



**Western Cape
Government**

Provincial Treasury



Citizens Report 2017/18

Who are we?

The Provincial Treasury has the responsibility to control and oversee the finances of the Western Cape Government. For economic development, good control (governance) and Community progress, the department supports service delivery which raises the living standards of citizens in the Western Cape.

Vision

Good financial governance

Mission

To improve governance through:

- Enhancing accountability and oversight;
- Creating public value;
- Enabling delivery of quality services through partnerships; and
- Capacity building in public sector finance.

Who is in charge?



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

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



What do we do?

The Provincial Treasury does not deliver services to citizens, but rather through its provincial departments, public entities and municipalities in the Western Cape. Our services to our clients allow them to deliver frontline services to citizens.

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

Our Strategic outcome oriented goals

1

Efficient and effective departmental governance support services.

2

Effective, efficient and sustainable management of provincial and municipal fiscal resources.

3

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

4

To embed good governance through financial management improvement and capacity building initiatives for departments, entities and municipalities.

Reaching our targets

Strategic outcome oriented goal 1

(Efficient and effective departmental governance support services.)

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

We were able to deliver on each of our standards:

Sustainable Resource Management		
Business Unit	Services	Service Standard
Fiscal Policy	To conduct research on various methodologies for domestic resource mobilisation, and advice on the most appropriate approach to revenue and the fiscal framework for the provincial fiscal strategy. Continuous monitoring of revenue and cash trends, advice on the sustainability and management of provincial and municipal funding sources.	<ul style="list-style-type: none"> Four (4) Research reports on the Provincial and Local Government Fiscal System Four (4) Provincial Revenue reports Eight (8) Cash Management reports Four (4) reports on the performance of the WCGRB
Provincial Government Budget Office	To promote effective resource allocation within the provincial budget and its effective implementation through research, analysis and advice to key fiscal and budgetary stakeholders that informs budget policy and enables recommendations on budget allocations which reflect the priorities of government and are based on programme effectiveness.	<ul style="list-style-type: none"> Twenty eight (28) Provincial budget policy assessment reports Publication of the Provincial Economic Review and Outlook in October 2017 Publication of the Medium Term Budget Policy Statement in November 2017
Local Government Budget Office	To promote effective resource allocation within municipal budgets and its effective implementation through research, analysis and advice that informs the preparation of municipal budgets to promote allocations which reflect the priorities of government and based on programme effectiveness.	<ul style="list-style-type: none"> Thirty (30) Municipal budget policy assessment reports 100% Quarterly Performance Reports received, assessed Publication of the Municipal Economic Review and Outlook in October 2017
Provincial Government Finance	To improve the conformance, credibility and sustainability of the provincial budget by assessing expenditure composition and trends within departments and table an approved Estimates of Provincial Revenue and Expenditure. To monitor the implementation of the budget by assessing conformance, accountability, data integrity, and efficiency.	<ul style="list-style-type: none"> Twenty-eight (28) Provincial budget assessment reports One (1) Expenditure review Four (4) Quarterly reports on the implementation of the budget
Local Government Finance	To improve municipal budgets through monitoring and support municipalities and municipal entities and to report on it monthly and quarterly.	<ul style="list-style-type: none"> Three hundred and seventy two (372) monthly IYM assessments reports on the implementation of the municipal budget Thirty (30) Municipal budget assessment reports Four (4) reports on MFMA implementation One (1) assessment on selected municipal budget expenditure items

Sustainable Resource Management		
Business Unit	Services	Service Standard
Infrastructure	To instil IDMS-principles in departments to improve delivery on planning, construction, and maintenance of projects.	<ul style="list-style-type: none"> Twenty-eight (28) asset management plans assessed Seventy-two (72) Infrastructure expenditure reports assessed Ten (10) infrastructure project delivery assessments Four (4) Quarterly reports on the implementation of infrastructure budgets to Cabinet One (1) developed and tested municipal infrastructure delivery management system(s) in municipalities
Business Information and Data Management	To render an effective data and information management service by providing financial and performance information on a central repository to enable proper decision-making and credible publications.	<ul style="list-style-type: none"> Four (4) datasets managed Three (3) budget process plans managed

Asset Management		
Business Unit	Services	Service Standard
Supply Chain Management: Provincial Government	To provide policy direction and facilitating the management of supply chain and asset management systems and practices through better procurement planning, capacity building, and business process enhancement, for efficiency gains and enhancing relationships with suppliers.	<ul style="list-style-type: none"> Twenty-six (26) interventions performed to asset departments with the continuous improvement of their supply chain and asset management systems One hundred and sixty-nine (169) SCM/AM and SCM systems assessed reports Three (3) interventions for strategic sourcing implementation Twelve (12) Supplier engagement sessions to develop and educate suppliers
Supply Chain Management: Local Government	To provide policy guidance and facilitating the management of supply chain and asset management practices through better procurement planning, capacity building, business process enhancement, for efficiency gains and enhancing relationships with suppliers.	<ul style="list-style-type: none"> Ten (10) municipal SCM and MAM Virtuous Cycle assessment reports Fifteen (15) municipalities assisted with the implementation of the model policy for infrastructure procurement Twelve (12) structured municipal training interventions Five (5) municipalities assisted with asset management business process Five (5) Municipal Districts assisted with localisation of procurement
Supporting and Interlinked Financial Systems	To provide for the implementation, management and oversight of provincially operated financial systems through training of users in accordance with their system profiles, effective user account management, optimal utilisation of systems for migration to the IFMS.	<ul style="list-style-type: none"> One hundred and forty-seven (147) institutions provided with user account management service i.r.o provincially operated financial systems Thirteen (13) votes assisted with the planning and preparation i.r.o all provincially operated financial systems for migration to the IFMS Fourteen (14) votes assisted in providing and analysing data

Financial Governance		
Business Unit	Services	Service Standard
Local Government Accounting	To improve the application of accounting standards and financial reporting within municipalities by providing support and training to municipalities.	<ul style="list-style-type: none"> Thirty (30) Municipalities supported with the accounting reporting framework Thirty (30) reports submitted for MGRO engagements Thirty (30) municipalities supported with mSCOA implementation
Provincial Government Accounting	To improve the application of accounting practices in line with the reporting frameworks, prepare provincial consolidated financial statements and prepare for financial governance reform by training and building capacity within departments.	<ul style="list-style-type: none"> Fourteen (14) votes assessed against the applicable accounting and norms and standards requirements Five (5) accounting training interventions Publication and tabling of the ACFS, one month after receipt of audit report on the ACFS Four (4) CGRO Cabinet submissions coordinated Two (2) quarterly governance engagements with departments
Corporate Governance	To develop, monitor and advise on norms and standards of corporate governance by supporting the development, implementation and enforcement of a generic set of corporate governance standards.	<ul style="list-style-type: none"> Ten (10) municipal support initiatives on integrated capacity building and training Twenty eight (28) municipal MGRO assessment reports Twelve (12) municipal support initiatives on Governance, Risk and Control Six (6) municipalities and departments supported with financial delegation framework and policies.

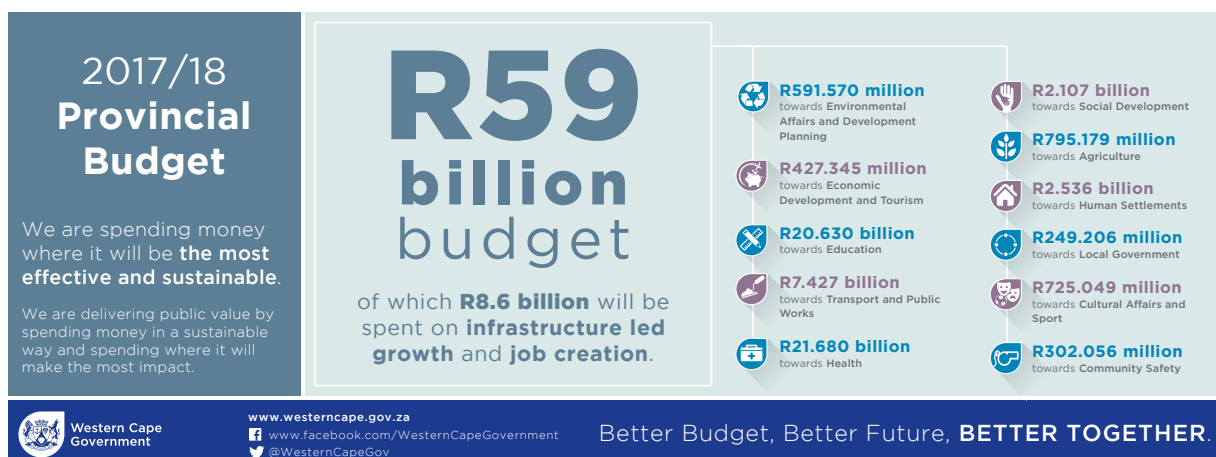
Delivering a pro-poor budget

Strategic outcome oriented goal 2

(Effective, efficient and sustainable management of provincial and municipal fiscal resources)

The Provincial Treasury is responsible for drafting the annual budget of the Western Cape. The budget has a strong citizen centric approach aimed at improved service delivery, addressing the needs of citizens and creating economic and job opportunities in the Province. It is a budget to bring relief to the poor, servicing the basic needs of our most vulnerable communities and therefore frontline services such as healthcare, education and social development are prioritised.

Creating opportunities for our youth and creating jobs remain one of the main drivers of supporting the Western Cape economy, and therefore the entire South Africa.



Knowledge transfer and capacity building through training

Strategic outcome oriented goal 4

(To embed good governance through financial management improvement and capacity building initiatives for departments, entities and municipalities)

- **Fiscal Policy Seminar** – The Seminar is an interactive platform which provides an opportunity for stakeholders in the public, private and academic sectors to build on shared fiscal (financial) and economic (monetary) ideas.

The seminar themed “A Fiscal Strategy (financial plan) for Growth” promoted the idea of shared fiscal (financial) and economic (monetary) ideas across government, private sector and academic institutions.

The 2017 Fiscal Policy Seminar highlighted that South Africa is currently finding itself in a constrained environment of deteriorating economic growth, policy uncertainty and perceived unstable political environment. There is therefore a need to continue the good governance agenda that would improve consumer and business confidence and an environment conducive to attracting investment, and enabling economic growth which results in employment opportunities.



- **MAYCO Members of Finance Workshop** - The Provincial Treasury hosts an annual meeting between the Minister of Finance and the Mayoral Committee Members for Finance of the various local municipalities in the Western Cape. During this two-day session, presenters impart information regarding best practice in managing the finances of municipalities and to ensure that the Western Cape municipalities maintain and improve on their audit results. This ensures that municipalities have the necessary skills and knowledge in budget planning, implementation, oversight and reporting. It is important to instil good financial governance for sustainable development at municipal level which leads to public value and service delivery by the Municipality with their municipal budget.



- **Revenue Management Master Class** - The Provincial Treasury hosted its third annual Revenue Management Master Class themed effective integrated revenue management for sustainable communities. The session was facilitated by the Stellenbosch University's School of Public Leadership and aims to empower municipalities with practical and operational information on how to best manage local government revenues and ensure data integrity (truthfulness), to improve and strengthen the financial capabilities of municipalities and to assist municipalities to develop multi-year action plans to strengthen the relationship between strategic long term planning, budgeting and financial viability.

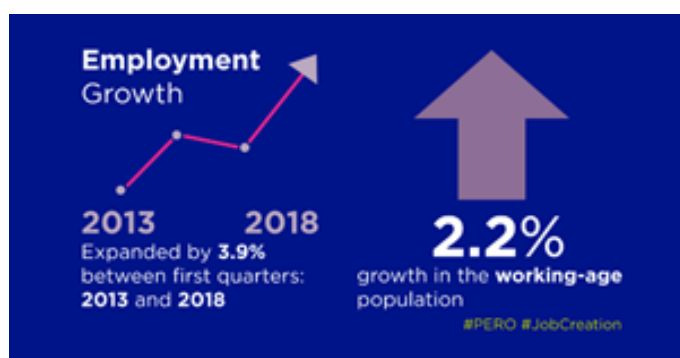
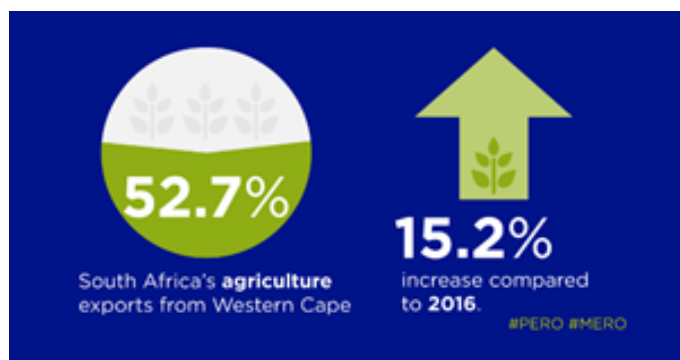
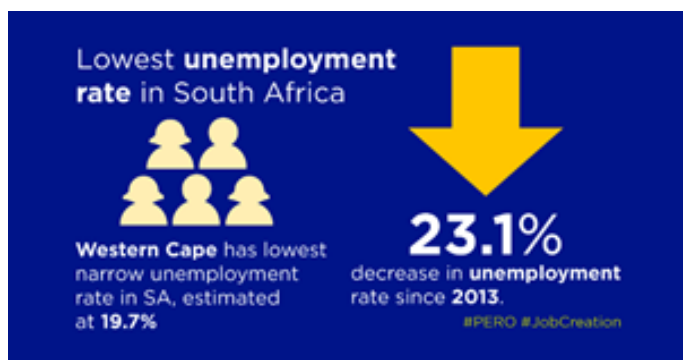


Economic research to support businesses and municipalities

Strategic outcome oriented goal 2 (Effective, efficient and sustainable management of provincial and municipal fiscal resources)

Annually the Provincial Treasury conduct economic research on a provincial and municipal level. It is an objective review and analysis of past and forecasted future economic growth, employment statistics as well as the socio-economic development of the province which include the GDP (value of economic activity), demographics, life expectancy, literacy and employment levels and access to basic services.

The information obtained through this research enable businesses, municipalities and provincial departments to amend their plans to cater for the need of citizens. It is a valuable source of information to encourage investment by the private sector, grow the provincial economy and ultimately, create job opportunities



Driving service delivery through clean governance

Strategic outcome oriented goal 1

(Efficient and effective departmental governance support services.)



In 2017/18, the Western Cape Government achieved the best audit outcomes in South Africa with 83% clean audits. This is due to our strategic relationships and continuous training and engagements with departments, municipalities and public entities to ensure that good financial governance principles are imbedded in the Province.

Clean audits played a vital role in ensuring that public funds are accounted for and supports service delivery.

The Provincial Treasury has managed to attain its 6th consecutive clean audit in 2017/18.

Supplier development and assistance

Strategic outcome oriented goal 3

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

It is a mandatory requirement for all suppliers who want to do business with the State to be registered on the Central Supplier Database (CSD). This also increases transparency in procurement, improves efficiency and reduces costs through electronic registration and verification and it also has benefits to local suppliers and small businesses. A key feature of the database is that government procurement officials will be able to identify local suppliers throughout the country.

Supplier Helpdesk and Supplier Open days

To assist businesses, especially small and medium enterprises, the Provincial Treasury has a dedicated Supplier Helpdesk and host a number of supplier open days throughout the Western Cape. Our staff assist potential suppliers with registration on the supplier database and address questions with regards to procurement processes. The aim of these sessions are to create awareness and to develop the required procurement knowledge and skills.



Creating opportunities for our youth

Strategic outcome oriented goal 4

(To embed good governance through financial management improvement and capacity building initiatives for departments, entities and municipalities)

The Western Cape Provincial Treasury is committed to creating opportunities for the youth and to address critical skills shortages in the fields of Economics, Accounting, Finance and Auditing. It aims to support youth development through the following projects:

- **Essay writing competition**

Through a partnership with Nedbank and the Western Cape Education Department, the Provincial Treasury presents an annual Bursary Competition for Grade 11 students who plan to pursue careers in maths, economics & accounting. Besides creating an interest in these fields and awarding bursaries to the winners, this project also aims to prevent skill shortages in these fields. Since inception, the department has provided bursaries amounting to nearly R3.4 million.



- **Bursaries**

In 2008 we launched a bursary programme to provide our youth with the opportunity to access tertiary education through bursaries. Besides the critical funding provided to successful applicants, bursars are also provided the opportunity to develop their skills through internships at the Provincial Treasury as well as other departments and municipalities. This talent pool ensures that critical vacancies within government can be filled.

- **Chartered Accountants Academy**

The Western Cape Treasury Chartered Accountants Academy (CAA) provides an avenue for prospective chartered accountants to receive accredited training inside public sector – they receive their training through Provincial Treasury and not through traditional audit firms.

Trainees gain valuable public sector experience; intensive knowledge of the public sector financial systems and processes such as the PFMA and MFMA, developing chartered accountants that are public sector specialists.

The CAA offers a three or four-year professional training programme that has been structured in a manner that grants the trainees exposure in key areas of management, decision-making and control. Experience is gained through rotation to the various divisions of provincial and local government.

Rebuilding after disasters

Strategic outcome oriented goal 2

(Effective, efficient and sustainable management of provincial and municipal fiscal resources)

In 2017/18, the Western Cape Cabinet re-prioritised R75 million towards addressing damage caused by the Cape Storm and rebuilding the fire-ravaged town of Knysna and surrounding areas. Ongoing assistance was also provided to the respective municipalities worst affected drought in recent memory.

The budget allocation was made available in terms of section 25 of the PFMA, which enables the Minister of Finance to authorise the use of funds from the Provincial Revenue Fund. The PFMA allows for this expenditure in exceptional circumstances such as natural disasters. The Province has also approached the National Disaster Management centre and National Treasury to access further funding.

#EnoughIsEnough

#ENOUGHISENOUGH
PHOTO ART
EXHIBITION

1000 women VOICE
#1000Women1Voice
#EnoughIsEnough
#EveryScarTellsAStory

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#16Days16Ways

Strategic outcome oriented goal 1

(Efficient and effective departmental governance support services.)

In support of Women's month, the Provincial Treasury hosted the Enough Is Enough Photo Art Exhibition and writing workshop aimed at women.

With the shocking statistics of violence against women, the department supported this initiative to bring awareness on the escalating violence against women and to encourage women in violent relationships, to speak out. Creating a society in which every person living in the Western Cape feels safe and is able to live their lives to its full potential, required partnerships between government, NGO's and citizens.

Our staff

Our employees are a diverse and dedicated group, working across a range of disciplines including economics, accounting, finance and management. Career opportunities include, but are not limited to: economists, accountants, chartered accountants, supply chain analysts, project managers, M&E coordinators, system developers and even government communication specialists. Our teams are supported by a group of administrative and clerical staff that allow us to fulfil our mandate. As at 31 March 2018, the Provincial Treasury employed 288 people.

Our budget

We received a total adjusted budget of R288 593 000 from 1 April 2017 – 31 March 2018. The Department has utilised R278 144 000 of the adjusted allocation, which reflects an underspending of R10 449 000.

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

Economic classification	Final allocation R'000	Actual expenditure R'000
Compensation of employees	R173 074	R171 172
Goods and services	R52 497	R45 376
Transfers and subsidies	R57 703	R56 375
Payment for capital assets	R5 255	R5 137
Payment of financial assets	R64	R84
Total	R288 593	R278 144

Breakdown of the final allocation and actual expenditure per programme:

Programme	Final allocation R'000	Actual expenditure R'000
Administration (Programme 1)	R60 177	R57 492
Sustainable Resource Management (Programme 2)	R136 028	R132 195
Asset Management (Programme 3)	R53 311	R51 023
Financial Governance (Programme 4)	R39 077	R37 434
Total	R288 593	R278 144

Provincial Treasury

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Afrikaans and isiXhosa versions of this publication are available on request



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