

Provincial Government Western Cape Provincial Treasury

ANNUAL REPORT 2006/2007



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Provincial Treasury

ANNUAL REPORT

**Ms L Brown
Minister of Finance and Tourism**

REPORT OF THE ACCOUNTING OFFICER OF THE PROVINCIAL TREASURY FOR THE PERIOD 1 APRIL 2006 TO 31 MARCH 2007

It is my honour, in accordance with section 40(1)(d) of the Public Finance Management Act, 1999, the Public Service Act, 1994 and Treasury Regulation 18, to submit the Annual Report of the Provincial Treasury, Western Cape for the period 1 April 2006 to 31 March 2007.

**Dr JC Stegmann
ACCOUNTING OFFICER**

DATE: 31 AUGUST 2007

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Abbreviations

Abet:	Adult Basic Education and Training
AC:	Audit Committee
AG:	Auditor-General
AFS:	Annual Financial Statements
AO:	Accounting Officer
APP:	Annual Performance Plan
ASB:	Accounting Standards Board
BAS:	Basic Accounting System
BBBEE:	Broad Based Black Economic Empowerment
BEE:	Black Economic Empowerment
BER:	Bureau for Economic Research
BIF:	Business Insight Folder
BPO:	Business Process Outsourcing
CASIDRA:	Cape Agency for Sustainable Development in Rural Areas
CFO:	Chief Financial Officer
CG:	Conditional grant
CeI:	Centre for E-Innovation
CIDB:	Construction Industry Development Programme
CPD:	Corporation for Public Deposits
DBC:	Departmental Bid Committee
DBSA:	Development Bank of Southern Africa
DORA:	Division of Revenue Act
DPSA:	Department of Public Service and Administration
EDU:	Economic Development Unit
EoC:	Employer of Choice
EPS:	Electronic Purchasing System
EPWP:	Expanded Public Works Programme
FASSET:	Financial and Accounting Services Sector Education and Training Authority
FET:	Further Education Training
FETC:	Further Education and Training Certificate
FFC:	Financial Fiscal Commission
FMIP:	Financial Management Improvement Programme
FMS:	Financial Management System
GEPF:	Government Employees Pension Fund
GRAP:	Generally Recognised Accounting Practice
HOT:	Head Official Treasury
HRD:	Human Resource Development
HRDS:	Human Resource Development Strategy
HSRC:	Human Sciences Research Council
IA:	Internal Audit
ICS:	Improvement in Conditions of Service

ICT:	Information Communication Technology
IDIP:	Infrastructure Delivery Improvement Programme
IDP:	Integrated Development Plans
IFMS:	Integrated Financial Management System
IMLC:	Institutional Management and Labour Committee
IPMU:	Infrastructure Programme Management Unit
IYM:	In-year monitoring
LG MTEC:	local Government – Medium Term Expenditure Committee
LOGIS:	Logistical Information System
MEC:	Member of Executive Council
MFMA:	Municipal Finance Management Act, 2003
MLO:	Media Liaison Officer
MSP:	Master Systems Plan
MTBPS:	Medium Term Budget Policy Statement 2005 -2008
MTEF:	Medium Term Expenditure Framework
NGO:	Non-governmental Organisation
NT:	National Treasury
NTR:	National Treasury Regulations
PDC:	Provincial Development Council
PERSAL:	Personnel and Salary Administration System
PER&O:	Provincial Economic Review and Outlook
PES:	Provincial Equitable share
PFMA:	Public Finance Management Act
PGDS:	Provincial Growth and Development Summit
PGWC:	Provincial Government Western Cape
PMDS:	Performance Management Development System
PMU:	Programme Management Unit
PPP:	Public Private Partnerships
PPSC:	Provincial Portfolio Steering Committee
PTC:	Provincial Treasury Committee
REAL:	Revenue, Expenditure, Assets, Liabilities
SAMDI:	South African Management Development Institute
SARS:	South African Revenue Services
SASSA:	South African Social Services Authority
SCM:	Supply Chain Management
SCoA:	Standard Chart of Accounts
SCOF:	Standing Committee on Finance
SCOPA:	Standing Committee on Public Accounts
SDI:	Service Delivery Improvement
SEP-LG:	Socio-economic Profiles of Local Government
SER:	Socio-economic Review
SETA:	Sector Education and Training Authority
SITA:	State Information Technology Agency
SMME:	Small Medium and Micro Enterprise
SMS:	Senior Management Service
SPMS:	Staff Performance Management System
SSA:	Statistics South Africa
TCF:	Technical Committee on Finance

TQM: Total Quality Management
URS: User Requirement Statement
WC-MTBPS: Western Cape Medium Term Budget Policy Statement 2007 - 2010
WCED: Western Cape Education Department
WCCRB: Western Cape Gambling and Racing Board
WCSD: Western Cape Supplier Database

General Information

Introduction by the Accounting Officer

The main objectives of the Provincial Treasury for the 2006/07 financial year were on improving the provincial budget process, inclusive of better alignment with the national and local spheres, tightening up on supply chain and infrastructure management mechanisms, initiating a financial management improvement programme and furthering the implementation of the Municipal Finance Management Act (MFMA, Act 56 of 2003), amongst others by institutionalising the LG-MTEC engagements with municipalities.

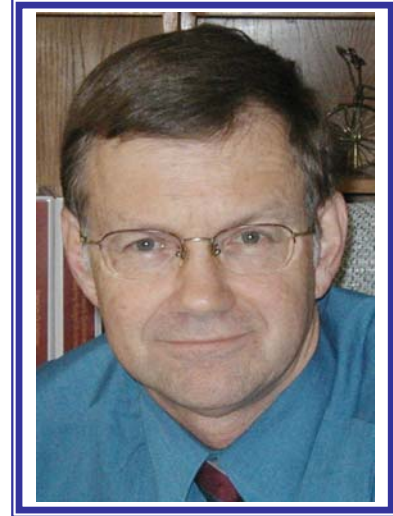
We stood up to the challenge in meeting our responsibilities as a change agent to achieve our two main targets as Treasury, i.e. better financial governance and improved levels of service delivery. These were achieved by the application of a range of instruments in both the provincial and local government spheres. The instruments used varied from meso to municipal-region specific economic analyses to improve Integrated Development Plans and ultimately budget responsiveness, hands-on support to municipalities as regards financial management matters to a range of steps emanating from analysis of audit findings (internal and external) and in year monitoring reports (financial and non-financial) to assist departments in improving their financial capability status. Part of this process involved strengthening the coordination mechanisms between the Treasury and the Departments of Local Government and Housing and that of the Premier, with the ultimate aim of improving overall governance within the geographical region of the Province.

It was a very challenging time as many vacant posts had to be filled to give effect to the aims of the restructured Treasury, although the vacancy rate continued to remain stubbornly high. A range of initiatives were introduced to improve management and leadership skills, a number of which will be carried forward into the new financial year. In addition, technical skills of both existing and new staff were developed further. A major change in the structure resulted from Provincial Cabinet approval that the Internal Audit component be substantially enlarged to progressively take over full responsibility from the outsourced service suppliers for internal audits within the Province.

It was a difficult task to receive a clean Audit Report for the previous reporting period and even more so to maintain and improve on this standard during this reporting period. However, much is still needed to take the Provincial Treasury to a higher level of performance in the years to follow.

Some of these challenges are briefly listed below:

- I already reported during the previous period that the co-ordination and alignment of activities within Programme 2: Resource Management needed further attention. This has commenced but further refinement and alignment will take place to better integrate and co-ordinate the components of this comprehensive and complex programme in the new financial year;
- Increase the pace and extent of implementation of the many asset management policy requirements and at the same time to provide adequate guidance to departments and local authorities;
- Deepen the provision of financial governance support and guidance to departments and municipalities with particular reference to Internal Audit, Accounting and Risk Management;
- Finding sufficient financial resources to appropriately fund the manifold needs and requirements of the Province and municipalities alike, especially as regards infrastructure;
- Strengthen and sophisticate the key support services, i.e. finance, human resource and document management services to the rest of Treasury, and
- Maintain a high level of service delivery in an environment where the turnover rate of staff is still unacceptably high and finding ways and means to effectively counter this.



*Dr JC Stegmann
Accounting Officer
Provincial Treasury*

As always, with the highly valued contributions of its staff, the Provincial Treasury has successfully weathered the storms and challenges on its route and with the support of the Minister of Finance and Tourism intends keep on doing so into future.

A handwritten signature in black ink, appearing to read 'J. Stegmann', followed by a horizontal line.

Dr JC Stegmann
ACCOUNTING OFFICER: PROVINCIAL TREASURY

DATE: 31 AUGUST 2007

The Ministry

Ms Lynne Brown became the Minister of Finance, Economic Development and Tourism on 5 May 2004. On 27 July 2005 the Minister's portfolio was amended with the shifting away of Economic Development, while the important Finance and Tourism portfolios remained with her. As Head of the Provincial Treasury her duties include charting the road for this organisation and membership of the influential National Budget Council and National Budget Forum, both chaired by the national Minister of Finance (Minister Trevor Manuel). Minister Brown is also the Executive member responsible for the Gambling Board.



*Ms L Brown
Minister of Finance
and Tourism*

Bills

The Bills that the Executive Authority submitted to the Western Cape Provincial Parliament during the financial year under review are the following:

- Western Cape First Finance Bill, 2004
- Western Cape Provincial Youth Commission Bill, 2004
- Western Cape Investment and Trade Promotion Agency Law Amendment Bill, 2004
- Provincial Development Council Law Amendment Bill, 2004
- Western Cape Adjustments Appropriation Bill, 2004
- Western Cape Land Use Planning Ordinance, 1985, Amendment Bill
- Western Cape Appropriation Bill, 2004

Visit abroad

During the 2006/07 financial year Minister Brown attended the World Travel Market (WTM) in the United Kingdom (London) from 4 November 2006 to 8 November 2006. The purpose of the visit was to market the Province to an international audience, as the WTM is one of the world's biggest conventions of tourism operators. From 8 November 2006 to 17 November 2006 she was part of the WC Premiers' India - Dubai delegation.

VISION

As a change agent to achieve maximum well-being

MISSION

To obtain financial and supportive means and utilise them to the optimum advantage of the whole community.

DEPARTMENTAL ETHOS

- To give effect to the Public Service Code of Conduct;
- To be of service;
- To empower people;
- To be an employment equity employer; and
- To be aware of, and to cultivate respect for our country's heterogeneity.

Legislative and other mandates

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

- **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.
- **Basic Conditions of Employment Act, 1997 (Act 75 of 1997)**
To provide regulatory prescripts, in addition to the Public Service Act, 1994 and the Public Service Regulations, 2001, regarding the conditions of employment of staff in the Treasury.
- **Borrowing Powers of Provincial Government Act, 1996 (Act 48 of 1996)**
To provide norms and conditions which the Treasury must adhere to in negotiating loans for the Provincial Government.
- **Employment Equity Act, 1998 (Act 55 of 1998)**
To regulate the processes and procedures of the Treasury in achieving a diverse and competent workforce broadly representative of the demographics of the Western Cape and eliminating unfair discrimination in employment towards implementing employment equity.
- **Intergovernmental Fiscal Relations Act, 1997 (Act 97 of 1997)**
To define the role of the Minister of Finance and Economic Development and that of the Treasury as representatives of the Provincial Government, in promoting co-operation between other 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 in connection therewith.
- **Labour Relations Act, 1995 (Act 66 of 1995)**
To regulate and guide the Treasury in recognising and fulfilling its role in effecting labour harmony and the democratisation of the workplace.
- **Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA)**
To regulate financial management in the local sphere of government; to require that all revenue, expenditure, assets and liabilities of municipalities and municipal entities are managed economically, efficiently and effectively; to determine the responsibilities of persons entrusted with municipal borrowing; to make provision for the handling of financial emergencies in municipalities; and to provide for matters connected therewith.
- **Occupational Health and Safety Act, 1993 (Act 85 of 1993)**
To provide for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery; the protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of person at work; to establish an advisory council for occupational health and safety; 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.

- **Promotion of Access to Information Act, 2000 (Act 2 of 2000)**

To give effect to the constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights; and to provide for matters connected therewith.
- **Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)**

To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to request written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996; and to provide for matters incidental thereto.
- **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 Finance Management Act, 1999 (Act 1 of 1999) (PFMA)**

To regulate financial management in the Treasury to ensure that all revenue, expenditure, assets and liabilities of the Treasury are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in the Treasury and to provide for matters connected therewith. In addition, to describe the powers and functions of Treasuries and to direct their responsibilities with respect to other departments and public entities.
- **Public Service Act, 1994 (Act 103 of 1994)**

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.
- **Skills Development Act, 1998 (Act 97 of 1998)**

To provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce; to integrate those strategies within the National Qualification Framework contemplated in the South African Qualification Authority Act, 1995; to provide for learnerships that lead to recognised occupational qualifications; to provide for the financing of skills development by means of a levy-grant scheme and a National Skills Fund; to provide for and regulate employment services; and to provide for matters connected therewith.
- **Skills Development Levy Act, 1999 (Act 9 of 1999)**

To provide for the imposition of a skills development levy; and for matters connected therewith.
- **Western Cape Direct Charges Act, 2000 (Act 6 of 2000)**

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, 1999 (Act 108 of 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 thereof.

- **Western Cape Gambling and Racing Law, 1996 (Law 4 of 1996)**
To provide regulatory prescripts to support the responsible Minister in ensuring sound financial administration and management and matters incidental thereto by the Western Cape Gambling and Racing Board.
- **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 Legislature when necessary, in meeting their financial responsibilities as set out in legislation.
- **Western Cape Provincial Tender Board Law, 1994 (Law 8 of 1994)**
Although this Law has been revoked, a number of period contracts concluded under this Law and its regulations, are still valid and have to be administered in terms of this legislation.

The Provincial Treasury is responsible for the following public entity:

□ **Western Cape Gambling and Racing Board**

The Board has been established in terms of the **Western Cape Gambling and Racing Law, 1996 (Law 4 of 1996), that purports to provide a** regulatory framework for good financial, gaming and betting management by the Western Cape Gambling and Racing Board. The Board has to control all gambling, racing and activities incidental thereto in the Province, subject to any applicable policy determinations of the Provincial Cabinet. The Board's functions and responsibilities are fully captured under section 12 of the Western Cape Gambling and Racing Law, 1996.

Accountability on executive authority level for the gambling portfolio is vested in Minister Brown. The Western Cape Gambling and Racing Board itself acts as the accounting authority, but has delegated powers to the Chief Executive Officer of the Board. In general, accountability arrangements for all the relevant functionaries are in accordance with the Public Finance Management Act, 1999 (Act 1 of 1999).

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Programme Performance

1. Programme performance in summary

1.1 Voted funds

The following table depicts the under-spending of the vote if the actual expenditure is compared with the adjusted appropriation amount:

Table 1: Voted funds: Provincial Treasury

Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Over/(Under) Expenditure
R'000	R'000	R'000	R'000
134,246	134,246	133,936	310
Responsible Minister	Minister of Finance and Tourism		
Administering Department	Provincial Treasury		
Accounting Officer	Head Official Provincial Treasury and Head of Department		

1.2 Aim of the vote

The main aim of the Provincial Treasury is to act as a change agent in achieving socio-economic objectives, inclusive of introducing new practices through fiscal policy, fostering the attainment of value for money spending and safeguarding and promoting the effective utilisation of provincial assets.

1.3 Summary of programmes

The Provincial Treasury consists of the following four programmes with an indication of each programme's aim:

- **Programme 1: Administration**
To provide and maintain high quality support service to the Minister and the Provincial Treasury pertaining to sound financial administration, supply chain management, auxiliary services, and corporate services.
- **Programme 2: Sustainable Resource Management**
To provide professional advice and support on provincial and local government economic analysis, fiscal policy, public finance development and management of the annual provincial budget process and assist and monitor local government budgets.
- **Programme 3: Asset and Liabilities Management**
To provide policy direction, facilitating the effective and efficient management of physical and financial assets, PPP's and Liabilities.
- **Programme 4: Financial Governance**
To enhance performance orientated financial management.

1.4. Key strategic objectives and achievements

1.4.1 Key strategic objectives

The Provincial Treasury set itself the following key strategic objectives, which were published in the Five Year Strategic and Performance Plan 2005/06 – 2009/10 tabled in the Provincial Parliament at the end of March 2005. These strategic objectives underwent minor changes in the second Annual Performance Plan 2006/07 – 2008/09 that was again tabled in the Provincial Parliament at the end of March 2006. They are listed per programme below:

Programme 1: Administration

- Ensure the rendering of secretarial, administrative and office support services.
- Assist with tourism functions vested under the Minister.
- Ensure an efficient public profile for the Minister.
- Enable the Minister to realise her executive responsibilities.
- A well functioning and co-ordinated institution that delivers on its responsibilities.
- Attract and acquire the desired employee profile.
- Develop and maintain a learning organisation in order to produce a competent workforce.

- Develop appropriate interventions to transform the culture of Provincial Treasury to create an environment of optimum employee performance in relation to Treasury's strategic objectives.
- Refining work systems for the optimal delivery of all Transactional Human resource management.
- Good budget management to remain within prescribed budget limits.
- Timely and accurate reflection of the status of Provincial Treasury's ledger accounts.
- Good supply chain management services.
- Proper internal control measures and risk management in the Provincial Treasury.
- Determine and maintain good administrative standards.

Programme 2: Sustainable Resource Management

- Render administrative support service to ensure the effective operational management of the unit.
- Capacitate and train administrative support and line function staff.
- Support and promote BBBEE initiative through administrative functions.
- Describe the Western Cape economy by determining and analysing key provincial and, where possible, district economic variables and their interrelation.
- Determine the sources, potential and constraints for enhanced growth and development in the Western Cape, as framed within iKapa Elihlumayo.
- Assess the impact of various budget (municipal and provincial) policy objectives on selected economic variables, providing a link between the macro, meso and municipal spheres.
- Provide technical assistance and training in the application of macroeconomic analysis.
- Disseminate information to other government and external key stakeholders in the provincial economy and labour market to foster understanding of economic variables and promote steps to enhance economic growth and reduce inequalities.
- Administer a medium-term revenue planning process.
- Analyse and optimise national transfers in line with the evolving intergovernmental architecture and in support of accelerated and shared growth.
- Analyse and optimise provincial own sourced revenue.
- Expansion of provincial own sourced revenue options.
- Evaluate and develop provincial financing instruments.
- Administer gambling and racing matters.
- Determine an overall financing envelope for municipalities over MTEF.
- Assess viability of municipal revenue budgets.
- Analyse and optimise local government own revenue base.
- Analyse and optimise local government debtors.
- Analyse and provide advice on municipal long-term debt.
- Analyse and provide policy advice with regard to tariffs, debtor and credit control, and property rates.

- Provide technical assistance and training.
- Co-ordinate and guide the process to determine provincial priorities and recommend financial resource allocation, which effectively contribute to, accelerated and shared economic growth in the province.
- Promote overall strategic goals of Treasury to understand line departments' core business, functions, and progress.
- Fulfil role of the Provincial Treasury as prescribed by the MFMA, with regard to the review of municipal budgets and IDP's and oversight of the municipal budget process.
- Provide policy advice, effective technical and strategic support and a change agent service to provincial departments, municipalities, and co-ordinating role within Treasury.
- Improve input-output sequencing of information and the quality of the latter within the budget processes.
- Develop the effectiveness of in-year expenditure monitoring systems towards monitoring financial and non-financial performance indicators.
- Strengthen the institutional capacity, inclusive of professionalism, skills, knowledge, motivation, attitudes, integration, and values.
- Develop intra Provincial Treasury, intra provincial; inter provincial and government co-ordinating structures and systems.
- Deepen the analysis of budget votes, i.e. in content and profile.
- Facilitate the optimal vesting of functions between the provincial and local spheres of government.

Programme 3: Asset and Liabilities Management

- Render administrative support services to ensure the effective operational management of the programme.
- Capacitate and train administrative support to fulfil line function responsibilities.
- Support and promote BBBEE initiatives through administrative functions.
- Ensure effective control and management of the Provincial Revenue Fund.
- Render effective technical, strategic support and training to provincial departments and local government where applicable.
- Compliance with the PFMA, MFMA, accounting policies, regulations and guidelines.
- Ensure that departments/municipalities embrace SCM as a strategic directive that delivers continual cost and value improvements resulting in effective future planning, mitigation of risk in SCM, leveraged buying power and a smoother acquisition process.
- Provide strategic leadership and guidance in strategic sourcing for the procuring of goods and services in Provincial Departments.
- Ensure the strategic use of available technology tools to improve knowledge base and operations.
- The development of a supplier network through value added partnerships and the promotion of BEE.
- The development of a balanced, centre led SCM management system that maximises departmental-wide leverage.
- Establish Infrastructure Programme Management Units (IPMU's).

- Strengthen and render effective technical and strategic support to departments, public entities, municipalities and municipal entities.
- Provide strategic leadership and guidance in immovable assets.
- Build the necessary capacity in the Provincial Treasury to take over all PPP assessment related responsibilities from the National Treasury.
- Assess PPP projects in progress; monitor and enforce compliance with legislation.
- Facilitate and provide developmental technical assistance and support to departments on all PPP projects in progress.
- Establish and ensure implementation of policies for effective management of assets and liabilities.
- Strengthen and provide technical and strategic support for the institutional capacity of provincial and local government.
- Monitor compliance with the PFMA, MFMA and regulations.
- Establishment of the necessary structures to service loans and guarantees.
- Provide for the management and implementation of existing financial systems and eventual transition to the IFMS, ensuring compliance with the PFMA and other relevant legislation.
- Monitor and report on financial management system's performance.
- Render effective technical, strategic support and training to departments.
- Monitor and verify monthly SITA costs relating to transversal financial systems ensuring optimal management of cost drivers.

Programme 4: Financial Governance

- Render administrative support services to ensure the effective operational management of the unit.
- Capacitate and train administrative support and line function staff.
- Support and promote BBBEE initiatives through administrative functions.
- Ensure the development of accounting practices that will promote effective and efficient capturing of REAL movements/accountability.
- Ensure integrity of financial data.
- Co-ordinate and perform an oversight function of trading entities in terms of the PFMA requirements.
- Identify, develop and implement financial norms and standards and monitor and assist with nominal and substantive compliance by municipalities and departments respectively in terms of the MFMA and PFMA.
- Ensure the existence of an appropriate and dynamic financial legislative framework.
- Co-ordinate and perform an oversight function of provincial public entities in terms of the PFMA requirements.
- Develop and facilitate the implementation of effective risk management and governance capacity within the Provincial Government.
- Consolidate inherent risk assessments, build a risk profile for the Provincial Government as a whole and ensure the development of response strategies to mitigate transversal risks.
- Render an effective risk based internal audit (IA) service.

- Ensure fully functional audit committees.
- Promote close co-operation and co-ordination between assurance providers to prevent duplication of effort.

1.4.2 Programmes

On a programme level, the following areas of achievements can be highlighted:

Programme One: (Administration)

For the second consecutive year the Provincial Treasury, notwithstanding a high vacancy rate, still attained the goal of spending within 1 per cent of its adjusted budget on 31 March 2007. This was achieved by the collective efforts of all the senior managers without compromising service delivery. The 2007/08 to 2009/10 APP was also compiled with the assistance of AFReC (an outside service provider linked to the University of Cape Town) to assist us in the revision of measurable objectives and performance measure indicators for the department. This process was necessary to ensure that future performance planning and quarterly reporting are more measurable and realistic and enhanced alignment of processes. The department advertised vacant posts nationally in an attempt to secure a wider spread of applicants, which resulted in the vacancy rate declining from 32% to fewer than 20%. The Office of the Minister appointed a Media Liaison Officer (MLO) in the year under review.

Programme Two: (Sustainable Resource Management)

Great strides were made in the newly established local government financial landscape. Amongst others, it included greater interaction and improved intergovernmental relations with municipalities in an effort to firstly, understand the business of municipalities and secondly to smoothen the implementation of the MFMA in municipalities. While a great deal of focus was placed on municipalities, the thirteen departments within the Provincial Government received the same level of attention as in previous years in terms of the PFMA. During the reporting period additional staff members with scarce skills were appointed.

The estimates of provincial expenditure were tabled on 6 March 2007 and provide a detailed account of the provincial government's service delivery commitment and key policy developments for the 2007/08 MTEF period.

Programme Three: (Asset and Liabilities Management)

For the 2006/07 financial year, the focus was on performing SCM assessments in provincial departments, engaging municipalities on the implementation of SCM, developing Provincial Treasury Instructions, facilitating the arrangements of transversal contracts, and implementing asset management requirements within the Province. The programme was also responsible for the implementation of the new framework "toolkit" for infrastructure best practices. It also engaged Public Works on specific areas on Property Management to be monitored by Provincial Treasury. A new bank tender was awarded on 15 December 2006 with effect from 1 April 2007. The management and control of Supporting and Interlinked Financial Systems were also improved in all the departments that lead to less downtime and a higher level of customer satisfaction within departments.

Programme Four: (Financial Governance)

Cabinet approved departmental risk management units and staff was appointed after a recruitment drive. The units have been trained in basic risk management tools and techniques. A co-sourced internal audit service was provided to all provincial departments (including Provincial Parliament). The Internal Audit function underwent an external quality assessment review by the Institute of Internal Auditors. The Financial Governance Review and Outlook 2005 was published and the Consolidated Annual Financial Statements for the Province were compiled and submitted to Cabinet within the prescribed timeframe.

1.4.3 Summary of Achievements

The restructuring process in Provincial Treasury continued in 2006/07 with the expansion of Programme 2: Sustainable Resource Management from five to eight sub-programmes and Programme 3: Asset and Liabilities Management from four to six sub-programmes to enhance accountability and improve reporting. Many posts were filled within the new organogram and specific focus was placed on attaining employment equity without compromising service delivery. The challenge remains to address the high staff turnover rate as new appointees do not stay very long within the Provincial Treasury before seeking greener pastures elsewhere. This places tremendous pressure on management to attain set targets and thus affects service delivery.

On a more positive side, incentives were provided to the staff to improve their educational levels and training was regarded as a priority area, which was facilitated by means of a bursary scheme. Concurrent with the effort to improve the skills development levels of the staff within the Provincial Treasury, greater focus was also placed on open communication processes within and across all components.

The department published the first Socio-Economic Profiles of Local Government (SEP-LG) in 2006. This publication has proved to be a major success with immediate impact as it highlighted areas that needed urgent attention for improved quality of life. The department of Education has acted on the findings of SEP-LG and are working closely with municipalities, FETs and Provincial Treasury to address issues of access in education, relevance of the FETs curriculum to support district economies and the skills mismatch. The publications (PER&O and SEP-LG) have increased the visibility of Provincial Treasury, receiving requests from agencies such as the German Development Institute, Moody's Investor Services, international investors and the private sector. The other prominent documents were the MTBPS 2007, Service Delivery Review and the PER&O 2007. The MTBPS 2007 laid out a fiscal policy perspective for 2007 that emphasised the aspect of accelerated and shared growth. In more concrete terms this boiled down to sustained infrastructure investment, further allocations for the social and economic sectors and a boost for the expanded public works programme.

The departmental Risk Management units were approved followed by a recruitment drive, and all departmental risk management units were trained in basic risk management tools and techniques.

1.5 Overview of the service delivery environment for 2006/07

The Provincial Treasury does not render services directly to the public, but to provincial departments and municipalities as assigned by the PFMA and MFMA respectively. Nonetheless, the environment in which it operates is very much competitive and forever changing. The skills and expertise needed are distinctive and in short supply, resulting in the department being in direct competition with the private sector and other spheres of government for the scarce skills. It is with this in mind that the Provincial Treasury developed and implemented an external graduate programme to offer final year students the opportunity to gain valuable work experience and thus increase the skills pool.

The National Government generally and the Provincial Government in particular are confronted with the need to effectively and efficiently spend its limited budget on improvement of services to the people. The Western Cape has been committed to a service delivery environment imbued with the spirit of the iKapa Elihlumayo eight lead strategies. Provincial Treasury put forward the idea of developing a survey to measure opinions and develop a benchmark for attitudes on service delivery in the Province. The survey will look at how people perceive their socio-economic conditions and what they see as the most important socio-economic challenges for government.

In spite of all the initiatives regarding the new fiscal arrangements launched since the advent of our nascent new democracy, a great deal still remains to be done to improve per capita income levels, economic disparities, general fiscal management and a range of socio-economic circumstances. The challenges of Provincial Growth and Development Strategies (PGDS) still remains, and new initiatives must be developed to effect significant improvements over the medium to long-term.

As change agent in resource allocation, ensuring efficacy of spending and general fiscal discipline, treasuries collectively and individually deal with significant challenges to improve the general welfare within their respective provinces. This challenge was also true for the Western Cape in 2006/07.

The Provincial Treasury also intensified the focus on Local Government in terms of MFMA, 2003 (Act 56 of 2003). In addition the Provincial Treasury has taken up its MFMA roles and responsibilities and assisted in the promotion of sound and sustainable management of the financial affairs of municipalities.

1.6 Overview of the organisational environment for 2006/07

The approved organisational structure was further expanded for the year under review to enable the Provincial Treasury to better fulfil its Constitutional mandate, which is to address the socio-economic challenges of the Province in tandem with all other departments, municipalities and other stakeholders. In pursuit of achieving the high level goals that were set for the Provincial Treasury, it will always be important to appoint new staff of the right calibre who can make the necessary contributions as required. As already indicated, unfortunately many new appointees and some key Senior Management personnel, including the HR manager, left the service of the Provincial Government for greener pastures. This placed immense pressure on the current staff to deliver on the objectives the department committed to, especially on the MFMA responsibilities.

1.7 Strategic overview and key policy developments for the 2006/07 financial year

Relevant policy developments are described under the following sub-headings:

Shift towards outcome based budget allocation

The Provincial Treasury further commenced with the assessment of provincial departments' and municipal measurable information to ensure alignment of their strategic objectives towards the desired outcomes of the Province.

Qualitative impact of provincial service delivery

As in the past the qualitative impact of provincial service delivery on provincial socio-economic variables have not been assessed. However, during the year under review certain analytical instruments were designed to assist with such assessments.

Extended asset management functions

The procurement and provisioning functions have been integrated and as part of the restructuring of the Provincial Treasury, a Supply Chain Management component was established for monitoring, setting standards and best practice policies with regard to procurement, physical asset management, public private partnerships and related issues. Physical Asset Management and Public Private Partnerships (PPP's) are still relatively new components within the Provincial Treasury environment and most work performed is still of a developmental nature to establish a basis from which to develop policies, standards and practices. As soon as the National Treasury Regulations have been amended, certain new powers regarding PPP's will be vested in provincial treasuries that will give them larger responsibilities for the future and more progress to report back on.

Financial Management Improvement Plan

The Financial Governance Component has focussed on financial management issues raised by Auditor-General in the 2005/06 financial year. This has necessitated the implementation of a financial management improvement plan for departments and entities. The purpose of the plan is to identify transversal issues raised by the Auditor-General that require remedial steps either by the relevant entity or Provincial Treasury or a combination of both.

The outcome of the plan is to raise the financial management capability of the Province to a level 4 as set by the Auditor-General by the end of the 2007/08 financial year.

1.8 Departmental revenue

This section deals with the Provincial Treasury's performance in terms of the collection of departmental revenue for the financial year under review. It will again be discussed on a per programme basis in paragraph 2. Table 2 below depicts the departmental own revenue collected by the Provincial Treasury for the period 2003/04 to 2006/07. The Provincial Treasury is the only provincial department to collect more own revenue than it requires in terms of departmental payments. This can be ascribed to the fact that functions are aligned to national policy instruments while its expenditure is comparable to smaller departments.

Table 2: Departmental revenue collected for period 2003/04 – 2006/07

Receipts	2003/04	2004/05	2005/06	2006/07	2006/07	Deviation from target	
	Actual	Actual	Actual	Target	Actual	R'000	%
	R'000	R'000	R'000	R'000	R'000		
Tax receipts	132,424	145,644	221,972	234,860	275,984	38,824	16.37
Casino taxes	111,079	132,640	205,318	219,660	256,948	34,988	15,76
Horse racing taxes	21,345	13,004	16,654	15,200	19,036	3,836	25,24
Non-tax receipts	256,783	243,290	240,884	55,140	55,547	407	0,74
Interest	250,133	240,621	233,362	54,131	54,125	(6)	(0.01)
Other receipts	6,650	2,669	7,522	1,009	1,422	413	40.93
Financial transactions (Recovery of loans and advances)			4,521	0	9,802	9,802	0.00
Total departmental receipts	389,207	388,934	467,377	290,000	341,333	49,033	16.77

In general, the substantial higher collection in own revenues resulted from the adoption of a very conservative approach in determining the revenue targets in the beginning of the period under review given future risks in national formula financing and fixed asset financing requirements. Only programmes 1, 2 and 3 collected own revenue which is discussed in more detail below:

Programme 1: Administration – Departmental own receipts registered against this programme, essentially insignificant, consist mainly of sales of miscellaneous goods such as scrap and waste paper and commission on insurance.

Programme 2: Sustainable Resource Management – Own revenue collected by this programme relates mainly to casino and horseracing taxes. The substantial variance for which the actual amounts exceed the targeted amounts at the tax receipts can be ascribed to higher than anticipated gambling and betting activity, which might be caused by more disposable income being available to households. Included under the other receipts is an amount for fines and penalties, which due to its very nature was not budgeted for in the first place thereby adding to the substantial variance.

Programme 3: Asset and Liabilities Management – This programme is responsible for managing interest earned on investments. The interest revenue collected is on par with estimates due to effective management of investments according to an investment and nascent asset financing policies.

1.9 Departmental payments

This section deals with Provincial Treasury's performance in terms of departmental payments for the financial year under review. Table 3 depicts departmental payments made by the Provincial Treasury and more specifically the variance between total voted funds and actual expenditure.

Table 3: Departmental payments

Programmes	Voted for 2006/07 R'000	Roll-overs and Adjustments R'000	Virement R'000	Total Voted R'000	Actual Expenditure R'000	Variance R'000
1. Administration	27,605	1,732	(310)	29,027	28,724	303
2. Sustainable resource management	24,130	(1,713)	(1,084)	21,333	21,332	1
3. Asset and liabilities management	49,677	(986)	2,846	51,537	51,537	0
4. Financial governance	32,834	967	(1,452)	32,349	32,343	6
Total	134,246	0	0	134,246	133,936	310

Programme 1: Administration (98,96% actual expenditure)

The under spending (1,04%) on this programme can mainly be attributed lower than expected spending on foreign travel and staff events. Provisions were also made for donations and FASSET which did not materialise as anticipated, thus increasing the under spending.

Four vehicles were also purchased to add to the motor car pool for the department as more MFMA appointments were made and they are required to conduct municipal visits.

Programme 2: Sustainable Resource Management (100% actual expenditure)

There are no material variances to report on.

Programme 3: Asset and Liabilities Management (100% actual expenditure)

There are no material variances to report on.

Programme 4: Financial Governance (100% actual expenditure)

There are no material variances to report on.

1.10 Transfer payments

During the year under review transfer payments were only made to the City of Cape Town in respect of the regional service council levies as well as to households as indicated in Table 4 below:

Table 4: Transfer payments

Name of Institution	Amount Transferred R'000	Estimate Expenditure R'000
City of Cape Town	29	29
Households	362	362

1.11 Conditional grants and earmarked funds

The Provincial Treasury did not receive any conditional grants or earmarked funds for the financial year under review.

1.12 Capital investment, maintenance and asset management plans

The investment in capital projects does not form part of the Provincial Treasury's core functions (strategic objectives) and no funds were appropriated for this purpose.

Maintenance

This section is not applicable to the Provincial Treasury, as it did not have a property asset portfolio under its control for the period under review.

Asset Management

The additions in computer equipment and related equipment as stated in Part 4, Disclosure notes 23 and 24 could be justified as follows:

Additional computer equipment was purchased for new appointees.

ERA licenses in terms risk management were procured due to additional requirements.

An increase in responsibilities necessitated the procurement of additional audio visual equipment.

The increase in the use of the current fleet of vehicles and the increase of the Provincial Treasury establishment necessitated the purchase of three additional permanent vehicles.

The disposals of assets could be justified as follows:

Government vehicles procured appeared on the assets registers of both the provincial treasury and the department of transport and public works:

Branch Government Motor Transport. These assets must only appear on the asset register of the latter department and were therefore removed from the asset register of the Provincial Treasury utilising the disposal process.

In terms of computer equipment, redundant items were transferred to other departments or sold and obsolete items donated to institutions that could still utilise it.

Redundant furniture and equipment were donated to various schools.

The loss incurred due to two cases of cheque fraud (Department 70) and the theft of cash have been registered and written off.

The asset register is automatically updated when new assets are acquired or when redundant assets are disposed of. An annual stock take has been completed and reconciled in the 2006/07 financial year.

Approximately 80% of the Provincial Treasury's assets are in a good state, while the remaining 20% are in a fair condition.

No maintenance projects have been undertaken during the financial year under review and no projects are being carried forward from the financial year under review to the following financial year.

No facility was closed down or downgraded during the period under review for whatever reason.

Where needs arise to follow the route of bidding for projects, the Supply Chain Management process outlined in the Provincial Treasury's Accounting Officer's System acts as a guideline.

2. Programme performance in detail

This section will deal with the respective programme's performances in more detail. It will be placed in perspective by focussing on the respective purposes or aims, measurable objectives, service delivery objectives and indicators and service delivery achievements of the different programmes/ sub-programmes.

2.1 Programme 1: Administration

Aim: To provide and maintain high quality support service to the Minister and the Provincial Treasury pertaining to sound financial administration, supply chain management, auxiliary services, and corporate services.

Sub-programme 1.1	:	Office of the Minister
Purpose	:	To render secretarial, administrative and office support services and act as linkage with the Treasury, the Department of Economic Development and the Provincial Parliament, enabling the minister to realise her treasury and economic development responsibilities.
Measurable Objectives	:	Smooth and effective functioning of the Minister's office. Strengthen linkage with Treasury, Economic Development and Provincial Parliament. Ensure good public profile for the Minister Fulfilment of Minister's legislative and political functions.
Service delivery achievements	:	No service delivery achievements of note can be registered.
Reasons for achieving targets	:	A co-ordinated approach to work specifics was followed.
Reasons for not achieving targets	:	Targets were achieved.
The attainment of targets contributed in the following manner towards achieving the Provincial Treasury's outcomes	:	This sub-programme performs staff functions and it does not directly contribute towards achieving the Provincial Treasury's outcomes.

Programme 1: Administration

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 1.1: Office of the Provincial Minister			
Smooth and effective functioning of the Minister's office.	Percentage satisfaction by the Minister.	98%	98%
	Days turnaround time on documents submitted to the Minister.	5 days	2 days
Strengthen linkage with Treasury, Economic Development and Provincial Parliament.	Establish a sound relationship and communication link.	72%	90%
Ensure good public profile for the Minister.	Improve public image.	85%	90%
Fulfilment of Minister's legislative and political functions.	Good integration with departmental function.	65%	85%
	Provincial state of affairs in good shape.	75%	90%

Sub-programme 1.2 : Management Services

Purpose	: To render strategic support and conduct overall planning.
Measurable Objectives	: Ensure good strategic support to the HOD and his management team. Conduct overall planning to ensure that remaining management functions are conducted on such level that Provincial Treasury delivers on its responsibilities.
Service delivery achievements	: No service delivery achievements of note can be registered.
Reasons for achieving targets	: A co-ordinated approach to work specifics was followed.
Reasons for not achieving targets	: Not all posts were filled but targets were achieved.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	: This sub-programme performs staff functions and it does not directly contribute towards achieving the Provincial Treasury's outcomes.

Programme 1: Administration

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual

Sub-programme 1.2: Management Services

Ensure good strategic support to the HOD and his management team.	Percentage satisfaction.	75%	60%
Conduct overall planning to ensure that remaining management functions are conducted on such level that Provincial Treasury delivers on its responsibilities.	Percentage of planning mechanisms resulting in the right deliverables.	30%	20%

Sub-programme 1.3 : Corporate Services

Purpose	:	To develop a diverse and high-level performing organisation.
Measurable Objectives	:	<p>Ensure an optimal staff establishment.</p> <p>Appropriate strategies and mechanisms for attracting and acquiring the desired employees developed.</p> <p>Employees profiles determined per directorate to analyse and understand their core functions.</p> <p>To design and develop a comprehensive training and development strategy.</p> <p>To integrate SPMS into the development strategy of human resources (include career pathing/succession planning).</p> <p>Develop and design an alternative capacity building strategy.</p> <p>To provide a formal learning strategy.</p> <p>Ensure and establish, diverse and integrated workforce and environment</p> <p>To analyse and understand the culture of the organisation by conducting a cultural assessment.</p> <p>To make PT the employer of choice (EoC)</p> <p>Deliver an effective and efficient operational service</p> <p>Ensure that monitoring and evaluation systems are in place.</p>
Service delivery achievements	:	<p>The vacancy rate was reduced to 14% in December 2006, but due to an abnormal amount of resignations it escalated to 20%.</p> <p>External graduate programme was developed and implemented.</p>
Reasons for achieving targets	:	<p>A pre-determined strategy involving all staff was implemented, such as changing the organisational and functional structure to ensure better supervision and flow of work and by allocating specific responsibilities to all staff. Achievements were rewarded through the system of SPMS.</p>

Sub-programme 1.3	: Corporate Services
Reasons for not achieving targets	: Although the vacancy rate was reduced to 14% during December 2006, an abnormal amount of resignations, which was not controllable, took place during the fourth quarter, resulting in the vacancy rate escalating to 20%. The draft training policy and the competency framework will only be approved during the second quarter of 2007/08 where after training needs and service providers can be identified. The HRD strategy will only be approved during the second quarter of 2007/08 after which the career and succession planning can commence.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	: The Human Resource Management Component in its role as a key staff function, contributed positively towards the Provincial Treasury in meeting its goals in general.

Programme 1: Administration

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 1.3: Corporate Services			
Ensure an optimal staff establishment.	Reduce vacancy rate to 10%.	Reduce vacancy rate to 10%.	20%
Appropriate strategies and mechanisms for attracting and acquiring the desired employees developed.	Effective recruitment and selection service providers in place.	SLA reviewed with other service providers identified.	Legally bound to use the current contracted service providers.
Employee profiles determined per directorate to analyse and understand their core functions.	Employee profiles in place per directorate.	Continuous update of profiles.	Target achieved.
	Treasury scarce skills to be determined.	Source for desired scarce skills i.t.o. medium and agencies.	Target achieved.
To design and develop a comprehensive training and development strategy.	Training needs identified and service providers sourced.	Review of training needs and service providers.	Target not achieved.
	Employees developed according to Workplace skills plan (WSP).	80% of WSP plan.	Target achieved.
To integrate SPMS into the development strategy of Human Resources (include career pathing/succession planning).	SPMS reviewed and integrated into HRD strategy.	Develop HRD strategy to incorporate career and succession planning with SPMS.	Target not achieved.

Programme 1: Administration			
Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 1.3: Corporate Services			
Develop and design an alternative capacity building strategy.	Strategy for internships, learner ships/ABET and job shadow in place.	Reviewing strategy for new intakes on internships/ABET/learner ships.	Target achieved.
To provide a formal learning strategy	Bursary Management in place.	Effective bursary management.	New bursaries awarded and managed effectively.
Ensure and established, diverse and integrated workforce and environment.	Promote Transformation and Human Rights ethos.	80% achieved.	Target achieved.
To analyse and understand the culture of the organisation by conducting a cultural assessment.	Organisational Culture assessment to be determined.	Actual cultural assessment conducted for PT and integrated into HRD strategy.	Target achieved.
To make PT the employer of choice (EoC).	Internal promotion of PT as an EoC.	Develop and implement a communication and awareness strategy internally.	Target achieved.
Deliver an effective and efficient operational service.	Positive client evaluation with respect to service conditions, policy evaluation, labour relations, maintaining the establishment and PERSAL.	Develop and implement improvement measures.	Target achieved.
Ensure that monitoring and evaluation systems are in place.	Work plans and performance plans met.	Monitoring and evaluation mechanisms in place.	Target achieved.

Sub-programme 1.4 : Financial Management

Purpose : To deliver financial management (inclusive of risk management and internal control), supply chain management and specialised auxiliary services for the Treasury.

Measurable Objective : Efficient and effective planning and budget management.
 Effective application of resources in realising strategic goals.
 Ledger accounts that accurately reflects the financial position of the Provincial Treasury.
 Efficient and effective supply chain management services.
 Financial inspections to improve internal control.
 Communicating guidelines on compliance with prescripts.

Sub-programme 1.4	: Financial Management
Service delivery achievements	: The compilation of a comprehensive operational plan and four quarterly performance reports were completed successfully with improved controls over the IYM process. The department attained to achieve a 0.23% under spending on the Adjustment Budget. Improvements within financial accounting, improved controls over timely payments and the reduction of debtors have been attained. The SCM unit has become fully operational with a well-established Bid Committee (DBC) and departmental IT Committee (DITCOM). A consultant was appointed to help improve registry and document control functions. The library is functioning.
Reasons for achieving targets	: Basically all targets as set out in the performance agreement of the CFO have been attained and concerted efforts were made with appointments to attain representivity.
Reasons for not achieving targets	: Controls over LOGIS reports, physical asset controls and expenditure payments left room for improvement.
The attainment of target: contributed towards achieving the Provincial Treasury's outcomes in the following manner	: Service delivery to all components within the Treasury has improved with better IYM information and support to all the programmes with the compilation of their budgets and strategic plans. On the payments side, improvement has been made in the provision of goods and services and several bids were approved or amended to ensure that the Provincial Treasury attain its goals with communication, risk assessments and socio-economic research projects.

Programme 1: Administration

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 1.4: Financial Management			
Efficient and effective planning and budget management.	Percentage variance between actual and approved budget.	2%	<1%
Effective application of resources in realising strategic goals.	Percentage expenditure in line with detailed budget per sub-programme.	93%	93%
Ledger accounts that accurately reflects the financial position of the Provincial Treasury.	Number of days for clearing of ledger control accounts.	45 days	45 days
	Number of days to complete reconciliation after month close.	20 days	20 days

Programme 1: Administration			
Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 1.4: Financial Management			
Ledger accounts that accurately reflects the financial position of the Provincial Treasury. (Continued)	Number of management information tools to reflect the Provincial Treasury's records.	14	14
Efficient and effective supply chain management services.	Percentage of bids successfully administered to contract phase.	85%	85%
	Compliance with conditions of contract.	95%	95%
	Assets accurately recorded on inventory in terms of accrual accounting.	80%	80%
Financial inspections to improve internal control..	Number of inspections successfully completed.	8	8
	Percentage improvement in the quality of inspection reports.	80%	80%
Communicating guidelines on compliance with prescripts.	Review guidelines on compliance with prescripts.	Annually	4 circulars
Improved Provincial Treasury's risk profile.	Developmental level of risk profile.	70%	50%
	Percentage checking of high risk per component.	50%	50%
Compliance with financial prescripts pertaining to management accounting.	Percentage compliance with regard to quality output and timeliness.	92%	92%
Efficient control over debtors and creditors.	Days to follow-up debtors.	30-day cycles	30-day cycles
	Days to pay creditors.	<30 days	<30 days
Efficient system management (Syscon).	Regular maintenance checks on BAS.	Monthly	Monthly
	Regular maintenance checks on LOGIS.	Quarterly	Quarterly
High quality delivery of auxiliary services.	Establish measures for a vehicle fleet that will cater for the changing needs of the Provincial Treasury.	80%	100%
	Good operative document control.	75%	50%
	Percentage of high quality and timely delivery of all other auxiliary services.	90%	60%
Good communication and co-ordination within the sections of Financial Management and other components within Provincial Treasury.	Number of staff members trained in customer care.	15	8

Programme 1: Administration			
Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 1.4: Financial Management			
Good communication and co-ordination within the sections of Financial Management and other components within Provincial Treasury. (Continued)	Number of staff members trained in communication skills and group dynamics.	15	2
Ensure a full complement of competent staff.	Ensure low vacancy rate.	<10%	20%
	Review of identified staff suitably trained.	Quarterly	No progress
Proper high level management information timeously.	Determine information needs on Directorate's meeting.	Monthly	Bi Monthly
	Percentage of measures in place to have information available.	70%	70%

2.2 Programme 2: Sustainable Resource Management

Aim: To provide professional advice and support on provincial and local government economic analysis, fiscal policy, public finance development and management of the annual provincial budget process and assist and monitor local government budgets.

Sub-programme 2.1 : Programme Support	
Purpose	: To facilitate the efficient and co-ordinated administration and management of the programme.
Measurable Objectives	: Smooth and effective functioning of the component. Trained and capacitated administrative support and line function staff. Achievement of iKapa Elihlumayo goals.
Service delivery achievements	: The unit is not yet operational.
Reasons for achieving targets	: The unit is not yet operational.
Reasons for not achieving targets	: The unit is not yet operational.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	: This is only a support function and is not yet operational.

Programme 2: Sustainable Resource Management			
Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.1: Programme Support			
Smooth and effective functioning of the component.	Percentage compliance with rules and regulations.	100% compliance.	Not yet operational.
	Percentage compliance to acceptable norms/standards of service delivery.	100% achieved.	Not yet operational.
	Hours turn around time for management of operational finances, human resources and logistical issues.	24 hours.	Not yet operational.
Trained and capacitated administrative support and line function staff.	Number of vacant posts filled.	100% achieved.	Not yet operational.
	Percentage of staff complement trained according to IDPs.	100% achieved.	Not yet operational.
Achievement of iKapa Elihlumayo goals.	Percentage support and promotion of goals in work environment.	100% support achieved.	Not yet operational.
	Percentage procurement in terms of BBEE.	50%	Not yet operational.

Sub-programme 2.2 : Economic Analysis

Purpose : To conduct macroeconomic analysis and render policy advice, i.e. to determine and analyse key economic variables, their interrelation and relevance to the budget, the potential for growth and development and the interaction with governmental and revenue patterns, alternative budgeting and other revenue and expenditure scenarios on selected key economic growth and development indicators.

Measurable Objectives :

- Describe the provincial economy.
- Determine the sources, potential and constraints for enhanced growth and development in the Western Cape.
- Assess the impact of various budget policy objectives on selected economic variables.
- Provide technical assistance and training.
- Disseminating information to other stakeholders in the provincial economy and labour market.
- Assessing socio-economic relevance of municipal IDPs

Service delivery achievements 2006 PERO tabled on 18 April 2006
Socio Economic Profiles for 30 municipalities were published two months ahead of schedule.

Sub-programme 2.2	:	Economic Analysis
Reasons for achieving targets	:	The products (PERO & SEP-LG) need a team approach. SEP-LG was produced by the EA team of dedicated economists and their expertise contributed in delivering the SEP-LG 2 months before due schedule. External contractors with limited involvement of the internal expertise mainly drove the PERO.
Reasons for not achieving targets	:	Further work required in respect of partnership within Provincial Government economic cluster.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	The 2005 PERO provided a robust socio-economic analysis that conceptualises the environment in which the lead strategies are compiled, thereby informing the 2005 Budget. The impact of SEP-LG profiles was immediate and the findings continue to influence the direction of service delivery among sector departments. In addition municipalities used the socio-economic analysis in their IDPs.

Programme 2: Sustainable Resource Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.2: Economic Analysis			
Describe the provincial economy.	Timely published PER&O before budget.	PER&O to be published on 31 March 2007.	Abridged version published as input to BS 1.
Determine the sources, potential and constraints for enhanced growth and development in WC.	Timely published PER&O before budget.	PER&O to be published on 31 March 2007.	Abridged version published as input to BS 1.
Assess the impact of various budget policy objectives on selected economic variables.	Alignment of departmental activities to iKapa Elihlumayo.	PER&O framing Budget 2006.	Abridged version published as input to BS 1.
Provide technical assistance and training.	Planning social dialogue events.	Social dialogues.	Findings presented to Budget Committee. Assisted Cederberg for inputs on Neighbourhood Development Grant.
Disseminating information to other stakeholders in the provincial economy and labour market.	Publishing of PER&O.	PER&O published.	PER&O production in process. Communicated SEP-LG finding on 1-1 engagements with all municipalities.
	Engaging in social dialogues.	Social dialogues.	PER&O production in process. Communicated SEP-LG finding on 1-1 engagements with all municipalities.
	Hosting events launch and media briefing.	Social dialogues.	No engagements to report on.

Programme 2: Sustainable Resource Management			
Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.2: Economic Analysis			
Disseminating information to other stakeholders in the provincial economy and labour market. (Continued)	Producing iKapa Elihlumayo quarterly bulletin.	4 Publications.	No progress yet.
	Developing iKapa Elihlumayo web page.	100% completed.	Work in progress.
Assessing socio-economic relevance of municipal IDPs	IDPs that reflect the true socio-economic needs in each municipality.	70%	SEP-LG incorporated in municipalities IDPs.

Sub-programme 2.3	:	Fiscal policy: Provincial government
Purpose	:	To enable the provincial government to finance its service delivery obligations, determine the overall financing envelope for the Medium Term Expenditure Framework, including administration the medium term revenue planning process, assessing and optimising national revenue, ensure effective and efficient development of provincial revenue and the assessment of revenue trends and the compilation and submission of revenue reports to advise the responsible minister on gambling and racing related matters and provide and administer the required financial support function, inclusive of management of transfer payments to the Western Cape Gambling and Racing Board.
Measurable Objectives	:	<p>Robust participation on the TCF, PES and CG working groups.</p> <p>Analytical position paper analysing PES and CG transfers.</p> <p>Framework position paper with respect to the Fiscal Governance Model.</p> <p>Analytical provincial own revenue position papers.</p> <p>Introduction an implementation of a Provincial Revenue. Estimation and Forecasting Model for improved planning, forecasting and service delivery.</p> <p>Systemising the management, approval and implementation of tariffs.</p> <p>Ensure effective and efficient management of debtors.</p> <p>Compile provincial Donor Funding policy.</p> <p>Presentation of fuel levy proposal to the various stakeholders.</p> <p>Technical and political approval process of revenue options.</p> <p>Implementation of fuel levy.</p> <p>Research and implementation of tourism levy.</p> <p>Provincial Borrowing Framework developed.</p> <p>Monthly liaison with Gambling Board including monthly engagements.</p> <p>Liaison with SCOF, HOT, and MEC regarding the Western Cape Gambling and Racing Board.</p>

Sub-programme 2.3	:	Fiscal policy: Provincial government
Service delivery achievements	:	Fuel levy approved by Minister of Finance Legislative process underway. Secoded PPP will take place in 2006 and the levy will be implemented on 1 April 2007. Research commenced on proposal for alternative taxation mechanisms for the gambling industry.
Reasons for achieving targets	:	Effective liaison between the unit and other role players, including departments. Appointment of a senior manager and other key staff.
Reasons for not achieving targets	:	Research into alternative Equitable Share allocation mechanism to be completed for consideration in 2007/08 financial year.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	A thorough understanding of revenue sources allowed the unit to manage, optimise and expand revenue thereby ensuring that the Provincial Treasury was able to meet expenditure obligations.

Programme 2: Sustainable Resource Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.3: Fiscal Policy: Provincial Government			
Robust participation on the TCF, PES and CG working groups.	Position papers, policy briefs, reports and memos.	Optimised transfers from National government.	1 Fiscal Framework. Paper and input into 2007 Budget Overview. Participation in TCF, Budget Council and MTEC 2.
Analytical position paper analysing PES and CG transfers.	Timeous submission of informative and accurate reports to HoPT and MEC.	1 Position Paper. 4 Quarterly reports on Equitable Share and Conditional Grants.	1 Quarterly report on Equitable Share and Conditional Grants And input into Budget 2007 and MTEC processes.
Framework position paper with respect to the Fiscal Governance Model.	Position papers, policy briefs, reports and memos.	1 Final report.	Commence international unconditional transfer case study and its applicability to SA.
Analytical provincial own revenue position papers.	Own revenue paper memoranda and quarterly reports timeously submitted.	4 Quarterly own revenue reports.	1 Quarterly Own Revenue Report and input into the Budget 2007 and MTEC processes.
Introduction an implementation of a Provincial Revenue Estimation and Forecasting Model for improved planning, forecasting and service delivery.	Initiation of revenue estimation model proposal. Develop and implement a revenue estimation and forecasting model.	1 Proposal on the development of a Revenue forecasting model. Implementation of model.	Collect provincial data to test the proposed national revenue forecasting model.
Systemising the management, approval and implementation of tariffs.	Established Provincial Tariff database. Maintain tariff approvals.	1 Database developed. Tariff approvals.	Tariffs approved. Database still in development.

Programme 2: Sustainable Resource Management			
Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.3: Fiscal Policy: Provincial Government			
Ensure effective and efficient management of debtors.	Develop a provincial debtor position paper – Debt Management Policy, write-offs.	1 Debt management Policy developed.	Departments' debt reports collected.
	Quarterly IYM debtors' reports to monitor and analyse provincial debtors to improve efficiencies in the use of resources.	4 Quarterly debt management reports.	4 Departmental debt reports collected.
Compile provincial Donor Funding policy.	Develop position paper.	Developed Provincial Donor Fund database. Submit quarterly funding reports.	Output taken over by Department of the Premier. Policy is in draft form.
Presentation of fuel levy proposal to the various stakeholders.	Presentation to all stakeholders.	Finalisation of fuel levy proposal and presentations.	Drafting of fuel levy legislation in progress.
Technical and political approval process of revenue options.	Presentations to the FFC and Budget Council. Confirmation from the Minister of Finance.	Confirmation from the Minister of Finance.	Research commenced on different tourism related levies.
Implementation of fuel levy.	Legal and last public participation process to start.	Legal drafting. Final public participation.	Refinement of draft legislation and consultation with National Treasury.
Research and implementation of tourism levy.	Workable contract.	First report delivered. Implementation of contract.	Not applicable.
	Report on the feasibility completed.	Submit feasibility report.	Draft Report completed.
	Presentation of tourism levy proposal to the various stakeholders. Legal and last Public Participation Process to start.	Presentation to stakeholders. Legal and participation process to start.	Draft report completed. Preparatory work commenced for further consultation and research.
Provincial Borrowing Framework developed.	Established framework.	1 Provincial Borrowing Framework completed.	No activity to report on.

Programme 2: Sustainable Resource Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.3: Fiscal Policy: Provincial Government			
Monthly liaison with Gambling Board including monthly engagements.	Meetings on the revenue challenges in the gambling industry and social responsibility.	12 Monthly meetings with the Gambling Board.	Monthly meetings with the Gambling Board were held.
	Amendment to legislation.	2 Amendments proposed.	15th Amendment enacted into Law.
	Appointments to the Board.	Appointment of 4 Board Members.	2 appointments made and new Chairperson appointed.
	Budget approval and documentation to the MEC.	1 Budget submission and approval.	Budget Submission and documentation submitted and approved by MEC.
Liaison with SCOF, HOT, and MEC regarding the Western Cape Gambling and Racing Board.	Quarterly meetings.	4 Quarterly meetings with each with SCOF and the MEC.	Interaction with SCOF and MEC around gambling matters.

Sub-programme 2.4 : Fiscal policy: Local government

Purpose	: Assess the overall financing envelope for the Medium Term Income and Expenditure Framework (MTIEF), and provide support with the medium term revenue planning process, and efficient development of municipal revenue, including the assessment of revenue trends and the compilation and submission of revenue reports, and to assess the viability of municipal revenue budgets.
Measurable Objectives	: Analyse the financing envelope of all municipalities in the Province. Assess viability of municipal revenue budgets to ensure sustainability. Analytical position paper that evaluates local government own revenue sources in WC. Analyse municipal debtors, age analysis, trends, payments and collection information. Analyse the ability of municipalities to enter into long-term debt. Develop Best Practice Guides and advice on tariffs, debt and credit control and property rates. Interaction with municipalities.
Service delivery achievements	: Targets were achieved.

Sub-programme 2.4	:	Fiscal policy: Local government
Reasons for achieving targets	:	Dedicated staff
Reasons for not achieving targets	:	Targets were achieved.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	The component assisted to improve fiscal policy within Local governments.

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.4: Fiscal Policy: Local Government			
Analyse the financing envelope of all municipalities in the Province	Number of reports on each source of revenue and available financing	4 reports.	1 report.
Assess viability of municipal revenue budgets to ensure sustainability.	Number of reports on each source of revenue and available financing.	4 reports.	1 report.
	In year monitoring reports on revenue collections.	12 reports.	3 reports.
	Reports in respect of current sources of municipal own revenue.	1 report.	30 monthly reports on the state of municipal revenue.
	Quantitative analysis of the state of own revenue	1 report.	Monthly Analyst report on the revenue in municipalities.
	Analysis of debtor, creditor and indigent policies.	4 reports.	Monthly consolidated report.
Analytical position paper that evaluates local government own revenue sources in WC.	Provide reports on the status of revenue collected at the beginning of the year, and quarterly thereafter.	1 report.	In progress.
	Analyse collection on each source of revenue which include:		
	- Water	4 reports.	Monthly report per municipality.
	- Property Rates	4 reports.	Monthly report per municipality.
	- Electricity, and	4 reports.	Monthly report per municipality.
- Refuse Removal.	4 reports.	Monthly report per municipality.	

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.4: Fiscal Policy: Local Government			
Analyse municipal debtors, age analysis, trends, payments and collection information.	Track debt collection, policies and credit policy performance.	4 reports.	Monthly report per municipality.
Analyse the ability of municipalities to enter into long-term debt.	Develop a credit rating system for municipalities together with a database for ratio-analysis.	30	3 applications for long term debt assessed.
Develop Best Practice Guides and advice on tariffs, debt and credit control and property rates.	Number of guides developed.	4 guides.	Advice given to municipalities where it was required.
Interaction with municipalities.	Number of people trained and frequency of assistance rendered.	Ad hoc.	Adhoc municipal visits conducted. IYM visits.

Sub-programme 2.5 : Budget Management

Purpose : To promote effective financial resource allocation.

Measurable Objectives : Contribute to the determination of provincial priorities, assess whether the right policies are in place, and contribute to the development of appropriate policies.

Recommend financial resource allocation (within departments and between departments) which activates/enables implementation of national, provincial and departmental policy priorities and achievement of desired socio-economics outcomes.

Assess, research, recommend and promote appropriate performance indicators for departments.

Assess progress of departments and municipalities in implementing policies.

Promote processes and electronic systems, which facilitate integration of Provincial Treasury components in order to improve understanding of departmental business.

Ensure proper electronic filing system managed efficiently

Promote processes and electronic systems, which facilitate integration of Provincial Treasury components in order to improve understanding of municipalities.

Provide analysis and support to municipalities in the drafting of their budgets in order to improve quality and assure alignment between municipal and provincial budgets.

Provide oversight of municipal budget process.

Sub-programme 2.5	:	Budget Management
Service delivery achievements	:	<p>MTBPS approved by Cabinet and tabled late November 2006. Final allocations approved by Cabinet. Budget tabled in provincial legislature.</p> <p>Third quarter non-financial information for all votes was submitted to NT.</p> <p>Budget 2006 published and Appropriations Bill tabled 17 Feb 2006.</p> <p>Final allocations in the line with national and provincial policy priorities.</p>
Reasons for achieving targets	:	Vacant posts were filled with the appointment of a strong team of economists with appropriate level of skills and expertise.
Reasons for not achieving targets	:	Targets were achieved.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	Allocations aligned with the WC-MTBPS 2006 – 2009.

Programme 2: Sustainable Resource Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.5: Budget Management			
Contribute to the determination of provincial priorities, assess whether the right policies are in place, and contribute to the development of appropriate policies.	Medium Term Fiscal policy in line with national and provincial policy goals and executive approval and tabling of MTBPS (Nov).	WC-MTBPS 2007 – 2010 tabled in Nov 2006.	MTEC process. WC-MTBPS. 2007-2010 tabled 21 Nov 2006.
	Findings from written reports/impact assessments by BO on departmental or provincial policies (as needed) fed into budget process.	As necessary.	MTBPS informed by research from Service Delivery Review 2006. SDR distributed as internal working paper October 2006 and findings presented to Cabinet.
	Bilateral MTEC 1 and 2 engagements with provincial departments.	MTEC reports completed.	Achieved. 13 MTEC assessments completed, distributed to departments and discussed.

Programme 2: Sustainable Resource Management			
Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.5: Budget Management			
Recommend financial resource allocation (within departments and between departments) which activates/enables implementation of national, provincial and departmental policy priorities and achievement of desired socio-economic outcomes.	Executive approval of preliminary and final allocations for Main Budget (Nov; Feb).	2007/08 preliminary and final allocation letters to departments.	Final allocations for Budget 2007/08 approved by Cabinet.
	Annual budget in line with national and provincial policy goals (March).	2007/08 Budget tabled.	2007/08 Budget tabled.
Assess, research, recommend and promote appropriate performance indicators for departments.	Findings from written reports / impact assessments by BO on departmental or provincial policies (as needed) fed into budget process.	100% compliance.	Editing of Population Survey of Western Cape for publication.
Assess, research, recommend and promote appropriate performance indicators for departments.	Participation in intergovernmental and interdepartmental forums and liaison with National Treasury to provide input into national and provincial processes.	100% compliance.	Benchmark meeting with National Treasury on 2007/08 Budget.
Assess progress of departments and municipalities in implementing policies.	Tabling of Service Delivery Review (July).	2006 Service Delivery Review distributed internally.	Planning for 2007 Baseline Analysis took place.
	Submission of non-financial quarterly IYM reports to NT on deadline (July; Oct; Jan; April).	100% compliance.	Achieved.
Promote processes and electronic systems, which facilitate integration of Provincial Treasury components in order to improve understanding of departmental business.	Established functioning Business Insight Folder (BIF) system, which produces regular analysis on departments and makes available departmental information on ongoing basis. Short analyses contributed to BIF system from Budget Office.	50% implementation.	Achieved.
Ensure proper electronic filing system managed efficiently.	Fully functioning electronic filing system.	Functioning.	Optimal.
Promote processes and electronic systems, which facilitate integration of Provincial Treasury components in order to improve understanding of municipalities.	Established functioning BIF system, which produces regular analysis on municipalities and makes available municipal information on ongoing basis.	Initial planning and consultation.	Achieved.

Programme 2: Sustainable Resource Management			
Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.5: Budget Management			
Provide analysis and support to municipalities in the drafting of their budgets in order to improve quality and assure alignment between municipal and provincial budgets.	Consultation increased between Provincial Treasury, provincial departments and municipalities via MTEC engagements, municipal visits and other initiatives.	25% implementation.	Achieved.
	Reviews conducted on draft budget of each municipality against completed budget evaluation checklist and comments provided to municipalities via LG MTEC3 process (April).	LGMTEC 3 assessments and visits April-May 2006.	Achieved.
	Monitor linkage of municipal budgets with IDPs, SDBIP, performance contracts of senior managers and provincial budget.	25% implementation.	Achieved.
Provide oversight of municipal budget process	Timely receipt of tabled and adopted budgets and on-line publication of adopted budget.	25% implementation.	Achieved.
	Bilateral MTEC 1 and 2 engagements with departments and municipalities.	25% implementation.	Achieved.

Sub-programme 2.6	:	Public Finance
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Purpose	:	To facilitate efficient and co-ordinated administration and management of the sub-programme: Programme Support: Public Finance.
Measurable Objectives	:	Smooth and effective functioning of the component. Trained and capacitated administrative support and line function staff. Achievement of iKapa Elihlumayo goals.
Service delivery achievements	:	Provincial Benchmark meeting held 12 January 2006 13 analytical IYM reports. Completed the LGMETC1, One-on-Ones, LGMETC2 and LGMETC3 engagements. Published and gazetted provincial allocations (including adjustments) to municipalities. Municipal budget assessments. LGMETC3 budget visit to all municipalities. Monthly IYM reporting (including assessment reports) monthly-consolidated budget statement, quarterly publication and tabling in the provincial legislature. Quarterly IYM site monitoring at all 30 municipalities. Launch of the Certificate programme for municipal managers.
Reasons for achieving targets	:	Targets were achieved due to dedication and commitment of all staff.
Reasons for not achieving targets	:	The chief director to the unit was not appointed. Further research to be done in 06/07. Lack of suitably qualified and experienced staff. Standardisation of the IYM and reporting formats and the deepening of the IYM analysis.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	It contributed towards achieving the Provincial Treasury's outcomes by ensuring efficient budget management.

Programme 2: Sustainable Resource Management			
Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.7: Public Finance: Provincial Government Finance			
Relevant and effective advisory service.	Quality of and feedback on advice.	Relevant and effective advice.	Relevant and effective advice.
Credible MTEF and Adjustments Budget.	Compliance to National Treasury norms and standards. Budget alignment with national and provincial policy priority goals. Compilation and submission of adjustments budget documentation inline with prescribed formats and timelines to the Provincial Parliament.	Technically sound MTEF budget, bill and schedules. Bilateral MTEC hearings. 3 Assessments per department. Adjustment budget, bill and schedules tabled within one month of national adjustments.	3 Assessments. 2 MTEC hearings. Credible budget tabled. Complied.
Improved in-year expenditure management together with the development of efficiency parameters.	Compliance with PFMA and NTRs.	Monthly (section 40) and quarterly (section 32) IYM reports.	13 x 12 section 40 reports. 12 consolidated reports. 4 section 32 report.
	Lower levels of under spending, spending in line with budget, projected cash flow and improved efficiency. Functional database and BIF's.	Quarterly and annual performance analysis reports to ensure no overspending, smoothing of expenditure and limit under spending to 1% overall. Quarterly expenditure and performance reports to Cabinet. Commence efficiency initiatives (least cost analysis), focusing on research, compensation of employees, consultants and transfers.	Quarterly performance analysis reports. Quarterly expenditure and performance reports to Cabinet. Substantial work went into budgeting for Compensation of Employees as well as wasteful impact of March Spike.
Capacitated staff.	Quality of report writing and analysis.	Good analytical reports. Regular site visits.	Regular directorate sessions and departmental visits.
Intimate networks established within Treasury and with departments, both provincially and nationally.	Quality of report writing and analysis.	Networks established with departments and Treasury components. Participation and contribution in provincial and national fora (TCF, CFO forum, Budget Council, etc).	Maintained networks. Maintained participation in different fora.

Programme 2: Sustainable Resource Management			
Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.7: Public Finance: Provincial Government Finance			
Improved in-year expenditure management.	Reports are available per sector.	Quarterly sectoral analytical reports. Monthly IYM reports. MTEC and budget credibility assessments.	Analytical report per quarter. 12 IYM reports. 3 budget assessment.

Programme 2: Sustainable Resource Management			
Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.8: Public Finance: Local Government Finance			
Relevant and effective advisory service.	Quality of and feedback on advice.	Relevant and effective advice.	Relevant and effective advice.
Effective and efficient co-ordinating services.	Completion and quality of co-ordinated tasks and initiatives.	Relevant and effective co-ordination.	Relevant and effective co-ordination.
Credible MTEF and Provincial/Local Interface.	Compliance to MFMA and MFMA circulars.	Technically sound MTEF budget.	Technically sound MTEF budget.
	Planning and budget alignment between provincial and local government priorities.	LG MTEC 1, One-on-Ones, LGMTEC2, LGMTEC 3 and LG allocations. 1 Assessment per municipality.	LGMTEC 1, One-on One, LGMTEC2 and LGMTEC3. Gazetting and tabling of allocations with the main budget and the adjustment budget. 1 Assessment per municipality.
Improved in-year expenditure management together with the development of efficiency parameters.	Compliance to MFMA and MFMA circulars.	Monthly IYM reports, quarterly publications and quarterly reports to legislature (section 71).	Monthly individual IYM reports 30 municipalities. Monthly consolidated budget statement. Quarterly publication. Quarterly tabling in the provincial legislation. IYM site monitoring and visits.
	Lower levels of under spending, spending in line with budget, projected cash flow and improved efficiency. Functional database and business insight folders.	Quarterly and annual performance analysis reports to ensure no overspending and smoothing of expenditure. Quarterly expenditure and performance reports to Cabinet.	Monthly, Quarterly and annual performance analysis reports to ensure limited overspending and smoothing of expenditure. 1 consolidated quarterly expenditure and performance reports to Provincial Legislature.

Programme 2: Sustainable Resource Management			
Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 2.8: Public Finance: Local Government Finance			
Implementation of the MFMA.	Readiness to perform the provincial treasury responsibilities.	Partly central.	MFMA responsibilities decentralised with ongoing training and assistance. Filling of MFMA related posts. Assessment on PT (MFMA) capacity to increase delegations.
	Assist with monitoring nominal and substantive compliance in accordance with National Treasury guidelines.	24-30 municipalities.	30 municipalities monitored. Submission of MFMA return forms.
Functional intra and inter governmental co-ordinating structures and institutions (forums) that relate to planning and financial matters.	Percentage development to establish fully functional structures.	80% functional Municipal budgeting and Technical forum.	Municipal budgeting and technical form and structures fully operational. MFMA CFO Forums.
		50% functional Municipal CFO forum. 50% intra departmental forum.	3rd meeting of CFO forum with intra departmental forum fully operational.
Facilitated vesting of functions between provincial and local government.	Appropriate authorisation.	Cabinet approved framework for functions and powers.	Assistance to the Department Local Government and Housing into framework.
Effective monitoring of monthly outcome of municipal budgets.	Prescribed reporting.	24-30 monthly assessment reports. 4 quarterly consolidated reports and a publication.	30 reports X 3 months. 3 Consolidated reports submitted to National Treasury. 1 quarterly report to Legislature + publications. 30 IYM visits.
Determine extent to which municipal budgets are aligned with broad national and provincial priorities.	Analysis of municipal budgets.	24-30 budgets.	Monthly 30 analytical reports.
	Local Government Review.	1 review.	Dependent on the completion and the submission of the AFS. Planning completed.

2.3 Programme 3: Asset and Liabilities Management

Aim: To ensure the effective and efficient management of physical and financial assets.

Sub-programme 3.1	:	Programme Support
Purpose	:	To facilitate the efficient and co-ordinated administration and management of the programme.
Measurable Objective	:	Smooth and effective functioning of the component. Trained and capacitated administrative support and line function staff. Achievement of iKapa Elihlumayo goals.
Service delivery achievements	:	The unit is not yet operational.
Reasons for achieving targets	:	The unit is not yet operational.
Reasons for not achieving targets	:	The unit is not yet operational.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	The unit is not yet operational.

Programme 3: Asset And Liability Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 3.1: Programme Support			
Smooth and effective functioning of the component.	Percentage compliance with rules and regulations.	100% compliance.	Not yet operational.
	Percentage compliance to acceptable norms/standards of service delivery.	100% achieved.	Not yet operational.
	Hours turn around time for management of operational finances, human resources and logistical issues.	24hours.	Not yet operational.
Trained and capacitated administrative support and line function staff.	Number of vacant posts filled.	100% achieved.	Not yet operational.
	Percentage of staff complement trained according to IDPs.	100% achieved.	Not yet operational.

Programme 3: Asset And Liability Management			
Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 3.1: Programme Support			
Achievement of iKapa Elihlumayo goals.	Percentage support and promotion of goals in work environment.	100% support achieved.	Not yet operational.
	Percentage procurement in terms of BBEE.	50%	Not yet operational.

Sub-programme 3.2 : Financial Asset Management	
Purpose	: To facilitate the effective and efficient management of financial assets.
Measurable Objectives	: Effective managed Provincial Revenue Fund (Receipts). Fully skilled and capacitated personnel. Compliance to prescripts.
Service delivery achievements	: Total interest received for the year was R231 m. Gave feedback on liquidity as well as cash flow issues during the assessment of the draft municipal budgets. 100% accessibility and availability of the helpdesk on a daily basis. Submitted cash flow forecast (section 40(4)(a) of PFMA) timeously to NT. Visited municipalities during their budget processes and gave inputs with regard to the overall assessment.
Reasons for achieving targets	: Thorough planning, timeous action, commitment and co-operation of all relevant role players contributed to the successful achievement of most of the set targets.
Reasons for not achieving targets	: Targets achieved
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	: The component succeeded in establishing more effective cash flow management in all provincial departments.

Programme 3: Asset and Liabilities Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 3.2: Financial Asset Management			
Effective managed Provincial Revenue Fund (Receipts).	The daily monitoring of all banking accounts to ensure a deviation of less than 2% between transfers and actual expenditure.	100% of target.	100% achieved.
	Scheduling of all payments by departments in terms of a payment schedule prescribed by the Provincial Treasury.	100% of target.	100% achieved.
	Prudent investment of surplus funds at reputable financial institutions, ensuring sustainability of the Asset Financing Reserve (AFR).	100% achieved.	100% achieved.
	Preparation, awarding and implementation of tender for the provision of commercial banking services to this province by 1 April 2007.	100% prepared, awarded and implemented.	Tender implemented.
Fully skilled and capacitated personnel.	Training of departmental officials to familiarise such personnel with current banking procedures/policies.	40 officials.	56 Officials.
	Training relevant personnel at municipalities.	4 officials.	On an ongoing basis as required.
	Fully operational helpdesk managed by skilled staff rendering service to users.	100% achieved.	Target achieved.
Compliance to prescripts.	Annual submission of the consolidated Provincial cash flow projections in terms of the PFMA.	100% timeous submission and not more than 10% deviation in projections vs. transfers.	Target achieved.
	Monitor and supervise municipalities with regard to prescribed cash management requirements of the MFMA.	100% compliance.	Target achieved.

Sub-programme 3.3	:	Moveable assets management
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Purpose	:	To facilitate the effective and efficient management of moveable assets.
Measurable Objectives	:	<p>A modernised and practical supply chain management system to promote economic development and improve efficiency.</p> <p>A cost effective and value for money supply Chain Management process.</p> <p>Timeous qualitative and quantitative procurement data</p> <p>Promotion of a Provincial BEE policy.</p> <p>Promotion of a Supplier Development Programme.</p> <p>The achievement of improved conformance (good governance) and performance (value creation) in the supply chain.</p>
Service delivery achievements	:	<p>Training targets exceeded for Provincial departments and municipalities.</p> <p>Procurement reports 100% achieved.</p> <p>Compliance assessments at 12 departmental institutions and 1 municipality completed.</p> <p>Provincial Treasury Instructions, Standard operating procedural manual on transversal contracts and delegations completed.</p> <p>Strategic support and guidance provided to provincial departments and municipalities.</p> <p>24 as-is assessments completed and municipalities as well 30 SCM policies assessed.</p> <p>Best practice guidelines on SCM provided to provincial departments.</p>
Reason for achieving targets	:	Conscientious effort and diligent officials.
Reason for not achieving targets	:	Not achieved target on implementation on BEE policy and complaints mechanism as a result of national policy not being finalised.
The attainment of target: contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	Rolling out SCM processes to municipalities commenced and will be pursued further.

Programme 3: Asset and Liabilities Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 3.3: Movable Assets Management			
A modernised and practical supply chain management system to promote economic development and improve efficiency.	Facilitate training of officials from provincial departments on SCM principles, guidelines and prescripts.	60 officials trained.	Target achieved.
	Establish complaints unit within Provincial Treasury.	100% achieved.	Complaints mechanism vested in the CFO's offices established.
	Establish a Centre of Excellence.	50% achieved.	No progress to report on.
	Promote and facilitate the Asset Management Reform Strategy in conjunction with National Treasury.	100% achieved.	Document finalised as at 29th March 2007. Implementation to be effected in the next financial year.
	Asset Management assessment reports.	12 reports.	12 Reports and a consolidated report completed.
	Facilitate of training officials from municipalities on SCM principles, guidelines and prescripts.	40 officials trained.	Target exceeded. Intervention training was conducted as a follow-up on the 24 as-is assessments completed per district. 62 officials trained.
	Facilitate the arrangement of transversal contracts.	3 transversal contracts.	No transversal contracts completed as business cases needed to be aligned with the new Provincial Treasury Instructions dated 1st March 2007.
A cost effective and value for money Supply Chain Management processes.	Promote a strategic sourcing business model and guidelines.	100% achieved.	No progress.
Timeous qualitative and quantitative procurement data.	Provincial procurement reports.	12 reports.	Target met.
Promotion of a Provincial BEE policy.	Assist in the development of a tool to promote the Provincial BEE policy.	100% achieved.	National Policy and BEE scorecard not yet finalised.
Promotion of a Supplier Development Programme.	Monitor compliance to BEE policy for provincial departments.	4 departments.	National Policy and BEE scorecard not yet finalised.
The achievement of improved conformance (good governance) and performance (value creation) in the supply chain.	SCM assessments on provincial departmental sites.	12 sites.	12 sites visited. 12 reports completed.

Programme 3: Asset and Liabilities Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 3.3: Movable Assets Management			
The achievement of improved conformance (good governance) and performance (value creation) in the supply chain. (Continued)	SCM assessments at municipalities.	5 assessments.	1 Compliance assessment completed.
	Value for money SCM reports for provincial departmental sites.	12 sites.	12 sites visited and 12 reports completed.

Sub-programme 3.4 : Immoveable assets management

Purpose	:	To facilitate the effective and efficient management of immoveable assets and to elicit sustainable Public Private Partnership (PPP) projects.
Measurable Objectives	:	Successful implementation of the Infrastructure Delivery Improvement Plan (IDIP). Develop and implement Provincial Treasury instructions for the effective and efficient management of immovable assets. Effective and efficient monitoring of infrastructure delivery. To monitor and enforce the efficient and effective utilisation of provincial properties.
Service delivery achievements	:	Good progress was made with the implementation of IDIP in Education and Public Works. Provincial Treasury instructions for the effective and efficient management of immovable assets were developed but not implemented. Four quarterly infrastructure spending performance reports were submitted to National Treasury.
Reason for achieving targets	:	Most targets were achieved due to commitment and dedication of all staff.
Reason for not achieving targets	:	Due to the absence of a property disposal plan it was not possible to monitor disposals.
The attainment of target: contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	The component assisted in the drive to achieve proper asset management.

Programme 3: Asset and Liabilities Management			
Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 3.4: Immovable Assets Management			
Successful implementation of the Infrastructure Delivery Improvement Plan (IDIP).	% IDIP implemented in participating departments.	50% implemented in Public Works.	90% in Education. 50% in Public Works.
	Percentage of reports from technical assistants timeously reviewed and endorsed by Provincial Treasury.	100% of deliverables for Public Works endorsed by PT.	75%
	Assess and submit infrastructure plans to National Treasury.	31 August 2006.	4 Infrastructure plan was submitted to NT.
	Number of Provincial Strategic coordinating Committee meetings held for the year.	10 meetings.	2 meetings.
Develop and implement Provincial Treasury instructions for the effective and efficient management of immovable assets.	Develop Provincial Treasury instructions for immovable asset registers, acquisitions, disposals, transfers and donations for provincial departments.	100% completed.	100% completed.
	Number of workshops conducted on PT instruction on immovable assets (only provincial departments).	1 workshop.	No workshops conducted.
Effective and efficient management of infrastructure delivery.	Monitor all capital projects as per BS 2 (including housing, roads and transport projects).	100%	100%
	Number of infrastructure reports compiled and compliant to IDIP/ NT Guidelines.	4 reports.	4 reports.
To monitor and enforce the efficient and effective utilisation of provincial properties.	Number of property developmental options identified in conjunction with Public Works.	1 option identified.	Branch Property Management has not yet finalised their list of un-utilised assets.
	Monitoring of Public Works' disposal plan for immovable assets.	100%	Branch Property Management has not yet finalised their list of un-utilised assets.

Sub-programme 3.4	:	Immoveable assets management (PPPs)
Purpose	:	To facilitate the effective and efficient management of immoveable assets and to elicit sustainable Public Private Partnership (PPP) projects.
Measurable Objectives	:	Capacitated PT structures to catalyse the PPP drive. Facilitate, promote and support and in liaison with accounting officers implement PPP projects. Facilitate PPP school project. New PPP projects identified.
Service delivery achievements	:	PT structures reasonably capacitated. The Unit was involved in a number of potential municipal PPP projects. Financial closure was reach on one Health PPP.
Reasons for achieving targets	:	Targets were achieved due to commitment and dedication of all staff.
Reasons for not achieving targets	:	Still need to obtain the buy-inn from the Department of Education to seriously engage in a school PPP.
The attainment of target: contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	The component assisted in to achieve value for money.

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 3.4: Immovable Assets Management (PPPs)			
Capacitated PT structures to catalyse the PPP drive.	Percentage of vacancies filled.	80%	100% achieved.
	Percentage of specialists trained according to agreed training planned.	100%	75%
Facilitate, promote and support and in liaison with accounting officers implement PPP projects.	Percentage of specialists trained according to agreed training plan.	100%	100%
Facilitate PPP school project.	Develop pre-feasibility guideline on school PPP project.	No targets.	No targets.
	Project registration with National Treasury.	No targets.	No targets.
	Completion of feasibility study.	30 September 2006.	Work in progress.
New PPP projects identified.	Number of new PPP project identified from unutilised Provincial Property Portfolio.	1 new project identified.	2 new municipal projects registered.

Sub-programme 3.5	: Liabilities Management
Purpose	: To facilitate the effective and efficient management of liabilities.
Measurable Objectives	: Effective managed Provincial Revenue Fund (loan book). To strengthen and provide technical and strategic support for the institutional capacity of provincial and local government to ensure capacity with regard to liabilities management. Compliance to prescripts. Establish the necessary structures to ensure accurate reporting and servicing capabilities in respect of liabilities.
Service delivery achievements	: Unit not yet operational.
Reasons for achieving targets	: Unit not yet operational.
Reasons for not achieving targets	: Unit not yet operational.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	: Unit not yet operational.

Programme 3: Asset and Liabilities Management

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 3.5: Liabilities Management			
Effective managed Provincial Revenue Fund (loan book).	Percentage achieved w.r.t provision for necessary funds to service loan agreements and/or guarantees.	No targets.	Not yet operational.
	Percentage achieved w.r.t. Meeting of all due dates for repayment of loans and/or guarantees.	No targets.	Not yet operational.
	Percentage achieved w.r.t. Refinement of cash flow to include such loan and/or guarantee repayments.	No targets..	Not yet operational.
To strengthen and provide technical and strategic support for the institutional capacity of provincial and local government to ensure capacity with regard to liabilities management.	Percentage achieved w.r.t. Appointment of suitably qualified personnel and build capacity amongst existing staff.	No targets.	Not yet operational.
	Percentage achieved regarding assistance and/or establishment of suitable monitoring mechanisms for loans and for guarantees.	No targets.	Not yet operational.

Programme 3: Asset and Liabilities Management			
Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 3.5: Liabilities Management			
Compliance to prescripts.	Percentage achieved i.t.o. All loans and/or guarantees that are administered and repaid strictly in terms of relevant legislation.	No targets.	Not yet operational.
	Percentage accuracy of reporting in terms of annual financial statements of all loans and/or guarantees.	100% achieved.	Not yet operational.
Establish the necessary structures to ensure accurate reporting and servicing capabilities in respect of liabilities.	Percentage achieved i.t.o. creation and implementation of suitable mechanisms to facilitate accurate reporting, monitoring, administering and repayment of loans and/or guarantees.	50% achieved.	Not yet operational.
Sub-programme 3.6 : Supporting and Interlinked Financial Systems.			
Purpose	: To provide for the oversight and management of existing financial systems and the transition to the Integrated Financial Management System enhancing compliance with the PFMA and other relevant legislation.		
Measurable Objectives	: Effectively, efficiently and economically implemented and managed financial systems. The smooth and cost-effective transition to the Integrated Financial Management Systems (IFMS). Availability stability and accessibility of existing financial systems. System functionalities comply with norms and standards. Fully skilled and capacitated system users. A cost-effective system.		
Service delivery achievements	: LOGIS fully implemented at additional 5 institutions. Availability and stability of existing financial systems to ensure an up time of at least 98,2%. 100% accessibility and availability of the helpdesk on a daily basis.		
Reasons for achieving targets	: Fully operational helpdesk managed by skilled staff rendering service to 7000 users.		
Reasons for not achieving targets	: Targets achieved.		
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	: Assisted in vesting proper asset management by further developing financial system management and building capacity through financial training for finance staff in the Province.		

Programme 3: Asset and Liabilities Management			
Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 3.6: Supporting and Interlinked Financial Systems			
Effectively, efficiently and economically implemented and managed financial systems.	The daily monitoring of the existing systems to ensure that all exceptions, rejections and audit reports are cleared within 7 days.	100% achieved.	100% achieved.
	The proper interfaces between sub-systems and BAS achieved.	100% achieved.	100% achieved.
	Logistical information system (LOGIS) fully rolled out to the remaining 5 Institutions	5 institutions fully implemented.	5 institutions fully implemented.
	The rollout of Vulindlela (WEB application) to all departments, regions and institutions to ensure the availability of updated management information.	100 % achieved.	100% completion.
The smooth and cost-effective transition to the Integrated Financial Management Systems (IFMS).	Provincial Treasury to play an integral role in planning, development, testing and implementation phases.	100% achieved.	100% achieved.
	Data preparation and implementation of the various IFMS modules.	Not applicable.	Not applicable.
Availability stability and accessibility of existing financial systems.	Availability and stability of existing financial systems to ensure an up time of at least 95%.	95% uptime.	98,2% uptime achieved.
System functionalities comply with norms and standards.	All user requirements submitted to National Treasury and rolled out within 2 weeks after release.	100% achieved.	100% achieved.
Fully skilled and capacitated system users.	Fully operational helpdesk managed by skilled staff rendering service to 7000 users.	100% accessibility.	100% accessibility.
	Percentage officials appropriately trained on the various financial systems of a target market of 7000.	90% of target market.	92% of target market.
A cost-effective system.	No more than 2% deviation between actual expenditure and approved budget pertaining to SITA accounts.	100% achieved.	100% achieved.

2.4 Programme 4: Financial Governance

Aim: To enhance performance orientated financial management.

Sub-programme 4.1	: Programme Support
Purpose	: To facilitate the efficient and co-ordinated administration and management of the programme.
Measurable Objectives	: Smooth and effective functioning of the component. Trained and capacitated administrative support and line function staff. Achievement of iKapa Elihlumayo goals.
Service delivery achievements	: No service delivery achievements of note can be registered.
Reasons for achieving targets	: A coordinated approach to work specifics was followed and the unit was fully capacitated.
Reasons for not achieving targets	: Targets achieved.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	: This sub-programme plays a supporting role and it does not directly contribute towards achieving the Provincial Treasury's outcomes.

Programme 4: Financial Governance

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 4.1: Programme Support			
Smooth and effective functioning of the component.	Percentage compliance with rules and regulations.	100% compliance.	100% compliance.
	Percentage compliance to acceptable norms/standards of service delivery.	90% achieved.	90% achieved.
	Hours turn around time for management of operational finances, human resources and logistical issues.	24 hours.	24 hours.
Trained and capacitated administrative support and line function staff.	Percentage of vacant posts filled.	100% achieved.	100% achieved.
	Percentage of staff complement trained according to IDPs.	100% achieved.	80% achieved.
Achievement of iKapa Elihlumayo goals.	Number of service providers complying with BBBEE.	50%	50%

Sub-programme 4.2	:	Accounting Services
Purpose	:	To ensure that financial reporting is a full and true reflection of the financial position of the Province.
Measurable Objectives	:	All transactions recorded and Financial Statements in line with formats and guidelines. Financial data analysed and interpreted.
Service delivery achievements	:	Audit Reports analysed and corrective steps taken (practise note). Accounting procedures established and included in the Western Cape Housing Development Amendment Act 2 of 2005. 30% of the debts cleared.
Reasons for achieving targets	:	A drive to fully capacitate the sub-programme was successful. Efforts were concentrated on successfully dealing with high-priority tasks.
Reasons for not achieving targets	:	Under-estimation of the scope of rolling-out SCoA to public entities. Training on the interpretation of AFS to CFOs was delayed; to be based on the extended scope of the Financial Governance Review and Outlook 2005.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	Analysis and interpretation of annual financial statements were enhanced. Improved compliance with GRAP (100%).

Programme 4: Financial Governance

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 4.2: Accounting Services			
All transactions recorded and Financial Statements in line with formats and guidelines.	Compliance with statutory due dates and timely corrective measures.- departments, public entities and municipalities.	100% compliance.	100% compliance.
	Percentage qualified Auditor-General reports.	Less than 10% qualified – including public entities.	- 15% of departments qualified (including one disclaimed). - 28% of public and trading entities qualified (including one adverse opinion).
	Percentage compliance with GRAP and GAMAP requirements – departments and municipalities.	100% compliance by departments and high and medium capacity municipalities.	Target achieved.

Programme 4: Financial Governance

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 4.2: Accounting Services			
All transactions recorded and Financial Statements in line with formats and guidelines. (Continued)	Accounting procedures to be established to close down the Western Cape Housing Development Fund and Provincial Capital Fund Ordinance, 1962 (Ordinance 3 of 1962).	Accounting procedures finalised.	Accounting procedures for the Western Cape Housing Development Fund and Cape Provincial Requisite Store established.
	Rollout Standard Chart of Accounts to public entities.	SCoA implemented for Public Entities.	Implementation in progress.
	Clear old balances inherited from previous government dispensations.	Reduced outstanding cases by 30%. Awaiting National Treasury Finance Act.	Two letters to National Treasury.
Financial data analysed and interpreted.	Percentage compliance with and an 18-day turn around time for Provincial Treasury's interpretive narrative responses on departmental IYM reports.	Target achieved.	Target achieved.
	Update BIF as per agreed time frame.	Updated as per schedule.	No updates.
	Produce an Accounting Review within deadline – Departments and Public Entities.	Review for 2006 published in May 2007.	Accounting Review finalised for input into the Financial Governance Review and Outlook 2006.
	Produce an Accounting Review within deadline – municipalities.	Published review for 2004/05 in August 2006.	Accounting Review Working Paper for municipalities finalised.
	Provide training on the interpretation of annual financial statements to CFOs of departments.	Training implemented.	No progress.
	Improve the disclosure of the values of PPP BEE and infrastructure transactions in terms of REAL.	Delayed until IFMS is in place.	Delayed.
	Ensuring and monitoring the existence of appropriate governance processes.	High-level governance processes monitored.	Developed measures for monitoring.
Initiate and develop appropriate framework for the establishment of Trading entities to address transversal services currently being rendered.		Framework developed.	Draft framework developed.

Sub-programme 4.3	:	Norms and Standards
Purpose	:	To develop, implement and monitor financial norms and standards.
Measurable Objective	:	Determination and implementation of financial management norms and standards. Analyse and report on non-financial data. Analyse and report on non financial data Phasing in the Provincial Treasury's responsibilities of the MFMA. Ensuring the existence of an appropriate and dynamic provincial financial legislative framework. Ensuring and monitoring the existence of appropriate governance processes.
Service delivery achievements	:	Assessment of all departments and public entities' quarterly normative measures for financial management through a questionnaire and public entity checklist, AG reports and management letters. Conducted SCOPA and Standing Committee Information Sessions. Compiled Provincial Treasury action plan for all departments and public entities (audit findings) to move to a Level 4 auditable organisation. Workshop planned with all departments and responsible PT units. With regard to existing financial legislation, compiled PFMA Guidelines for Executive Authorities in respect of their responsibilities and functions in terms of PFMA. Issued Provincial Treasury Instructions regarding SCM Transversal Contracts in line with the National Treasury guidelines and policies.
Reasons for achieving targets	:	Posts were filled during the third quarter of the financial year.
Reasons for not achieving targets	:	Targets were achieved.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	:	Ensured that norms and standards within the legislative framework were developed and maintained.

Programme 4: Financial Governance

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 4.3: Norms and Standards			
Determination and implementation of financial management norms and standards.	The assessment of both nominal and substantive compliance in departments and public entities and expressed in percentages.	95% nominal compliance and 60% substantive compliance with set benchmarks.	Target exceeded.
	Percentage compliance with National Treasury guidelines on annual reports.	100% compliance.	Target achieved.
	Facilitation, compilation and issuing of generic norms and standards to address deficiencies identified in internal and external audit reports.	80% deficiencies addressed.	Target achieved.
Analyse and report on non financial data	Update BIF as per agreed time frame.	Updated as per schedule.	Target achieved.
Phasing in the Provincial Treasury's responsibilities of the MFMA.	Percentage nominal and substantive compliance by municipalities.	60% nominal compliance.	Target exceeded.
Ensuring the existence of an appropriate and dynamic provincial financial legislative framework.	The assessment and proposal of amendments to financial legislation to ensure continued relevance.	100% w.r.t. proposed provincial financial legislation and assess 4 existing legislation for relevance and inconsistency.	Target achieved.
	Compilation and maintenance of a database of all financial legislation and associated instructions and directives.	Data base updated.	Target achieved.
Ensuring and monitoring the existence of appropriate governance processes.	Capacity established to perform oversight.	Assessment completed.	Target achieved.
	High-level governance processes monitored.	Developed measures for monitoring.	Target achieved.

Sub-programme 4.4	: Risk Management
Purpose	: To facilitate the establishment of risk management capacity and financial governance systems in the Provincial Government.
Measurable Objectives	: Developed and implemented risk management and government governance capacity within the provincial government. Analyse and report on non-financial data. The provision of a consolidated risk profile for the provincial government as a whole and the ensuring of risk response strategies to mitigate transversal risks.
Service delivery achievements	: All departments have approved structures. Process and control maps completed for all audit areas in departments. 100% internal control staff trained in basic risk management tools and techniques.
Reasons for achieving targets	: Targets were achieved through prioritisation of work and committed staff.
Reasons for not achieving targets	: Non-filling of vacant posts.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	: Departments have approved risk management structures to help minimise risks in the Province. Process and control maps completed per department to focus management on risk areas and help with audits. Existence of a consolidated risk profile for PGWC.

Programme 4: Financial Governance

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 4.4: Risk Management			
Developed and implemented risk management and government governance capacity within the provincial government.	Departments have approved risk management structures.	All departments with approved structures and 50% capacitated.	All departments with approved structures and 60% capacitated. Target exceeded.
	Percentage departmental risk management staff trained in RM framework and all existing tools.	100% trained in all aspects.	Target exceeded.
	Percentage nominal compliance by all departments with the risk management framework.	30% nominal compliance.	15% nominal compliance.
	Percentage nominal compliance by all departments with the government governance framework.	10% nominal compliance.	Target achieved.

Programme 4: Financial Governance

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 4.4: Risk Management			
Analyse and report on non-financial data.	Update BIF as per agreed time frame.	Updated as per schedule.	Target achieved.
The provision of a consolidated risk profile for the provincial government as a whole and the ensuring of risk response strategies to mitigate transversal risks.	Existence of a consolidated risk profile for PGWC.	Not applicable.	Not applicable.
	Transversal risks identified and allocated to transversal risk owners.	65% transversal risks allocated.	Target not met.

Sub-programme 4.5 : Provincial Internal Audit

Purpose	: To perform internal audit services on a risk-analysis basis.
Measurable Objectives	: Risk-based internal audit services. Analyse and report on non-financial data. Building internal capacity to take over activities of the Internal Audit work from the current service provider and re-engineering the internal audit organisational fit. Fully functional, competent and independent Audit Committees under whose guidance and control Internal Audit resorts. Close cooperation and co-ordination between all assurance providers to prevent duplication of effort.
Service delivery achievements	: 100% of audit work performed as approved by Audit Committee. Number of audit plans approved and audit committee reports issued. The development the new organisational structure was finalised during the 4th quarter of the financial year. In instances where final reports were issued, management has accepted Internal Audit's Finding and have agreed to specific action to be taken within the agreed time frames.
Reasons for achieving targets	: The appointment of skilled staff helped the unit to achieve its targets. Co-sourcing with the Sihluma Sonke Consortium has provided additional human resource capacity and skills required to rollout the internal audit service in the Province.
Reasons for not achieving targets	: The new organisational fit has not yet been approved. The Internal Audit budget of R15 million is inadequate to ensure audit coverage for all the top risk areas.
The attainment of targets contributed towards achieving the Provincial Treasury's outcomes in the following manner	: The sub-programme contributed by fostering a process of improvement and facilitating change within provincial department.

Programme 4: Financial Governance

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Sub-programme 4.5: Provincial Internal Audit			
Risk-based internal audit services.	Performance of internal audit work as approved by the relevant Audit Committee.	100% of audit work performed as approved by Audit Committee.	All audit fieldwork have been completed except for the following: Health – 3 areas fieldwork still in progress. Education – 1 area fieldwork still in progress. Transport – 1 area fieldwork still in progress. Environmental Affairs & Development Planning - 1 area fieldwork still in progress. Community Safety – 1 area fieldwork still in progress. All outstanding reports are in finalisation phase.
	Percentage of audit findings accepted by management.	95% of audit findings accepted by management.	All audit findings reported to management have been accepted and action plans have been agreed.
	Number of progress reports issued to the audit committees.	Quarterly reports to the audit committees.	Quarterly reports have been issued to the audit committees.
	Generally compliant external Quality Assurance Review report of the Provincial Internal Audit Function by the IIA (SA).	Generally compliant opinion expressed by IIA (SA), report due by 31 January 2007.	External Quality Review conducted- Partially Compliant opinion expressed by the IIA (SA).
	Closer relationships with Accounting Officers thus improving accountability.	Quarterly reports and one-on-one discussions with Accounting Officers.	3rd Quarterly report and meetings with 7 Accounting Officers finalised.

Programme 4: Financial Governance

Output	Output performance measures/service delivery indicators	Actual performance against target	
		Target	Actual
Analyse and report on non-financial data.	Update BIF as per agreed time frame.	Updated as per schedule.	Target achieved.
Building internal capacity to take over activities of the Internal Audit work from the current service provider and re-engineering the internal audit organisational fit.	Percentage of posts filled.	55% of posts filled (Based on new organisational fit).	Cabinet approved the organizational structure in February 2007. The structure has been submitted to DPSA for final approval.
	Number of training interventions.	2 Formal training interventions per staff member.	Target achieved.
	Structured Internship Programme.	Programme implemented and 10 candidates recruited and trained.	Interns have been appointed and will assume duty on 01 May 2007.
Fully functional, competent and independent Audit Committees under whose guidance and control Internal Audit resorts.	Number of audit plans approved and audit committee reports issued.	All departments.	Target achieved.
	Number of progress reports issued to AO.	Quarterly (4 reports).	No formal reports submitted to the AO by the Audit committee.
Close cooperation and co-ordination between all assurance providers to prevent duplication of effort.	Number of meetings.	10 liaison and co-ordination meeting.	Target achieved.

Report of the Provincial Government Western Cape Shared Audit Committee on the Provincial Treasury (Vote 3) for the financial year ending 31 March 2007

We are pleased to present our report for the above-mentioned financial year.

Appointment of the Shared Audit Committee

Provincial Treasury (Vote 3) is served by a Shared Audit Committee appointed under Cabinet Resolution 75/2003 on 23 June 2003 which was subsequently extended by Cabinet Resolutions 95/2005 and 77/2007. The term of the Shared Audit Committee expires on 31 December 2007. From 2008 the Department will be served by the Governance and Administration cluster Audit Committee.

Audit Committee Members and Attendance

The Shared Audit Committee is required to meet a minimum of 4 times per annum as per its approved Terms of Reference. During the current year 11 meetings were held and the members attended as shown below.

Member	Meetings Attended
Mr JA Jarvis (Chairperson)	11
Mr J January	5
Mr P Jones	10
Mr R Warley	8

Audit Committee Responsibility

The Shared Audit Committee has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13 and 27(1)(10). The Shared Audit Committee has also regulated its affairs and discharged its responsibilities in terms of the Audit Committee Charter.

Effectiveness of Internal Control

Internal Audit Function

In 2004 the Sihluma Sonke Consortium was appointed to develop and transfer internal audit skills to the staff of the Provincial Government over a three-year period. Due to budget and capacity constraints there was a lack of adequate coverage of high risk areas identified by the Department. This increased the risk of a poor control environment with the associated potential losses.

At the end of December 2006 the Consortium contract was extended for a further 2 years to allow the development of the Internal Audit function to be completed.

The Shared Audit Committee's review of the 2007/08 Operational Internal Audit plan indicates that there should be a smoother transfer of skills during the next two years.

Quality Assurance Review

During the year under review the Institute of Internal Auditors (SA) (IIA) conducted a quality assurance review of the Internal Audit activity. The Institute issued an opinion of partial conformance with the Standards of Internal Audit. The Internal Audit Unit is in the process of implementing the recommendations made by the IIA.

Internal Audit Findings

The critical and significant issues reported by Internal Audit during the year under review have been adequately addressed by management with the exception of administration of leave and Policy and Guidance related to Asset Management.

During the financial year the Shared Audit Committee met with management periodically to track their progress in resolving outstanding critical and significant internal control issues previously raised by the Auditor General and Internal Audit.

At the end of the financial year Management reported that with the exception of a few transversal issues most of the outstanding issues had been resolved.

Risk Management

The Shared Audit Committee notes that a Chief Risk Officer was appointed during October 2006 and that more focus is being given to strengthening the risk management function.

Information Technology

During the year under review Internal Audit carried out a comprehensive audit of IT facilities under the control of Centre for e-Innovation (Ce-I). The audit highlighted a growing crisis within IT and the need to replace outdated equipment, improve security, back-up information and develop plans to address the business needs of its customers including this Department. The Shared Audit Committee believes the way forward is for this Department's officials to participate in a project team to develop IT policies that address the needs of users on an ongoing basis.

In Year Management Reporting

The Shared Audit Committee has reviewed the In Year Management Reports and discussed these with Department officials. Sufficient progress is being made in the development and quality of these reports.

Evaluation of Financial Statements

The Shared Audit Committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report with the Auditor General and the Accounting Officer;
- reviewed the Auditor General's Management Report and Management's response thereto; and
- reviewed significant adjustments resulting from the audit.

The Shared Audit Committee concurs and accepts the Auditor General's conclusion on the annual financial statements, and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor General.

Appreciation

The Audit Committee wishes to express its appreciation to the Provincial Treasury, Officials of the Department, the Auditor General and the Sihluma Sonke Consortium for the information they have provided for us to compile this report.



Mr JA Jarvis
Chairperson of the Shared Audit Committee
Date: 13 September 2007

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Annual Financial Statements for the year ended 31 March 2007

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

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**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

Report by the Accounting Officer to the Executive Authority and Parliament/Provincial Legislature of the Republic of South Africa.

1. General review of the state of financial affairs

- The Western Cape Provincial Treasury, as indeed all provincial treasuries in the country, is responsible for improving the state of financial governance in the Province, both for the provincial and local government spheres. In both instances the actual actions are indirect in the sense that it is up to Accounting Officers to implement the required steps within their organisations, whether these be provincial departments or municipalities.

However, it is the environment, together with the commensurate norms and standards and requisite support, which has to be created or set by the Provincial Treasury that would significantly contribute towards the actual desired outcome. As regards the establishment of overall standards to be strived for, we have been greatly assisted by the financial capability model introduced by the Auditor-General during the 2005/06 assessment year and to be further rolled out in the current reporting year. With the support of the Provincial Cabinet we have set a level three target to be attained for all provincial departments by end of March 2007. A similar target has been mooted for municipalities to be achieved by end of June 2008.

It is trusted that a level 4 would be attainable by end of March 2008 or at least be strived for by provincial departments as that takes us into the domain of real service delivery and proper performance assessment.

As stated before, the public sector has to apply its resources to add to the Accelerated and Shared Growth Initiative of South Africa (ASGISA) and in the Province to the nascent Provincial Growth and Development Strategy (iKapa Elihlumayo), but this would only be attainable if good financial governance is in place. It's on how well we achieve these goals that we should be judged.

The following internal and external challenges remain:

- Building the analytical competence in the Provincial Treasury, provincial departments and municipalities to strengthen the link between governance and socio-economic needs and resource application.
 - Stabilising and building the Provincial Treasury team by improving soft skills management, recruitment, retention, talent management, training, career and succession planning.
 - Remaining deprivation in our communities, high levels of unemployment and poverty, and wide-spread disparities.
 - Constrained opportunities to participate in the economy by the young, unskilled and poor.
 - Further improving cohesion and synergy between provincial departments, the different spheres of government, private sector and civil society.
- In response to the above challenges, the Provincial Treasury achieved the following:
 - Expanded socio-economic analysis disaggregated per municipal area, meant to inform better responsiveness in resource allocation, particularly by municipalities.
 - Initiated a financial management improvement drive within the Provincial Government, primarily based on critical or problem areas highlighted in various financial assessment reports, mainly by the Auditor-General and in a generic sense by Internal Audit.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

- Took steps, in partnership with the Department of Local Government and Housing and that of the department of the Premier, to improve budgeting and financial reporting at the local government level, as well as better alignment and cooperation between the provincial and local government spheres.
 - Continued to foster Public Private Partnerships (PPP's) in both the provincial and local government spheres.
 - Further whittling down of the vacancy rate within Provincial Treasury and introduction of steps to improve soft skills amongst the management cadre. Further strengthening and better targeting of training and development of Provincial Treasury staff.
 - Further deepening of departmental interaction to improve resource application to better respond to socio-economic, governance imperatives and national priorities.
 - Finalisation of Provincial Treasury's external graduate programme, with the first interns due to take up positions at the beginning of the new financial year.
- The following projects were undertaken during the year:
 - In liaison with municipalities, the production of the first ever (both for the Province and the country) of a Socio-economic Profiling (SEP LG) per municipality to assist the latter in sophisticating its Integrated Development Plans and appropriate responses in municipal budgets.
 - Institutionalisation of the co-operative Local Government Medium Term Expenditure (LG MTEC) review process.
 - Apart from the SEP-LG, three further important publications were produced, the PER&O 2006, the Financial Governance Review and Outlook 2005 and the 2007-2010 Medium Term Budget Policy Statement.
 - Bedding down the Provincial Treasury Forum, to foster the sharing of experiences between provincial treasuries and to consider proposals for the improvement of provincial financial governance.
 - The re-design of Provincial Treasury's macro structure to encourage better coordination, succession planning and deepening of competencies and efficacy, as the last phase of its restructuring subsequent to the major changes implemented in 2003.
 - Part of the latter involved an ongoing revision of job descriptions and the conclusion of the redesign of the Internal Audit component that now allows for the evolution of a full-blown in-house capability and the subsequent decentralisation to the departments of Health, Education and Transport and Public Works over the next four years.
- Spending trends.
 - The department's actual expenditure for the 2006/07 financial year was R133,936 million compared to the total adjusted budget of R134, 246 million. This resulted in an under-spending of R309,746 or 0.2% of the adjusted budget of which the balance will be surrendered to the Provincial Revenue Fund.
 - Under-spending of R220 000 arose as a result of the lower than calculated spending on foreign travel and staff events. R37 000 was due to no transfer payment been made to the respective SETA as anticipated. R52 000 can be attributed to a provision made for donations that did not materialise.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

2. Service rendered by the department

2.1 The main services to be rendered by the Provincial Treasury are captured in Chapter 3 of the Public Finance Management Act (PFMA) and Chapter 2 of the Municipal Finance Management Act (MFMA). The original powers are vested in the Minister of Finance and Tourism as Head of the Provincial Treasury, who in turn has delegated most of these to officials within the Provincial Treasury. Both acts impart a range of responsibilities to provincial treasuries, but in the main these entail responsibilities for budget compilation, their implementation and the vesting of sound financial management in provincial departments, municipalities and entities, whether public or municipal. However, a range of other legislative provisions in different national and provincial acts and laws add further responsibilities.

2.2 Tariff policy

Betting and Gambling

- Betting and gambling revenue consists mainly of associated taxes, whether they be from limited gambling machine taxes, bookmakers' taxes or totalisator taxes. This in addition to annual licence fees from casinos, limited gambling machines, bookmakers and the totalisator. These fees and taxes are all raised and adjusted periodically as determined by the Western Cape Gambling and Racing Law, 1996 (Law 4 of 1996).

Functional Financial Training

- The Provincial Treasury annually approves tariffs payable for functional financial training rendered to officials from national government departments. These tariffs are calculated as direct expenditure plus 40% to cater for overhead costs.

2.3 Free Services

All services rendered by the Provincial Treasury, except those in paragraph 2.2, are rendered to other departments mainly in terms of the PFMA, or to municipalities as per the MFMA, as alluded to in paragraph 2.1 above. Per definition no free services were rendered by the Provincial Treasury.

2.4 Inventories

Two types of inventories are generated by LOGIS. The one consists of an inventory of store items and the other inventories of furniture and equipment. The inventory items are also reflected as major assets in Notes 23 and 24 of these Statements. Stationery to the value of ±R58 000 (as at 31 March 2007) was issued on a first in first out (FIFO) basis.

3. Capacity constraints

The three major constraints that have an adverse impact on the Provincial Treasury's performance are the high staff turnover rate, insufficient depth and limited experience. All components within the Provincial Treasury are striving to fill vacant posts, retaining and attracting staff as a high priority. However, while many appointments are made, the attrition rate within the Provincial Treasury is high. Most accept positions at higher levels in other government departments, municipalities and the private sector. Others cite environmental issues within Provincial Treasury itself not being conducive to career development and progression.

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**REPORT OF THE ACCOUNTING OFFICER
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The recruitment processes are being reviewed, part of which include the introduction of long term interns (apart from experiential placements) into a number of components, but mainly within Internal Audit, in the hope that many of them may wish to make the Provincial Treasury their employer of choice in the future.

The high turnover exacerbates capacity levels because many of the officials, who remain, have relatively short service periods with limited knowledge and expertise. That said, we are nonetheless fortunate in having achieved a representative blend of highly dedicated staff, inclusive of a relatively stable core with a great deal of depth, who together have proved worthy in more than one occasion, in pulling Provincial Treasury through some challenging patches.

4. Utilisation of donor funds

The Provincial Treasury did not receive any donor funding.

5. Trading entities and public entities

The single public entity operating under the auspices of the Provincial Treasury is the Western Cape Gambling and Racing Board. Its function is to regulate all gambling, racing and other related activities.

6. Organisations to whom transfer payments have been made

Transfers were only made to the Regional Service Council until the end of June 2006.

7. Public private partnerships (PPP)

In an endeavour to develop links with both municipalities and specific departments, the Provincial Treasury's PPP unit embarked upon an awareness campaign and hosted a PPP seminar, entitled "An Alternative Mechanism for Stimulating Economic Activity and contributing to the Provincial Growth and Development Strategy". Further, a two-day training session period was also held to better acquaint municipalities with the PPP process.

The initiative started in 2006 to delegate regulatory powers for PPP's from National Treasury to Provincial Treasuries was postponed to allow for further capacity building within the latter. It is trusted that this endeavour will be brought to a satisfactory conclusion in the new financial year.

During 2006/07 one PPP project, the Western Cape Rehabilitation Centre PPP project, achieved financial closure.

8. Corporate governance arrangements

The Provincial Cabinet approved the enlargement of the Internal Audit component from 24 to 94 posts in the fourth quarter of the reporting period. The new structure will be phased in over a period of three to four years and will enable the Provincial Government to recruit and capacitate the staff required to take over the services from the current external service provider.

9. Discontinued activities/activities to be discontinued

No specific activities were discontinued during the 2006/07 financial year.

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

10. Asset management

The Provincial Treasury has successfully completed its second full stock take. The Asset Register was also updated, balancing with the records on the LOGIS system.

11. Performance information

Concerted efforts were put in place during 2006/07 to improve the 2007/08 Annual Performance Plan. Performance measure indicators and measurable objectives were revised in many cases within all components with the assistance of an outside service provider. It is intended to continue using the service provider during 2007/08 to improve the Provincial Treasury's performance reporting and ensure that performance measure indicators can be properly quantified for both internal and external audits as from 2009/10 onwards. Furthermore, it is planned that the information in Annual Performance Plans, followed by the information in the four quarterly reports that ultimately feeds into the next Annual Report, is adequately synchronised.

12. SCOPA resolutions

The Provincial Treasury received a clean report for the 2005/06 reporting period and in this context no SCOPA resolutions were made applicable to this Department.

13. Other

A longstanding issue is the as yet unresolved unauthorised expenditure that predates 1 April 1995 and indeed the coming into being of the Province itself. Given the age and complexity of this cluster of accounts that in turn are derived from different structures, several interventions will be needed by the National Minister of Finance and a composite finance act will have to be passed by Parliament before this trial balance can be closed. During the fourth quarter of the year being reported on, the Provincial Treasury wrote follow up two letters to the Minister of Finance and the Director-General of National Treasury requesting assistance to enable the Western Cape Provincial Government to close the balances on this cluster of accounts.

An amount of R756 572.17 has been written off against thefts and losses on the Provincial Treasury Vote during 2006/07 and seven debit account balances were reduced. This action increased the total debit balances from R960 015 104.68 to R960 771 676.85 while the sum of the credit balances amount to R962 351 132.32. However, the correction journals did not reduce any credit balances which must still be corrected against the Provincial Revenue Fund during 2007/08 after a separate fund for this cluster of accounts have been created. Therefore the new net credit balance on this cluster of accounts is R1 579 455.47.

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**REPORT OF THE ACCOUNTING OFFICER
for the year ended 31 March 2007**

Approval

The Annual Financial Statements set out on pages 82 to 124 have been approved by myself as Accounting Officer for this Vote.



.....
**(DR) JC STEGMANN
ACCOUNTING OFFICER
DATE: 31 MAY 2007**

**WESTERN CAPE PROVINCE
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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2007**

**REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE
PROVINCIAL PARLIAMENT ON THE FINANCIAL STATEMENTS AND
PERFORMANCE INFORMATION OF VOTE 3 – PROVINCIAL
TREASURY FOR THE YEAR ENDED 31 MARCH 2007**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Provincial Treasury which comprise the statement of financial position as at 31 March 2007, appropriation statement, statement of financial performance and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 82 to 124.

Responsibility of the accounting officer for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy 1.1 to the financial statements and in the manner required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA). This responsibility includes:
 - designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error
 - selecting and applying appropriate accounting policies
 - making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor-General

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996, read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) and section 40(2) of the PFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing and General Notice 647 of 2007, issued in Government Gazette No. 29919 of 25 May 2007. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2007**

considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- 6.** An audit also includes evaluating the:
- appropriateness of accounting policies used
 - reasonableness of accounting estimates made by management
 - overall presentation of the financial statements.
- 7.** I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis of accounting

- 8.** The department's policy is to prepare financial statements on the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy 1.1 to the financial statements.

Opinion

- 9.** In my opinion, the financial statements present fairly, in all material respects, the financial position of the Provincial Treasury as at 31 March 2007 and its financial performance and cash flows for the year then ended, in accordance with the modified cash basis of accounting determined by the National Treasury, as set out in accounting policy 1.1 to the financial statements, and in the manner required by the PFMA.

OTHER MATTERS

I draw attention to the following matters that are ancillary to my responsibilities in the audit of the financial statements:

Delay in finalisation of audit

- 10.** Due to the national public sector strike action during June 2007, the Auditor-General had to delay the finalisation of affected departments. As a result, the Auditor-General's consistency review process of the audit reports could only be conducted subsequent to 31 July 2007, the consequence of which was a delay in the finalisation of the audit of this department for the 2006-07 financial year.

OTHER REPORTING RESPONSIBILITIES

Reporting on performance information

- 11.** I have audited the performance information as set out on pages 82 to 124.

**WESTERN CAPE PROVINCE
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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2007**

Responsibilities of the accounting officer

- 12.** The accounting officer has additional responsibilities as required by section 40(3)(a) of the PFMA to ensure that the annual report and audited financial statements fairly present the performance against predetermined objectives of the department.

Responsibility of the Auditor-General

- 13.** I conducted my engagement in accordance with section 13 of the Public Audit Act, 2004, read with General Notice 646 of 2007, issued in Government Gazette No. 29919 of 25 May 2007.
- 14.** In terms of the foregoing, my engagement included performing procedures of an audit nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
- 15.** I believe that the evidence I have obtained is sufficient and appropriate to report that there have been no significant findings identified as a result of the audit.

APPRECIATION

- 16.** The assistance rendered by the staff of the Provincial Treasury during the audit is sincerely appreciated.



J Diedericks for Auditor-General

Cape Town

31 August 2007



A U D I T O R - G E N E R A L

**WESTERN CAPE PROVINCE
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**ACCOUNTING POLICIES
for the year ended 31 March 2007**

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, 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, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 2 of 2006.

Presentation of the Financial Statements

1. Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

1.1 Presentation currency

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

1.2 Rounding

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

1.3 Comparative figures

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.

1.4 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the appropriation statement.

**WESTERN CAPE PROVINCE
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**ACCOUNTING POLICIES
for the year ended 31 March 2007**

2. Revenue

2.1 Appropriated funds

Appropriated and adjusted appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments to the appropriated funds made in terms of the adjustments budget process are recognised in the financial records on the date the adjustments become effective.

Total appropriated funds are presented in the statement of financial performance.

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is paid into the Provincial Revenue Fund when received, unless otherwise stated. Amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised in the statement of financial position. Amounts receivable at the reporting date are disclosed in the disclosure notes to the annual financial statements.

2.3 Tax revenue

Tax revenue consists of all compulsory unrequited amounts collected by the department in accordance with laws and or regulations (excluding fines, penalties & forfeits).

Tax receipts are recognised in the statement of financial performance when received.

2.3.1 Sales of goods and services other than capital assets

The proceeds received from the sale of goods and/or the provision of services is recognised in the statement of financial performance when the cash is received.

2.3.2 Fines, penalties & forfeits

Fines, penalties & forfeits are compulsory unrequited amounts, which were imposed by a court or quasi-judicial body and collected by the department. Revenue arising from fines, penalties and forfeits is recognised in the statement of financial performance when the cash is received.

2.3.3 Interest, dividends and rent on land

Interest, dividends and rent on land is recognised in the statement of financial performance when the cash is received.

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**ACCOUNTING POLICIES
for the year ended 31 March 2007**

2.3.4 Sale of capital assets

The proceeds received on sale of capital assets are recognised in the statement of financial performance when the cash is received.

2.3.5 Financial transactions in assets and liabilities

Repayments of loans and advances previously extended to employees and public corporations for policy purposes are recognised as revenue in the statement of financial performance on receipt of the funds.

2.3.6 Gifts, donations and sponsorships (transfers received)

All cash gifts, donations and sponsorships are paid into the Provincial Revenue Fund and recorded as revenue in the statement of financial performance when received. Amounts receivable at the reporting date are disclosed in the disclosure notes to the financial statements.

3. Expenditure

3.1 Compensation of employees

Salaries and wages comprise payments to employees. Salaries and wages are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). Capitalised compensation forms part of the expenditure for capital assets in the statement of financial performance¹.

All other payments are classified as current expense.

Social contributions include the employer's contribution to social insurance schemes paid on behalf of the employee. Social contributions are recognised as an expense in the statement of financial performance when the payment is effected on the system.

3.1.1 Short term employee benefits

Short-term employee benefits comprise of leave entitlements (including capped leave), thirteenth cheques and performance bonuses. The cost of short-term employee benefits is expensed as salaries and wages in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year).

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance.

¹ This accounting policy is only relevant where the department elects to capitalise the compensation paid to employees involved on capital projects.

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**ACCOUNTING POLICIES
for the year ended 31 March 2007**

3.1.2 Long-term employee benefits

3.1.2.1 Termination benefits

Termination benefits such as severance packages are recognised as an expense in the statement of financial performance as a transfer (to households) when the payment is effected on the system (by no later than 31 March of each year).

3.1.2.2 Post employment retirement benefits

The department provides retirement benefits (pension benefits) for certain of its employees through a defined benefit plan for government employees. These benefits are funded by both employer and employee contributions. Employer contributions to the fund are expensed when the payment to the fund is effected on the system (by no later than 31 March of each year). No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the Provincial Revenue Fund and not in the financial statements of the employer department.

The department provides medical benefits for certain of its employees. Employer contributions to the medical funds are expensed when the payment to the fund is effected on the system (by no later than 31 March of each year).

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year). The expense is classified as capital if the goods and services were used for a capital project or an asset of R 5 000 or more is purchased. All assets costing less than R 5 000 will also be reflected under goods and services.

3.3 Financial transactions in assets and liabilities

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under spending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but amounts are disclosed as a disclosure note.

Forex losses are recognised on payment of funds.

All other losses are recognised when authorisation has been granted for the recognition thereof.

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**ACCOUNTING POLICIES
for the year ended 31 March 2007**

3.4 Unauthorised expenditure

When discovered unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is recognised in the statement of financial performance when the unauthorised expenditure is approved and the related funds are received. Where the amount is approved without funding it is recognised as expenditure, subject to availability of savings, in the statement of financial performance on the date of approval.

3.5 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.6 Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

3.7 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the payment is effected on the system (by no later than 31 March of each year).

3.8 Expenditure for capital assets

Payments made for capital assets are recognised as an expense in the statement of financial performance when the payment is effected on the system (by no later than 31 March of each year).

4. Assets

4.1 Cash and cash equivalents

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

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.

4.2 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made.

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**ACCOUNTING POLICIES
for the year ended 31 March 2007**

4.3 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party.

Revenue receivable not yet collected is included in the disclosure notes. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.4 Investments

Capitalised investments are shown at cost in the statement of financial position. Any cash flows such as dividends received or proceeds from the sale of the investment are recognised in the statement of financial performance when the cash is received.

Investments are tested for an impairment loss whenever events or changes in circumstances indicate that the investment may be impaired. Any impairment loss is included in the disclosure notes.

4.5 Inventory

Inventories purchased during the financial year are disclosed at cost in the notes.

4.6 Capital assets

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the capital asset may be stated at fair value.

Disclosure Notes 23 and 24 reflect the total movement in the asset register for the current financial year.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are recognised at historical cost in the statement of financial position.

5.2 Lease commitments

Lease commitments represent amounts owing from the reporting date to the end of the lease contract. These commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

Operating and finance lease commitments are expensed when the payments are made. Assets acquired in terms of finance lease agreements are disclosed in the annexures and disclosure notes to the financial statements.

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**ACCOUNTING POLICIES
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5.3 Accruals

Accruals represent goods/services that have been received, but where no invoice has been received from the supplier at the reporting date, or where an invoice has been received but final authorisation for payment has not been effected on the system.

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.4 Contingent liabilities

A contingent liability 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 wholly within the control of the department; or

A contingent liability is a present obligation that arises from past events but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are included in the disclosure notes.

5.5 Commitments

Commitments represent goods/services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

6. Net Assets

6.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are transferred to the Provincial Revenue Fund on disposal, repayment or recovery of such amounts.

6.2 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.

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**ACCOUNTING POLICIES
for the year ended 31 March 2007**

7. Related party transactions

Related parties are departments that control or significantly influence entities in making financial and operating decisions. Specific information with regards to related party transactions is included in the disclosure notes.

8. Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department.

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

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PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2007**

Appropriation per Programme									
	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	28,538	-	(1,358)	27,180	26,966	214	99.2	22,551	22,541
Transfers and subsidies	233	-	(1)	232	143	89	61.6	230	191
Payment for capital assets	566	-	1,049	1,615	1,615	-	100.0	1,112	488
2. Sustainable Resource									
Current payment	22,306	-	(1,237)	21,069	21,069	-	100.0	16,422	16,100
Transfers and subsidies	8	-	-	8	7	1	87.5	31	22
Payment for capital assets	103	-	153	256	256	-	100.0	391	391
3. Asset and Liabilities									
Current payment	48,257	-	2,791	51,048	51,048	-	100.0	46,627	46,631
Transfers and subsidies	233	-	2	235	235	-	100.0	33	29
Payment for capital assets	201	-	53	254	254	-	100.0	39	39
4. Financial Governance									
Current payment	33,638	-	(1,855)	31,783	31,777	6	100.0	27,219	27,223
Transfers and subsidies	7	-	-	7	7	-	100.0	110	106
Payment for capital assets	156	-	403	559	559	-	100.0	644	514
Total	134,246	-	-	134,246	133,936	310	99.8	115,409	114,275
Reconciliation with Statement of Financial Performance					-				
Departmental receipts				49,033	-			181,837	-
Actual amounts per Statement of Financial Performance (Total Revenue)				183,279	-			297,246	-
Actual amounts per Statement of Financial Performance* Expenditure					133,936				114,275

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2007**

Appropriation per Economic classification									
	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	55,847	-	(2,928)	52,919	52,919	-	100.0	42,060	41,941
Goods and services	76,892	-	492	77,384	77,164	220	99.7	70,586	70,381
Financial transactions in assets and liabilities	-	-	777	777	777	-	100.0	173	173
Transfers & subsidies									
Provinces & municipalities	29	-	1	30	29	1	96.7	173	152
Departmental agencies & accounts	37	-	-	37	-	37	-	35	-
Foreign governments & international organisations	53	-	-	53	1	52	1.9	-	-
Households	362	-	-	362	362	-	100.0	196	196
Payment for capital assets									
Machinery & equipment	886	-	1,393	2,279	2,279	-	100.0	1,680	1,029
Software & other intangible assets	140	-	265	405	405	-	100.0	506	403
Total	134,246	-	-	134,246	133,936	310	99.8	115,409	114,275

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2007**

**Detail per programme 1 - Administration
for the year ended 31 March 2007**

Programme per sub-programme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the Minister									
Current payment	3,635	-	(769)	2,866	2,752	114	96.0	3,374	3,375
Transfers and subsidies	54	-	(1)	53	2	51	3.8	164	163
Payment for capital assets	22	-	(2)	20	20	-	100.0	21	21
1.2 Management Services									
Current payment	2,492	-	(364)	2,128	2,028	100	95.3	1,750	1,743
Transfers and subsidies	1	-	-	1	1	-	100.0	4	4
1.3 Corporate Services									
Current payment	8,892	-	34	8,926	8,926	-	100.0	6,993	6,990
Transfers and subsidies	39	-	-	39	2	37	5.1	46	9
Payment for capital assets	-	-	-	-	-	-	-	18	-
1.4 Financial Management									
Current payment	13,519	-	(259)	13,260	13,260	-	100.0	10,434	10,433
Transfers and subsidies	139	-	-	139	138	1	99.3	16	15
Payment for capital assets	544	-	1,051	1,595	1,595	-	100.0	1,073	467
Total	29,337	-	(310)	29,027	28,724	303	99.0	23,893	23,220

Economic classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	13,769	-	(671)	13,098	13,098	-	100.0	12,111	12,111
Goods and services	14,769	-	(1,464)	13,305	13,091	214	98.4	10,267	10,257
Financial transactions in assets and liabilities	-	-	777	777	777	-	100.0	173	173
Transfers & subsidies									
Provinces & municipalities	8	-	-	8	8	-	100.0	84	80
Departmental agencies & accounts	37	-	-	37	-	37	-	35	-
Foreign governments & international organisations	53	-	(1)	52	-	52	-	-	-
Households	135	-	-	135	135	-	100.0	111	111
Payment for capital assets									
Machinery & equipment	566	-	1,049	1,615	1,615	-	100.0	1,099	475
Software & other intangible assets	-	-	-	-	-	-	-	13	13
Total	29,337	-	(310)	29,027	28,724	303	99.0	23,893	23,220

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2007**

**Detail per programme 2 - Sustainable Resource Management
for the year ended 31 March 2007**

Programme per sub-programme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Programme Support: Resource Management									
Current payment	690	-	(24)	666	666	-	100.0	839	840
Transfers and subsidies	-	-	-	-	-	-	-	2	1
2.2 Economic Analysis									
Current payment	3,512	-	(425)	3,087	3,087	-	100.0	2,524	2,419
Transfers and subsidies	1	-	-	1	1	-	100.0	4	3
Payment for capital assets	37	-	-	37	37	-	100.0	15	15
2.3 Fiscal Policy: Provincial									
Current payment	2,534	-	513	3,047	3,047	-	100.0	2,204	2,099
Transfers and subsidies	1	-	-	1	1	-	100.0	5	3
Payment for capital assets	7	-	39	46	46	-	100.0	235	235
2.4 Fiscal Policy: Local									
Current payment	1,795	-	(307)	1,488	1,488	-	100.0	192	192
Transfers and subsidies	1	-	-	1	1	-	100.0	1	1
2.5 Budget Management									
Current payment	6,795	-	(257)	6,538	6,538	-	100.0	6,148	6,146
Transfers and subsidies	2	-	-	2	1	1	50.0	7	5
Payment for capital assets	-	-	82	82	82	-	100.0	-	-
2.6 Programme Support: Public Finance									
Current payment	1,002	-	47	1,049	1,049	-	100.0	410	300
Transfers and subsidies	1	-	-	1	1	-	100.0	1	1
Payment for capital assets	-	-	26	26	26	-	100.0	-	-
2.7 Provincial Government Finance									
Current payment	2,917	-	(296)	2,621	2,621	-	100.0	2,473	2,473
Transfers and subsidies	1	-	-	1	1	-	100.0	6	5
Payment for capital assets	-	-	-	-	-	-	-	9	9
2.8 Local Government Finance									
Current payment	3,061	-	(488)	2,573	2,573	-	100.0	1,632	1,631
Transfers and subsidies	1	-	-	1	1	-	100.0	5	3
Payment for capital assets	59	-	6	65	65	-	100.0	132	132
Total	22,417	-	(1,084)	21,333	21,332	1	100.0	16,844	16,513

The sub-programmes for Sustainable Resource Management have been increased from 5 to 8 in 2005/06 to 2006/07 as part of a Provincial Treasury transformation plan.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2007**

**Detail per programme 2 - Sustainable Resource Management
for the year ended 31 March 2007**

Economic classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	16,077	-	(1,146)	14,931	14,931	-	100.0	9,450	9,332
Goods and services	6,229	-	(91)	6,138	6,138	-	100.0	6,972	6,768
Transfers & subsidies									
Provinces & municipalities	8	-	-	8	7	1	87.5	31	22
Payment for capital assets									
Machinery & equipment	66	-	153	219	219	-	100.0	391	391
Software & other intangible assets	37	-	-	37	37	-	100.0	-	-
Total	22,417	-	(1,084)	21,333	21,332	1	100.0	16,844	16,513

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2007**

**Detail per programme 3 - Asset and Liabilities Management
for the year ended 31 March 2007**

Programme per sub-programme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Programme Support									
Current payment	889	-	9	898	898	-	100.0	697	697
Transfers and subsidies	-	-	-	-	-	-	-	2	2
3.2 Financial Asset Management									
Current payment	1,127	-	(80)	1,047	1,047	-	100.0	918	918
Transfers and subsidies	1	-	-	1	1	-	100.0	2	2
3.3 Moveable Asset Management									
Current payment	4,615	-	56	4,671	4,671	-	100.0	4,431	4,430
Transfers and subsidies	228	-	1	229	229	-	100.0	9	8
Payment for capital assets	79	-	(56)	23	23	-	100.0	20	20
3.4 Immoveable Asset									
Current payment	2,604	-	(7)	2,597	2,597	-	100.0	1,611	1,612
Transfers and subsidies	1	-	1	2	2	-	100.0	3	2
Payment for capital assets	-	-	60	60	60	-	100.0	12	12
3.5 Liabilities Management									
Current payment	1	-	(1)	-	-	-	-	-	-
3.6 Supporting and Interlinked									
Current payment	39,021	-	2,814	41,835	41,835	-	100.0	38,970	38,974
Transfers and subsidies	3	-	-	3	3	-	100.0	17	15
Payment for capital assets	122	-	49	171	171	-	100.0	7	7
Total	48,691	-	2,846	51,537	51,537	-	100.0	46,699	46,699

Economic classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	13,257	-	(239)	13,018	13,018	-	100.0	11,726	11,725
Goods and services	35,000	-	3,030	38,030	38,030	-	100.0	34,901	34,906
Transfers & subsidies									
Provinces & municipalities	6	-	1	7	7	-	100.0	33	29
Foreign governments & international organisations	-	-	1	1	1	-	100.0	-	-
Households	227	-	-	227	227	-	100.0	-	-
Payment for capital assets									
Machinery & equipment	201	-	53	254	254	-	100.0	39	39
Total	48,691	-	2,846	51,537	51,537	-	100.0	46,699	46,699

The sub-programmes for Sustainable Resource Management have been increased from 5 to 8 in 2005/06 to 2006/07 as part of a Provincial Treasury transformation plan.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2007**

**Detail per programme 4 - Financial Governance
for the year ended 31 March 2007**

Programme per sub-programme	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Programme Support									
Current payment	1,194	-	(26)	1,168	1,162	6	99.5	1,030	1,030
Transfers and subsidies	1	-	-	1	1	-	100.0	3	2
Payment for capital assets	6	-	-	6	6	-	100.0	18	7
4.2 Accounting Services									
Current payment	3,864	-	(144)	3,720	3,720	-	100.0	2,610	2,610
Transfers and subsidies	2	-	-	2	2	-	100.0	92	91
Payment for capital assets	-	-	13	13	13	-	100.0	20	20
4.3 Norms and Standards									
Current payment	3,421	-	(369)	3,052	3,052	-	100.0	2,369	2,370
Transfers and subsidies	1	-	-	1	1	-	100.0	6	5
Payment for capital assets	17	-	48	65	65	-	100.0	-	-
4.4 Risk Management									
Current payment	2,517	-	(40)	2,477	2,477	-	100.0	1,311	1,312
Transfers and subsidies	1	-	-	1	1	-	100.0	2	2
Payment for capital assets	112	-	336	448	448	-	100.0	493	390
4.5 Provincial Internal Audit									
Current payment	22,642	-	(1,276)	21,366	21,366	-	100.0	19,899	19,901
Transfers and subsidies	2	-	-	2	2	-	100.0	7	6
Payment for capital assets	21	-	6	27	27	-	100.0	113	97
Total	33,801	-	(1,452)	32,349	32,343	6	100.0	27,973	27,843

Economic classification	2006/07							2005/06	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	12,744	-	(872)	11,872	11,872	-	100.0	8,773	8,773
Goods and services	20,894	-	(983)	19,911	19,905	6	100.0	18,446	18,450
Transfers & subsidies									
Provinces & municipalities	7	-	-	7	7	-	100.0	25	21
Households	-	-	-	-	-	-	-	85	85
Payment for capital assets									
Machinery & equipment	53	-	138	191	191	-	100.0	151	124
Software & other intangible assets	103	-	265	368	368	-	100.0	493	390
Total	33,801	-	(1,452)	32,349	32,343	6	100.0	27,973	27,843

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE APPROPRIATION STATEMENTS
for the year ended 31 March 2007**

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

Detail of these transactions can be viewed in note 6 (Transfers and subsidies) 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 financial transactions in assets and liabilities

Detail of these transactions per programme can be viewed in note 5 (Financial transactions in assets and liabilities) to the Annual Financial Statements.

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

Programme name	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Programme 1: Administration	29,027	28,724	303	1.0
Programme 2: Sustainable Resource Management	21,333	21,332	1	-
Programme 3: Asset and Liabilities Management	51,537	51,537	-	-
Programme 4: Financial Governance	32,349	32,343	6	-
Total	134,246	133,936	310	0.2

4.1 Per Programme:

Programme 1: Administration

The under spending on this programme partly results from lower than expected spending on foreign travel and staff events. Provisions were also made for donations and FASSET which did not materialise as anticipated, thus increasing the under spending.

Programme 2: Sustainable Resource Management

There are no material variances to report on.

Programme 3: Asset and Liabilities Management

There are no material variances to report on.

Programme 4: Financial Governance

There are no material variances to report on.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE APPROPRIATION STATEMENTS
for the year ended 31 March 2007**

4.2 Per Economic classification

Current payments:

Goods and services

The under spending is mainly due to the lower than expected expenditure on foreign travel and staff events.

Transfers and subsidies:

Departmental agencies and accounts

The saving was due to no transfer payment made to the respective SETA as anticipated.

Foreign governments and international organisations

The saving is due to a provision made for donations, which did not materialise.

Programme name	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Programme 1: Administration				
Office of the Minister	2,939	2,774	165	5.6
Management Services	2,129	2,029	100	4.7
Corporate Services	8,965	8,928	37	0.4
Financial Management	14,994	14,993	1	-
Total	29,027	28,724	303	1.0

The under spending on this programme partly results from lower than expected spending on foreign travel and staff events. Provisions were also made for donations and FASSET which did not materialise as anticipated, thus increasing the under spending.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE APPROPRIATION STATEMENTS
for the year ended 31 March 2007**

Programme name	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Programme 2: Sustainable Resource Management				
Programme Support: Resource Mgt	666	666	-	-
Economic Analysis	3,125	3,125	-	-
Fiscal Policy Provincial	3,094	3,094	-	-
Fiscal Policy Local Government	1,489	1,489	-	-
Budget Management	6,622	6,621	1	-
Programme Support: Public Finance	1,076	1,076	-	-
Provincial Gov Finance	2,622	2,622	-	-
Local Gov Finance	2,639	2,639	-	-
Total	21,333	21,332	1	-

Programme 3: Asset and Liabilities Management				
Programme Support	898	898	-	-
Financial Asset Management	1,048	1,048	-	-
Movable Asset Management	4,923	4,923	-	-
Immovable Asset Management	2,659	2,659	-	-
Supporting and Inter-linked Financial Systems	42,009	42,009	-	-
Total	51,537	51,537	-	-

Programme 4: Financial Governance				
Programme Support	1,175	1,169	6	-
Accounting Services	3,735	3,735	-	-
Norms and Standards	3,118	3,118	-	-
Risk Management	2,926	2,926	-	-
Provincial Internal Audit	21,395	21,395	-	-
Total	32,349	32,343	6	-

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE APPROPRIATION STATEMENTS
for the year ended 31 March 2007**

4.2 Per economic classification:	2006/07	2005/06
	R'000	R'000
Current expenditure	-	-
Compensation of employees	52,919	41,941
Goods and services	77,384	70,381
Financial transactions in assets and liabilities	777	173
Transfers and subsidies	-	-
Provinces and municipalities	30	152
Departmental agencies and accounts	37	-
Foreign governments and international organisations	53	-
Households	362	196
Payments for capital assets	-	-
Machinery and equipment	2,279	1,029
Software and other intangible assets	405	403
TOTAL	134,246	114,275

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2007**

	Note	2006/07 R'000	2005/06 R'000
REVENUE			
Annual appropriation	1.	134,246	115,409
Departmental revenue	2.	49,033	181,837
TOTAL REVENUE		183,279	297,246
EXPENDITURE			
Current expenditure			
Compensation of employees	3.	52,919	41,941
Goods and services	4.	77,164	70,381
Financial transactions in assets and liabilities	5.	777	173
Total current expenditure		130,860	112,495
Transfers and subsidies	6.	392	348
Expenditure for capital assets			
Machinery and Equipment	7.	2,279	1,029
Software and other intangible assets	7.	405	403
Total expenditure for capital assets		2,684	1,432
TOTAL EXPENDITURE		133,936	114,275
SURPLUS/(DEFICIT)		49,343	182,971
SURPLUS/(DEFICIT) FOR THE YEAR		49,343	182,971
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds to be surrendered to the revenue fund	11.	310	1,134
Departmental revenue to be surrendered to the revenue fund	2.	49,033	181,837
SURPLUS/(DEFICIT) FOR THE YEAR		49,343	182,971

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2007**

	Note	2006/07 R'000	2005/06 R'000
ASSETS			
Current assets		2,909	2,157
Cash and cash equivalents	8.	93	1,930
Prepayments and advances	9.	10	5
Receivables	10.	2,806	222
TOTAL ASSETS		2,909	2,157
LIABILITIES			
Current liabilities		2,909	2,157
Voted funds to be surrendered to the Revenue Fund	11.	310	1,134
Departmental revenue to be surrendered to the Revenue Fund	12.	990	224
Payables	13.	1,609	799
TOTAL LIABILITIES		2,909	2,157
NET ASSETS		-	-

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**CASH FLOW STATEMENT
as at 31 March 2007**

	Note	2006/07 R'000	2005/06 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		475,579	582,787
Annual appropriated funds received	1.1	134,246	115,409
Departmental revenue received		341,333	467,378
Net (increase)/decrease in working capital		(1,779)	581
Surrendered to Revenue Fund		(341,701)	(474,108)
Current payments		(130,860)	(112,495)
Transfers and subsidies paid		(392)	(348)
Net cash flow available from operating activities	14.	847	(3,583)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(2,684)	(1,432)
Net cash flows from investing activities		(2,684)	(1,432)
Net decrease in cash and cash equivalents		(1,837)	(5,015)
Cash and cash equivalents at beginning of period		1,930	6,945
Cash and cash equivalents at end of period	15.	93	1,930

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act for Provincial Departments (Equitable Share)

	Final Appropriation 2006/07 R'000	Actual Funds Received 2006/07 R'000	Funds not requested/ not received 2006/07 R'000	Appropriation Received 2005/06 R'000
Programmes				
Administration	29,027	29,027	-	23,893
Sustainable Resource Management	21,333	21,333	-	16,844
Asset and Liabilities Management	51,537	51,537	-	46,699
Financial Governance	32,349	32,349	-	27,973
Total	134,246	134,246	-	115,409

Note	2006/07 R'000	2005/06 R'000
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2. Departmental revenue to be surrendered to Revenue Fund

Tax revenue		275,984	221,972
Sales of goods and services other than capital assets	2.1	1,207	7,233
Fines, penalties and forfeits		215	290
Interest, dividends and rent on land	2.2	54,125	233,361
Financial transactions in assets and liabilities	2.3	9,802	4,522
Total revenue collected		<u>341,333</u>	<u>467,378</u>
Less: Departmental revenue budgeted *	12.	<u>292,300</u>	<u>285,541</u>
Total		<u>49,033</u>	<u>181,837</u>

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

	Note	2006/07 R'000	2005/06 R'000
2.1 Sales of goods and services other than capital assets			
Sales of goods and services produced by the department		1,201	7,229
Administrative fees		1,189	7,220
Other sales		12	9
Sales of scrap, waste and other used current goods		6	4
Total		1,207	7,233
 2.2 Interest, dividends and rent on land and buildings			
Interest		54,125	233,361
Total		54,125	233,361
 2.3 Financial transactions in assets and liabilities			
Nature of loss recovered			
Other receipts including recoverable revenue		9,802	4,522
Total		9,802	4,522
 3. Compensation of employees			
 3.1 Salaries and wages			
Basic salary		37,413	29,522
Performance award		838	784
Service Based		143	147
Compensative/circumstantial		905	773
Periodic payments		64	89
Other non-pensionable allowances		6,904	5,423
Total		46,267	36,738

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

	Note	2006/07 R'000	2005/06 R'000
3.2 Social contributions			
3.2.1 Employer contributions			
Pension		4,742	3,612
Medical		1,903	1,585
Bargaining council		7	6
Total		6,652	5,203
Total compensation of employees		52,919	41,941
Average number of employees		247	188
4. Goods and services			
Advertising		3,188	3,503
Attendance fees (including registration fees)		36	-
Bank charges and card fees		82	90
Bursaries (employees)		385	277
Communication		1,320	1,230
Computer services		31,336	26,430
Consultants, contractors and special services		29,335	28,473
Courier and delivery services		40	48
Entertainment		505	442
External audit fees	4.1	1,954	2,433
Equipment less than R5 000		751	643
Inventory	4.2	2,120	1,969
Legal fees		15	39
Maintenance, repair and running costs		31	11
Operating leases		513	436
Plant flowers and other decorations		10	4
Professional bodies and membership fees		157	30
Resettlement costs		623	658
Subscriptions		14	13
Owned and leasehold property expenditure		9	1
Translations and transcriptions		109	124
Travel and subsistence	4.3	3,737	2,962
Venues and facilities		413	216
Protective, special clothing & uniforms		5	3
Training & staff development		476	346
Total		77,164	70,381

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

	Note	2006/07 R'000	2005/06 R'000
4.1 External audit fees			
Regulatory audits		1,954	2,394
Other audits		-	39
Total external audit fees		<u>1,954</u>	<u>2,433</u>
4.2 Inventory			
Domestic Consumables		9	22
Food and Food supplies		35	23
Sport and recreation		1	12
Stationery and Printing		2,004	1,866
Restoration and fittings		71	46
Total Inventory		<u>2,120</u>	<u>1,969</u>
4.3 Travel and subsistence			
Local		3,476	2,594
Foreign		261	368
Total travel and subsistence		<u>3,737</u>	<u>2,962</u>
5. Financial transactions in assets and liabilities			
Material losses through criminal conduct:		705	28
Theft	5.3	<u>705</u>	<u>28</u>
Other material losses written off	5.1	52	139
Debts written off	5.2	20	6
Total		<u>777</u>	<u>173</u>
5.1 Other material losses written off			
Nature of losses			
Department 70 cases (old claims, ledger accounts etc)		52	139
Total		<u>52</u>	<u>139</u>

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

	Note	2006/07 R'000	2005/06 R'000
5.2 Debts written off			
Nature of debts written off			
Other minor amounts		20	6
Total		<u>20</u>	<u>6</u>
5.3 Details of theft			
Department 70 cases (3 cases of cheque fraud)		679	24
Theft of cell phone and cash		-	4
Bad Debts (1)		22	-
Other (5)		4	-
Total		<u>705</u>	<u>28</u>
6. Transfers and subsidies			
Provinces and municipalities	ANNEXURE 1A & 1B	29	152
Foreign governments and international organisations	ANNEXURE 1C	1	-
Households	ANNEXURE 1D	362	196
Total		<u>392</u>	<u>348</u>

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PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

	Note	2006/07 R'000	2005/06 R'000
7. Expenditure on capital assets			
Machinery and equipment	23.	2,279	1,029
Software and other intangible assets		405	403
Computer Software	24.	405	403
Total		2,684	1,432

8. Cash and cash equivalents			
Consolidated Paymaster General Account		222	202
Disbursements		(2,730)	10
Cash with commercial banks (Local)		2,601	1,718
Total		93	1,930

"Cash with commercial banks" represents cash not required by the department for immediate use and is invested by the Provincial Treasury at various commercial banks. Interest earned on these investments is reflected in the financial statements of the Provincial Revenue Fund.

9. Prepayments and advances			
Description			
Travel and subsistence		10	5
Total		10	5

	Note	Less than one year R'000	One to three years R'000	Older than three years R'000	Total R'000	Total R'000
Staff debtors	10.1	12	-	-	12	21
Other debtors	10.2	2,748	-	-	2,748	7
Intergovernmental Receivables	ANNEX 3	46	-	-	46	194
Total		2,806	-	-	2,806	222

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for the year ended 31 March 2007**

	Note	2006/07 R'000	2005/06 R'000
10.1 Staff debtors			
Unclaimed staff debt		65	91
Debt Recovered		(53)	(84)
SARS		-	14
Total		12	21
10.2 Other Debtors			
Ex Employees		-	7
Pension recoverable		1	-
SARS		19	-
SITA		2,728	-
Total		2,748	7
11. Voted funds to be surrendered to the Revenue Fund			
Opening balance		1,134	6,647
Transfer from Statement of Financial Performance		310	1,134
Paid during the year		(1,134)	(6,647)
Closing balance		310	1,134
12. Departmental revenue to be surrendered to the Revenue Funds			
Opening balance		224	307
Transfer from Statement of Financial Performance		49,033	181,837
Departmental revenue budgeted	2.	292,300	285,541
Paid during the year		(340,567)	(467,461)
Closing balance		990	224
13. Payables – current			
Description		2006/07 Total R'000	2005/06 Total R'000
		30 Days R'000	30+ Days R'000
Clearing accounts	13.1	-	1,579
Other payables	13.2	-	30
Total		-	1,609
		1,579	30
		1,609	797

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	Note	2006/07 R'000	2005/06 R'000
13.1 Clearing accounts			
Department 70 Control Account Debits		(960,772)	(961,950)
Department 70 Control Account Credits		962,351	962,717
Total		1,579	767
13.2 Other payables			
Supplementary Tax to be paid to SARS		-	24
Private Telephone Account		30	8
Total		30	32
14. Net cash flow available from operating activities			
Net surplus as per Statement of Financial Performance		49,343	182,971
Add back non cash/cash movements not deemed operating activities		(48,496)	(186,554)
Increase in receivables – current		(2,565)	(96)
Increase/decrease in prepayments and advances		(5)	37
Increase in payables – current		791	640
Expenditure on capital assets		2,684	1,432
Surrenders to revenue fund		(341,701)	(474,108)
Other non cash items		292,300	285,541
Net cash flow generated by operating activities		847	(3,583)
15. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General Account		222	202
Disbursements		(2,730)	10
Cash with commercial banks - Local		2,601	1,718
Total		93	1,930

**WESTERN CAPE PROVINCE
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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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		Note	2006/07 R'000	2005/06 R'000
16. Contingent liabilities				
Liable to	Nature			
Housing loan guarantees	Employees	ANNEXURE 2	-	161
Other departments (interdepartmental unconfirmed balances)		ANNEXURE 4	21	23
Total			<u><u>21</u></u>	<u><u>184</u></u>
17. Commitments				
Current expenditure				
Approved and contracted			810	827
Approved but not yet contracted			37	-
			<u>847</u>	<u>827</u>
Non-current expenditure				
Approved and contracted			16	104
			<u>16</u>	<u>104</u>
Total Commitments			<u><u>863</u></u>	<u><u>931</u></u>

**WESTERN CAPE PROVINCE
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	Note	2006/07 R'000	2005/06 R'000
18. Accruals			
	30 Days	30+ Days	Total
By economic classification	R'000	R'000	R'000
Goods and services	368		368
Machinery and Equipment	229		229
Total	597		597
	Listed by programme level		Total
Administration			576
Sustainable Resource Management			4
Assets and Liabilities Management			17
Financial Governance			-
Total			597
Confirmed balances with departments	ANNEXURE 4	-	165
Total		-	165
19. Employee benefit provisions			
Leave entitlement		477	769
Thirteenth cheque		2,425	1,144
Performance awards		838	772
Capped leave commitments		4,343	4,218
Total		8,083	6,903

Performance awards are paid after the reporting date for the year under review. Comparative figures for all employee benefits have been regrouped.
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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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20. Lease Commitments

	Land R'000	Buildings & other fixed structures R'000	Machinery and equipment R'000	Total R'000
20.1 Finance Leases				
2006/2007				
Not later than 1 year	-	-	243	243
Later than 1 year and not later than 5 years	-	-	106	106
Total present value of lease liabilities	-	-	349	349
	Note		2006/07 R'000	2005/06 R'000

21. Receivables for departmental revenue

Tax revenue	275,984	221,972
Sales of goods and services other than capital assets	1,207	7,233
Fines, penalties and forfeits	215	290
Interest, dividends and rent on land	54,125	233,361
Financial transactions in assets and liabilities	9,802	4,522
Total	341,333	467,378

22. Key management personnel

Description	No of Individuals	Total R'000	Total R'000
Political Office Bearers (provide detail below)	1	834	788
Officials			
Level 15 to 16	1	1,049	1,045
Level 14 (incl CFO if at lower level)	5	2,982	2,085
Total	7	4,865	3,918

Notes: 1. M.E.C. L Brown is the M.E.C. for Finance and Tourism in the Province. 2. The Chief Financial Officer is appointed on salary level 13 but has been included with the information for the salary level 14 statistics.

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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23. Tangible Capital Assets

**MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2007**

	Opening balance Cost R'000	Current Year Adjust- ments to prior year balances Cost R'000	Additions Cost R'000	Disposals Cost R'000	Closing balance Cost R'000
BUILDING AND OTHER					
FIXED STRUCTURES	-	245	-	-	245
Heritage assets	-	245	-	-	245
MACHINERY AND					
EQUIPMENT	6,279	1,232	2,764	2,548	7,727
Transport assets	108	-	536	644	-
Computer equipment	4,745	1,281	2,033	1,539	6,520
Furniture and Office equipment	392	(3)	99	65	423
Other machinery and equipment	1,034	(46)	96	300	784
TOTAL TANGIBLE ASSETS	6,279	1,232	2,764	2,548	7,972

Note: The total value of these assets exclude the value of R253 682.27 in respect of assets acquired through a finance lease.

**WESTERN CAPE PROVINCE
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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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**23.1 ADDITIONS TO TANGIBLE CAPITAL ASSET PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2007**

	Cash Cost R'000	Non-Cash Fair Value R'000	(Capital work in progress - current costs) Cost R'000	Received current year, not paid (Paid current Cost R'000	Total Cost R'000
MACHINERY AND EQUIPMENT	2,279	-	-	485	2,764
Transport assets	536	-	-	-	536
Computer equipment	1,584	-	-	449	2,033
Furniture and Office equipment	63	-	-	36	99
Other machinery and equipment	96	-	-	-	96
TOTAL CAPITAL ASSETS	2,279	-	-	485	2,764

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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**23.2 DISPOSALS OF TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2007**

	Sold (cash) Cost R'000	Non-cash Fair Value R'000	Total Cost R'000	Cash Received Actual R'000
MACHINERY AND EQUIPMENT	536	2,012	2,548	-
Transport assets	536	108	644	-
Computer equipment	-	1,539	1,539	-
Furniture and Office equipment	-	65	65	-
Other machinery and equipment	-	300	300	-
TOTAL	536	2,012	2,548	-

**23.3 MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR
THE YEAR ENDED 31 MARCH 2006**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	5,250	1,029	-	6,279
Transport assets	-	108	-	108
Computer equipment	4,439	306	-	4,745
Furniture and Office equipment	144	248	-	392
Other machinery and equipment	667	367	-	1,034
TOTAL TANGIBLE ASSETS	5,250	1,029	-	6,279

**WESTERN CAPE PROVINCE
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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

24. Intangible Capital Assets

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR
ENDED 31 MARCH 2007**

	Opening balance Cost R'000	Current Year Adjust- ments to prior year balances Cost R'000	Additions Cost R'000	Disposals Cost R'000	Closing balance Cost R'000
COMPUTER SOFTWARE	1,008	(995)	405	-	418
TOTAL INTANGIBLE ASSETS	1,008	(995)	405	-	418

**24.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR
ENDED 31 MARCH 2007**

	Cash Cost R'000	Non-cash Fair Value R'000	(Develop- ment work in progress - current costs) Cost R'000	Received current year, not paid (Paid current year, received prior year) Cost R'000	Total Cost R'000
COMPUTER SOFTWARE	405	-	-	-	405
TOTAL	405	-	-	-	405

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**DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

**24.2 CAPITAL INTANGIBLE ASSET MOVEMENT SCHEDULE FOR THE YEAR
ENDED 31 MARCH 2006**

	Opening balance Cost R'000	Additions Cost R'000	Disposals Cost R'000	Closing balance Cost R'000
COMPUTER SOFTWARE	605	403	-	1,008
TOTAL INTANGIBLE ASSETS	605	403	-	1,008

**WESTERN CAPE PROVINCE
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

ANNEXURE 1A

STATEMENT OF UNCONDITIONAL GRANTS PAID TO PROVINCES

NAME OF PROVINCE/GRANT	GRANT ALLOCATION				TRANSFERS		SPENT			2005/06
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Transferred	Amount received by department	Amount spent by department	% of available funds spent by department	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Department of the Premier	-	-	-	-	-	-	-	-	-	50
	-	-	-	-	-	-	-	-	-	50

ANNEXURE 1B

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2005/06
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
City of Cape Town	29	-	-	29	29	100.0	29	29	100.0	102
	29	-	-	29	29		29	29		102

ANNEXURE 1C

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE			2005/06
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Aproppiation Act	
	R'000	R'000	R'000	R'000	R'000	%	R'000	
Donations & Gifts	1	-	-	1	1	100.0	-	
Total	1	-	-	1	1		-	

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

**ANNEXURE 1D
STATEMENT OF TRANSFERS/SUBSIDIES TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2005/06
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Transferred	Final Apropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Claims against State Households	362	-	-	362	362	100.0	196
Total	362	-	-	362	362		196

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

ANNEXURE 2

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2007 – LOCAL

Guarantor institution	Guarantee in respect of	Original Guaranteed capital amount R'000	Opening Balance 01/04/2006 R'000	Guarantee drawdowns during the year R'000	Guarantees repayments cancelled/ reduced/ released during the year R'000	Currency Revaluation R'000	Closing Balance 31/03/2007 R'000	Guaranteed interest outstanding 31/03/2007 R'000	Realised losses not recoverable R'000
Housing									
Standard Bank		53	53	-	53	-	-	-	-
Firststrand Bank Ltd		17	17	17	34	-	-	-	-
ABSA		148	74	-	74	-	-	-	-
Old Mutual (Nedbank)		61	17	-	17	-	-	-	-
	Total	279	161	17	178	-	-	-	-

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 3
INTER-GOVERNMENT RECEIVABLES**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000
SASSA	-	-	24	-	24	-
Dept of Economic Development and Tourism	22	-	-	-	22	-
Department of Health (Western Cape)	-	-	-	178	-	178
Department of the Premier (Western Cape)	-	16	-	-	-	16
TOTAL	22	16	24	178	46	194

**WESTERN CAPE PROVINCE
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2007**

**ANNEXURE 4
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2007	31/03/2006	31/03/2007	31/03/2006	31/03/2007	31/03/2006
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department of Local Government & Housing		23				23
Department of Transport and Public Works		104			-	104
Department of the Premier (Western Cape)		-	8	22	8	22
Government Motor Transport (Western Cape)	-	13				13
Department of Cultural Affairs and Sport (Western Cape)		25			-	25
Department of Environmental Affairs and Development Planning			13		13	
Department of Justice		-		1	-	1
Total	-	165	21	23	21	188

Human Resource Management

Oversight Report

The statistics and information published in this part of the annual report are required in terms of Chapter 1, Part III J.3 of the Public Service Regulations, 2001 and have been prescribed by the Minister for the Public Service and Administration for all departments within the Public Service.

The statistical tables provide high-level information on key human resource issues. The information aims to empower legislatures, the media, the public and other key stakeholders to monitor whether departments:

- Are exercising the powers granted under Public Service and Public Finance legislation in a responsible manner.
- Are achieving national transformation priorities established by the Cabinet, for example, affirmative action.

Annual reports produced at the end of each financial year are aimed at strengthening the accountability of departments to key stakeholders. The tables in this report are revised on a regular basis by the Department of Public Service and Administration (DPSA).

1. Service Delivery

All departments are required to develop a Service Delivery Improvement (SDI) Plan. The following tables reflect the components of the SDI plan as well as progress made in the implementation of the plan. Services provided per programme are discussed in Part 2 of this statement.

Table 1.1: Main services provided and standards

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
PROGRAMME 1: ADMINISTRATION				
Sub-programme 1.1: Office of the Provincial Minister				
Rendering of secretarial administrative and office support for the office of the Minister	Minister Office of Premier Three tiers of Government: National, Provincial and Local National Ministers Provincial Ministers Director General Department Heads Tourism Organisations Gambling Board Diplomats Politicians Public Public Sector Private Sector NGOs Cabinet Secretariat International Organisations	Other Provinces Ministries Other National Ministries National Departments Provincial Departments	Adherence to benchmarked services standards	Delivery of Administrative, Communication and other support services to the standards set by the Minister
Sub-programme 1.2: Management Services				
Ensure good strategic support to the Head Official: Treasury and his management team. Conduct overall planning to ensure that remaining management functions are conducted on such a level that PT delivers on its responsibilities.	Minister Provincial Treasury Other Departments Directorates	Other Provinces Ministries Other National Ministries National departments Provincial departments. Municipalities	No service delivery achievements of note can be registered	This sub-programme performs staff functions and it does not directly contribute towards achieving the PT outcomes.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Sub-programme 1.3: Corporate Services				
Excellence in personnel and performance management services.	Provincial Treasury Directorates SETA	Provincial departments DPISA	20% Vacancy rate	The vacancy rate was brought down to 16.1% at December 2006, but due to an abnormal number of employees (19) leaving the service from January 2007 until March 2007, a vacancy rate of only 21% could be achieved at the end of the reporting period.
Ensuring cordial labour relations.	Provincial Treasury Directorates SETA	Provincial departments DPISA	No labour disputes.	Disciplinary Cases: - 4 cases of unauthorised absence (1 = written warning, 3 = final written warning) - 3 cases of negligence (1 = written warning, 2= final written warning) - 1 case of dishonesty (= written warning) - 2 cases of being under the influence of an intoxicating substance (1 = written warning, 1 = final written warning) - 1 case of contravention of code of conduct (= written warning) Grievances: - 4 cases relating to filling of posts (= not sustained) - 1 case of defamation of character (= employee received a written apology from perpetrator).

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Facilitating appropriate human resource development.	Provincial Treasury Directorates SETA	Provincial departments DPSA	Skilling in line with strategic goals.	Bursary Programme: 65 Active Bursaries Learnership Programme: 9 from 11 completed the programme ABET programme: 2 learners on programme Training programme: A total of 139 employees were trained in subjects identified through the IDP process. External Internship programme: In response to the National Government call, 23 unemployed and/or underemployed graduate students were appointed Undergraduate Internship programme: 6 interns were employed for a period of 3 months.
Ensuring organisational transformation.	Provincial Treasury Directorates SETA	Provincial departments DPSA	Ability to deliver on Treasury's goals.	Filling of vacancies focused on achieving equity targets within the Provincial Treasury. The current workforce profile is as follows: African Male 11,6% African Female 11,6% Coloured Male 17,7%

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Ensuring organisational transformation. (Continued)				<p>Coloured Female 19,6%</p> <p>Indian Male 0,6%</p> <p>Indian Female 0,6%</p> <p>White Male 9%</p> <p>White Female 7,4%</p> <p>Gender equality in employment targets has been achieved, i.e. males 38,9% females 39,2%</p> <p>The workplace programme for HIV and Aids has been pursued and was 80% completed.</p> <p>Leadership assessments have occurred in components.</p> <p>Focus group discussions to inform the transformation strategy have been held with 70% of employees.</p> <p>100% Senior Managers attended executive coaching sessions.</p> <p>Cultural Imbizo was conducted with 100% Senior Managers.</p>

Sub-programme 1.4: Financial Management

Efficient and effective planning and budget management.	Provincial Treasury Directorates	Provincial departments	Ensure no greater than 2% variance between actual and approved budget.	An under expenditure of less than 1% was achieved for the period.
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Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Ensuring proper financial accounting services.	Provincial Treasury Directorates	Provincial departments	Unqualified Auditor-General report.	Financial accounting is on par with Treasury's normative standards. Unqualified Auditor-General report for 2005/06 achieved.
Efficient and effective supply chain management in line with Treasury criteria.	Provincial Treasury Directorates	Provincial departments	Full compliance to efficiency criteria developed by the Treasury.	95% compliance with conditions of contract. 85% of bids successfully administered to contract phase. 80% Compliance with conditions of contract.
Excellent specialised auxiliary services.	Provincial Treasury Directorates	Provincial departments	Services delivered at a standard acceptable to other line functionaries.	100% measures established for a vehicle fleet that will cater for the changing needs of the Provincial Treasury. 50% good operative document control. 60% of high quality and timely delivery of all other auxiliary services.
Improve Provincial Treasury's risk profile	Provincial Treasury Directorates	Provincial departments	Full compliance to efficiency criteria developed by the Treasury.	50% risk profile developed. 50% checking of high risk per component. 8 inspections completed successfully.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
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PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT

Sub-programme 2.1: Programme Support

Note: Support structures not yet approved hence no comments.

Sub-programme 2.2: Economic Analysis

Socio-economic research	Government Departments		Impact of research on service delivery and budget process	Above expectations impact
	Local Government NGOs Universities Private Sector			Requests from international audience (potential investors)
Technical Assistance	Government departments Local Government NGOs Universities		Demand driven	Received requests from municipalities to guide them in proposal writing for donor finance
Dissemination of economic information			Number of requests for information received	Received requests from municipalities to present the findings of SEP LG to councillors

Sub-programme 2.3: Fiscal Policy: Provincial Government

Administer the medium-term revenue planning process.	Provincial and National departments CFOs Provincial and National Treasury	Statistics SA SCOF FFC	Timeous and accurate estimates of all sources of Provincial Revenue disseminated to Provincial Treasury.	Timeous and accurate estimates of all sources of Provincial Revenue disseminated to Provincial Treasury.
Analyse and optimise national transfers in line with the evolving intergovernmental architecture and in support of accelerated and shared growth	Provincial departments CFOs Provincial and National Treasury NCOP	Other Provincial Treasuries Statistics SA SCOF FFC	Annual real growth of national transfers to the Province.	5,05% real growth in Transfers received from National between 2006/07 and 2007/08.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Analyse and optimise provincial present own sourced revenue.	Provincial and National departments CFOs Provincial and National Treasury	Other Provincial Treasuries Tertiary institutions Statistics SA SCOF FFC	Quarterly reporting. Identify and determine the feasibility of alternative provincial taxes (fuel levy, tourism levy, etc.). Develop revenue estimation model.	4 Quarterly reports Fuel levy to be implemented in the 2008/09 financial year. Tourism levy feasibility study in final stages. Consultant appointed to develop a revenue-forecasting model.
Ensure effective and efficient management of debtors.	Provincial departments CFOs Provincial and National Treasury	Other Provincial Treasuries.	Collect information on reported and unreported provincial debt. Systematic reduction in level of debt owing to provincial departments.	Identification of all outstanding debt.
Administer gambling and racing matters.	CFOs Provincial and National Treasury NGOs Provincial Parliament SCOF WCGRB	Statistics SA FFC Gambling industry role players General public	Growth of Gambling tax revenue in line with CPIX Receipt of all estimated gambling and betting revenue. Transparency, efficiency and communication between WCGRB and Provincial Treasury. Self sufficient, sustainable and adequately resourced WCGRB.	25,2 % nominal growth in gambling and betting revenue in 2006/07. All revenue deposited into the Provincial Revenue Fund. Compliance of all license holders and the confiscation of illegal gambling devices. Self sufficient, sustainable and adequately resourced WCGRB.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Sub-programme 2.4: Fiscal Policy: Local Government				
Determine an overall financing envelope for municipalities over MTEF	NT, PT, Metro Mun, District Mun, Local Municipalities, Dept of Local Government and Housing, DPLG, other National and Provincial Departments	National Minister, Provincial Minister, SALGA, Other PT's, Stats SA, Financial Institutions, Rating Agency, Provincial and National Portfolio Committees NCOP.	Detailed and relevant analysis of the overall financing envelope of municipalities	2 Reports in consolidated IYM report. Published in the Gazette.
To assess viability of municipal revenue budgets			Detailed analysis of the sustainability of revenue budgets.	30 reports
Analyse and optimise local government own revenue base			Position paper on local government own revenue sources in Western Cape	1 report
Analyse and optimise local government debtors			Position paper on local government own revenue sources in Western Cape	2 reports
Analyse and provide advice on municipal long term debt			Debt Database including debt age analysis and capital redemption	2 reports
Analyse and provide policy advice with regard to tariffs, debt and credit control and property rates			Credit rating system for municipalities together with a database for ratio analysis	1 Long term borrowing assessment framework
Advise on local government financial issues.	Provincial Minister of Finance Municipalities	SCOF SCOPA	Provisions of sound advise on ad hoc municipal financial matters.	Timeous response to issues as it arose.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Sub-programme 2.4: Budget Management				
To co-ordinate and guide the process to determine provincial priorities and recommend financial resource allocation, which effectively contribute to, accelerated and shared economic growth in the province.	Provincial and National departments and municipalities	Provincial Departments and Municipalities: Accounting Officers, Chief Financial Officers and Line managers where applicable.	Acceptance of provincial Medium-term Budget Policy Statement (WC-MTBPS) and Departmental allocations for Budget 2007 by the Executive and tabling of WC-MTBPS and Budget 2007 in the Provincial Parliament.	WC-MTBPS 2007-2010 was produced and accepted by the Executive and tabled during November 2006. The Executive accepted final departmental allocations and the Western Cape Budget 2007 were tabled on 6 March 2007.
Promote overall strategic goals of Treasury to understand line departments' core business, functions, and progress.			Service Delivery Review finalised as a draft paper (July).	Bilateral MTEC 1 and 2 engagements with provincial departments, respectively took place in September 2006 and January 2007.
			Submission of non-financial quarterly IYM reports to NT on deadline (July; Oct; Jan; April).	The non financial quarterly were assessed and the reports were timeously submitted to National Treasury
Fulfil role of the Provincial Treasury as prescribed by the MFMA, with regard to the review of municipal budgets and IDP's and oversight of the municipal budget process.			Consultation increased between Provincial Treasury, provincial departments and municipalities via MTEC engagements, municipal visits and other initiatives.	LG engagements took place as follows: LG MTEC 3: April 2006. LG MTEC 1: October 2006. LG MTEC 2: January 2007. Assessments were done during the LGMTEC 3 process and were communicated to municipalities.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Fulfil role of the Provincial Treasury as prescribed by the MFMA, with regard to the review of municipal budgets and IDP's and oversight of the municipal budget process. (Continued)			Reviews conducted on draft budget of each municipality against completed budget evaluation checklist and comments provided to municipalities via LGMTEC 3 process (April).	

Sub-programme 2.7 & 2.8: Provincial Government Finance and Local Government Finance

Controlled and assessed expenditure (actual and forecasts).	Provincial departments CFOs National Treasury Provincial Cabinet	Budget Committee SSA SCOF FFC	Timely quality expenditure reports. Spending patterns within defined limits.	Expenditure and trend analysis reports were produced. Provincial spending below 2% norm.
Proposing allocations and compile annual adjustments budget.	Provincial and National departments.	Provincial departments' directorates.	Acceptance by the Executive and Provincial Parliament.	Adjustments Budget accepted by the Executive and tabled on 22 November 2005.
Fulfilment of the Provincial Treasury responsibilities of the Local Government Municipal Finance Management Act, 2003 (Act No 56 of 2003).	National and Provincial Ministers of Finance Provincial departments Directorates within Provincial Treasury National Treasury Municipalities SCOF Provincial Parliament Auditor-General	Budget Forum FFC Other Provinces	Comply with National Treasury requirements.	3 (Three) posts have been filled.
Develop frameworks for transfer of functions between local and provincial spheres of government.	Provincial departments Municipalities SALGA National Treasury SCOF SCOPA	Provincial Cabinet Budget Forum FFC Other Provinces	Alignment and optimal placement of functions between the spheres of government.	Research and consolidation reports completed. Department of Local Government and Housing to finalise the framework.

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Publication and managing of allocations from provincial departments to municipalities	Provincial departments Municipalities National Treasury Provincial Cabinet SCOF SCOPA National and Provincial Ministers of Finance	Budget Forum FFC Other Provinces	Ensure the publication of allocations by provincial departments to municipalities by 14 April 2007 in main budget. Ad hoc gazetting of additional allocations from provincial departments to municipalities.	LGMTEC 2 engagements with municipalities. Publication of allocations included in the 2007/08 WGPG Budget and allocations booklet. Successful gazetting of allocations to municipalities on a continuous basis.
Facilitating and managing of managerial and coordinating intergovernmental structures.	Provincial departments Municipalities National Treasury	Budget Forum FFC Other Provinces	Establishing coordinating structures to ensure the smooth implementation of the MFMA.	Municipal Chief Financial Officer's Forum is operational. A fully functioning MFMA Implementation Unit.
Advise on local government financial issues.	Provincial Minister of Finance Municipalities	SCOF SCOPA	Provisions of sound advise on ad hoc municipal financial matters.	Timeous response to issues as it arised.

PROGRAMME 3: ASSET AND LIABILITIES MANAGEMENT

Sub-programme 3.1: Programme Support

Note: Support structures not yet approved hence no comments.

Sub-programme 3.2: Financial Asset Management

The Effective Management and Control of the Provincial Revenue Fund	13 Provincial Departments 1 Provincial Banker 6 Investment Bankers	Public Entities Donor Agencies National Departments	To daily manage & control the Provincial Revenue Fund for all the departments in the Province.	100%
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Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Provision of technical user support & capacity building to staff in the relevant departments	13 Provincial Departments 1 Provincial Banker	Public Entities	Daily communication & personal interaction with departments & Provincial Banker in the Province to ensure effective Cash & Risk Management	100%
Management of the Corporation for Public Deposits Account (CPD) in terms of the Inter-Governmental Cash Coordinating Agreement (IGCC)	2 National Department (National Treasury & South African Reserve Bank)	None	As Per the Payment Schedule ensuring the transfer of Equitable Share & Conditional Grants to the Provincial Exchequer Account.	100%
Ensuring effective & efficient Cash Management in Local Government in the Province in compliance with PFMA, MFMA and Treasury Regulations.	30 Municipalities	Public Entities Financial Institutions	To regular assess, monitor & advise municipalities to achieve optimum Cash Management objectives in compliance with the MFMA	65 %

Sub-programme 3.2: Movable Assets

To ensure that departments / municipalities embrace SCM as a strategic directive that delivers continual cost and value improvements resulting in effective future planning, mitigation of risk in SCM, leveraged buying power and a smoother acquisition process.	Provincial Departments, Provincial Public entities and departmental institutions Municipalities and municipal entities Businesses / Suppliers	Liaison Committees Forums NGOs Service providers	A modernised and practical supply chain management system to promote economic development and improve efficiency	Provincial Treasury Instructions, Standard Operating Procedural Manual and Delegations on transversal contracts issued.
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Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
To ensure that departments / municipalities embrace SCM as a strategic directive that delivers continual cost and value improvements resulting in effective future planning, mitigation of risk in SCM, leveraged buying power and a smoother acquisition process. (Continued)			Co-ordinate or facilitate training / re-training of officials in provincial departments	Exceeded the projected target of 90 officials to be trained for the financial year. 135 officials trained in total
	Provincial Departments, Provincial Public entities and departmental institutions Municipalities and municipal entities	Liaison Committees Forums NGOs Service providers	Co-ordinate or facilitate training / re-training of officials in provincial departments	Exceeded the target of 40 officials to be trained for the financial year. Facilitated the training of 150 officials and trained 60 officials on SCM in 5 x 2 day workshops held in the 5 municipal districts
			Promote asset management reform strategy through project dashboard assessments	12 project Dashboard Reports completed in 12 Provincial Departments
Ensure the strategic use of available technological tools to improve knowledge base and operations	Provincial Departments, Provincial Public entities and departmental institutions Municipalities and municipal entities	Liaison Committees Forums NGOs Service providers	Timeous qualitative and quantitative procurement data	12 Provincial Procurement Reports completed
Development of a balanced, centre led SCM system that maximises departmental wide leverage.	Provincial Departments, Provincial Public entities and departmental institutions Municipalities and municipal entities	Liaison Committees Forums NGOs Service providers	Compliance to Prescripts in provincial departments and municipalities	12 SCM compliance assessments completed at provincial departmental sites 12 Value for money SCM assessments completed at provincial departmental sites

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Development of a balanced, centre led SCM system that maximises departmental wide leverage. (Continued)				24 – As-Is assessments completed, 30 SCM policy assessments completed and 1 SCM compliance assessment completed

Sub-programme 3.2: Immovable Assets

Facilitate, promote and in liaison with accounting officers implement public private partnership initiatives.	Provincial departments Private sector Public entities	Local Government	Value for money	One closed deal
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Sub-programme 3.3: Liabilities Management

Note: The liabilities unit was not functional during 2006/07.

Sub-programme 3.4: Supporting and Interlinked Financial Systems

Implement and manage Financial Systems	7000 Financial System users	7000 Financial System users	Manage the systems on a daily basis to 7000 users from all Departments across the Province	100%
Ensure stability and accessibility of existing financial systems	7000 Financial system users	7000 Financial system users	95% uptime	100%
Ensure that system functionalities comply to norms and standards	7000 Financial system users	7000 Financial system users	Ensure that releases of new system functionalities that comply to norms and standards be rolled out ten working days after release to 7000 financial system users across the Province	100%

Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Capacitate system users	7000 Financial system users	7000 Financial system users	Capacitate 20% of target group per annum from all departments across the Province to be fully skilled system users	100%
Ensure a cost effective system	7000 Financial system users	7000 Financial system users	No more than 2% deviation between actual expenditure and budget	100%

PROGRAMME 4: FINANCIAL GOVERNANCE

Sub-programme 4.1: Programme Support

Rendering administrative support services to ensure the effective operational management of the unit.	Provincial Treasury All other customers indicated by the various directorates within Financial Governance.	Provincial Treasury All other customers indicated by the various directorates within Financial Governance.	Smooth and effective functioning of the component.	100% compliance.
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Sub-programme 4.2: Accounting Services

Providing accounting support with regard to the implementation of policies and practices.	Departments, Public Entities, Trading Entities and Municipalities	Provincial Cabinet, Standing Committees, National Treasury, Auditor-General, Municipalities and entities	Prescribed in the Public Finance Management Act, Municipal Finance Management Act and Treasury Regulations	New accounting policies and practices rolled out and implemented.
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Sub-programme 4.3: Norms and Standards

Determination and implementation of financial management norms and standards.	AO's CFO's Provincial Treasury Directorate Public Entities	SCOF SCOPA	The assessment of both nominal and substantive compliance in departments and public entities expressed in percentages.	95% nominal compliance and 60% substantive compliance with set benchmarks.
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Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Phasing in the Provincial Treasury's responsibilities of the MFMA.	Provincial Treasury Directorates Municipalities	SCOF SCOPA	Percentage nominal and substantive compliance by municipalities.	60% nominal compliance.
Ensuring the existence of an appropriate and dynamic financial legislative framework.	AO's CFO's Provincial Treasury Directorates Municipalities Public Entities	SCOF SCOPA	The assessment and proposal of amendments to financial legislation to ensure continued relevance.	100% w.r.t. proposed financial legislation
Ensuring and monitoring the existence of appropriate governance processes.	AO's CFO's Provincial Treasury Directorates Public Entities	SCOF SCOPA	Capacity established to perform oversight. High-level governance processes monitored.	Position Paper on Treasury's oversight responsibilities for public entities has now been finalized. Developed a Public Entity In Year Monitoring framework.

Sub-programme 4.4: Risk Management

To develop and facilitate the implementation of effective Risk Management (RM) and governance capacity within Provincial Government	Provincial Treasury All Departments	National Departments SCOF	To facilitate the establishment of RM capacity and financial governance systems in the provincial government	<ul style="list-style-type: none"> - All Departments with approved structures. - 60% of approved structures capacitated. - Governance receptiveness survey completed. - Governance implementation roadmap developed.
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Main services	Actual customers	Potential customers	Standard of service	Actual achievement against standards
Sub-programme 4.5: Provincial Internal Audit				
To deliver an effective internal audit service to all provincial departments	AO's, CFO's, Auditor General, Forensic Investigative unit, Audit committees	National Departments, SCOF, SCOPA	To deliver an effective internal audit service to all provincial departments	The provincial Internal Audit service is rendered by a central co-sourced Internal Audit function. An Internal audit service was provided to all provincial departments

Table 1.2: Consultation arrangements with customers

Type of arrangement	Actual customers	Potential customers	Actual achievements
Budget Speeches	Tourism Provincial Treasury	Provincial Ministers MPL's, Head of department, CFO Mayor and Municipal Managers and Businesses	100%
CFO Forum meetings	Provincial departments Municipalities	13 Provincial Departments Public Entities Donor Agencies Auditor-General	Forums utilised effectively
Financial Accountant's Forum	Departments	Public entities Auditor-General	12 meetings per year
Formal and informal meetings	Provincial departments Municipalities		Effective consultation regarding spending issues
Quarterly Cabinet reports	Cabinet		Complied
MFMA implementation unit	Municipalities National Treasury Provincial departments SCOF, SCPA	Cabinet Other Provinces	Established and operational.
Training Sessions	13 Provincial Departments	Public Entities	100%
Financial Briefing Forums	13 Provincial Departments Provincial Banker Investment/Financial Institutions	Donor Agencies	100%

Type of arrangement	Actual customers	Potential customers	Actual achievements
Moveable Asset Management – SCM Office (PT)	National Treasury Provincial Departments Municipalities SCOPA SCOFF	Cabinet Other Provinces	Established and operational
SCM/Asset Management Forums	Provincial Departments Municipalities	National Treasury Other Provinces	Improved SCM Practices, information sharing and benchmarking best practices
System forums	13 Provincial Departments	13 Provincial Departments	100%
Accounting forums	13 Provincial Departments	13 Provincial Departments	100%
Workshops	Departments/Public Entities	National Treasury	8 meetings per year
Bi-lateral meeting	Departments/Public Entities	National Treasury	8 meetings per year
Chief Risk Officer Forum	All Provincial Departments	Local Government	Transversal risk management issues raised and resolved
Chief Audit Executive's forum	National Treasury	Other Provinces	Transversal audit issues raised and resolved
Audit committee meetings	Audit committees	Audit committees	Progress in execution of audit plans and reporting audit issues to the committee
Departmental Project Team Meetings	CFO's and AO's	CFO's and AO's	Monthly progress in terms of the execution of the audit plans
Physical visits	Provincial Departments National Treasury		Increase turnaround time and quality of inputs.
Attendance and participation in meetings	WCGRB TCF National Treasury Provincial and National Parliament.		Better understanding of business for assessment purposes. Quality reporting on service delivery, spending and policy.

Table 1.3: Service delivery access strategy

Access strategy	Actual achievements
Office of the Minister Joint meetings with relevant departments to the event Co-ordinate and document event with or for Minister's final approval	Wide media cover MPL's and departments attendance Business and Public attendance
Moveable Asset Management Supplier Database Non Compliance Mechanism	Population of database with verified suppliers (13 740) Implementation of corrective measures, issuing of practice notes, Provincial Treasury Instructions and Procedural Manuals
Supporting and Interlinked Financial Systems Help Desk	3 200 calls logged and solved
Accounting Services Helpdesk service provided	95% of enquiries resolved
Fiscal Policy Good communication Good relationships	Quality inputs from customers. Good co-operation from customers.

Table 1.4: Service delivery access strategy

Types of information tool	Actual achievements
Office of the Minister Media : Radio and Newspaper Invitations and Actual Speech	Media: how many people it reached. Both Radio and print Actual acceptance of speech by government
Public Finance Provincial and municipal In-year Monitoring (IYM) reports Database of spending trends Municipal quarterly return forms	Monthly and quarterly Updated regularly Quarterly
Financial Asset Management BAS (Basic Accounting System) IGCC (Inter-Governmental Cash Coordinating System) with South African Reserve Bank. Provincial Banking System (Nedbankbusiness)	100% Transactions processed successfully 100% Transactions processed successfully 100% Transactions processed successfully
Moveable Asset Management PT Database Electronic Purchasing System Provincial and Municipal In-year Monitoring Reports Western Cape Supplier Database	Updated regularly 46 129 Quotations completed Monthly and quarterly reporting 13 740 suppliers registered
Supporting and Interlinked Financial Systems BAS Remedy tool Persal SCC System LOGIS SCC System	Information disseminated Information disseminated Information disseminated

Types of information tool	Actual achievements
Accounting Services	
National Treasury Website	100% accessible
Provincial Treasury Database	100% accessible

Table 1.5: Complaints mechanism

Financial Asset Management

Financial Briefing Forums

CFO (Municipal) Forums

Local Government Forums (LGMTEC)

Provincial Banker Help desk

BAS Help desk

Moveable Asset Management

Work in Progress. Instructions from National Treasury to hold in abeyance pending the finalisation of the National Grievance Mechanism Policy.

Supporting and Interlinked Financial Systems

Help desk

CFO Forum

Accounting forum

Accounting Services

Available through the financial governance and helpdesk facility

2. Expenditure

The Provincial Treasury's own budget is in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 2.1) and by salary bands (Table 2.2). It provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands within the department.

Table 2.1: Personnel costs by programme, 2006/07

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Personnel cost as percent of Total Expenditure	Average Personnel Cost per Employee (R'000)
1. Administration	28 724	13 098	576	1 954	45.60	193
2. Sustainable Resource Management	21 332	14 931	-	2 959	69.99	241
3. Asset and Liabilities Management	51 537	13 018	-	6 244	25.26	210
4. Financial Governance	32 343	11 872	-	18 090	36.71	220
Total	133 936	52 919	476	29 247	39.51	215

Note: Average personnel cost per employee includes periodic appointments. The total amount for training expenditure excluded expenditures on bursaries amounting to R249 069.10.

Table 2.2: Personnel costs by salary band, 2006/07

Salary Bands	Personnel Expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	163	0.31	54
Skilled (Levels 3-5)	2 729	5.16	74
Highly skilled production (Levels 6-8)	6 276	11.86	136
Highly skilled supervision (Levels 9-12)	33 237	62.81	232
Senior management (Levels 13-16)	9 694	18.32	606
Minister	821	1.55	821
Periodics			
Total	52 920	100.00	215

Note: The following tables provide a summary per programme (Table 2.3) and salary bands (Table 2.4), of expenditure incurred as a result of salaries, overtime, homeowners allowance and medical assistance. In each case, the table provides an indication of the percentage of the personnel budget that was used for these items.

Table 2.3: Salaries, Overtime, Home Owners Allowance and Medical Assistance by programme, 2006/07

Programme	Salaries		Overtime		Home Owners Allowance (HOA)		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
1. Administration	8 984	16.98	120	0.23	126	0.24	441	0.83
2. Sustainable Resource Management	10 392	19.64	209	0.39	114	0.22	466	0.88
3. Asset and Liabilities Management	9 529	18.01	-	-	136	0.26	560	1.06
4. Financial Governance	8 571	16.20	25	0.05	93	0.18	435	0.82
Total	37 476	70.82	354	0.67	469	0.88	1 902	3.60

Note: Brief motivations in respect of overtime in excess of R60 000.

Programme 1: The main reason for the overtime was to compile the Annual Financial Statements, the Annual Report and Annual Performance Plan for the Provincial Treasury. The HRM unit also made use of overtime on irregular intervals.

Programme 2: The reason for the overtime is that the Directorate had to meet the due dates set for the effective and efficient completion of the budgetary process, achieving associated goals, related matters and ad hoc instructions. Further, the overtime within this programme is cyclic of nature and is mostly concentrated in January/February (when finalising the main budget), November (when finalising the adjustment budget) or due to specific processes (e.g. preparing for the Local Government cooperative summit).

Table 2.4: Salaries, Overtime, Home Owners Allowance and Medical Assistance by salary band, 2006/07

Salary band	Salaries		Overtime		Home Owners Allowance (HOA)		Medical Assistance	
	Amount (R'000)	Salaries as a % of personnel cost	Amount (R'000)	Overtime as a % of personnel cost	Amount (R'000)	HOA as a % of personnel cost	Amount (R'000)	Medical Assistance as a % of personnel cost
Lower skilled (Levels 1-2)	122	0.23	-	-	10	0.02	-	0.00
Skilled (Levels 3-5)	2 048	3.87	36	0.07	59	0.11	137	0.26
Highly skilled production (Levels 6-8)	4 589	8.67	54	0.10	106	0.20	352	0.67
Highly skilled supervision (Levels 9-12)	24 552	46.40	264	0.50	294	0.56	1 144	2.16
Senior management (Levels 13-16)	5 590	10.56	-	0.00	-	0.00	253	0.48
Minister	575	1.09	-	0.00	-	0.00	16	0.03
Total	37 476	70.82	354	0.67	469	0.89	1 902	3.59

3. Employment and Vacancies

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment. This information is presented in terms of three key variables:- programme (Table 3.1), salary band (Table 3.2) and critical occupations (Table 3.3). Table 3.3 provides the establishment and vacancy information for the key critical occupations of the Provincial Treasury that require monitoring. The vacancy rate reflects the percentage of posts that are not filled.

Table 3.1: Employment and vacancies by programme, 31 March 2007

Programme	Number of posts	Number of posts filled	Vacancy Rate %	Number of posts filled additional to the establishment
1. Administration	82	68	17	-
2. Sustainable Resource Management	91	62	32	-
3. Asset and Liabilities Management	74	62	16	-
4. Financial Governance	66	54	18	-
Total	313	246	21	-

Table 3.2: Employment and vacancies by salary bands, 31 March 2007

Salary band	Number of posts	Number of posts filled	Vacancy Rate %	Number of posts filled additional to the establishment
Lower skilled (Levels 1-2)	3	3	-	-
Skilled (Levels 3-5)	42	37	12	-
Highly skilled production (Levels 6-8)	57	46	19	-
Highly skilled supervision (Levels 9-12)	189	143	24	-
Senior management (Levels 13-16)	21	16	24	-
Minister	1	1	-	-
Total	313	246	21	-

Table 3.3: Employment and vacancies by critical occupation, 31 March 2007

Critical Occupation	Number of posts	Number of posts filled	Vacancy Rate %	Number of posts filled additional to the establishment
Economist	22	9	59	-
Expenditure Analyst	8	6	25	-
Financial Analyst	11	10	9	-
Procurement Specialist	8	6	25	-
State Accountant Senior	4	3	25	-
System Controller	31	20	35	-
Total	84	54	36	-

The information in each case reflects the situation as at 31 March 2007. For an indication of changes in staffing patterns over the year under review, please refer to Table 5 of the Oversight Report.

4. Job Evaluation

The Public Service Regulations, 1999 introduced job evaluation as a way of ensuring that work of equal value is remunerated equally. Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in his or her organisation. In terms of the Regulations all vacancies on salary levels 9 and higher must be evaluated before they are filled. This was complemented by a decision by the Minister for the Public Service and Administration that all SMS jobs must be evaluated before 31 December 2002.

Table 4.1: Job Evaluation, 1 April 2006 to 31 March 2007

Salary band	Number of posts	Number of Jobs evaluated	% of posts evaluated by salary bands	Posts upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower skilled (Levels 1-2)	3	-	-	-	-	-	-
Skilled (Levels 3-5)	42	-	-	-	-	-	-
Highly skilled production (Levels 6-8)	57	2	4	2	100	-	-
Highly skilled supervision (Levels 9-12)	189	4	2	1	25	-	-
Senior Management Service Band A	16	1	6	-	-	-	-
Senior Management Service Band B	4	1	25	1	100	-	-
Senior Management Service Band C	-	3	-	-	-	-	-
Senior Management Service Band D	1	-	-	-	-	-	-
Premier	1	-	-	-	-	-	-
Total	313	11	4	4	36	-	-

Table 4.2: Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2006 to 31 March 2007

Beneficiaries	African	Asian	Coloured	White	Total
Female	1	1	-	-	2
Male	-	-	1	1	2
Total	1	1	1	1	4
Employees with a disability	-	-	-	-	-

The following table summarises the number of cases where remuneration levels exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 4.3: Employees whose salary level exceeded the grade determined by job evaluation, 1 April 2006 to 31 March 2007 (in terms of PSR 1.V.C.3)

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
-	-	-	-	-
TOTAL NUMBER OF EMPLOYEES WHOSE SALARIES EXCEED THE LEVEL DETERMINED BY JOB EVALUATION IN 2006/07				-
Percentage of total employment				-

Table 4.4: Profile of employees whose salary level exceed the grade determined by job evaluation, 1 April 2006 to 31 March 2007 (in terms of PSR 1.V.C.3)

Beneficiaries	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	-	-	-	-	-
Total	-	-	-	-	-
Employees with a disability	-	-	-	-	-
Total number of employees whose salaries exceed the grades determined by job evaluation in 2006/07					-

5. Employment Changes

This section provides information on changes in employment over the financial year.

Turnover rates provide an indication of trends in the employment profile of the Provincial Treasury. The following tables provide a summary of turnover rates by salary band (Table 5.1) critical occupations (Table 5.2), reasons for leaving the department (Table 5.3), promotion by critical occupation (Table 5.4) and promotion by salary band (Table 5.5).

Table 5.1: Annual turnover rates by salary band for the period 1 April 2006 to 31 March 2007

Salary band	Number of employees per band as on 1 April 2006	Appointments and transfers into the Department	Terminations and transfers out of the department	Turnover Rate %
Lower skilled (Levels 1-2), Permanent	3	-	-	-
Skilled (Levels 3-5), Permanent	32	17	13	41
Highly skilled production (Levels 6-8), Permanent	43	14	7	16
Highly skilled supervision (Levels 9-12), Permanent	114	69	31	27
Senior Management Service Band A, Permanent	13	1	3	23
Senior Management Service Band B, Permanent	4	-	-	-
Senior Management Service Band C, Permanent	-	-	-	-
Senior Management Service Band B, Permanent	1	-	-	-
Minister	1	-	-	-
Total	211	101	54	26

Note: Officials are appointed on contract for a fixed period and this is registered on Persal (Electronic Salary System). Once a contract expires, Persal registers a termination. Should the contract be renewed, Persal would register a new appointment. This means that although one person was contracted with regular renewals to his/her contract, Persal will register a termination and a new appointment, with each renewal. Thus the discrepancy between the number of employees per band and the number of employees appointed and the number of appointments terminated.

Table 5.2: Annual turnover rates by critical occupation for the period 1 April 2006 to 31 March 2007

Occupation	Number of employees per occupation as on 1 April 2006	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate %
Economist	9	10	8	89
Expenditure Analyst	6	10	2	33
Financial Analyst	10	4	2	20
Procurement Specialist	6	4	4	67
State Accountant Senior	1	2	-	-
System Controller	20	5	2	10
Total	52	35	18	35

Table 5.3: Reasons why staff are leaving Treasury

Termination Type	Number	% of total
Transfer to other PS Dept	11	18
Resignating of Position	33	54
SEC 16(6)(A) PUBLIC SERVICE	-	-
Contract Expiry	15	25
Employee Initiated Severance Package	2	7
Total	61	100
Total number of employees who left as a % of the total employment		29

Table 5.4: Promotions by critical occupation

Occupation	Employees as at 1 April 2006	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progressions as a % of employees by occupation
Economist	9	3	33	3	33
Expenditure Analyst	6	2	33	6	100
Financial Analyst	10	3	30	6	60
Procurement Specialist	6	-	-	2	33
State Accountant Senior	1	-	-	1	100
System Controller	20	3	15	12	60
Total	52	11	21	30	58

Table 5.5: Promotions by salary band

Salary band	Employees as at 1 April 2006	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (level 1-2)	3	-	-	3	100
Skilled (level 3-5)	32	3	9	12	38
Highly Skilled production (level 6-8)	45	3	7	17	38
Highly Skilled supervision (level 9-12)	112	19	17	49	44
Senior Management (level 13-16)	18	1	6	11	61
Minister	1	-	-	-	-
Total	211	26	12	92	44

6. Employment Equity

The tables in this section are based on the formats prescribed by the Employment Equity Act, 55 of 1998.

Table 6.1: Total number of employees in each of the following occupational categories as on 31 March 2007

Occupational Categories (SASCO)	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	1	3	2	4	2	1	-	2	15
Professionals	28	35	-	20	18	33	2	11	147
Technicians and Associate Professionals	3	6	-	3	3	4	-	-	19
Clerks	5	8	-	1	13	22	-	11	60
Plant and machine operators and assemblers	-	2	-	-	-	-	-	-	2
Labourers and Related Workers	-	1	-	-	-	2	-	-	3
Total	37	55	2	28	36	62	2	24	246
Employees with disabilities	-	-	-	1	-	-	-	1	2

Table 6.2: Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management (includes MEC)	-	-	-	1	-	1	-	-	2
Senior Management	1	5	2	3	1	1	-	2	15
Professionally qualified and experienced specialists and mid-management	24	34	-	23	17	33	2	10	143
Skilled technical and academically qualified workers, junior management, supervisors, foremen	9	9	-	1	8	9	-	10	46
Semi-skilled and discretionary decision making	3	6	-	-	10	16	-	2	37
Unskilled and defined decision making	-	1	-	-	-	2	-	-	3
Total	37	55	2	28	36	62	2	24	246
Employees with disabilities	-	-	-	1	-	-	-	1	2

Table 6.3: Recruitment for the period 1 April 2006 to 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	-	-	-	-	-	1	1
Professionally qualified and experienced specialists and mid-management	5	3	-	1	1	7	-	-	17
Skilled technical and academically qualified workers, junior management, supervisors, foremen	12	8	-	-	11	4	-	1	36
Semi-skilled and discretionary decision making	2	2	-	-	4	3	-	-	11
Unskilled and defined decision making	3	-	-	-	1	-	-	-	4
Total	22	13	-	1	17	14	-	2	69
Employees with disabilities	-	-	-	1	-	-	-	1	2

Table 6.4: Promotions for the period 1 April 2006 to 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	1	-	-	-	-	-	-	1
Professionally qualified and experienced specialists and mid-management	10	21	1	11	6	14	2	6	71
Skilled technical and academically qualified workers, junior management, supervisors, foremen	4	5	-	2	2	4	-	3	20
Semi-skilled and discretionary decision making	-	4	-	-	4	6	-	1	15
Unskilled and defined decision making	-	1	-	-	-	2	-	-	3
Total	14	32	1	13	12	26	2	10	110
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 6.5: Terminations for the period 1 April 2006 to 31 March 2007

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	-	-	-	-	-	-	-	-	-
Senior Management	-	-	1	-	1	1	-	-	3
Professionally qualified and experienced specialists and mid-management	8	1	-	4	6	3	-	1	23
Skilled technical and academically qualified workers, junior management, supervisors, foremen	3	1	-	2	-	-	-	-	6
Semi-skilled and discretionary decision making	2	4	-	-	3	3	-	1	13
Unskilled and defined decision making	3	-	-	-	1	-	-	-	4
Total	16	6	1	6	11	7	-	2	49
Employees with disabilities	-	-	-	-	-	-	-	-	-

Table 6.6: Disciplinary action for the period 1 April 2006 to 31 March 2007

	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary action	-	-	-	2	-	-	-	1	3

Table 6.7: Skills development for the period 1 April 2006 to 31 March 2007

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	-	-	1	-	1	-	-	-	2
Professionals	9	5	-	2	1	4	1	1	23
Technicians and Associate Professionals	1	1	-	-	1	-	-	-	3
Clerks	-	3	-	1	2	2	-	-	8
Plant and Machine Operators and Assemblers	-	-	-	-	-	-	-	-	-
Elementary Occupations	-	-	-	-	-	-	-	-	-
Total	10	9	1	3	5	6	1	1	36
Employees with disabilities	-	-	-	-	-	-	-	-	-

7. Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, and disability (Table 7.1), salary bands (table 7.2) and critical occupations (Table 7.3).

Table 7.1: Performance Rewards by race, gender and disability, 1 April 2006 to 31 March 2007

Race, gender and disability	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2007	% of total within group	Cost (R'000)	Average cost per employee (R'000)
African	13	73	18	72	6
Male	4	37	11	22	5
Female	9	36	25	50	6
Asian	3	4	75	33	11
Male	2	2	100	21	11
Female	1	2	50	12	-
Coloured	49	117	42	321	7
Male	29	55	53	195	7
Female	20	62	32	125	6
White	38	52	73	368	10
Male	19	28	68	201	11
Female	19	24	79	167	9
Total	103	246	42	794	8

Table 7.2: Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2006 to 31 March 2007

Salary Bands	Beneficiary Profile			Cost		
	Number of Beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee (R'000)	Total cost as a % of the total personnel expenditure
Lower skilled (Levels 1-2)	3	3	100	6	2	-
Skilled (Levels 3-5)	15	37	41	56	4	-
Highly skilled production (Levels 6-8)	18	46	39	124	7	-
Highly skilled supervision (Levels 9-12)	57	143	40	466	8	1
Total	93	229	41	652	7	1

Table 7.3: Performance Rewards by critical occupations, 1 April 2006 to 31 March 2007

Critical Occupations	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee (R'000)
Economist	6	9	67	56	9
Expenditure Analyst	4	6	67	18	5
Financial Analyst	4	11	36	24	6
Procurement Specialist	4	6	6	29	7
State Accountant Senior	-	1	-	-	-
System Controller	7	20	35	43	6
Total	25	53	47	170	7

Table 7.4: Performance related rewards (cash bonus), by salary band, for Senior Management Service

Salary Bands	Beneficiary Profile			Total Cost (R'000)	Average cost per employee (R'000)	Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands			
Band A	7	11	64	85	12	1
Band B	3	4	75	56	19	1
Band C	-	-	-	-	-	-
Band D	-	1	-	-	-	-
Minister	-	1	-	-	-	-
Total	10	17	59	141	16	2

8. Foreign Workers

Table 8.1: Foreign Workers, 1 April 2006 to 31 March 2007, by salary band

Salary Band	1 April 2006		31 March 2007		Change	
	Number	% of total	Number	% of total	Number	% of change
Highly skilled supervision (Levels 9-12)	1	100	1	50	-	-
Senior Management (level 13-16)	-	-	1	50	1	100
Total	1	100	2	100	1	100

Table 8.2: Foreign Workers, 1 April 2006 to 31 March 2007, by major occupation

Major Occupation	1 April 2006		31 March 2007		Change	
	Number	% of total	Number	% of total	Number	% of change
Financial and Economic Related	-	-	-	-	-	-
Financial and Related Professionals	1	100	2	100	1	50
Total	1	100	2	100	1	50

9. Leave utilisation for the period 1 January 2005 to 31 December 2005

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave (Table 9.1) and disability leave (Table 9.2). In both cases, the estimated cost of the leave is also provided.

Table 9.1: Sick leave, 1 April 2006 to 31 March 2007

Salary Bands	Total days	% days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	11	73	2	1	6	2
Skilled (Levels 3-5)	167	74	32	16	5	41
Highly skilled production (Levels 6-8)	275	82	38	19	7	111
Highly skilled supervision (Levels 9-12)	682	74	121	60	6	534
Senior management (Levels 13-16)	42	79	10	5	4	86
Total	1 177	76	203	100	6	774

Table 9.2: Disability leave (temporary and permanent), 1 April 2006 to 31 March 2007

Salary Bands	Total days	% days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	-	-	-	-	-	-
Skilled (Levels 3-5)	10	100	2	20	5	4
Highly skilled production (Levels 6-8)	57	100	5	50	11	115
Highly skilled supervision (Levels 9-12)	9	100	3	30	3	34
Senior management (Levels 13-16)	-	-	-	-	-	-
Total	76	100	10	100	8	154

Table 9.3 summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000, requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 9.3: Annual Leave, 1 January 2006 to 31 December 2006

Salary Bands	Total days taken	Average days per employee
Lower skilled (Levels 1-2)	81	27
Skilled (Levels 3-5)	561	15
Highly skilled production (Levels 6-8)	997	20
Highly skilled supervision (Levels 9-12)	2 655	18
Senior management (Levels 13-16)	381	22
Total	4 675	18

Table 9.4: Capped leave, 1 January 2006 to 31 December 2006

Salary Bands	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2006
Lower skilled (Levels 1-2)	15	5	37
Skilled (Levels 3-5)	11	-	18
Highly skilled production (Levels 6-8)	19	-	19
Highly skilled supervision (Levels 9-12)	259	2	26
Senior management (Levels 13-16)	3	-	47
Total	307	1	25

The following table summarises payments as a result of leave that was not taken.

Table 9.5: Leave payouts for the period 1 April 2006 to 31 March 2007

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee (R'000)
Leave payout for 2006/07 due to non-utilisation of leave for the previous year	68	10	7
Current leave payouts on termination of service of 2006/07	72	14	5
Total	140	24	6

10. HIV/Aids & Health Promotion Programmes

Table 10.1: Steps taken to reduce the risk of occupational exposure

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 environment in the Provincial Treasury is for the most part administrative and does not place employees at risk of contracting HIV and related diseases.	Employees are regularly informed about universal precautions as precautionary measure to occupational injuries that may result in blood spillage.

Table 10.2: Details of Health Promotion and HIV/Aids Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	√		The Director: Human Resource Management is appointed to manage HIV and AIDS in the Department. This post is currently vacant and in the process of being filled. This responsibility has in the meanwhile become incumbent on the Acting Director: HRM
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.	√		Provincial Treasury has a Transformation Unit responsible for the administration of all Human Rights issues. Three posts have been created for this purpose on the approved establishment of which 2 posts are actively filled. The third post is in the process of being filled.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	√		Provincial Treasury has procured the services from an outsourced service provider. The services include the following: <ul style="list-style-type: none"> ○ Counselling Services ○ Life Management Services ○ Management referral
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	√		The Institutional Management and Labour Committee (IMLC) have been amongst others, all human rights issues in the Department. The IMLC comprises of Employer Representatives: A Bastiaanse, A Reddy, R Jafta, L Nene, S Robinson, C Miles and Employee Representatives: P Wiese (PAWUSA), C Anthony (PSA), M Zono and B Rakgoale (NEHAWU)
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.	√		Policies regarding employment have been reviewed on a transversal basis, submitted to the Bargaining Council and adopted in the Department. In addition, the Department has also adopted the Transversal Framework Workplace Policy and Programme for the management of HIV and AIDS.
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.	√		Effective use is being made of the Employee Assistance Programme to minimize discrimination and stigmatisation in the workplace.

Question	Yes	No	Details, if yes
7. Does the department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	√		Despite Provincial Treasury's regularly reminding employees about VCT, none has for this period made use of the services offered by LifeLine to have themselves tested. It is unsure whether employees have themselves tested by means other than the Province's contracted service provider. On-site testing is however being arranged for 20 June 2007.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/ indicators.	√		The Department has not embarked on any new ways to measure the impact of and evaluate the impact of its health promotion programme.

11. Labour Relations

Table 11.1: Collective agreements, 1 April 2006 to 31 March 2007

Subject Matter	Date
1. SPMS (IMLC)	August 2006

Table 11.2 summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 11.2: Misconduct and disciplinary hearings finalised, 1 April 2006 to 31 March 2007

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	-	-
Verbal warning	-	-
Written warning	6	50
Final written warning	6	50
Suspended without payment	-	-
Fine	-	-
Demotion	-	-
Dismissal	-	-
Not guilty	-	-
Case withdrawn	-	-
Total	12	100

Table 11.3: Types of misconduct addressed at disciplinary hearings for period 1 April 2006 to 31 March 2007

Type of misconduct	Number	% of total
Absent from work without reason or permission	4	33
Wilfulle or negligently mismanges finances	3	25
Conduct oneself in improper/unacceptable manner	2	17
Fails to comply with or contravene an Act.	1	8
Under the influence of intoxicating substance	2	17
Total	12	100

Table 11.4: Grievances lodged for the period 1 April 2006 to 31 March 2007

Number of grievances addressed	Number	% of total
Resolved	2	100
Not resolved	-	-
Total	2	100

Table 11.5: Disputes lodged with Councils for the period 1 April 2006 to 31 March 2007

Number of disputes addressed	Number	% of total
Upheld	-	-
Dismissed	-	-
Lodged (Pending)	1	100
Total	1	100

Table 11.6: Strike actions for the period 1 April 2006 to 31 March 2007

Strike Actions	Number	% of total
Total number of person working days lost	1.00	-
Total cost of working days lost	R385.44	-
Amount recovered as a result of no work no pay	R385.44	-

Table 11.7: Precautionary suspensions for the period 1 April 2006 to 31 March 2007

Number of people suspended	Number	% of total
Number of people suspended	None	-
Number of people whose suspension exceeded 30 days	None	-
Average number of days suspended	None	-
Cost (R'000) of suspensions	None	-

12. Skills Development

This section highlights the efforts of the department with regard to skills development.

Table 12.1: Training needs identified 1 April 2006 to 31 March 2007

Occupational Categories	Gender	Number of employees as at 1 April 2006	Training needs identified at start of reporting period				
			Learner-ships	ABET	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	4	-	-	1	-	1
	Male	12	-	-	-	-	-
Professionals	Female	51	1	-	4	-	5
	Male	66	-	-	5	-	5
Technicians and associate professionals	Female	6	-	-	6	-	6
	Male	12	-	-	9	-	9
Clerks	Female	38	-	-	13	-	13
	Male	16	1	-	9	-	10
Elementary occupations	Female	2	-	1	1	-	2
	Male	1	-	1	1	-	2
Plant and machine operators and assemblers	Female	-	-	-	-	-	-
	Male	2	-	1	2	-	3
Sub-total	Female	101	1	1	25	-	27
	Male	109	1	2	26	-	29
Total		210	2	3	51	-	56

Table 12.2: Training provided 1 April 2006 to 31 March 2007

Occupational Categories	Gender	Number of employees as at 1 April 2007	Training needs identified at start of reporting period				Total
			Leamer-ships	ABET	Skills Programmes & other short courses	Other forms of training	
Legislators, senior officials and managers	Female	5	-	-	5	-	5
	Male	10	-	-	9	-	9
Professionals	Female	64	1	-	29	-	30
	Male	83	-	-	46	-	46
Technicians and associate professionals	Female	7	-	-	4	-	4
	Male	12	-	-	7	-	7
Clerks	Female	46	-	-	23	-	23
	Male	14	1	-	11	-	12
Elementary occupations	Female	2	-	1	-	-	1
	Male	1	-	1	-	-	1
Plant and machine operators and assemblers	Female	-	-	-	-	-	-
	Male	2	-	1	-	-	1
Sub-total	Female	124	1	1	61	-	63
	Male	122	1	2	73	-	76
Total		246	2	3	134	-	139

13. Injury on duty

The following table provides basic information on injury on duty.

Table 13.1: Injury on duty, 1 April 2005 to 31 March 2006

Nature of injury on duty	Number	% of total
Ankle Injury	1	100
Total	1	100

14. Utilisation of Consultants

Table 14.1: Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Workdays	Contract value in Rand
Human Resource Management			
Executive Coaching	5	60	500 000
Employee Assistance Programme (EAP)	1	120	47 459
Financial Management			
Record Management System (I-Forets)	3	Not quantified	400 000
Revising the annual Performance Plan (Afrec)	4	Not quantified	296 000
Conduct Annual stock take (Makana)	5	Not quantified	150 000
Maintenance assets (Makana)	1	Not quantified	70 000
Assistance in registry (Makana)	1	Not quantified	250 000
Economic Analysis			
Socio Economic Profiling of Local Government	7	30	550 000
Provincial Economic Review and Outlook (PERO):			
- TEMO Consulting	3	16	127 000
- Development Policy Research Unit	2	18	111 000
- Bureau for Economic Research	3	25	125 581
- Human Science Research Council	1	15	115 104
Fiscal Policy			
Bureau for Economic Research:			
- Economic Modelling Workshop	1	3	71 947
- Western Cape Economic Brief and Presentation, 4th quarter 2006	1	1	20 907
- Written confirmation of Economic Trends and Economic Prospects in the Western Cape	1	1	1 940
- Discussion, Consideration and Re-draft of Fuel Tax Bill	2	2	28 340
- Tourism and Bed Levy Project	3	5	58 852
- Tourism and Bed Levy Project	11	59	524 767

Project Title	Total number of consultants that worked on the project	Duration: Workdays	Contract value in Rand
Moveable Asset Management			
EPSi and Database Systems	1	278	847 169
Asset Management Policies, Guidelines, Decision Tools, Training and Restructuring of the SCM component	1	47	350 000
Assessment of the EPSi, Western Cape Supplier Database and review of Tradeworld contracts	1	47	340 000
Supporting and Interlinked Financial Systems			
LOGIS	13	2 090	1 640 242
PERSAL	5	236	1 966 628
Accounting Services			
GRAP Training: Departments	1	5	30 000
GRAP/GAMAP Training: Municipalities	1	5	50 000
Editing of the Financial Governance Review and Outlook 2005	1	12.5	80 000
Editing of the Municipal Accounting Review	1	12.5	80 000
Risk Management			
Government Governance	1	14	46 869
CQS Technology Holdings	Nil	-	1 141 212
Provincial Internal Audit			
PAWCFIN 03/2003 Risk Assessment and Internal Audit service	Utilised the staff of 6 member firms of the Sihluma Sonke Consortium	240	18 475 306

Note: Only estimates can be provided for Makana. The contract values are determined by different rates per hour

CQS Technology Holdings provides IT-licences and training when necessary

Table 14.2: Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Human Resource Management			
Executive Coaching	100	100	4
Employee Assistance Programme (EAP)	49	67	65

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Financial Management			
Record Management System (I-Forets)	25	25	3
Revising the Annual Performance Plan (Afrec)	16 (PDI) 12 (Women ownership) 31 Ownership /reserve for black economist	100	3
Conduct Annual stock take (Makana)	25	100	5
Maintenance assets (Makana)	25	100	1
Assistance in registry (Makana)	25	100	1
Supporting and Interlinked Financial Systems			
LOGIS	100	100	13
Persal	25	29	5
Economic Analysis			
Socio Economic Profiling of Local Government	100	100	6
PER&O			
- Temo Consulting Co	100	100	3
- Development Policy Unit	50	50	2
- Bureau for Economic Research	-	-	1
- Human Science Research Council	-	-	-
Risk Management			
Risk Assessment			
- Afripeak Management (Pty) Ltd	100	81	9
- Barends Knights	100	100	7
-	100	100	10
- Gcabashe Inc.	85	75	29
- SAB&T Inc.	20	48	13
- Ernest&Young	15	34	7
- Pricewaterhouse Coopers			

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Internal Audit			
Ernst & Young	32.5	38.6	12
Gcabashe Inc.	100	100	5
NYZ Afripeak	100	100	7
Ramathe Inc.	100	100	6
SAB&T Inc.	88	82	11
PriceWaterhouseCoopers	18	12	9

Table 14.3: Report on consultant appointments using Donor funds

Project Title	Total number of consultants that worked on the project	Duration: Workdays	Donor and Contract value in Rand
None	-	-	-

Table 14.4: Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs)

Project Title	Percentage ownership by HDI groups	Percentage managed by HDI groups	Number of Consultants from HDI groups that work on the project
None	-	-	-