocated and the overall purpose

for when the funds were allocated. Departments are required to provide an explanatory narrative report indicating the key achievements and challenges that are being experienced as well as mitigating measures that have been or are being taken into account to respond to these issues.

Reporting Template and Dates

Departments will be issued with a narrative reporting template and a list of Earmarked allocations that would require quarterly reporting to the Provincial Treasury.

The signed-off explanatory narrative reports including financial and non-financial information should be sent to Megan Robertson (hard and electronic) to BudgetOffice.ProvincialTreasury@westerncape.gov.za, Room 3-50, 7 Wale Street, Provincial Legislature Building.

The dates for submission of the 2018/19 Earmarked allocation reports are as follows:

Quarters 2018/19	Date
1 st Quarter – June 2018	31 July 2018
2 nd Quarter – September 2018	31 October 2018
3 rd Quarter – December 2018	31 January 2019
4 th Quarter – March 2019	30 April 2019
Note: The actual validated information for the fourth quarter must be submitted to the Provincial Treasury end May 2019 together with the pre-audited performance information for the 2018/19 financial year	

4. SPECIFIC REPORTING REQUIREMENTS

4.1 Game Changers

The 2018/19 Game Changer budget reporting builds on the existing process and reporting will continue to track the holistic Game Changer budget inclusive of departmental budgets and earmarked allocation from a financial and non-financial perspective. Reporting timelines will remain aligned to the key engagements in the budgeting process (three reporting periods aligned with the PG MTEC engagements).

Financial Information

The financial reporting requires that progress is reported against the approved 2018/19 budget. Please note this includes departmental and Earmarked allocations.

Non-Financial Information

Provincial Treasury together with the Delivery Support Unit have identified a select number of performance indicators in the Game Changer Roadmaps. These will be shared with the Game Changer leads, who will communicate with the responsible departments for each Game Changer. The intention is to align the Game Changer Roadmaps with the budget reporting process.

The dates for submission of the 2018/19 Game Changer reports are as follows:

Deliverable	Date
PT issues models to relevant departments to populate	31 July 2018
Departments submit populated models via the game changer lead department to PT for verification by PT and the DSU	13 August 2018
PT issues the final Game Changer reporting models to Departments	17 August 2018
Departments submit Apr- Aug Game Changer reporting to PT	14 September 2018
Departments submit Sep- Dec Game Changer reporting to PT	21 January 2019
Departments submit Jan – Mar Game Changer reporting to PT	22 April 2019
Note: Validated Financial and Non – Financial information and 2018/19 pre-audited information to PT	End May 2019

Kindly note that all reports should be coordinated by the Game Changer leads who should also submit the final reports to the Provincial Treasury.

4.2 Infrastructure

Section 13(1)(e) of the Division of Revenue Act (DoRA) (Act 1 of 2018) requires infrastructure departments to provide reports on the aggregate infrastructure spending, based on a format prescribed by the National Treasury. The Infrastructure Reporting Model (IRM) is the prescribed format, however, maintenance is currently included in the IRM as a one-line entry only. The intention by National Treasury is to expand the IRM to cater for maintenance per project. Further communication and training in this regard will follow. Expenditure performance against earmarked maintenance allocations requires comprehensive reporting on a project-by-project basis in respect of all Scheduled Maintenance Projects. This is to be submitted with the monthly IRM reports until the maintenance per project updates are included in the IRM. An Excel based template will be provided in a separate communique and should be used for reporting purposes. Expenditure on Day-to-day, Routine and Emergency Maintenance needs to be reported on an aggregate level per district.

5. Enquiries

Should you have any queries on the Earmarked allocation reporting, please contact Jonathan Hendricks at Jonathan.Hendricks@westerncape.gov.za or 021 483 4416. Queries on the Game Changer reporting may be directed to Taryn van de Rheeede at Taryn.VandeRheede@westerncape.gov.za or 021 483 6131.

A handwritten signature in black ink, consisting of several overlapping loops and lines, positioned above the typed name.

MS RH SLINGER

DIRECTOR: PROVINCIAL GOVERNMENT BUDGET OFFICE

DATE: 11 July 2018