



Western Cape  
Government

Provincial Treasury



CITIZEN'S REPORT 2015/2016

# Who are we?

The Provincial Treasury is responsible for supporting and guiding the Western Cape Provincial Departments by bringing together or integrating service delivery. The service delivery strengthened by good control (governance), will lead to improvements for every citizen in the Western Cape.

## Vision

*Good governance through financial accountability*

## 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.*

## Who is in charge?



Our Minister is **Dr Ivan Meyer**. He is an elected politician, responsible for directing the Department's activities in line with the National and Provincial Government policies

The Head of the Department is **Mr Zakariya Hoosain** who is a public servant appointed to ensure that the Department implements the Ministerial and Governmental directives effectively and efficiently.



# What do we do?

The Provincial Treasury does not deliver services to the public directly, but rather through its clients. We assist our clients (the Western Cape provincial departments and municipalities) to deliver services to our citizens.

This Department's focus is to build on joint planning, coordination and delivery between provincial departments, municipalities, national government and other key interested parties.

### Our strategic goals in action:

1

Efficient and effective departmental governance support services to enable the Department to achieve all its goals and objectives and a clean audit outcome.

2

Effective, efficient and sustainable management of provincial and municipal fiscal resources to enable service delivery and public value through:

- the annual tabling of the provincial budget;
- assistance to municipalities in preparation of municipal budgets through the annual municipal budget assessments; and
- monitoring and quarterly reporting on the budget implementation.

3

Financial system, supply chain and movable asset governance within the provincial and municipal spheres by assisting 13 departments and 30 municipalities to build capacity and instilling good governance practices to improve the financial management maturity that equates to a managed level.

4

Achieving accountability through promoting the reporting frameworks and compliance with financial norms and standards through the establishment of sound financial governance within the provincial and municipal spheres. This will be continually measured to achieve the highest level of governance in 2020.

# Creating a talent pool of economists and accountants

**Strategic goal 1:**  
Efficient and effective departmental governance support services



The top 15 bursary winners with Minister of Finance, Dr Ivan Meyer, Minister of Education, Ms Debbie Schafer, and representatives from various departments and Nedbank

The Provincial Treasury is determined to create a public sector where good governance and financial accountability is practiced by creating a talent pool of economists and accounting professionals within government. This is perfectly aligned to the goal of providing efficient and effective governance support services.

With a key emphasis on quality education and skills development, the Western Cape Provincial Treasury

and the Department of Education have partnered with Nedbank, to offer bursaries to 15 students through the **Essay Bursary Competition**.

Since the start of the competition and bursary programme in 2008, bursaries worth R2.9 million have been allocated to Grade 11 learners who plan to pursue a career in maths, economics and accounting. The top 15 learners each received a bursary to pursue a three-year degree/diploma at one of the universities in the Western Cape in the fields mentioned above. Besides these bursaries, the top 15 learners also received cash prizes.

Provincial Treasury also established its own **Chartered Accountant Academy**, which aims to provide an avenue for prospective chartered accountants to receive accreditation within the public sector.

These professionals will over time be available to take up key positions within departments and municipalities, bringing a wealth of knowledge and specific government experience to the public sector.



Minister Ivan Meyer and Mr Aziz Hardien, DDG: Governance and Asset Management, addressing the seven trainee accountants while explaining the Western Cape budget, strategic goals and the Taking the Budget to the People campaign.

# Getting down to Rands and cents

**Strategic goal 2:**  
Effective, efficient and sustainable management of provincial and municipal fiscal resources

The theme of the 2015/16 budget was implementing the National Development Plan 2030 and aligning provincial departments to have a citizen-centric approach that offers public value. "We are a province at work, one government with one focus, working together to ensure synergy," said Minister Ivan Meyer.

Taking the budget to the people is a new approach to ensure that Provincial Treasury is truly citizen-centric by unpacking the budget for specific municipal districts and presenting the budget to citizens through budget roadshows on local radio stations and advertisements in newspapers. This gave the Minister the opportunity to engage with citizens by giving more detail on the

budget and responding to the budget questions posed by citizens. The main aim of the roadshows was to hold government accountable for the effective, efficient and sustainable management of provincial and municipal fiscal resources.



Mr Harry Malila and Minister Ivan Meyer at the Eden FM Budget Roadshow

# Engaging SMME's and government suppliers

## Strategic goal 3:

Financial system, supply chain and movable asset governance within the provincial and municipal spheres



Provincial Treasury officials discussing the centralised supplier database with current and potential suppliers.

Small, Medium- and Micro-sized Enterprises (SMME) contribute an estimated 50% to South Africa's Gross Domestic Product and are a major job creators in the Western Cape.

Finance Minister, Dr Ivan Meyer, engages with the management of businesses to discuss the challenges faced by SMMEs during tough financial times. Some of the major concerns raised during interactions included the recent economic downturn, unemployment, tender qualification criteria and the challenges SMMEs have in securing tenders against larger companies.

During Women's Month, Minister Meyer also met with over 20 businesses, all owned by women creating job opportunities in their local communities. The theme of the event was to create an inclusive community and to encourage and support entrepreneurship which leads to job creation.

The Provincial Treasury officials hosted 34 supplier engagements aimed at improving working relationships with government suppliers. Of these engagements, 24 were used to assist Western Cape suppliers to register on the National Supplier Database and to assist suppliers with queries. Nine supplier open days were hosted to address general queries from potential and current suppliers, and the Department also had a presence at the Smart Procurement World Conference which was held at the Cape Town International Convention Centre.

# The start to clean audits

## Strategic goal 4:

Accountability through the review of financial reporting of departments, entities and municipalities and compliance with financial norms and standards

Treasury will continue to work and ensure that good governance practices continue within the province. With an emphasis on "clean governance", the Municipal Governance Review and Outlook (MGRO) process aims to contribute directly to good financial governance.

In a partnership with the Department of Local Government, the Auditor-General of South Africa and Treasury, Western Cape municipalities were awarded for their audit outcomes in an effort to encourage municipalities to strengthen municipal financial sustainability.

At the awards ceremony, Minister Ivan Meyer said that leaders must rise to the challenge and not fall down during a crisis, hereby encouraging municipal managers and councils to work towards overcoming challenges.

City of Cape Town Mayor, Patricia de Lille, said: "Mayors and officials must work together to achieve clean audits and hold each other accountable."

The Western Cape Executive at the Auditor-General of South Africa, Ms Sharonne Adams, congratulated municipalities on the great audit results.

Of all the municipalities, only one submitted late, 72% achieved clean audits, 25% financial unqualified findings and 3% an adverse opinion, which is actually only one municipality.

Local Government Minister, Anton Bredell, said: "If we join hands, we can achieve these kinds of results - government spheres working together."



Minister Ivan Meyer at the awards ceremony with the Heads of Departments for Treasury, Mr Zakariya Hoosain and Local Government, Mr Graham Paule

# Our standards and how we met them in 2015/16

In terms of Section 18 of the Public Finance Management Act, 1999 (Act of 1999) and Section 5 (4) of the Municipal Finance Management Act, 2003 (Act 56 of 2003), the Provincial Treasury is instructed to assist its clients to improve service delivery.

We were able to deliver on each of our standards. Tabled below, is a snippet of some of the core services we rendered from 1 April 2015 to 31 March 2016:

Main service / standard	Planned for 2015/2016	Actual achievement for 2015/2016
Number of fiscal policy reports on fiscal matters that impact on the fiscal framework of provincial and local government	20	20
Timeous publication of the Overview of Provincial Revenue and Expenditure	March 2016	March 2016
Number of municipal budget policy assessment reports	30	30
Timeous tabling of the Estimates of Provincial Revenue and Expenditure	March 2016	March 2016
Number of quarterly reports on the implementation of the municipal budgets	4	4
Number of assessments on the institutionalisation of the Western Cape Infrastructure Delivery Management	5	5
An available central depository for the safeguarding of financial and performance information to enable proper decision-making and credible publications	1	1
Number of departments assisted with the continuous improvements of their supply chain and asset management systems	13	13
Number of municipalities assisted to improve management of supply chain and assets	30	30
Number of votes assisted to effectively utilise the suite of financial systems	14	14
Number of municipalities supported to comply with the General Recognised Accounting Practices standards	30	30
Number of votes assisted to comply with financial accounting and governance norms and standards	14	14
Number of municipalities assisted to improve corporate governance in risk management, internal audit, compliance to the Municipal Finance Management Act, 2003 and delegations	30	30

# Our organisation and staffing

As at 31 March 2016, the Department has employed 316 staff members.

Representation in terms of salary bands is as follows:

Salary bands	Number of employees appointed at that level
Lower skills (Levels 1-2)	3
Skilled (Levels 3-5)	29
Highly skilled production (Levels 6-8)	64
Highly skilled supervision (Levels 9-12 )	200
Senior management (Levels 13-16)	20

# Our budget

We received a total adjusted budget of R250 377 000 from 1 April 2015 - 31 March 2016. The Department has utilised R240 387 000 of the adjusted allocation, which reflects an underspending of R9 990 000.

Breakdown of the final allocation and actual expenditure per economic classification:

Economic classification	Final allocation R'000	Actual expenditure R'000
Compensation of employees	152 152	148 038
Goods and services	62 139	49 019
Transfers and subsidies	31 320	38 595
Capital assets	4 716	4 630
Financial assets	50	105
<b>Total</b>	<b>250 377</b>	<b>240 387</b>

Breakdown of the final allocation and actual expenditure per programme:

Programme	Final allocation R'000	Actual expenditure R'000
Administration (Programme 1)	49 576	47 749
Sustainable Resource Management (Programme 2)	109 878	108 379
Asset Management (Programme 3)	57 405	53 472
Financial Governance (Programme 4)	33 518	30 787
<b>Total</b>	<b>250 377</b>	<b>240 387</b>

*\*The figures in the tables above have been rounded off to the nearest R1 000, with the exception of the figures quoted in the opening paragraph.*

# How to contact us

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