



Western Cape
Government

Provincial Treasury



Annual Report 2020/2021
Provincial Treasury

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2020/21**

Provincial Treasury

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PROVINCIAL TREASURY

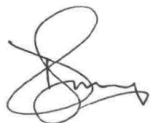
Annual Report

2020/21

Mr D Maynier

Minister of Finance and Economic Opportunities

I have the honour of submitting the Annual Report of Provincial Treasury for the period 1 April 2020 to 31 March 2021.

A handwritten signature in black ink, appearing to read 'David Savage', with a stylized flourish at the end.

DAVID SAVAGE
ACCOUNTING OFFICER
DATE: 18 January 2022

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**GENERAL
INFORMATION
PART A**

PART A: GENERAL INFORMATION

1. DEPARTMENTAL GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

AAPC	Audit and Assurance Public Committees
ACFS	Annual Consolidated Financial Statements
ACG (CS)	Associate of Chartered Governance Institute (Chartered Secretary)
ADR	Alternative dispute resolution
AF	African female
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
AIDS	Acquired immunodeficiency syndrome
AM	African male
AM	Asset Management
AO	Accounting Officer
AOS	Accounting Officer System
APP	Annual Performance Plan
ASB	Accounting Standards Board
BAS	Basic Accounting System
B-BBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
BI	Business intelligence
BIDM	Business Information and Data Management
BMI	Body mass index
CA	Chartered Accountant
CA (SA)	Chartered Accountant (South Africa)
CD	Chief Director
CFO	Chief Financial Officer
CFE	Certified Fraud Examiner
CGRO	Corporate Governance Review and Outlook
CIDB	Construction Industry Development Board
CKD	Central Karoo District
CF	Coloured female
CM	Coloured male
CoCT	City of Cape Town
CoE	Compensation of employees
COMAF	Communication of an Audit Finding
COVID-19	Coronavirus disease 2019
CPAC	Central Procurement Advisory Committee

CRA	Contract Registration Application
CRM	Customer Relationship Management System
CSC	Corporate Services Centre
CSD	Central Supplier Database
CTA	Certificate in the Theory of Accounting
CTICC	Cape Town International Convention Centre
DCAS	Department of Cultural Affairs and Sport
DDG	Deputy Director-General
DEDAT	Department of Economic Development and Tourism
DEADP	Department of Environmental Affairs and Development Planning
D:ERM	Directorate Enterprise Risk Management
DHS	Department of Human Settlements
DLG	Department of Local Government
DoA	Department of Agriculture
DOCS	Department of Community Safety
DoH	Department of Health
DoRA	Division of Revenue Act (annual)
DoTP	Department of the Premier
DPSA	Department of Public Service and Administration
DSD	Department of Social Development
dtic	Department of Trade and Industry and Competition
DTPW	Department of Transport and Public Works
EAP	Economic Active Population
EE	Employment Equity
EHW	Employee Health and Wellness
EHWP	Employee Health and Wellness Programme
ePS	Electronic Procurement System
EPWP	Expanded Public Works Programme
ERM	Enterprise Risk Management
ERMCO	Enterprise Risk Management Committee
EPRE	Estimates of Provincial Revenue and Expenditure
FAQ	Frequently asked question
FIDPM	Framework for Infrastructure Delivery and Procurement Management
FY	Financial Year
G&A	Governance and Administration
GDP	Gross Domestic Product
GDPR	Gross Domestic Product (Regional)

GPSSBC	General Public Service Sector Bargaining Council
GRAP	Generally Recognised Accounting Practice
GTAC	Government Technical Advisory Centre
GTAS	Greater Translogic Advisory Services
GVA	Gross value added
HCT	HIV & AIDS counselling and testing
HDIs	Historically disadvantaged individuals
HIRA	Hazard Identification and Risk Assessment
HIV	Human immunodeficiency virus
HOD	Head of Department
HR	Human resource
IA	Internal Audit
ICT	Information and communication technology
IDP	Integrated development plan
IF	Indian female
IGR	Intergovernmental relations
IIA	Institute for Internal Auditors
IM	Indian male
IMS	Issue Management System
IPS	Integrated Procurement Solution
IRP5	Income tax certificate of earnings
IT	Information technology
IYM	In-year monitoring
JDMA	Joint District and Metro Approach
LED	Local economic development
LG	Local government
LGBO	Local Government Budget Office
LG MTEC	Local Government Medium Term Expenditure Committee
LG SCM	Local Government Supply Chain Management
LLB	Bachelor of Laws
LOGIS	Logistical Information System
LRA	Labour Relations Act, 1995 (Act 6 of 1995)
MBRR	Municipal Budget and Reporting Regulations
MCS	Modified Cash Standard
M&E	Monitoring and Evaluation
MEC	Member of the Executive Council
MERO	Municipal Economic Review and Outlook

MFMA	Municipal Finance Management Act, 2003 (Act 56 of 2003)
MGRO	Municipal Governance Review and Outlook
MOA	Memorandum of agreement
MS	Microsoft
MSA	Local Government: Municipal Systems Act, 2000 (Act 32 of 2000)
mSCOA	Municipal Standard Chart of Accounts
MSDF	Municipal spatial development framework
MTBPC	Medium Term Budget Policy Committee
MTBPS	Medium Term Budget Policy Statement
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTP	Master Tax Practitioner
NB	An abbreviation for the Latin phrase nota bene, meaning "note well"
NDP	National Development Plan
NIPP	National Industrial Participation Programme
NT	National Treasury
OCPO	Office of the Chief Procurement Officer
OHAS	Occupational health and safety
OPMII	Overview of Provincial and Municipal Infrastructure Investment
PAC	Public Accounts Committee
PAY	Premier's Advancement of Youth
PDO	Predetermined Objectives
PDR	Procurement disclosure report
PERMIS	Performance Management Information System
PERSAL	Personnel and Salary Administration System
PERO	Provincial Economic Review and Outlook
PFMA	Public Finance Management Act, 1999 (Act 1 of 1999)
PFS	Provincial Forensic Services
PG	Provincial Government
PGDA	Post Graduate Diploma in Accounting
PG MTEC	Provincial Government Medium Term Expenditure Committee
PG SCM	Provincial Government Supply Chain Management
PILIR	Policy on Incapacity Leave and Ill-Health Retirement
POPIA	Protection of Personal Information Act, 2013 (Act 4 of 2013)
PPE	Personal protective equipment
PPP	Public private partnership
PSC	Public Service Commission
PSCBC	Public Service Commission Bargaining Council

PSP	Provincial Strategic Plan
PSR	Public Service Regulations
PSRMF	Public Service Risk Management Framework
PT	Provincial Treasury
PTI	Provincial Treasury Instruction
QAR	Quality Assurance Review
QPR	Quarterly Performance Report
RA (SA)	Designation of the Independent Regulatory Board of Auditors
RBM&E	Results-based monitoring and evaluation
RFI	Request for information
SA	South Africa
SABC	South African Broadcasting Corporation
SABS	South African Bureau of Standards
SAGOV	New Tender Portal
SAHPRA	South African Health Products Regulatory Authority
SAICA	South African Institute of Chartered Accountants
SALGA	South African Local Government Association
SANSA	South African National Space Agency
SARS	South African Revenue Service
SCM	Supply chain management
SDBIP	Service delivery and budget implementation plan
SDF	Spatial development framework
SDIP	Service Delivery Improvement Plan
SEB	Supplier Evidence Bank
SEP	Socio-economic profile
SHERQ	Safety, health, environment, risk and quality
SIME	Strategic integrated municipal engagement
SMME	Small, medium and micro enterprise
SMS	Senior Management Service
SOP	Standard operating procedure
SPLUMA	Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013)
STEERCOM	Steering committee
STI	Sexually transmitted infection
TB	Tuberculosis
TIME	Technical integrated municipal engagements
TMC	Top Management Committee
U-AMP	User immovable asset management plan

WCED	Western Cape Education Department
WCG	Western Cape Government
WC FMSG	Western Cape Financial Management Support Grant
WCGRB	Western Cape Gambling and Racing Board
WCPP	Western Cape Provincial Parliament
WCSD	Western Cape Supplier Database
WCSEB	Western Cape Supplier Evidence Bank
WC-IDMS	The Western Cape Infrastructure Delivery Management System
WESGRO	The Western Cape Tourism, Trade and Investment Promotion Agency

3. FOREWORD BY THE MINISTER

The 2021/22 Annual Report highlights Provincial Treasury's (PT) achievements in fulfilment of its legislative mandate and actions associated with the implementation of the Western Cape Government (WCG)'s Fiscal Strategy in response to COVID-19. Guided by the four key pillars of the Fiscal Strategy - fiscal consolidation, fiscal sustainability, fiscal discipline and allocative efficiency – PT adopted a three-phased budget approach for 2020.

The first phase provided the immediate fiscal response to COVID-19 and focussed on the reallocation of savings and the deployment of available reserves to finance immediate disaster response needs. The second phase focused on policy-led repositioning towards the Western Cape Recovery Plan's priorities of Jobs, Safety and Well-being. The third and final phase focused on restoring long-run fiscal sustainability of the Western Cape.

To strengthen its own internal capacity, PT focused on integrated talent management, applied knowledge management and digital transformation. Through this renewed focus, PT was able to provide more effective, efficient, and bespoke support to departments, municipalities and provincial entities in the Western Cape.

I wish to thank the Management and staff of Provincial Treasury for their dedication, professionalism and tireless commitment to the people of the Western Cape.



Mr David Maynier
Minister of Finance and
Economic Opportunities

A handwritten signature in black ink, appearing to be 'D Maynier'.

MR D MAYNIER
MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES
DATE: 18 January 2022

4. REPORT OF THE ACCOUNTING OFFICER

Overview of operations

The 2020/21 financial year was extremely challenging for the PT. The COVID-19 pandemic required the department to respond with great agility to the pandemic from both fiscal and governance perspectives, while working largely off-site and continuing to achieve the goals, objectives and targets as outlined in the Department's Annual Performance Plan (APP). Notwithstanding these challenges, the high standards maintained by the department are evidenced in the following significant achievements.



David Savage
Accounting Officer
Provincial Treasury

Departmental administration and governance

Our staff are the greatest asset of the Department. The changing work environment brought on by the pandemic led to significant changes to the way that we work. Our people, including 21 new staff members who commenced service during the National State of Disaster, have shown themselves to be incredibly adaptable and resilient.

The pandemic has had a profound impact on all of us at both the personal and professional level. For this reason, employee health and wellness initiatives were re-focused and intensified to provide mental and emotional health support. I am extremely proud of our staff who stepped up to meet the personal and professional challenges presented by the pandemic. They engaged with each other and with management with openness and empathy, and with a deep commitment to their public service responsibilities.

Through staff engagements, including surveys and workshops, we have developed a clear and dynamic roadmap to achieving a respectful workplace culture. This is geared to improving diversity and inclusion, and institutionalising flexible work practices.

The management team, in online strategy consolidation workshops, developed and outlined actions and tangible goals to contribute towards the strategic priorities of the Western Cape Recovery Plan: Jobs, Safety and Well-being.

Our investment in technology and systems as well as flexible ways of working enabled the shift to remote working. Our information and communication technology (ICT) team has been highly responsive in supporting staff remotely, through providing and, where necessary, adapting the online systems and hardware required to operate successfully, as well as ensuring ongoing security of online operations.

Our eighth consecutive unqualified with no findings (clean) audit outcome demonstrates the commitment at all levels of staff to good financial governance.

Resource allocation and monitoring

An agile approach was required to respond to the fiscal effects of the pandemic which exacerbated an already weak economic environment, and which led to significant fiscal deterioration and lower provincial revenue collection. This coincided with a sustained shift in

the provincial demographic profile of the Western Cape that is bringing with it increasing service delivery demands, with significant implications in terms of budget policy and public financial management.

The strategy for responding to this context must be based on robust evidence and risk assessment, emphasising the importance of social, economic and fiscal research done by the Department. The 2020 Provincial and Municipal Economic Review and Outlooks (PERO and MERO) and 2020 Socio-Economic Profiles provided the context for developing the Medium Term Budget Policy Statement (MTBPS) and were key informants of the budget policy priorities in support of the Provincial Strategic Plan (PSP).

The greatest long-term risk to the provincial fiscus is a reduced fiscal envelope, driven by declining revenues and rising expenditure pressures. The costs of the COVID-19 pandemic were not fully funded by the national government and required significant expenditure reprioritisation, resulting in three (3) Adjusted Budgets. The Western Cape Fiscal Strategy provided an integrated framework to manage these risks and to ensure fiscal sustainability, driven by allocative efficiency, fiscal discipline and fiscal consolidation. The focus remained strongly on expenditure control within budget limits, stringent management of personnel budgets, and revenue mobilisation.

Infrastructure investment remains a key focus for driving economic growth and sustainability. The Overview of Provincial and Municipal Infrastructure Investment 2021 (OPMII) was published as part of the budget documentation, sharing planned infrastructure investments in the Western Cape to promote enhanced coordination and integration of service delivery within and across spheres of government.

Strategic integrated municipal budgeting engagements (SIME) were held virtually with thirty (30) municipalities. This provided a platform to discuss the real impacts of the COVID-19 pandemic on municipal plans and budgets.

PT and the Department of Economic Development and Tourism (DEDAT) collaborated to ascertain the impact of the pandemic on the Western Cape economy and the livelihoods of the province's residents. Each municipality received a report outlining the impact of COVID-19 on key sectors of their specific local economies as well as the medium to long term growth and development prospects.

Improved corporate governance and accounting practices

Despite the national State of Disaster effective from 27 March 2020, our Governance and Accounting unit ensured that the accountability cycle was not compromised by hosting virtual engagements with all institutions. For the second consecutive year, the Western Cape Government (WCG) received an accolade from the Auditor-General of South Africa (AGSA) as the best performing province on audit outcomes for both the local and provincial sphere of government. PT played a key role in this achievement.

For the 2019/20 financial year, twelve (12) of the fourteen (14) departments achieved clean audits, one (1) department achieved a qualified audit and one (1) department achieved an

unqualified audit with other matters. Seven (7) of the ten (10) entities received clean audits and three (3) entities achieved an "unqualified with other matters" audit outcome.

The 2019/20 municipal audits were finalised by 30 June 2021. The good audit outcomes of the prior year have improved in the year under review. Eighteen (18) municipalities achieved clean audits, nine (9) achieved unqualified audit with other matters audit outcomes, and three (3) had negative audit outcomes.

The Auditor-General attributed the continued success of the WCG to, amongst others:

- The institutionalisation of controls that resulted in the reduction of irregular expenditure.
- Accounting officers and authorities holding senior management accountable to improve key disciplines in the area of the reliability of submitted performance reporting.
- Leadership oversight and accountability for commitments in collaboration with oversight committees to improve/maintain audit outcomes.

These outcomes were enabled through the measures described below.

- Public Finance Management Act (PFMA) Chief Financial Officer (CFO) Forum meetings, related financial accounting forum meetings and Municipal Finance Management Act (MFMA) CFO forums both assisted in the preparation for regulatory audits and are also a vehicle for advocating good governance. Through consistency workshops, institutions were supported with expert advice.
- Chief Risk Officer and Chief Audit Executive Forums were hosted in partnership with the Institute of Internal Auditors to elevate governance and provide collaborative support. These forums are now held more frequently – engagements which previously took place once a quarter now take place once every two months.
- PT drove the Alternative Dispute Resolution (ADR) mechanism, and National Treasury (NT), AGSA and the Accounting Standards Board (ASB) are in support of the draft ADR mechanism. The Province remains open to using alternative mechanisms to deal with disputes before engaging in litigation.
- While the pandemic delayed the introduction of new and progressive disclosures of COVID-19 expenditure, concerted efforts by all PT units to carefully scrutinise COVID-19 reporting requirements helped to ensure that all institutions were advised of the minimum expenditure disposal requirements.
- A provincial Condonation Working Committee was established once the scrutiny of irregular expenditure had been delegated to the Provincial Minister of Finance and Economic Opportunities. This Committee worked tirelessly to deal with most of the backlog of irregular expenditure where the province was not the authority. The Committee has reduced the backlog requests for condonation to such an extent that most cases are current, i.e., they refer to irregular expenditure as reported on 31 March 2021. Condonation requests should normally be cleared by the end of the following reporting cycle.

Provincial Treasury disaster response to COVID-19

Once the National State of Disaster had been declared and COVID-19 classified as a pandemic, the Department quickly agreed on its approach and response from a budgetary, financial systems and supply chain management perspective. The COVID-19 interventions described below were some of those successfully implemented.

- A three-phase approach to the budget process was adopted to help ensure the reprioritisation and deployment of resources to respond to the pandemic and its social and economic consequences.
- Various circulars in respect of COVID-19 emergency procurement for provincial departments and municipalities were issued to limit critical governance risks that could arise. Logistics management support was provided for donations-in-kind by implementing an emergency donations management system that documented all donations received and provided user support and training. Weekly meetings with the departments of Health, Transport and Public Works and Education were established to provide real-time support to these frontline service departments and ensure that procurement requirements were sufficiently agile to enable rapid responses to emerging conditions.
- In a public disclosure first for South Africa, monthly reporting on all COVID-19 expenditure was published in the Procurement Disclosure Report (PDR). The National Treasury followed this lead by establishing a monthly reporting application and dashboard on its website. The full series of Western Cape PDRs are available at: <https://www.westerncape.gov.za/provincial-treasury/procurement-disclosure-report>.
- A Central Procurement Advisory Committee (CPAC) was established to support provincial institutions and promote efficiencies when dealing with requests for disaster-related procurement deviations.

Overview of the Department's financial results

Table 1 Departmental receipts

Departmental Receipts	2020/21			2019/20		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	15	43	(28)	14	40	(26)
Transfers received	1	-	1	1	-	1
Interest, dividends and rent on land	1	6	(5)	1	4	(3)
Sale of capital assets	-	1	(1)	-	85	(85)
Financial transactions in assets and liabilities	56	19 677	(19 621)	53	5 942	(5 889)
Total	73	19 727	(19 654)	69	6 071	(6 002)

Total departmental receipts as depicted in Table 1 for the 2020/21 financial year amounted to R19.727 million. In terms of paragraph 56(a) of the Modified Cash Standard (MCS) and paragraph 4.2 of the Accounting Manual for Departments, amounts received by a department on behalf of an entity should not be included in the total amount of departmental revenue in the department's financial statements. The amount must be disclosed in a note "Cash received not recognised".

Financial transactions in assets and liabilities recorded a surplus of R19.621 million mainly due to the surrender of the previous year's surplus from the Western Cape Gambling and Racing Board (WCGRB) and recovery of previous years' expenditure from roll-over applications for unspent provincial conditional grants to municipalities.

Table 2 Programme expenditure

Programme Name	2020/21			2019/20		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	56 325	51 594	4 731	59 231	58 257	974
Sustainable Resource Management	119 058	115 847	3 211	141 645	137 338	4 307
Asset Management	62 645	59 518	3 127	67 232	65 393	1 839
Financial Governance	51 477	50 434	1 043	69 901	67 777	2 124
Total	289 505	277 393	12 112	338 009	328 765	9 244

Reasons for under expenditure

The underspending under Programme 1 – Administration amounts to R4.731 million or 8.4 per cent of the Final Appropriation. The underspending is mainly due to delays in the appointment of a service provider for the support and maintenance of the video-conferencing facility and business analysts for Business Process Re-engineering projects as well as the non-delivery of computer equipment (laptops) due to an ongoing world-wide shortage of components caused by the COVID-19 pandemic.

The underspending under Programme 2 – Sustainable Resource Management amounts to R3.211 million or 2.7 per cent of the Final Appropriation. The underspending is mainly due to delays in the procurement process for research projects and the appointment of a panel of experts for municipal interventions.

The underspending under Programme 3 – Asset Management amounts to R3.127 million or 5 per cent of the Final Appropriation. The underspending mainly relates to the non-receipt of claims from the Department of the Premier (DotP) for ICT projects and a delay in the appointment of a service provider for an Asset Management project at municipalities that was the result of a price re-evaluation.

The underspending under Programme 4 – Financial Governance amounts to R1.043 million or 2 per cent of the Final Appropriation. The underspending is mainly due to Western Cape Capacity Building Grant and Financial Management Support Grant funds not being transferred to municipalities. (Refer to Note 30 on page 242)

Virement/Roll-overs

PT ended the 2020/21 financial year with an adjusted appropriation of R289.505 million of which an amount of R277.393 million was spent. A provisional virement was approved by the Member of the Executive Council on 13 April 2021 and PT ended with net underspending of R12.112 million or 4.2 per cent for the reporting period.

The following virement was applied between the programmes and the details of the shifts below between the main divisions can be found on the Appropriation Statement (refer to pages 187 to 197).

- R48 000 was shifted from Programme 1: Administration to Programme 2: Sustainable Resource Management to accommodate for compensation of employees.

The following roll-overs were requested:

- R993 000 for business analysts for the Business Process Re-engineering project which could not be concluded by year-end due to a delay in their appointments.
- R2.705 million for computer equipment which could not be delivered by year-end due to a world-wide shortage of components caused by the COVID-19 pandemic.

- R1.498 million for the appointment of a service provider for an Asset Management project at municipalities. The contract could not be concluded before year-end because extensive research had to be undertaken.

Unauthorised, fruitless, and wasteful expenditure

There was no unauthorised expenditure during the reporting period. Fruitless and wasteful expenditure amounted to R3 457. The reasons, amounts and steps taken pertaining to fruitless and wasteful expenditure are recorded in Part E: Note 24.

Strategic focus over the short to medium term period

The Provincial Treasury identified four (4) transversal strategic priorities that are critical enablers of the PSP and the Western Cape Recovery Plan, and that define the work of the Department.

- **Efficient infrastructure investment** through improved portfolio management and project preparation as well as infrastructure financing.
- **Effective local governance:** The Department will continue to innovate in terms of engagements with municipalities to strengthen integrated service delivery through a range of instruments, from PERO and MERO to the budget process, to the Estimates of Provincial Revenue and Expenditure (EPRE) and OPMII that provide granular information at municipal level to promote evidence-based decision making in municipalities. Oversight processes such as SIME and Technical Integrated Municipal Engagements (TIME) will increasingly being coordinated through the Joint District and Metro Approach (JDMA) to realise citizen-level impact. A key focus here is to manage vulnerabilities in municipalities by integrating information databases and converting information into intelligence about municipal dynamics.
- **Strategic supply chain (SCM) management** through the execution of a SCM modernisation and reform programme focusing on SCM governance, SCM capacitation and training, strategic procurement and SCM technology.
- **Integrated provincial governance and oversight,** through building the Department's existing capacity to support good governance outcomes, enhancing outcomes-based performance, and taking steps to incorporate the use of technology.

Integrated talent management, applied knowledge management and digital transformation are the three (3) critical levers that support the execution of these priorities and strengthen the institutional capability of the Provincial Treasury in the longer term. This is supported by other leadership and organisational interventions to enhance performance and support ongoing innovation.

- **Integrated talent management** in the Department, the province and municipalities enables the Department to proactively manage the talent pipeline of public sector financial managers in the Western Cape and mitigate ongoing risks such as the high turnover of specialised and skilled staff. This builds on existing initiatives such as bursary and internship programmes (e.g., the Chartered Accountant (CA) Academy) and accredited training courses.

- **Applied knowledge management**, through enhancing the use of evidence in public sector financial management. Departmental teams are increasingly being integrated across branches and units to generate applied analysis of fiscal and financial management trends and issues. The Department is also doing applied fiscal research on the implications of allocative choices facing the province, based on the significant data already at its disposal.
- **Digital transformation:** The Department is steadily developing new and improved data platforms on the foundation of older legacy data systems. As one example, the Department's e-Procurement Solution (ePS) uses data from the Basic Accounting System (BAS) and Personnel and Salary Administration System (PERSAL) for monitoring. The Department is introducing artificial intelligence tools to integrate information across systems and provide real-time intelligence across departments on matters such as human resource management, financial and non-financial systems to help bring about improved effectiveness and efficiency.

Public-private partnerships

PT has an oversight role across the project cycle of public-private partnerships (PPPs) to determine affordability, value for money and risk transfer in project development, and perform a monitoring role on PPP transactions that have been concluded and are being implemented. PT's PPP oversight role is guided by the PFMA and National Treasury Regulation 16.

While there are no PPPs within the Vote, there are currently two closed provincial deals (see table below).

Registered provincial PPP projects: Closed deals

Project name	Description	Department	Start date	End date
Chapman's Peak Drive Toll Road	Design, construct, finance, operate and maintain Chapman's Peak Drive.	Department of Transport and Public Works (DTPW)	21 May 2003	21 May 2033
CapeNature: De Hoop Nature Reserve*	The De Hoop Nature Reserve PPP project entails the upgrading of existing tourism facilities, the creation of new products and the provision of activities for tourism.	Department of Environmental Affairs and Development Planning (DEADP) implemented by CapeNature	2 December 2009	30 year long-term contracts (with the option of renewal for another 15 years)

* Note: The De Hoop PDP makes provision for additional concessionaires.

Discontinued activities/activities to be discontinued

No activities were discontinued during the 2020/21 financial year.

Supply Chain Management

Unsolicited bids

No unsolicited bids were received during the period under review.

Irregular expenditure

All possible irregular expenditure identified by or reported to Internal Control is investigated to determine responsibility and accountability. Irregular expenditure in an amount of R9 646.47 was identified during the post audit process. No irregular expenditure was identified during the 2020/21 regulatory audit process. R2.948 million of irregular expenditure related to the 2018/19 and 2019/20 financial years was condoned by Condonation Working Committee in terms of the Irregular Expenditure Framework issued by National Treasury on 25 September 2018.

Further details on irregular expenditure are available in Part E: Note 23.

Challenges within SCM

The COVID-19 pandemic environment presented great challenges ranging from a considerable amount of time spent on procuring COVID-19-related goods, price increases on COVID-19 products, employees working remotely, and delays in service delivery due to COVID-19 restrictions and protocols. In addition, financial constraints meant that some vacant posts were not filled, which caused delays in service delivery, overloaded staff, and staff burn-out. Capacity issues remain a challenge in the Supply Chain Management domain.

There were difficulties with some new suppliers who did not fully understand procurement requirements and processes and were therefore unable to meet client specification requirements. This created a backlog as certain procurement processes had to be restarted.

The legislative environment has been relatively stable, but COVID-19 restrictions, regulations and procurement circulars were sometimes hard to interpret, which led to delays.

Provincial Treasury SCM continually identifies and implements innovative ways of improving employees' skills and knowledge.

Gifts and donations received in kind from non-related parties

PT received a COVID-19-related in-kind donation of goods and services worth R549 686.40 from Greater Translogic Advisory Services (GTAS) in the form of ten (10) software licences and support and maintenance of a system that enabled the transversal capturing of COVID-19-related donations.

The gift register maintained by PT Financial Management indicates that officials received no gifts in the reporting period.

Exemptions and deviations received from the National Treasury

None.

Events after the reporting date

The following performance indicators reported as not achieved as at 31 March 2021 in Part B – Performance information were subsequently achieved:

- Output indicator 1.3.1.4 - Number of stock-take and asset verification reports.
- Output indicator 2.4.3.2 - Number of quarterly reports on the implementation of infrastructure budgets to Cabinet.
- Output indicator 4.2.1.2 - Number of interventions to improve the understanding and application of accounting standards.
- Output indicator 4.2.2.2 - Number of internal control interventions rolled out in departments.


Conclusion

I express my gratitude to the staff of PT for their hard work and dedication in a challenging environment. The fundamental changes we have made to the way we work recently have not been easy. I want to acknowledge the dedication of our people for continuing to provide the highest level of financial and economic advice to help improve the lives of all citizens.

The year under review has been a demanding year, and we have delivered advice to the WCG on the economic outlook and budget measures on a scale rarely seen in this province. I want to acknowledge our partners in the public sector, the departments, entities, and municipalities who have pulled together in the face of this crisis to coordinate an unprecedented policy response to an unprecedented pandemic.

I am pleased to report on our performance for the 2020/21 financial year.

Approval and sign off



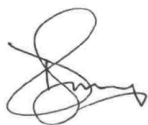
David Savage
Accounting Officer
Provincial Treasury
Date: 18 January 2022

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed throughout the Annual Report are consistent.
- The Annual Report is complete, accurate and is free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines on annual reports issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the Modified Cash Standard and the relevant frameworks and guidelines issued by the National Treasury.
- The Accounting Officer is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.
- The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information, and the Annual Financial Statements.
- The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of PT for the financial year ended 31 March 2021.



David Savage

Accounting Officer

Provincial Treasury

Date: 18 January 2022

6. STRATEGIC OVERVIEW

6.1 Vision

A responsive and inclusive Treasury that enables positive change in the lives of citizens.

6.2 Mission

Promotion of cohesion and citizen centricity.

Building capacity in the public sector by being adaptive, innovative and supportive.

Integrated management and partnerships that enable the delivery of quality services in a sustainable manner.

6.3 Values

The core values of the Western Cape Government, to which PT subscribes, are as follows:



7. LEGISLATIVE AND OTHER MANDATES

The legislative mandate within which PT operates consists of the national and provincial legislation described below.

- **Public Finance Management Act, 1999 (Act 1 of 1999)**

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

- **Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA)**

In terms of section 5(4) of the MFMA, 2003 (Act 56 of 2003), PT must, inter alia, monitor compliance with the MFMA by municipalities and municipal entities in the province, monitor the preparation of municipal budgets, the monthly outcomes of these budgets and the submission of reports by municipalities as required in terms of the MFMA. PT may assist municipalities in the preparation of their budgets; exercise any powers and perform any duties delegated to it by the National Treasury in terms of the MFMA; and take appropriate steps if a municipality or municipal entity in the province commits a breach of the MFMA.

- **Division of Revenue Act (DORA) (Annual)**

This Act provides for the equitable division of revenue raised nationally, including conditional grants, amongst the three spheres of government and for incidental matters.

- **Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act 10 of 2009)**

This Act regulates the financial management of Parliament and provincial legislatures in a manner consistent with its status in terms of the Constitution of the Republic of South Africa, 1996.

- **Government Immovable Asset Management Act, 2007 (Act 19 of 2007)**

This Act provides a uniform framework for the management of immovable assets that are held or used by, in this case, provincial departments and aims to ensure the optimal coordination of the use of such immovable assets to achieve departmental service delivery objectives.

- **Intergovernmental Fiscal Relations Act, 1997 (Act 97 of 1997)**

Among other things, this Act defines the role of the Member of the Executive Council responsible for finance, and that of the Treasury as representative of the Provincial Government; promotes cooperation between spheres of government on fiscal, budgetary and financial matters; and provides insight into the prescribed processes for the determination of the equitable share and allocation of revenue raised nationally. and provides for related matters.

- **Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)**

This Act establishes a framework for the national government, provincial governments and local governments promotes and facilitates intergovernmental relations; provides for mechanisms and procedures to facilitate the settlement of intergovernmental disputes; and provides for related matters.

- **Public Audit Act, 2004 (Act 25 of 2004)**

This Act provides assistance to the Auditor-General's Office to recover outstanding audit fees and to appropriately respond or intervene on matters arising from audit reports, and provides for related matters.

- **Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)**

This Act provides the Treasury with a regulatory framework for enabling and assisting departments to develop and implement a preferential procurement system to benefit historically disadvantaged individuals (HDIs).

- **Provincial Tax Regulation Process Act, 2001 (Act 53 of 2001)**

This Act regulates 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 provides for related matters.

- **Public Service Act, 1994 (Act 103 of 1994) as amended**

This Act provides for the organisation and administration of the Provincial Treasury and for human resource management which includes the regulation of conditions of employment, terms of office, discipline, retirement and discharge of PT staff members.

- **Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) (SPLUMA)**

This Act provides a framework for spatial planning and land use management in the Republic; specifies the relationship between the spatial planning and the land use management system and other kinds of planning; provides for the inclusive, developmental, equitable and efficient spatial planning at the different spheres of government; provides a framework for the monitoring, coordination and review of the spatial planning and land use management system; provides a framework for policies, principles, norms and standards for spatial development planning and land use management; addresses past spatial and regulatory imbalances; promotes greater consistency and uniformity in the application procedures of, and decision-making by authorities responsible for land use decisions and development applications; provides for the establishment, functions and operations of municipal planning tribunals; provides for the facilitation and enforcement of land use and development measures; and provides for related matters.

- **Western Cape Appropriation Act (Annual)**

This Act provides for the appropriation of money from the Western Cape Provincial Revenue Fund for the requirements of the Province of the Western Cape; and provides for related matters.

- **Western Cape Adjustments Appropriation Act(s) (Annual)**

This Act appropriates adjusted amounts of money from the Western Cape Provincial Revenue Fund for the requirements of the Province of the Western Cape; and provide for related matters.

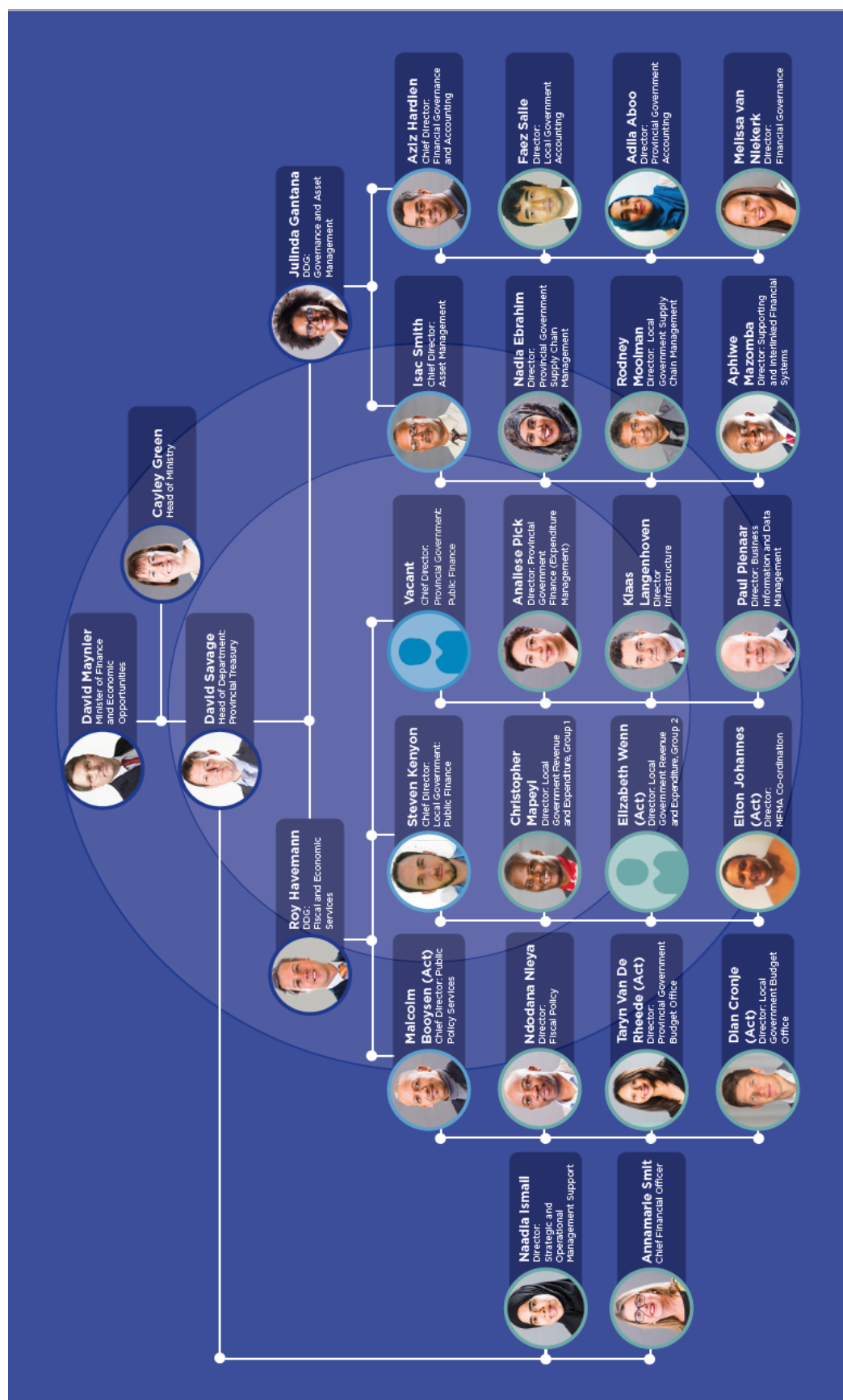
- **Western Cape Direct Charges Act, 2000 (Act 6 of 2000)**

This Act provides for the withdrawal of State moneys from the Western Cape Provincial Revenue Fund, as a direct charge, in accordance with the Constitution of the Republic of South Africa, 1996, the Constitution of the Western Cape, 1997 (Act 1 of 1998) and the PFMA, 1999 (Act 1 of 1999).

- **Western Cape Gambling and Racing Act, 1996 (Act 4 of 1996)**

This Act provides regulatory prescripts to support the Member of the Executive Council (MEC) responsible for the Act to ensure sound financial administration by the WCGRB, and regulates gambling activities in the Western Cape.

8. ORGANISATIONAL STRUCTURE



Provincial Treasury
As at 1 March 2021

9. ENTITIES REPORTING TO THE MINISTER

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Western Cape Gambling and Racing Board	Western Cape Gambling and Racing Act	The entity has been financially self-sustainable in the past, but as from 2012/13 transfers from the Provincial Revenue Fund to the entity were necessary to assist it to perform its regulatory responsibilities.	Regulation of all gambling, racing, betting, and activities incidental thereto in the Western Cape province.



**PERFORMANCE
INFORMATION**

PART B

PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the AGSA report on other legal and regulatory requirements section.

Refer to the Report of the Auditor-General, published as Part E: Financial Information on page 180.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service delivery environment

The Western Cape economy suffered a significant shock in 2020. Even before the current economic crisis brought upon by the COVID-19 pandemic, the Western Cape, along with the rest of South Africa, was experiencing strong economic headwinds that slowed economic growth.

With COVID-19, a once-in-a-century pandemic, the effective delivery of the Department's vision and mission was even more important to assist the WCG's social and economic response and recovery efforts. The work performed by the Department was vital to the economic response to the pandemic and focused on developing economic, fiscal and governance advice to support the government's economic recovery measures focused on jobs, safety, and wellbeing.

In these difficult and challenging circumstances, it was a year of achievement for PT in supporting the WCG's response to the crisis. The Department's major achievements for 2020/21 are described below.

INTEGRATED PROVINCIAL GOVERNANCE

2020 Budget approach

The 2021 Western Cape Budget, "A Budget for Hope" was tabled in March 2021 in the Provincial Parliament in support of the Western Cape Recovery Plan focused on Jobs, Safety, and Well-being as well as the Provincial Vision Inspired Priorities set out in the 2019 – 2024 Provincial Strategic Plan.

The PT adopted a three-phase approach to the 2020 Budget process from the onset of the pandemic. This approach enabled the WCG to continuously recalibrate its fiscal response to the COVID-19 pandemic as impacts became better known.

The Immediate Phase provided the immediate fiscal response to COVID-19 and focused on the reallocation of savings and the deployment of available reserves to finance immediate disaster response needs. The 2020 first Adjusted Budget reprioritised R3.056 billion in expenditures towards the immediate public health response in the Western Cape and expanded total expenditure estimates to R72.732 billion by drawing down available provincial reserves.

The Short-Term Phase focused on policy-led repositioning towards the Western Cape Recovery Plan's priorities of Jobs, Safety and Well-being. The outcome of the Short-Term Phase resulted in the tabling of the Medium Term Budget Policy Statement (MTBPS) in November 2020 along with the 2020 Second Adjusted Budget.

The MTBPS provided the fiscal resources to drive recovery over the short to medium term. The Medium-Term Phase set the course for recovery over the medium term and laid the foundation for achieving fiscal sustainability over the medium to long term. The outcome of this phase resulted in the tabling of the 2020 Third Adjusted Budget and the 2021 Medium Term Expenditure Framework (MTEF) Budget. The 2021 Budget provided the response to a complex and prolonged period of economic contraction, the COVID-19 pandemic, and the reduced fiscal envelope. It also featured a response to the COVID-19 pandemic while safeguarding frontline services, as well as budget policy priorities for achieving the vision of a safer Western Cape where everyone prospers.

There is still much work to be done to support the economic recovery and PT will continue to provide robust analysis and advice to inform policy development and service delivery.

PG MTEC 2 engagements

PT hosted the Provincial Government Medium Term Expenditure Committee (PG MTEC) 2 engagements in January and February 2021. Together with the Medium-Term Budget Policy Committee (MTBPC) engagements, these formed part of the 2021 budget process and built on the MTBPC 1 and PG MTEC 1 engagements held in November 2020. The engagements provided departments and public entities with the opportunity to have detailed discussions on how spending plans will give effect to the 2019 – 2024 PSP and what tough policy choices would have to be made while continuing to drive citizen-centric service delivery and innovation.

The engagements also focused on the operational challenges departments must contend with as well as the fiscal undertakings required to respond to the COVID-19 pandemic. The 2021 MTEF will focus on support to departments, keeping in mind spending pressures emanating from the pandemic, economic conditions, and social vulnerability.

Virtual Technical Accounting and Reporting Committee

PT launched a Technical Accounting and Reporting Committee, working virtually, providing a platform for deliberations on technical accounting matters. Through this committee, MFMA and PFMA institutions receive provincially researched advice and guidance on accounting matters, allowing the Provincial Treasury to keep its stakeholders abreast of the latest accounting developments in the MFMA and PFMA space.

The Committee comprises of Provincial Treasury staff in the MFMA and PFMA units, who are both passionate about financial reporting and compliance, and strive to be responsive to the needs of the institutions they serve.

STRATEGIC SUPPLY CHAIN MANAGEMENT

PT issued circulars to provide guidance to provincial institutions on the existing measures available to ensure the timeous, lawful and effective procurement of essential goods and/or services required to respond to the COVID-19 disaster. The circulars aimed to achieve uniformity in the procurement system across provincial institutions and guide emergency procurement. This was in addition to the procurement system as encapsulated in departmental accounting officers' systems issued in terms of section 38 of the PFMA and the emergency procurement policies already in place in departments within this system of controls. The circulars also provided additional mechanisms to ensure operations are guided by the necessary due diligence practices that are able to respond to disaster needs rationally, reasonably and practically.

Establishment of a Central Procurement Advisory Committee

Given the nature of the pandemic, the nature of the procurement and finance support needs of provincial institutions, and the need to continue to keep control of the fiscal envelope and governance standards, PT established a CPAC. The CPAC provides guidance for emergency and disaster procurement and sets out financial requirements for provincial institutions wishing to procure essential products and services to meet the disaster relief needs of the province.

The CPAC team is constituted of senior PT procurement and financial specialists, internal auditors from the DoTP, and the CFOs of the Departments of Health, DTPW, Local Government, and Social Development.

Supplier Evidence Bank and supplier support initiatives

PT opened a Client Support Centre to provide procurement support to Western Cape Government clients. When the National State of Disaster began in March 2020, supplier management services included supplier registration on the national Central Supplier Database (CSD), the Western Cape Supplier Evidence Bank (WCSEB), supplier training, as well as any other support that was required. During Alert Level 5, no face-to-face contact was allowed and social distancing requirements had to be maintained. A critical focus during this time was to help ensure that suppliers were able to easily do business with the WCG.

PT mainly provided supplier support through telephone calls and emails. Provision was also made for WCSEB supplier profiles to be kept up to date with electronic documents. When the Alert Level requirements were relaxed, a drop-box was installed at the client centre to for suppliers to provide hard copy evidence of documents previously sent electronically. The e-Procurement system (e-PS) was utilised for suppliers tendering for contracts below R500 000, and provision was made for formal bids that were urgently required during the pandemic to be obtained via the e-PS. The PT website was utilised as a back-up mechanism to ensure business continuity as well as keep clients informed. A WCSEB brochure was published on the PT website, as well as videos and frequently asked questions (FAQs) on how to register online and to submit quotes on the e-PS. Public disclosure reports were published online to provide

transparency about COVID-19 purchasing and expenditure. Two webinars were held during the period on how to do business with the WCG. For the period under review, 11 575 (73 per cent) of supplier queries in respect of the WCSEB and 1 754 (11 per cent) of queries in respect of the CSD were attended to via the helpdesk.

PT is leading from the front in strategic supply chain management in the Western Cape by improving its e-procurement solution, bringing it in-house and integrating it with the CSD and the WCSEB. This makes it easier for businesses, especially small businesses, to become government suppliers.

Procurement Disclosure Report

The PT was the first treasury to issue a Procurement Disclosure Report, which demonstrates the leadership's commitment to open procurement and good governance by detailing all the Western Cape's COVID-19 personal protective equipment (PPE) procurement and expenditure. The report, issued monthly, quarterly and annually and published here: www.westerncape.gov.za/provincial-treasury/procurement-disclosure-report provides the name of the supplier, a description of the item, the unit price per item, and the total spent. It aims to mitigate the risks in supply chain management and ensure that money is spent correctly and transparently.

EFFECTIVE LOCAL GOVERNANCE

As a result of the COVID-19 National State of Disaster and associated social distancing requirements, the 2020 SIME engagements, normally held in person at the various municipal offices, took place using video-conferencing facilities. Virtual engagements were at first a daunting prospect due to a lack of adequate facilities, limited ICT infrastructure and limited knowledge of the various communication platforms. However, successful virtual engagements were held with all 30 municipalities which paved the way for a new way of doing business in a more cost-effective manner. The ongoing COVID-19 pandemic necessitated holding the 2021 SIME online again, and the TIME process was conducted virtually for the first time in February 2021. Hybrid meetings were held with the Saldanha Bay and Swartland municipalities. A small WCG delegation visited the municipalities and met with a few key role-players and video conferencing was used to engage with other stakeholders.

Increasing economic strain as a result of the COVID-19 pandemic had a negative impact on municipalities' finances. Where municipalities were at risk of falling into financial distress, additional guidance and support was provided, and WCG staff assessed whether further intervention would be necessary. PT supported the development of financial recovery plans for municipalities under intervention and monitored the implementation of these plans. PT is in the process of creating an electronic database (performance dashboard) of municipal in-year monitoring (IYM) information. Plotting the monthly IYM data over time will allow PT to receive an early warning of when a municipality's actual performance against certain key financial indicators falls outside of nationally prescribed norms. This will allow for early, proactive support to be provided before a municipality falls into such a state of financial and/or operational distress that formal intervention is required.

2020 Provincial and Municipal Economic Review and Outlook

Research and development were conducted in respect of the 2020 PERO and MERO that was tabled by the Provincial Minister in October 2020. These publications provided the context for the development of the MTBPS and were key in informing and determining the budget policy priorities as informed by the PSP.

EFFICIENT INFRASTRUCTURE INVESTMENT

A more coordinated, integrated, and strategic approach to planning and budgeting helped to inform PT's response to infrastructure challenges. Infrastructure investment remained a key focus for driving economic growth and core element of sustainability. The WCG tabled a supplementary publication OPMII as part of the budget documentation on 16 March 2021.

OPMII reflects the spatial distribution and targeted departmental infrastructure spending by the WCG in the City of Cape Town and the five Western Cape districts by the respective WCG departments. The OPMII also provides an overview of the extent to which specific municipal budget allocations are complemented by the WCG's infrastructure commitments in relation to their assigned functions and service delivery mandates. The OPMII overview informs municipalities and the public of the WCG's infrastructure investment plans in the medium term.

2.2 Service Delivery Improvement Plan

PT completed a Service Delivery Improvement Plan (SDIP) through the provision of a supply chain management helpdesk to provide support, assistance, and guidance to provincial departments, provincial public entities, municipalities, municipal entities and suppliers. The objective is to outline key services (i.e., "how to do business with the Western Cape Government"), address gaps, identify areas of improvement within the procurement domain, and define standards for the delivery of procurement as a service and a lever to enable service delivery.

PT's SDIP spans the period 1 April 2018 to 31 March 2021. The tables below highlight key outputs of the service delivery plan and the achievements to date.

Main Service and Standards

Main Services	Beneficiaries	Current/actual standard of service (as reported in the Annual Report 2019/20)	Desired standard of service (as indicated in Year 3 of the SDIP: 2020/21)	Actual achievement (for 2020/21)
Provide SCM advice and assistance to departments, municipalities and to potential and current suppliers through the helpdesk service.	Provincial departments Public entities Municipalities Suppliers	<p>Responsiveness to stakeholder queries:</p> <p>PG SCM 95% of queries were resolved within the specified time as per Helpdesk Framework. A total of 5 372 queries were received:</p> <ul style="list-style-type: none"> • 2 354 CSD queries; • 245 WCSEB queries; • 612 SCM queries; and • 161 Integrated Procurement Solution (IPS) queries. <p>LG SCM An average of 82% of the total 1 420 queries received were successfully resolved within the specified timeframes.</p> <p>730 queries were in respect of CSD; and 690 queries were SCM and Asset Management-related.</p> <p>The reason for not meeting the desired standard is high turnover in resource capacity (46% - 50% of capacity was in place). Critical posts were not filled and the speed of departures rate exceeded the speed of filling posts.</p>	<p>Responsiveness to stakeholder queries:</p> <p>Maintenance of 95% consistency in standard of SCM issues, complaints, queries successfully resolved. Consistently strive to attain 100% service quality.</p>	<p>PG SCM: 95% of queries received were resolved within the specific timeframe as per the helpdesk framework. A total of 15 869 queries were successfully attended to of which:</p> <ul style="list-style-type: none"> • 1 754 relate to CSD; • 11 575 relate to WCSEB database registrations; • 371 relate to SCM; and • 2 169 relate to IPS. <p>LG SCM 94.25% of queries received were resolved within the specific timeframe as per the helpdesk framework. A total of 1 397 queries were successfully attended to: (1 092 relate to CSD, e-Portal and WCSEB, 242 relate to SCM compliance, 63 relates to COVID-19 pandemic.)</p>

Main Services	Beneficiaries	Current/actual standard of service (as reported in the Annual Report 2019/20)	Desired standard of service (as indicated in Year 3 of the SDIP: 2020/21)	Actual achievement (for 2020/21)
				Perception surveys were done in the previous year via Survey Monkey. Given the volumes of queries this was not possible in the current financial year as IT resources for the Issue Management System (IMS) were redirected to COVID-19 initiatives. No perception surveys were therefore not conducted at either of the helpdesks.
		<p>Stakeholder/user satisfaction</p> <p>PG SCM 100% of service beneficiaries indicated satisfaction with the level and standard of service provided by the SCM Helpdesk.</p> <p>LG SCM Given the constrained capacity as indicated previously, perception surveys will be Implemented as from Quarter 1 of the 2020/21 financial year to ensure that clients are satisfied with the level of responsiveness to the demands of the service provided by LG SCM.</p>	<p>Stakeholder/user satisfaction</p> <p>95% of service beneficiaries indicated satisfaction with the level and standard of service provided.</p>	<p>PG SCM and LG SCM Given the issues experienced with the IMS satisfaction survey, it is difficult to scientifically gauge client satisfaction at this juncture. Neither unit has received further requests for advice/ guidance after assistance was provided during the 2020/21 financial year.</p>

Main Services	Beneficiaries	Current/actual standard of service (as reported in the Annual Report 2019/20)	Desired standard of service (as indicated in Year 3 of the SDIP: 2020/21)	Actual achievement (for 2020/21)
Conduct interventions to assist departments, municipalities and potential and current suppliers to upskill them on public sector procurement requirements.	Provincial departments Public entities Municipalities Suppliers	<p>PG SCM</p> <p>Target achieved: For provincial departments (16): One (1) x bespoke SCM training intervention held at the Department of Cultural Affairs and Sport (DCAS) (24 beneficiaries). One (1) x IPS bespoke training intervention held at Department of Agriculture (DoA) (165 beneficiaries). One (1) x IPS bespoke training intervention held at PT (4 beneficiaries).</p> <p>One (1) x Capacitation and Development Programme engagement conducted at 11 departments (32 beneficiaries). One (1) x bespoke WCSEB and IPS train-the-trainer session held with all 13 WCG departments (88 beneficiaries). One (1) x intervention held with buyers in all six (6) districts in respect of the WCSEB and IPS (294 beneficiaries). One (1) x bespoke e-Tender training session held at Groote Schuur Hospital (11 beneficiaries).</p>	<p>PG SCM</p> <p>16 interventions to assist on public sector procurement requirements</p>	<p>PG SCM</p> <p>TMC Seminar SCM Barrier Busting (Webinar) x 1 - 53 beneficiaries. IPS training x 2 - 12 beneficiaries, i.e., Department of Human Settlements (DHS): six (6) beneficiaries and with Department of Transport and Public Works (DTPW): six (6) beneficiaries. SCM Integrated Training x 1 - 7 beneficiaries across provincial departments. AOS roll-out & implementation which comprised of ten (10) webinar sessions in total: follows: -</p> <ul style="list-style-type: none"> Legislative Framework: 1 x intervention with all WCG Departments with a total of nine (9) beneficiaries. Institutionalisation, i.e., Functional Arrangement: 1 x intervention with all WCG Departments with a total of eleven (11) beneficiaries. SCM Committees: 1 x intervention with all WCG Departments with a total of thirteen (13) beneficiaries. Ethical Standards: 1 x intervention with all WCG Departments with a total of thirteen (13) beneficiaries.

Main Services	Beneficiaries	Current/actual standard of service (as reported in the Annual Report 2019/20)	Desired standard of service (as indicated in Year 3 of the SDIP: 2020/21)	Actual achievement (for 2020/21)
		<p>One (1) x intervention with the Department of Health (DoH) in respect of the Provincial Security Framework Agreement (30 beneficiaries).</p> <p>One (1) x intervention held on 21 November 2019 with DoH in respect of the Catering Strategy (3 beneficiaries).</p> <p>One (1) x bespoke training intervention held with Department of Community Safety (DOCS) on governance requirements for the Security Framework Agreement and CSD training (3 beneficiaries).</p> <p>One (1) x SCM integrated training held with the departments of Health, Education and Social Development (14 beneficiaries).</p> <p>One (1) x Security Framework Agreement quarterly session held with DoH (2 beneficiaries).</p> <p>One (1) x SCM integrated training held at Kromme Rhee with the departments of Health, Agriculture, Education, PT and Community Safety (15 beneficiaries).</p> <p>One (1) x intervention held with departments and public entities in respect of the Catering Strategy and Automated Procurement Planning Toolkit (27 beneficiaries).</p>		<p>Acquisition Management: 1 x intervention with all WCG Departments with a total of twenty-six (26) beneficiaries.</p> <p>Systems: 1 x intervention with all WCG Departments with a total of eighteen (18) beneficiaries.</p> <p>Demand Management: 1 x intervention with all WCG Departments with a total of fourteen (14) beneficiaries.</p> <p>Logistics and Inventory Management: 1 x intervention with all WCG Departments with a total of nineteen (19) beneficiaries.</p> <p>Moveable Asset Management and Disposal Management: 1 x intervention with all WCG Departments with a total of twenty (20) beneficiaries.</p> <p>Compliance monitoring, risk management and internal control: 1 x intervention with all WCG Departments with a total of sixteen (16) beneficiaries.</p> <p>Development of automated procurement planning toolkit.</p> <p>Awareness sessions on Procurement Planning Toolkit - 14 webinars: Toolkit discussion x1 - DCAS. 9 beneficiaries.</p>

Main Services	Beneficiaries	Current/actual standard of service (as reported in the Annual Report 2019/20)	Desired standard of service (as indicated in Year 3 of the SDIP: 2020/21)	Actual achievement (for 2020/21)
		<p>One (1) x bespoke intervention held with the Department of Local Government (DLG) in respect of its Travel Tender (2 beneficiaries).</p> <p>One (1) x e-PS intervention held with core e-PS team (3 beneficiaries).</p> <p>For suppliers (5):</p> <ul style="list-style-type: none"> One (1) x Smart Procurement World Summit held on 9 May 2019 at Grand West Casino (168 beneficiaries). One (1) x Supplier development intervention held at Hessequa and Kannaland municipalities on 22 and 23 May 2019 on how to do business with WCG, awareness with regards to the Provincial Catering Strategy and Security Framework Agreement as well as assisted suppliers with database registrations (62 beneficiaries). One (1) x Supplier development initiative held at Prince Albert Municipality in respect of database registration and how to do business with Government (59 beneficiaries). One (1) x Supplier initiative held in Saldanha Bay for database registration and to create awareness on the new WCSEB (60 beneficiaries). 		<p>Awareness and training x 2 – 27 beneficiaries, i.e., DOH: twenty-one (21) and PT: six (6)</p> <ul style="list-style-type: none"> Awareness sessions x 11 – 79 beneficiaries, i.e., DCAS: four (4); DotP: four (4); DOA: four (4); Department of Social Development (DSD): twenty-nine (29); DOCS: three (3); DHS: eight (8); DEADP: seven (7); Western Cape Education Department (WCED): three (3); DEDAT: three (3); DTPW: two (2); DLG: twelve (12) x intervention in respect of the provincial security framework agreement with Department of Health, Education, Community Safety and Western Cape Liquor Authority.

Main Services	Beneficiaries	Current/actual standard of service (as reported in the Annual Report 2019/20)	Desired standard of service (as indicated in Year 3 of the SDIP: 2020/21)	Actual achievement (for 2020/21)
		<p>One (1) x Supplier IPS training held on 12 March 2020 (3 beneficiaries).</p> <p>Additional Achievement: For departments (1): Issuance of Chapter 16A of PTIs to departments and provincial public entities. For suppliers (7): Two (2) x Supplier interventions collaborated with DTPW: Expanded Public Works Programme (EPWP) in Worcester and Mossel Bay, on 17 to 18 April 2019 and 21 May 2019 respectively, for database registrations (104 beneficiaries). One (1) x Supplier Initiative collaborated with Cape Chamber of Commerce and Industry at the River Club on 17 May 2019. (Cape Chamber, Small Business Week) (55 beneficiaries). One (1) x Supplier Initiative at Fancourt George (part of route budget speech) on 26 April 2019. Database registrations were done.</p>		<p>1 x intervention in respect of the Cape Health Tech Week Webinar eProcurement System and WCSEB discussion for WESGRO, Department of Health & Health suppliers with a total of twenty (20) beneficiaries.</p> <p>1 x intervention in respect of the RT3-2018 education and awareness session with provincial departments & public entities with a total of thirty-two (32) beneficiaries.</p> <p>1 x intervention in in respect of the local production and content virtual training with municipalities, LGSCM, PGSCM, Department of Trade, Industry and Competition (DTIC) and South African Bureau of Standards (SABS) with a total of one hundred and sixty-seven (167) beneficiaries.</p> <p>1 x intervention in respect of South African National Space Agency (SANSA) Supplier Open Day on How to do business with WCG with a total of twenty-one (21) beneficiaries.</p>

Main Services	Beneficiaries	Current/actual standard of service (as reported in the Annual Report 2019/20)	Desired standard of service (as indicated in Year 3 of the SDIP: 2020/21)	Actual achievement (for 2020/21)
		<p>One (1) x Supplier Initiative at Mazars-Century City, Africa Day on 24 May 2019, for database registrations (3 beneficiaries).</p> <p>One (1) x Supplier Intervention for database registrations, held in collaboration with the DEDAT at the Local Content & Production Summit in Pinelands (9 beneficiaries).</p> <p>One (1) x Supplier Intervention, Small, Medium and Micro Enterprise (SMME) Conference (Entrepreneurial Summit), held in Bredasdorp in collaboration with Cape Agulhas Municipality to inform suppliers and all stakeholders on how to do business with the WCG and to register suppliers on the CSD and WCSEB databases (128 beneficiaries).</p>		<p>Procurement Toolkit roll-out training and implementation 11 x interventions - 115 beneficiaries, i.e., DCAS: four (4); DotP: four (4); DOA: four (4); DSD: three (3); DOCS: four (4); DHS: eleven (11); DEADP: eleven (11); WCED: eight (8); DEDAT: fifty-seven (57); DTPW: two (2); DLG: seven (7).</p> <p>Quarterly and ad hoc SCM forums held.</p> <p>Video developed on how to register on cloud for IPS on PT website.</p> <p>Developed Video on how to quote on the IPS placed on PT website.</p> <p>Procurement Client Centre implemented with a soft opening due to COVID-19.</p> <p>Additional Interventions (COVID-19 related).</p>

Main Services	Beneficiaries	Current/actual standard of service (as reported in the Annual Report 2019/20)	Desired standard of service (as indicated in Year 3 of the SDIP: 2020/21)	Actual achievement (for 2020/21)
				<p>PT Circulars No. 11; 21; 23 and 31 of 2020 issued to guide procurement during the disaster – all provincial departments and entities.</p> <p>Implemented CPAC to guide disaster Procurement and financial management – all departments.</p> <p>Logistics support for the management of Donations-in-kind (governance requirements and System Support and training) implemented-WCG.</p> <p>Implemented Database of PPE Suppliers for ease of sourcing PPE - all departments.</p> <p>Database of Cloth Mask suppliers for ease of sourcing Cloth Masks - all departments.</p> <p>e-PS enablement to incorporate formal bidding for provincial departments during lockdown to enable purchasing electronically – all departments.</p> <p>SCM WhatsApp Group created for SCM heads in the Province to enable easy communication and support base during COVID-19 - all departments.</p>

Main Services	Beneficiaries	Current/actual standard of service (as reported in the Annual Report 2019/20)	Desired standard of service (as indicated in Year 3 of the SDIP: 2020/21)	Actual achievement (for 2020/21)
				<p>Extended the validity period of the WCBD4 form for 3 089 suppliers registered on the WCSEB given the impact of the National State of Disaster on accessing commissioning services to enable suppliers to remain compliant and to receive opportunities.</p> <p>PDRs published on PT website to ensure transparency in respect of COVID-19 procurement.</p>
		<p>PG SCM</p> <p>100% Client satisfaction was recorded for all events.</p>	<p>PG SCM</p> <p>99% Service beneficiaries indicated satisfaction.</p>	<p>PG SCM</p> <p>100% client satisfaction was recorded for all events held in terms of manual surveys conducted.</p> <p>However, given the issues experienced with the IMS satisfaction survey, it is difficult to scientifically gauge client satisfaction at this juncture. However, the units have not received comebacks/challenges/ pushback in respect of any of the other interventions undertaken for the 2020/21 financial year.</p>

Main Services	Beneficiaries	Current/actual standard of service (as reported in the Annual Report 2019/20)	Desired standard of service (as indicated in Year 3 of the SDIP: 2020/21)	Actual achievement (for 2020/21)
		<p>LG SCM</p> <p>Target exceeded:</p> <p>For municipalities:</p> <p>Two (2) x CSD, Contract Registration Application (CRA) and e-Portal training interventions held with Central Karoo District (CKD) and Garden Route District municipalities (49 municipal officials).</p> <p>Three (3) x SCM Combined Assurance workshops held with CKD and Garden Route District municipalities (78 municipal officials).</p> <p>One (1) x Broad Based Black Economic Empowerment (B-BBEE) workshop held in Stellenbosch for all 30 municipalities (53 municipal officials).</p> <p>One (1) x CSD, CRA and e-Portal training intervention held for Prince Albert Municipality (7 municipal officials).</p> <p>Provided assistance and guidance with Communication of an Audit Finding (COMAF) responses for the 2018-19 Financial Year (FY) Audit, relating to SCM, for 30 municipalities in collaboration with Municipal Finance Management Act (MFMA).</p> <p>One (1) x Supply Chain Management and Local Economic Development (LED) intervention held in Mossel Bay, in collaboration with DEDAT and the Garden Route District municipalities.</p>	<p>LG SCM</p> <p>5 interventions to assist on public sector procurement requirements.</p>	<p>LG SCM</p> <p>Target achieved:</p> <p>Hosted Bid Rigging Training in collaboration with the Competition Commission via the Microsoft (MS) platforms for all 30 municipalities across the five districts including the Cape Town International Convention Centre (CTICC) and City of Cape Town (CoCT). (278 attendees).</p> <p>Hosted training on local content, National Industrial Participation Programme (NIPP) and SABS verification in collaboration with the DTIC and NT dated 24 March 2021. (240 participants).</p> <p>PT MFMA Circular No. 16/2020 Procurement in response to COVID-19 for all 30 municipalities and municipal entities on the SCM implementation challenges to NT Circular No. 105.</p> <p>Training on New Tender Portal (SAGOV) – with NT on 7 December 2020 with all municipalities (130 attendees).</p> <p>Hosted a special COVID-19 intervention within the Joint District Approach for the Garden Route District Municipalities dated 23 July 2020. (30 attendees).</p>

Main Services	Beneficiaries	Current/actual standard of service (as reported in the Annual Report 2019/20)	Desired standard of service (as indicated in Year 3 of the SDIP: 2020/21)	Actual achievement (for 2020/21)
		<p>Five (5) x Local Content and Production roadshows, for municipalities and other industry bodies, in collaboration with PG SCM (50 attendees per District).</p> <p>One (1) x Data Analytics Training for all five (5) municipal districts (29 attendees).</p> <p>Three (3) x Basic SCM training conducted (76 attendees).</p> <p>Three (3) x Combined Assurance workshops conducted (82 attendees).</p> <p>One (1) x SCM Audit Challenges workshop conducted (30 attendees).</p> <p>One (1) x Draft Public Procurement Bill workshop conducted (50 attendees).</p> <p>One (1) x CFO Forum conducted (50 attendees).</p> <p>Two (2) weeks of TIME conducted (30 municipalities).</p> <p>Two (2) x interventions that required co-partnering with departments, were held in Kannaland, Oudtshoorn and Riversdale. These were in respect of the CSD, e-Portal support and how to do business with Government.</p>		<p>Additional Interventions:</p> <p>Aided municipalities and municipal entities on the SCM implementation challenges to MFMA Circular No. 100, 101, 103 and 102 amendments and provided guidance to municipalities in respect of the Second Amendments to NT Circular No. 102 on the updated price list and supplier lists issued on 3 July 2020.</p> <p>Participated in the Smart Procurement: Total Cost of Ownership Implementation Training which took place on 14 October 2020. (20 attendees).</p> <p>Participated in the Revised National Travel Policy Framework & Cost Containment Training & Awareness Session.</p> <p>Participated in the Local Government Fiscal Framework Review Workshop for Infrastructure and Asset Management which took place on 8 March 2021.</p> <p>SCM Provincial Forum Meeting hosted for municipalities dated 30 March 2021. (69 participants) and SCM District forums for four (4) Districts including the CoCT, CTICC (181 attendees), 11, 15 and 22 September 2020: West Coast District held on 7 July 2020 (30 attendees).</p>

Main Services	Beneficiaries	Current/actual standard of service (as reported in the Annual Report 2019/20)	Desired standard of service (as indicated in Year 3 of the SDIP: 2020/21)	Actual achievement (for 2020/21)
		<p>Two (2) x training sessions conducted, focusing on compliance to NT, CSD, e-Portal and CRA systems, held in Piketberg and Worcester, for the Cape Winelands, Overberg and West Coast District municipalities</p> <p>For suppliers: One (1) x Supplier Open Day intervention held in Prince Albert, in collaboration with PG SCM and Prince Albert Municipality, on how to do business with Government. One (1) x Supplier Development Programme conducted (25 attendees). 100% of Service beneficiaries indicated satisfaction with the level and standard of service.</p>	100% Service beneficiaries indicated satisfaction.	<p>SCM WhatsApp Group created for all 30 municipalities SCM managers in the province. This intervention does not benefit a specific type of beneficiary, but provides a benefit to the whole province.</p> <p>Intervention relating to the B-BBEE Transversal Contract in partnership with NT and municipalities dated August and October (25 participants).</p> <p>Training on SAGOV – with NT on 7 December 2020. The new SAGOV for all 30 municipalities.</p> <p>For suppliers: Participated in an engagement with the Nelspoort Black Business Forum dated 24 July 2020 on supplier opportunities in partnership with PG SCM. Discussion regarding the CTICC Supplier Summit Business Plan on 11 December 2020. Supplier Development intervention: Nelspoort Black Business Forum engagement on the supplier opportunities: Follow-up interventions.</p>

Main Services	Beneficiaries	Current/actual standard of service (as reported in the Annual Report 2019/20)	Desired standard of service (as indicated in Year 3 of the SDIP: 2020/21)	Actual achievement (for 2020/21)
				<p>Close-out report presented to Nelspoort Black Business Forum – 10 March 2021.</p> <p>Given the issues experienced with the IMS satisfaction survey, it is difficult to scientifically gauge client satisfaction at this juncture. However, the units have not received further requests in respect of any of the other interventions undertaken for the 2020/21 financial year.</p>

Batho Pele arrangements with beneficiaries (Consultation, access, etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Provide SCM advice and assistance to departments, municipalities and to potential and current suppliers through the helpdesk service</p> <p>Consultation: The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM: Addressed 5 372 queries received via the helpdesk, written correspondence, emails, one-on-one meetings and telephone. Three (3) x SCM Forum meetings held on 26 June 2019, 17 September 2019 and 20 February 2020. One (1) x SCM Policy Focus Group held on 24 July 2019. One (1) meeting held with Service Provider, in respect of the Security Framework Agreement, to address a complaint received. WCSEB video created and distributed to all database users at departments and provincial public entities. Issuance of Treasury Circular No. 31 of 2019 on e-Tender publication portal.</p>	<p>Consultation: Clients are consulted through:</p> <ul style="list-style-type: none"> • Maintaining the current quality achieved in 2019/20. • Explore other areas for improvement. 	<p>Consultation: The desired arrangements in terms of the SDIP required that clients be consulted through workshops; written correspondence, telephony, emails, one-on-one meetings District Council forums and provincial and local SCM forums.</p> <p>PG SCM: Addressed 15 869 queries received via the helpdesk, written correspondence, emails, one on one meetings and telephone calls. Ad-hoc SCM forums in addition to planned ones. 17 emergency procurement matters served before the CPAC for consultation and advise on emergency procurement processes. Weekly COVID-19 check in meetings with core departments. Consultations with NT the DTIC and South African Health Products Regulatory Authority (SAHPRA) on procurement requirements for PPE. Consultations with the AGSA on key challenges.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Inventory Management Consulting Engagement held with DotP on 1 October 2019 and with PT on 20 January 2020.</p> <p>WCSEB Brochure created and distributed to all database users.</p> <p>Demand Management Focus Group held on 4 March 2020.</p> <p>Procurement Bill workshop held with Provincial departments and Public entities on 5 March 2020.</p> <p>LG SCM</p> <p>Quarterly Provincial SCM Forum meetings held.</p> <p>Addressed 1 420 queries received via the helpdesk, written correspondence, emails, one-on-one meetings and telephone.</p> <p>Participated in one (1) x SCM Forum held on 12 July 2019.</p> <p>Participated in six (6) x Combined Assurance workshops, that addressed four (4) districts, held on 03, 10 and 11 August 2019, 28 and 31 October 2019 and 03 March 2020.</p> <p>Participated in one (1) x B-BBEE workshop held on 20 September 2019. Participated in one (1) x CFO Forum held on 13 September 2019.</p> <p>The District Model/Approach has been accepted in collaboration with DLG and District visits commenced from November 2019 onwards.</p> <p>Utilised the SCM Combined Assurance workshops to internally advocate that the District Model/Approach can work as a pilot project.</p> <p>Assisted municipalities on the WCSEB with database registration.</p>		<p>LG SCM</p> <p>Addressed 1 397 queries received via the helpdesk, written correspondence, emails, one on one meetings and telephone calls.</p> <p>Ad hoc SCM District Forums held.</p> <p>Participated in PT SCM Heads Technical Forum held on the 24 June 2020.</p> <p>Hosted a special COVID-19 intervention within the Joint District Approach for the Garden Route District Municipalities dated 23 July 2020.</p> <p>SCM interpretation Challenges – Meetings, consultations and written responses to and with NT.</p> <p>PG and LG SCM</p> <p>Areas for improvement: CRM has been identified to manage the high influx of queries and dependent on budget will be explored in the new financial year.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Assisted municipalities, municipal entities and suppliers via telephonic enquiries, followed by an email as confirmation, via the Helpdesk function.</p> <p>Co-hosted the LED and Supply Chain Management (SCM) Indaba, with DEDAT and the Garden Route municipalities, held on 14 - 15 November 2019.</p> <p>Provided the five (5) municipal districts with accredited SCM training, from the gaps identified on the Helpdesk and on the AGSA audit:</p> <ul style="list-style-type: none"> i. 23 – 25 October 2019 (Garden Route District and Central Karoo District); ii. 30 October 2019 – 01 November 2019 [Overberg District and Cape Winelands District (CWD)]; and iii. 06 – 08 November 2019 (West Coast District). <p>Awareness sessions held with municipalities at the LED-SCM Indaba on the WCSEB and how it effects municipalities.</p> <p>Participated in the TIME from 10 - 19 February 2020, for 30 municipalities, to address SCM governance gaps identified.</p> <p>Workshop between NT, Office of the Chief Procurement Officer (OCPO), PT and District municipalities, on the SCM challenges faced during 2018/19 Audit, was held between 04 - 05 February 2020.</p> <p>Awareness sessions conducted on 12 March 2020 with municipalities and on 13 March 2020 with Municipal CFOs (at the CFO Forum), on the implications and effect of the new Draft Public Procurement Bill.</p>		

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Access: The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM Assisted 71 suppliers, with CSD registration, at 4 Dorp Street. Assisted 3 718 suppliers, with database registration, at the procurement Walk-in Centre in Century City. Assisted suppliers and departments by responding to queries raised via the dedicated helpdesks. A total of 5 372 queries were successfully attended to:</p> <ul style="list-style-type: none"> i. 2 354 CSD queries; ii. 612 SCM queries; iii. 1 161 IPS queries; and iv. 1 245 WCSEB queries. <p>LG SCM Assisted suppliers with CSD registration via the dedicated MFMA Helpdesk function. Assisted municipalities to load all municipal employee information onto the CSD System, via the dedicated MFMA Helpdesk, before the 7th of each month. Assisted municipalities and suppliers, by responding to queries via the dedicated Helpdesk function. A total of 1 420 queries were successfully attended to and resolved:</p> <ul style="list-style-type: none"> i. 690 SCM queries; and ii. 730 CSD queries. <p>Assisted 50 suppliers at the Supplier Open Day in the CKD.</p>	<p>Access: The service is accessible: Maintaining the current quality achieved in 2019/20.</p>	<p>Access: The desired arrangements in terms of the SDIP required that the service be accessible via Legislature Building, 7 Wale Street Cape Town.</p> <p>PG SCM and LG SCM During the hard lockdown a work from home requirement was implemented. Access to clients was provided through, telephony and emails via MS Teams. Once lockdown levels eased up a gradual intake of suppliers and other clients at the Client Centre was provided for whilst at the same time meeting regulatory protocols</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Assisted suppliers during the Local Content and Production roadshows.</p> <p>Co-partnered with the South African Revenue Services (SARS), PG SCM, Breede Valley Municipality and Construction Industry Development Board (CIDB), to provide assistance to suppliers during the CSD Roadshow.</p> <p>Assisted municipalities with CSD, CRA and e-Portal related enquiries via the MFMA SCM Helpdesk.</p>		
<p>Courtesy:</p> <p>The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>95% of queries concluded within the allocated timeframes of the Helpdesk Framework.</p> <p>One (1) x meeting held with a Service Provider in respect of the Security Framework Agreement to address a complaint received.</p> <p>One (1) x Supplier engagement held in January 2020, with a Supplier on the request for information (RFI) complaint received via the Minister's office.</p> <p>Addressed 5 372 queries, received via the various Helpdesk email addresses, which were responded to via written correspondence, one-on-one meetings and telephone.</p>	<p>Courtesy:</p> <p>Courtesy is reported and measured through:</p> <ul style="list-style-type: none"> • Maintaining the current quality achieved in 2019/20. • Explore other areas for improvement. 	<p>Courtesy:</p> <p>The desired arrangements in terms of the SDIP required that courtesy be measured in terms of management; workshops; written correspondence, telephony, emails, and Face to Face.</p> <p>PG and LG SCM</p> <p>The desired arrangements were met except for face-to-face contact due to COVID-19 and lockdown regulations. Management of the helpdesk in terms of the helpdesk framework.</p> <p>Areas for improvement: CRM has been identified to manage the high influx of queries and dependent on budget will be explored in the new financial year.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>LG SCM</p> <p>Concluded 82% of the queries within the allocated timeframes of the Helpdesk Framework.</p> <p>The Helpdesk was managed in terms of the Helpdesk Framework.</p> <p>Attended to 1 420 queries, either via email, telephone or written formal correspondence.</p> <p>Assistance to suppliers on how to do business with Government and compliance to CSD related enquiries within the municipal districts.</p> <p>A 12.5% improvement has occurred from the previous financial year 2018/19 (69.5%), in terms of the percentage of queries resolved within the prescribed timeframes (the Unit has improved response times).</p> <p>Complaints Register implemented in the 2nd Quarter of 2019/20.</p> <p>Developed a SCM Challenges Matrix with a roadmap on addressing challenges, through partnership between NT, OCPO, PT and District municipalities.</p>		
<p>Openness and transparency:</p> <p>The desired arrangements were met and in addition the following were achieved:</p>	<p>Openness and transparency:</p> <p>Openness and transparency are further achieved through:</p> <ul style="list-style-type: none"> • Maintaining the current quality achieved in 2019/20. • Explore other areas for improvement. 	<p>Openness and transparency:</p> <p>The desired arrangements in terms of the SDIP required that openness and transparency be achieved through Telephone; written correspondence, telephony, emails, one-on-one meetings District Council forums and provincial and local SCM forums and CFO forums.</p> <p>The desired arrangements were met and in addition the following were achieved:</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>PG SCM</p> <p>Quarterly Helpdesk Report concluded, and information stored on shared drive.</p> <p>Attended to 5 372 queries, either via email, telephone or written correspondence.</p> <p>Notices placed on television screens at the procurement Walk-in Centre and utilisation of the PT website to communicate the change in business processes as it relates to the WCSEB.</p> <p>Email communication sent to all Service Providers registered on the Western Cape Supplier Database (WCSD), to communicate WCG's change in business processes as it relates to the WCSEB.</p> <p>Utilisation of an e-Procurement System to invite quotations.</p> <p>Quarterly System Insight reports with performance information provided to departments.</p> <p>One (1) x meeting held with a Service Provider in respect of the Security Framework Agreement, to address a complaint received.</p> <p>One (1) x Supplier engagement, held in January 2020, with a Supplier on the RFI complaint received via the Minister's office.</p> <p>Provincial departments publish advertisements and awards on the e-Tender Portal.</p> <p>Perception surveys conducted for all queries received.</p> <p>LG SCM</p> <p>Four (4) x Quarterly Helpdesk reports concluded.</p> <p>Weekly feedback provided to management on the MFMA Helpdesk queries.</p>		<p>PG SCM</p> <p>Notices placed on television screens at the WCSD walk-in centre and utilisation of the PT website to communicate the change in business processes as it relates to the WCSEB.</p> <p>Utilisation of an e-PS to invite quotations.</p> <p>11 x PDRs published during 2020/21 financial year period in respect of COVID-19 procurement expenditure.</p> <p>MS Teams utilised to communicate information to external and internal clients.</p> <p>Quarterly system insight reports with performance information provided to departments.</p> <p>Given the technical issues experienced with the IMS satisfaction survey could not be deployed via the system. Hence is difficult to gauge client satisfaction at this juncture. However, PGSCM has had no comebacks from advice/guidance/assistance offered thus far.</p> <p>LG SCM</p> <p>Additional support relating to COVID-19 were concluded via email, telephone or written communications.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Four (4) x Quarterly Municipal Performance Insight reports, per Municipal District concluded.</p> <p>Attended to 1 420 queries, either via email, telephone or written correspondence.</p> <p>Participated in One (1) x CFO Forum held on 13 September 2019.</p> <p>One (1) x B-BBEE workshop concluded.</p> <p>One (1) x Supplier Open Day concluded in partnership with PG SCM.</p> <p>Two (2) x CSD, CRA and e-Portal training interventions concluded.</p> <p>Monitoring awards above R100 000 on the CRA System for municipalities and provided feedback at the SCM Forum meetings.</p> <p>Five (5) x LED-SCM Indaba meetings concluded, in preparation for the LED-SCM Indaba in November 2019.</p> <p>Co-hosted the LED-SCM Indaba 2019, with Garden Route municipalities and DEDAT, on 14 - 15 November 2019.</p> <p>MFMA SCM information stored onto MyContent Electronic Record Management System.</p> <p>Five (5) x Local Content and Production roadshows concluded in partnership with PG SCM and DEDAT.</p> <p>Provided comments and recommendations, on SCM Regulation 29, 32 and 36, to National Treasury and municipalities.</p> <p>Assisted Breede Valley Municipality with a Supplier Open Day, on 11 March 2020, co-hosted with CIDB, SARS and PT-LG SCM.</p>		<p>10 x Municipal Insight Performance Reports concluded for the Cape Winelands District, Overberg District Municipalities, West Coast District, Saldanha Bay, Swartland, Cederberg, Matzikama, Berggrivier Municipalities, Laingsburg, Knysna Municipalities and Drakenstein Municipality concluded.</p> <p>MS Teams utilised to communicate information to external and internal clients.</p> <p>Given the technical issues experienced with the IMS satisfaction survey could not be deployed via the system. Hence is difficult to gauge client satisfaction at this juncture. However, PGSCM has had no comebacks from advice/guidance/assistance offered thus far.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
Developed a SCM Audit Matrix, to assist with addressing the SCM Audit challenges faced during the 2018/2019 FY.		
Value for Money: The desired arrangements were met and in addition the following were achieved:	Value for Money: Provide support and assistance to all Western Cape Provincial Departments, Public entities and the Public.	Value for Money: The desired arrangements in terms of the SDIP required that value for money be achieved through providing support and assistance to all WCG departments, public entities and municipalities. The desired arrangements were met and in addition the following were achieved:
PG SCM Provided support, assistance, guidance and tools to departments to ensure efficiency gains in departmental procurement processes. Performance information provided to departments in terms of SCM, on a quarterly basis, to improve planning and decision-making processes. Procurement planning support and Quarterly Assessment Report issued to departments, as well as first phase development of ICT enabled Procurement Planning Tool.		PG SCM Performance information provided to departments in terms of supply chain management on a quarterly basis in order to improve planning and decision-making processes- quarterly SCM Insight Reports. Procurement planning support and quarterly assessment report issued to departments.
LG SCM Provided support, assistance and guidance to municipalities, municipal entities, suppliers and other local government organisations on procurement information.		LG SCM Monitor the procurement activities via the weekly municipal surveys and feed information into the weekly COVID-19 report.

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Assisted all 30 municipalities with regards to the development of a Procurement Planning Toolkit, to ensure compliance to NT MFMA Circular No. 62. Provided municipalities with a best practice procurement plan template to monitor proper planning.</p> <p>Capacitated all 30 municipalities at the SCM Forum meeting held on 12 July 2019.</p> <p>A Municipal Insight Performance Report was produced to assess gaps within the municipal procurement environment and training needs were identified.</p> <p>Participated in one (1) x LED-SCM Indaba on 14 - 15 November 2019.</p> <p>Capacitation and development of officials and suppliers on procurement requirements, as per the interventions reported and via the LED-SCM Indaba.</p> <p>Provided clarification to municipalities and municipal entities, on the implementation for Cost Containment Regulation on SCM processes.</p> <p>Assisted all 30 municipalities with implementation of SCM Regulation 29, 32 and 36.</p> <p>Assisted municipalities by addressing the SCM Audit challenges through a Matrix Roadmap, in partnership with PG SCM, NT, OCPO and five (5) District municipalities, on 4 - 5 February 2020.</p>		<p>Capacitation and development of officials and suppliers on procurement requirements as per the interventions reported.</p> <p>Performance information provided to municipalities and municipal entities in terms of supply chain management on a quarterly basis in order to improve planning and decision-making processes.</p> <p>The analysis on the Procurement Plans for 10 municipalities (Beaufort West, Saldanha Bay and Stellenbosch Municipalities) was conducted for quarter 2.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Conduct interventions to assist departments, municipalities and potential and current suppliers to upskill them on public sector procurement requirements</p> <p>Consultation: The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM Three (3) x SCM Forum meetings held on 26 June 2019, 17 September 2019 and 20 February 2020. Regular preparation/operational meetings held with PT staff in respect of supplier engagement sessions, WCSEB and e-PS. Preparation meetings in terms of logistical arrangements held with external stakeholders (DTPW: EPWP, DoH and DEDAT). Two (2) x Inventory Management Consulting engagements held with DotP on 1 October 2019 and PT on 20 January 2020. WCSEB video created and distributed to all database users. One (1) x Policy Focus Group meeting held with departments to discuss the requirements in respect of the WCSEB. Service providers were invited to the WCSEB interventions via email and telephonically. WCSEB brochure created and distributed to departments.</p>	<p>Consultation: Clients are consulted through:</p> <ul style="list-style-type: none"> • Maintaining the current quality achieved in 2019/20. • Explore other areas for improvement. 	<p>Consultation: The desired arrangements in terms of the SDIP required that clients be consulted through workshops; written correspondence, telephony, emails, one-on-one meetings District Council forums and provincial and local SCM forums.</p> <p>PG SCM Ad-hoc SCM forums in addition to planned ones. 17 emergency procurement matters presided before the CPAC for consultation and advise on emergency procurement processes. Weekly COVID-19 check in meetings with core departments. Consultations with NT the dtic and SAHPRA on procurement requirements for PPE. Consultations with the AGSA on key challenges. Regular operational meetings held with PT staff in respect of the e-PS. AOS webinars on draft Accounting Officers system as depicted in service 2. Various comments, consultations held with NT, dtic and the AGSA on emergency and disaster procurement requirements/challenges experienced during the pandemic. Weekly COVID-19 meetings with core departments (DOH; Education and DTPW).</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>LG SCM</p> <p>Twelve (12) x Preparatory meetings held with identified municipalities in respect of Supplier Development initiatives.</p> <p>Supplier Development initiatives held with all five (5) municipal districts.</p> <p>Session on utilisation of procurement as a level for SCM (14 - 15 November 2019: LED-SCM Indaba), held with Garden Route District municipalities (180 participants).</p> <p>Training on Data Analytics for Management, held on 23 September 2019, at University of Stellenbosch (PT and School of Public Leadership (SPL).</p> <p>SCM Combined Assurance Risk workshops conducted, for Department of Corporate Governance, in September 2019 and Supplier Development initiatives conducted for PG SCM within the Central Karoo and Garden Route districts.</p> <p>Eighteen (18) intervention programmes were conducted that assisted municipalities, municipal entities and suppliers.</p> <p>One (1) x SCM Forum meeting held on 12 July 2019 for 30 municipalities and 1 Municipal Entity.</p> <p>One (1) x Combined Assurance workshop held on 03 March 2020 for the West Coast District.</p> <p>One (1) x TIME was held from 10 – 19 February 2020.</p> <p>One (1) x SCM Audit Intervention workshop held on 04 - 05 February 2020 with NT and municipalities.</p> <p>One (1) x Draft Public Procurement workshop held on 12 March 2020.</p> <p>One (1) x CFO Forum held on 13 March 2020.</p>		<p>LG SCM</p> <p>Ad hoc SCM District Forums held.</p> <p>Participated in PT SCM Heads Technical Forum held on the 24 June 2020.</p> <p>Hosted a special COVID-19 intervention within the Joint District Approach for the Garden Route District Municipalities dated 23 July 2020.</p> <p>SCM interpretation Challenges – Meetings, consultations, and written responses to and with NT.</p> <p>Presented at the West Coast District Disciplinary Board Investigation RT25 which took place dated 5 August 2020.</p> <p>Smart Procurement Sustainable Public Procurement Programme which took place with municipalities and DEDAT on 1 July 2020.</p> <p>Engagement with the Competition Commission dated 22 September 2020 on bid rigging and collusive practices in the municipal space and providing practical training to municipalities for the LGSCM Directorate.</p> <p>Weekly MFMA Audit Steercom (1 Oct - 31 Dec 2020).</p> <p>Discussions with municipalities regarding the status of COMAFs in the MFMA Audits on a weekly basis.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Access: The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM On-going support to assist suppliers with CSD and WCSEB registrations at 4 Waterford, 2nd Floor, Century City, Cape Town (assisted 3 718 suppliers for the period). Assisted 346 suppliers in total with CSD/WCSD registrations at all the supplier initiatives for the first quarter. A total of 279 suppliers attended the WCSEB interventions held in six (6) districts, of which 101 suppliers were assisted with database registrations.</p> <p>LG SCM Assisted suppliers with CSD, CRA and e-Portal registration via the dedicated helpdesk. Assisted municipalities with the HR information/file uploads to the CSD System via the MFMA Helpdesk, before the 7th of each month. Assisted suppliers that attended the Supplier Development session held in two (2) districts. Assisted 650 suppliers, 30 municipalities and one (1) Municipal Entity on CSD registration, Supplier compliance verification and completing the CSD unique number registration via the Helpdesk. On-going telephonic and email support to municipalities and suppliers on the CSD regarding registrations, system errors, profile amendments etc. (Assisted 758 suppliers, 30 municipalities and 1 Municipal Entity for the financial year). Assisted 30 municipalities with Communication of an Audit Finding (COMAF) during the 2018/19 financial year audit.</p>	<p>Access: The service is accessible:</p> <ul style="list-style-type: none"> Maintaining the current quality achieved in 2019/20. 	<p>Access: The desired arrangements in terms of the SDIP required that the service be accessible via Legislature Building, 7 Wale Street Cape Town.</p> <p>PG SCM and LG SCM During the hard lockdown a work from home requirement was implemented. Access to clients was provided through, telephony, emails via MS Teams. Once lockdown levels eased up a gradual intake of suppliers and other clients at the Client Centre was provided for whilst at the same time meeting regulatory protocols.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Assisted 40 suppliers, during the Supplier Open Day, on the SCM legislative requirements and how to do business with Government.</p> <p>Provided 30 municipalities and 1 Municipal Entity access to the summary on the WCSD and CSD inclusive of conflict of interest (13 Reports) via email.</p> <p>Assisted 20 municipalities and one (1) Municipal Entity with registration to the CRA System and loading information onto the System.</p> <p>Developed a SCM Matrix to address all SCM Audit challenges during the 2018/19 financial year audit.</p>		
<p>Courtesy:</p> <p>The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>100% Client satisfaction recorded for all events. No areas of improvement identified as 100% Client satisfaction recorded for the reporting period 2019/20.</p> <p>LG SCM</p> <p>100% Client satisfaction recorded for all events.</p> <p>The following areas were improved during the 2019/20 reporting period:</p> <ul style="list-style-type: none"> Automation of Helpdesk processes – implementation of the Issue Management System (acknowledgement, reports, allocation of queries and automatic reminders); 	<p>Courtesy:</p> <p>Courtesy is reported and measured through:</p> <ul style="list-style-type: none"> Maintaining the current quality achieved in 2019/20. Explore other areas for improvement. 	<p>Courtesy:</p> <p>The desired arrangements in terms of the SDIP required that courtesy be measured in terms of management; workshops; written correspondence, telephony, emails, and Face-to-Face.</p> <p>PG and LG SCM</p> <p>The desired arrangements were met except for face-to-face contact due to COVID-19 and lockdown regulations. Management of the helpdesk in terms of the helpdesk framework.</p> <p>Areas for improvement: CRM has been identified to manage the high influx of queries and dependent on budget will be explored in the new financial year.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<ul style="list-style-type: none"> Monitoring response time of queries to suppliers and municipalities, based on their classification i.e., low, medium and high; and Compilation of standard responses to municipalities and suppliers. 		
<p>Openness and transparency:</p> <p>The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>Advised suppliers on access to tender information on the National Treasury e-Portal and in terms of any requested information in terms of the Promotion of Access to Information Act 2000 (Act 2 of 2000), at the sessions/initiatives held with suppliers.</p> <p>Utilisation of an e-PS to invite quotations.</p> <p>Utilisation of PT website to inform suppliers of planned supplier events in the districts.</p> <p>Departments published advertisements and awards on the e-Portal.</p> <p>Utilisation of the PT website to publish policies, guidelines, procurement instructions and templates.</p> <p>Email communication sent to all Service providers registered on the WCSD, to communicate WCG's change in business processes as it relates to the WCSEB.</p> <p>Notices placed on television screens at the WCSD Walk-in Centre and utilisation of the PT website to communicate the change in business processes as it relates to the WCSEB.</p>	<p>Openness and transparency:</p> <p>Openness and transparency is further achieved through:</p> <ul style="list-style-type: none"> Maintaining the current quality achieved in 2019/20. Explore other areas for improvement. 	<p>Openness and transparency:</p> <p>The desired arrangements in terms of the SDIP required that openness and transparency be achieved through Telephone; written correspondence, emails, one-on-one meetings District Council forums and provincial and local SCM forums and CFO forums.</p> <p>The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>Notices placed on television screens at the WCSD walk-in centre and utilisation of the PT website to communicate the change in business processes as it relates to the WCSEB.</p> <p>Utilisation of an e-procurement system to invite quotations.</p> <p>11 x PDRs published during 2020/21 financial year period in respect of COVID-19 procurement expenditure.</p> <p>MS Teams utilised to communicate information to external and internal clients.</p> <p>Quarterly system insight reports with performance information provided to departments.</p> <p>Utilisation of PT website to inform suppliers of planned supplier events in the districts.</p> <p>Utilisation of the PT Website to publish policies and guidelines, procurement instructions and templates.</p> <p>Quarterly system insight reports in respect of performance information provided to departments on a quarterly basis.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Shared drive utilised to store information and create institutional memory.</p> <p>Quarterly Helpdesk reports concluded.</p> <p>Quarterly System Insight reports, in respect of performance information, provided to departments on a quarterly basis.</p> <p>FAQs developed specifically in respect of the Security Framework Agreement.</p> <p>Maintaining the Issue Management System.</p> <p>Issuance of Chapter 16A of PTIs to departments and Provincial Public entities.</p> <p>Quarterly Procurement Planning reports provided to departments.</p> <p>LG SCM</p> <p>Advice provided on access to tender information on the National Treasury e-Portal Publication System.</p> <p>Assisted municipalities and municipal entities with the registration to the CRA System and loading information on the System.</p>		<p>Quarterly procurement planning reports provided to departments.</p> <p>Maintaining the helpdesk via the issue management system.</p> <p>Notices communicated to suppliers in respect of the revised walk-in-centre protocols as a result of COVID-19.</p> <p>Given the technical issues experienced with the IMS satisfaction survey could not be deployed via the system. Hence is difficult to gauge client satisfaction at this juncture. However, PGSCM has had no comebacks from advice/guidance/assistance offered thus far.</p> <p>LG SCM</p> <p>Additional support relating to COVID-19 were concluded via email, telephone or written communications.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Quarterly reporting on CRA information to municipalities and municipal entities.</p> <p>Maintained weekly WCSD and CSD Register, inclusive of conflicts of interest.</p> <p>Information (presentations and reports) on the 21 interventions, stored on MyContent for the quarter under review.</p> <p>Quarterly SCM MFMA Helpdesk Report concluded.</p> <p>Provided inputs to National Treasury on the amendments to the SCM Regulation thresholds, together with the consolidated inputs from municipalities and municipal entities.</p> <p>Monitored and assisted the publication of tender awards on NT e-Portal and reported to the 30 municipalities on the non-compliance via the SCM Forum meetings.</p> <p>Given the constrained capacity as indicated previously, FAQs will be implemented as from Quarter 1 of the 2020/21 financial year, to ensure that our clients are satisfied with the level of responsiveness to the demands of the service provided by LG SCM.</p> <p>Assisted municipalities on the WCSEB requirements in the Garden Route and Central Karoo District.</p> <p>Informed all 30 municipalities of the Supplier Development initiatives and programmes to be held in the five (5) municipal districts.</p> <p>Provided four (4) Municipal Insight/Performance Reporting on CRA, CSD, municipal expenditure information and deviations, to ensure transparency of municipal supplier usage and expenditure for all five (5) municipal districts.</p> <p>Issue Management System implemented to manage queries accordingly in the 2020/21 financial year.</p> <p>Co-hosted Draft Public Procurement Bill workshop, with municipalities and PT: MFMA divisions, on 12 March 2020 with PG SCM.</p>		<p>10 x Municipal Insight Performance Reports concluded for the Cape Winelands District, Overberg District municipalities, West Coast District, Saldanha Bay, Swartland, Cederberg, Matzikama, Bergrivier municipalities, Laingsburg, Knysna municipalities and Drakenstein Municipality concluded.</p> <p>Ten (10) weekly assessments have been conducted to assist municipalities on SCM processes and challenges that require immediate interventions in relation to COVID-19.</p> <p>Monitoring Emergency Procurement (SCM Regulations 36) on a weekly basis.</p> <p>MS Teams utilised to communicate information to external and internal clients.</p> <p>Given the technical issues experienced with the Issue Management System (IMS) satisfaction survey could not be deployed via the system. Hence is difficult to gauge client satisfaction at this juncture. However, PGSCM has had no comebacks from advice/guidance/assistance offered thus far.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Value for Money:</p> <p>The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>Trained officials and suppliers on CSD requirements. Capacitated Provincial departments and Public Entity officials at SCM Forum.</p> <p>Commodity focused interventions with suppliers held in the Eden District.</p> <p>Capacitation and development of officials and suppliers on procurement requirements as per the interventions reported and via the SCM Forum.</p> <p>Reviewing of departmental spend and procurement activities in terms of procurement planning.</p> <p>Provided support, assistance, guidance and tools to departments to ensure efficiency gains in departmental procurement processes.</p> <p>LG SCM</p> <p>Capacitated municipal officials at the SCM Forum meetings.</p> <p>Trained officials and suppliers on CSD, CRA, e-Portal and WCSEB requirements.</p> <p>Provided support, assistance, guidance templates and tools to municipalities, municipal entities, suppliers and other local government organisations on procurement information.</p> <p>Participated in one (1) x LED-SCM Indaba on 14 - 15 November 2019.</p>	<p>Value for Money:</p> <p>Provide support and assistance to all Western Cape Provincial Departments, Public entities and the Public.</p>	<p>Value for Money:</p> <p>The desired arrangements in terms of the SDIP required that value for money be achieved through providing support and assistance to all WCG departments, public entities and municipalities.</p> <p>The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>Performance information provided to departments in terms of supply chain management on a quarterly basis in order to improve planning and decision-making processes- quarterly SCM Insight Reports.</p> <p>Procurement planning support and quarterly assessment report issued to departments.</p> <p>Capacitation and development of officials and suppliers on procurement requirements as per the interventions reported.</p> <p>Review of departmental spend and procurement activities in terms of procurement planning.</p> <p>Provided support assistance and guidance and tools to departments to ensure efficiency gains in departmental procurement processes.</p> <p>LG SCM</p> <p>Monitor the procurement activities via the weekly municipal surveys and feed information into the weekly COVID-19 report.</p> <p>Capacitation and development of officials and suppliers on procurement requirements as per the interventions reported.</p> <p>Performance information provided to municipalities and municipal entities in terms of supply chain management on a quarterly basis in order to improve planning and decision-making processes.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Capacitation and development of officials and suppliers on procurement requirements as per the interventions reported and via the SCM Forum.</p> <p>Provided clarification to municipalities and municipal entities on the implementation for Cost Containment Regulation on SCM processes.</p> <p>Assisted all 30 municipalities with implementation of SCM Regulation 32, 36 and 29.</p> <p>Assisted all 30 municipalities with regards to the development of a Procurement Planning Toolkit, to ensure compliance to NT MFMA Circular No. 62.</p> <p>Provided municipalities with a best practice procurement plan template to assist with proper planning.</p> <p>Capacitated all 30 municipalities at the SCM Forum meeting on 12 July 2019.</p> <p>Capacitated suppliers and municipal officials during the Supplier Development program with PG SCM.</p> <p>Assisted municipalities, in partnership with NT, OCPO and five (5) district municipalities, by addressing the SCM Audit challenges through a Matrix Roadmap.</p> <p>Quarterly municipal SCM reporting requirements to National Treasury on the following:</p> <ul style="list-style-type: none"> a) SCM policy requirements; b) SCM reporting requirements; c) Procurement plans; d) Composition of the Bid Adjudication Committee; e) Procurement expenditure on SCM Regulation 32 and 36; and f) PT assistance to municipalities to address audit challenges. 		<p>The analysis on the Procurement Plans for Municipalities (Beaufort West, Saldanha Bay and Stellenbosch municipalities Laingsburg and Knysna.)</p>

Service delivery information tool:

Current/actual information tools	Desired information tools	Actual achievements
<p>Provide SCM advice and assistance to departments, municipalities and to potential and current suppliers through the helpdesk service</p> <p>The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>SCM Forum meetings held to mainstream information.</p> <p>Information is stored on a register in an excel format and a quarterly helpdesk performance report is produced to assess gaps within the procurement environment and training needs.</p> <p>LG SCM</p> <p>Quarterly SCM Forum meetings held to mainstream information relating to Supply Chain Management.</p> <p>Information is stored on a register in an excel format and a quarterly helpdesk report and a municipal insight performance report is produced to assess gaps within the municipal procurement environment and training needs are identified.</p> <p>LED-SCM Indaba Forum meeting held on 14 - 15 November 2019 to mainstream information with municipalities.</p>	<p>Information is communicated through:</p> <ol style="list-style-type: none"> Maintaining the current quality achieved in 2019/20. Explore other areas for improvement. 	<p>The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>Information is stored on a register in an excel format and a quarterly helpdesk performance report is produced to assess gaps within the procurement environment and training needs.</p> <p>CRM has been identified to manage the high influx of queries and dependent on budget will be explored in the new financial year.</p> <p>LG SCM</p> <p>Information is stored on a register in an excel format and a quarterly helpdesk report and a municipal insight performance report is produced to assess gaps within the municipal procurement environment and training needs are identified.</p> <p>CRM has been identified to manage the high influx of queries and dependent on budget will be explored in the new financial year.</p>

Current/actual information tools	Desired information tools	Actual achievements
<p>Audit SCM Challenges meeting held between NT, PT and District municipalities on 4 – 5 February 2020 to outline implementation challenges.</p> <p>Partnership with the Governance Unit on the TIME between 10 – 19 February 2020 on addressing the governance gaps.</p> <p>CFO Forum meeting held on 13 March 2020 to mainstream information with municipalities.</p> <p>Draft Public Procurement Bill workshop held on 12 March 2020 to address the impending changes within the Public Procurement Bill.</p>		
<p>Conduct interventions to assist departments, municipalities and potential and current suppliers to upskill them on public sector procurement requirements</p> <p>The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>SCM Forum meetings held to mainstream information.</p> <p>Information is stored on a register in an excel format and a quarterly helpdesk performance report is produced to assess gaps within the procurement environment and training needs.</p>	<p>Information is communicated through:</p> <ul style="list-style-type: none"> • Maintaining the current quality achieved in 2019/20. • Explore other areas for improvement. 	<p>The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>Information is stored on a register in an excel format and a quarterly helpdesk performance report is produced to assess gaps within the procurement environment and training needs.</p> <p>CRM has been identified to manage the high influx of queries and dependent on budget will be explored in the new financial year.</p>

Current/actual information tools	Desired information tools	Actual achievements
<p>LG SCM</p> <p>Quarterly SCM Forum meetings held to mainstream information.</p> <p>Information is stored on a register in an excel format and a quarterly helpdesk and a municipal insight report is produced to assess gaps within the procurement environment and training needs are identified.</p> <ul style="list-style-type: none"> • LED-SCM Indaba Forum meeting held on 14 – 15 November 2019 to mainstream information with municipalities. • Audit SCM Challenges meeting held between NT, PT and District municipalities on 04 – 05 February 2020 to outline the implementation challenges. <p>Draft Public Procurement Bill workshop held on 12 March 2020.</p>		<p>LG SCM</p> <p>Information is stored on a register in an excel format and a quarterly helpdesk report and a municipal insight performance report is produced to assess gaps within the municipal procurement environment and training needs are identified</p> <p>CRM has been identified to manage the high influx of queries and dependent on budget will be explored in the new financial year.</p>

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
<p>Provide SCM advice and assistance to departments, municipalities and to potential and current suppliers through the helpdesk service</p> <p>The desired arrangements were met and in addition the following were achieved:</p>	<p>Complaints/Suggestions/Compliments/Queries are registered and monitored through:</p> <ul style="list-style-type: none"> • Maintaining the current quality achieved in 2019/20. • Explore other areas for improvement. 	<p>The desired arrangements were met and in addition the following were achieved:</p>

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
<p>PG SCM</p> <p>Maintained Helpdesk registers inclusive of complaints.</p> <p>12 complaints received and responded to.</p>		<p>PG SCM</p> <p>Maintenance of helpdesk registers inclusive of complaints.</p> <p>16 complaints received via the SCM helpdesk during the four quarters.</p> <p>1 complaint referred to LGSCM helpdesk; and</p> <p>1 complaint not responded to, PGSCM has been waiting for more information from supplier since 27 May 2020.</p> <p>CRM has been identified to manage the high influx of queries and dependent on budget will be explored in the new financial year.</p>
<p>LG SCM</p> <p>A complaints register is kept for complaints received from suppliers in respect of municipal procurement processes.</p> <p>16 complaints regarding municipal SCM processes have been received and assessed.</p> <p>Perception surveys to be implemented in the 2020/21 financial year.</p> <p>Maintained Helpdesk Register inclusive of 16 complaints received from municipalities, other local government institutions and suppliers.</p>		<p>LG SCM</p> <p>A complaints register is kept for complaints received from supplier in respect of municipal procurement processes.</p> <p>Response time has improved by 56% to complaints receive from suppliers.</p> <p>Fifty-nine (59) complaints have been received and assessed.</p> <p>Maintenance of complaints received via the Helpdesk framework.</p> <p>Implementation of Acknowledgement of receipt on the Helpdesk email address.</p> <p>Maintenance of a separate complaints/appeals register.</p> <p>CRM has been identified to manage the high influx of queries and dependent on budget will be explored in the new financial year.</p>

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
<p>Conduct interventions to assist departments, municipalities and potential and current suppliers to upskill them on public sector procurement requirements</p> <p>The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>Complaints dealt with via the SCM Helpdesk.</p> <p>In total, 15 complaints were received and resolved/responded to.</p> <p>Maintenance of Helpdesk registers inclusive of complaints.</p> <p>LG SCM</p> <p>A Complaints Register is kept for complaints received from suppliers in respect of municipal procurement processes.</p> <p>Improved turnaround time on responding to complaints received from suppliers.</p> <p>16 complaints regarding municipal SCM processes have been received and assessed.</p>	<p>Complaints/Suggestions/Compliments/Queries are registered and monitored through:</p> <ul style="list-style-type: none"> • Maintaining the current quality achieved in 2019/20. • Explore other areas for improvement. 	<p>The desired arrangements were met.</p> <p>No complaints received in respect of interventions done.</p> <p>CRM has been identified to manage the high influx of queries and dependent on budget will be explored in the new financial year.</p>

2.3 Organisational environment

The current organisational structure was approved by the Executive Authority for Finance in November 2011 which makes provision for two branches. The structure was reviewed in November 2019, creating five (5) additional posts. As at 31 March 2021 two hundred and seventy-one (271) posts were filled out of a total of three hundred and thirty-six (336) approved posts.

The Branch: Fiscal and Economic Services is responsible for managing provincial and municipal fiscal resources effectively and the Branch: Governance and Asset Management is responsible for facilitating the effective and efficient management of assets and financial systems to promote accountability in financial activities and compliance with financial norms and standards. Each branch is headed by a Deputy Director-General.

Strategic, operational and financial management support services are provided by the Directorates for Financial Management and Strategic and Operational Management Support.

PT is continuing to implement measures within the current organisational structure to enhance efficiencies and improve impact. These include strengthening departmental leadership and developing the departmental culture, reviewing delegations to allow managers to manage and ensuring performance agreements and review processes are aligned with the departmental strategy and priorities. Structural improvements to the organisation are likely to become necessary once the full potential of these initiatives have been realised.

The Department made two new executive appointments in the period under review by welcoming Ms Julinda Gantana as Deputy Director-General (DDG): Governance and Asset Management in April 2020 and Dr Roy Havemann as the Deputy Director-General: Fiscal and Economic Services in August of the same year. The appointment of the former followed a long tenure in the role, in an acting capacity by Mr Isac Smith, to whom the Department is grateful for having led in the position with much experience and determination. Dr Havemann replaces the outgoing Deputy Director-General: Fiscal and Economic Services, Dr Harry Malila, who assumed the position of Director-General of the Western Cape Government.

Also, in August 2020, the position of Chief Director: Local Government Public Finance was filled with the appointment of Mr Steven Kenyon. In June 2020, Ms Adila Aboo and Mr Faez Salie were appointed as the Directors for Provincial Government Accounting and Local Government Accounting respectively. These key appointments to the senior management service cadre together contributed towards the diverse and deeply experienced team responsible for promoting accountability and good financial governance within departments, entities and municipalities as well as effective, efficient and sustainable management of municipal fiscal resources.

Separately, the Department also saw the early retirement of Mr Anthony Phillips as the Chief Director: Public Policy Services and the resignations of the Directors for Provincial Government Budget Office and Local Government Revenue and Expenditure. Six (6) requests from employees to exit on early retirement without pension penalties were favourably considered and the employees left during the period under review.

The movement of staff through appointments, resignations and retirements naturally affected the employment equity targets of the Department. The representation of African males (AM) and Indian males (IM) are a high priority as they are both below the proportional and numerical targets in the Employment Equity Plan. The African female (AF) group is showing an

upward trend since the inception of the EE Plan but has missed the numerical target for the period under review by four (4) posts. Good progress has been made in the appointment of Indian Females (IF), though the numerical target of two (2) has now been exceeded. The overall EE Plan implementation pattern is positive towards reaching departmental EE numerical goals. The department is continuing the review its overall approach to attracting talent in high priority groups.

Gender distribution: The Women in Management (SMS) for the period under review was 40 per cent, nearing the DPSA target of 50 per cent women in SMS but, due to a transfer to a National department, declined to 30 per cent.

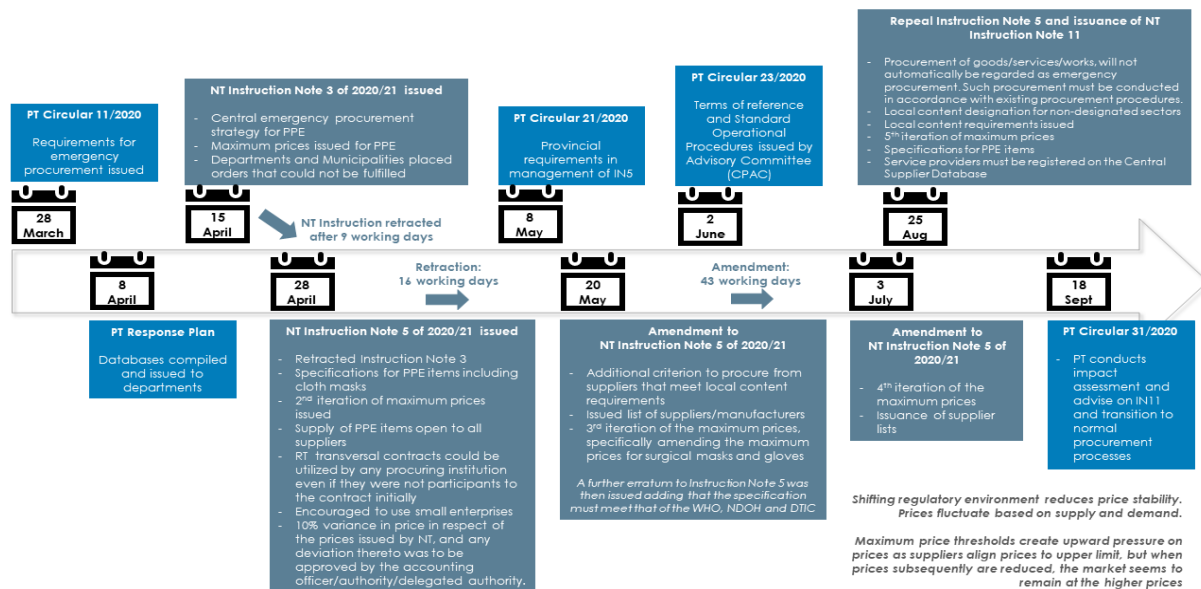
Disability distribution: PT met its employment target of 2 per cent for persons with disabilities during the financial year but due to a transfer declined to 1.9 per cent for persons with disabilities at the end of the period under review. By encouraging disability disclosures and targeting this group during recruitment, the Department hopes to meet the 2 per cent target in the 2021/22 financial year.

All in all, the Department was able to improve its vacancy rate from previous years with 19 per cent of funded and unfunded posts vacant on 31 March 2021. This achievement can be attributed to the commitment and dedication of the employees of PT.

The Department has been running its own graduate development programme since 2006/07 aiming to develop in-house capacity and to operate as a feeder system to municipalities by encouraging graduates to apply for permanent positions both in the WCG departments and in municipalities. The programme continued to focus on attracting and facilitating the development of scarce and critical skills, targeting financially disadvantaged youth. This was supplemented by the Nedbank Essay Writing Competition with the private sector to share resources in support of socio-economic development, addressing skills shortages in the sector and maximising opportunities for learning, employment, and transformation in the financial and related disciplines. Due to the COVID-19 pandemic, the Department suspended its external bursary programme for the year under review with the intention continue the programme in the 2021/22 financial year.

2.4 Key policy developments and legislative changes

The following prescript changes were issued as it relates to SCM from a COVID-19 perspective that were applicable during the financial year:



The review of the current SCM legislative framework by NT is underway. The NT gazetted the Public Procurement Bill for public comment close to the end of the financial year. This aims to create a single regulatory framework for public procurement to eliminate fragmented procurement prescripts as well as advance economic opportunities for all previously disadvantaged people and women, the youth and people with disabilities; small businesses; and to promote local production. The due date for comments was 30 June 2020.

The Implementation of the Preferential Procurement Policy Framework Regulations as they relate to local content implementation continued to pose challenges in the SCM environment. Cost containment and Transversal contract requirements continued to place pressure on an already constrained fiscal environment.

The Department introduced a replacement database for the Western Cape Supplier Database namely, the WCSEB that has been further refined and streamlined and serves as a central repository of governance documentation. This utilises the NTs CSD as the master database of information.

As in the prior period, whilst there have been marginal changes from the fiscal and supply chain governance frameworks issued by NT, these continue to result in interpretation challenges with the AGSA. Amendments to the Public Audit Act were passed by Parliament in March 2019 and for the year under review, the AGSA could implement some of the amendments. This resulted in an increase in reporting on Material Irregularities, naturally. While this did not immediately impact the Western Cape, the PT foresees an expansion in the findings as the auditors became more experienced at implementing these amendments.

NT issued a revised framework for Irregular Expenditure, which grants delegations to provinces to deal with long-outstanding irregular expenditure matters. NT is also in the final stages of

revising the frameworks for Fruitless, Wasteful and Unauthorised Expenditure. 2020/21 was a year of implementing these additional delegated responsibilities but will go a long way to ensure consequence management is addressed for financial misdemeanors in a consistent manner.

In response to the uptake of disputes on audit outcomes, PT has led an initiative to establish a country-wide ADR mechanism. At the start of the financial year, this process was workshopped with all WCG institutions with the aim of ensuring fairness in the handling of disputes. PT continues to advocate that litigation should be the absolute last resort for dealing with technical matters and should only be done once all intergovernmental relations (IGR) structures have been exhausted.

In terms of section 5(3) of the MFMA, PT is mandated to assist, guide and monitor and enforce compliance to the said Act. The Minister of Finance in terms of the MFMA issued a conditional Exemption Notice dated 30 March 2020, in order to ensure effective and efficient service delivery and to minimise any potential delay in decision-making. The notice provides exemptions from amongst others the following:

- i. Provisions of the MFMA that require any action to be taken between the date of publication of the notice and the date that the national state of disaster lapses or is terminated in terms of section 27(5) of the Disaster Management Act, 2002;
- ii. The timeline provisions in the MFMA until such time that the national state of disaster declaration is lifted by the President; and
- iii. The exemption is conditional that the MFMA timelines referred to are, complied within 30 days after the national state of disaster is lifted.

Continuous support to municipalities and municipal entities were provided via the existing IGR structures and MFMA helpdesk. In addition, a provincial circular was also issued to provide guidance and clarity to Accounting Officers of municipalities and municipal entities in respect of:

- Managing their procurement requirements in response to the COVID-19 pandemic and the subsequent business continuity during the lockdown period and thereafter.
- The impact of NT MFMA Circular No. 101 relating to COVID-19 - Bulk Central Procurement Strategy for Government Institutions.

During the SIME which focusses on the draft budgets by municipalities, guidance was also provided on the impact of the COVID-19 pandemic on financial modelling and budget preparations.

Despite the national lockdown, most municipalities continue to comply with the legislative prescripts in terms of in-year reporting on budget implementation.

3. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOME

3.1 Progress towards the achievement of the departmental Impact

Impact Statement

Sustainable financial governance and service delivery that optimally responds to citizens needs

One of the foundations of building a strong Evaluation System is the establishment of a clear policy framework. The first Evaluation Policy for the Department sets out the evaluation context, structure, and principles to inform decision making for the achievement of strategic priorities. Aligned to the Evaluation Policy was the development of a Departmental Evaluation Plan, to institutionalise evaluations in the Department and to give the opportunity to have activities objectively viewed. In doing so, any subsequent decision making will be based on relevant data and information that is collected using scientific methods that conform to international best practice.

Departmental culture is hugely important to the success and overall health of the Department, its people and clients and in turn to the improvement of departmental corporate processes. Through the Culture Journey, PT invested actively in leadership capacity to enable the desired departmental culture and critical leadership behaviours.

The implementation of the Communications Plan contributed to a healthy organisation culture. The implementation was led from the top and guided by a strong communications team that influenced behaviours and drove successful culture change. The information shared through the communications plan ensured more informed staff, citizens and contributed towards keeping government accountable.

The key contribution of Programme 2 – Sustainable Resource Management to the PSP and five-year impact statement is to work with individual votes to align spending to strategic outcomes. While working with individual votes, the key transversal themes and considerations that have been incorporated in departmental plans include: taking a citizen centric approach; the need for long term strategic and development planning; safety and security; infrastructure development and maintenance; addressing gender responsiveness, equality and Gender-Based Violence; encouraging innovations to support service delivery and strengthen governance; skills and youth development; climate change and resource resilience; spatial transformation and integration; an improved regulatory environment; and developing partnerships and opportunities for collaboration. Food security has also been acknowledged as an important cross-cutting theme.

During the period under review, a particular focus was given to COVID-19. This necessitated the adoption of a three-phase budget approach. This approach enabled the provincial government to continuously recalibrate its fiscal response to the disaster as impacts become better known. The approach was divided into Immediate, Short-term and Medium-term phases. These three phases are premised on the fact that an effective planning and budgeting response requires actionable steps to be taken as part of an immediate response

to COVID-19 while simultaneously working towards a medium to long term fiscal strategy that secures recovery and fiscal sustainability.

The year under review has been challenging given various externalities as well as growing resource scarcity. Notwithstanding the afore-mentioned, PT has been steadfast in its pursuit of driving good financial governance across the provincial and local government spheres that enables effective resource mobilisation and sound fiscal management, the effective and efficient use of resources, effective financial oversight and building capabilities of officials to enable resilience, agility and innovation. PT therefore continued to take an integrated outcome-based approach to good financial governance.

The PT strategy to improve SCM and Asset Management (AM) has evolved over time in a four-pronged approach to shift from compliance to performance. This focuses on:

- Transparency and accountability through SCM processes and Systems. PT produced the first PDR focussing on the COVID-19 and related expenditure.
- Redress through supplier helpdesk and supplier development programmes and through a complaints management system.
- Technology enablement to facilitate the ease of doing business with WCG - information and access and through Client Walk-in Centre.
- Procurement planning imbedded as part of the budgeting process that forecasts and optimises service delivery and empowerment impact through empowerment impact assessments.
- Communication, information sharing access and opportunity creation through web-enablement.

From a financial governance and accounting perspective, PT continued to support departments and entities in terms of the PFMA and MFMA external audit, maintaining the top position in the Country when subjected to scrutiny by the AGSA.

This was achieved by adopting governance support models/initiatives to municipalities and departments in terms of the evolving environment, driving governance transformation and integrated service delivery in terms of frameworks, engagements and support, governance mid-year assessment focusing on the assessment response and management to service delivery requirements and the support needed.

The financial sustainability of most municipalities in the Western Cape is a significant strength that underpins service delivery and economic growth in the Province. PT continued to strengthen its oversight capacity for monitoring municipal finances and provided support to vulnerable municipalities.

Slow economic growth and fiscal constraints placed significant pressure on the public finances resulting in decreased budgets and spending. This, coupled with the demand for inclusive growth, emphasised the need for the embedding of good governance across departments, public entities and municipalities, improving the ability to provide stakeholder and investor

confidence and citizen centric value propositions, which demanded that all efforts be levied at a sound and sustainable governance model.

For the period under review, the Governance and Asset Management Branch lead and supported the enhancement of financial governance practices that enabled improved resource mobilisation, allocative efficiency, sound fiscal management and the efficient and economical use of resources; lead and supported excellence in good governance practices and optimal performance culminating in improved service delivery and public value creation; and identified good financial governance practices that can be shared across the public Sector.

For the period under review, the Branch rolled out the use of e-payslips and e-IRP5 to ten (10) departments, Asset Management dashboard to three (3) departments and ongoing implementation to the rest of the departments; the Automated procurement planning tool; trained and supported departments on SCM inclusive of COVID-19 purchasing; produced SCM insight reports for departments as well as the monthly and quarterly public disclosure reporting, the first in South Africa. Another first for the Department was the Annual Financial Statements (AFS) Consistency Workshops at both municipal and provincial level, resulting in the least amount of material adjustments to the financial statements.

From a municipal perspective we provided hands-on support to municipalities during the municipal audit; assisted municipalities in achieving 100 per cent compliance for COVID-19 Reporting to NT. Conducted a first Generation Procurement Planning Analysis, utilising Municipal Standard Chart of Accounts (mSCOA) expenditure information and successfully conducted an SCM training needs analysis and the launching of the SCM Education, Training and Development Programme for municipalities.

3.2 Progress towards the achievement of the departmental Outcomes

Programme 1 – Administration

Outcome 1	Financial and Corporate governance improved
Progress	<p>1.1 Level of results-based monitoring and evaluation (RBM&E) maturity attained</p> <p>Programme 1 takes the lead on monitoring and evaluation at a departmental level and are embedding a results-based monitoring and evaluation philosophy within PT to provide relevant and accurate data and information.</p> <p>The RBM&E Maturity levels for the Department are low and during the 2020/21 financial year the Department aimed to address this; to be in a position where processes, products and services contribute to the achievement of desired results. The findings of the RBM&E maturity assessment provided insights into the key domains where the Department need to direct efforts in providing a better service, to improve capacity, leadership and technical support within the department. This is an important requirement to address the challenges as a collective and develop institutional mechanisms and processes on how to strengthen M&E and data governance within the Department.</p>

Outcome 1	Financial and Corporate governance improved
	<p>1.2 Communication plan for media engagements, stakeholder liaison as well as internal staff implemented annually</p> <p>The impact of the COVID-19 pandemic on citizens, staff and resources, necessitated the re-evaluation of the communication plan in order to adapt to a changing and uncertain environment. By focussing on core campaign messages and optimal use of available communication channels, PT continued to share research and information with stakeholders and could re-assure residents of the Western Cape that budget priorities are aimed at defeating COVID-19, and allocations towards the Recovery Plan would support job creation as well as the safety and well-being of people in the Western Cape.</p> <p>1.3 Number of phases of the Culture Journey successfully implemented</p> <p>Phase two of the Culture Journey focused on implementing the planned activities to integrate both formal and informal mechanisms to enable the identified Critical Behaviours to be embedded in “the way we do things”.</p> <p>Much progress was obtained against the key implementation focus areas, namely 360 Degree Leadership Assessments; Coaching; Leadership Behaviour Training; Identifying and workshopping with Authentic Informal Leaders, while simultaneously monitoring momentum and progress.</p> <p>1.4 Number of material financial management audit findings</p> <p>The continuous review and strengthening of systems, processes and controls improved financial governance and resulting in the eighth consecutive unqualified with no findings (clean audit opinion).</p>

Programme 2 – Sustainable Resource Management

Outcome 2	Integrated planning, budgeting and implementation for sustainable management of provincial and municipal fiscal resources.
Progress	<p>2.1 Degree of integrated planning, budgeting and implementation</p> <p>During 2020/21, Programme 2 – Sustainable Resource Management significantly improved integrated planning, budgeting and implementation through a number of new initiatives and strengthening of existing initiatives. The Programme actively contributed to integrated transversal initiatives relating to integrated service delivery undertaken through the VIP 5 process. At an operational level, in the area of the provincial budgeting, the Programme participated in weekly bilateral engagements at the Head of Department (HOD) level with the DOH to ensure an integrated planning, budgeting and implementation response to the COVID-19 pandemic. Regular bilateral engagements have also been implemented at HOD and DDG level with the WCED, the other significant spending department. During 2020/21, a transversal expenditure review was undertaken on the cost of employment, as a first step towards developing a comprehensive cost of employment strategy. In terms of local government budgeting, the SIME process aimed to bring about integrated planning, budgeting and implementation at a local government level. This process was streamlined and improved, particularly in the context of an online engagement model necessitated by the pandemic. Finally, the first phase of reforms was finalised to better coordinate the local government and provincial government budgeting process. This included expanding the teams that engage with votes to include local government representatives.</p>

Programme 3 – Asset Management

Outcome 3	Effective management and oversight of financial systems, supply chain and moveable asset management governance within the provincial and municipal spheres.
Progress	<p>3.1 Sustainable Governance Systems within the SCM function in municipalities embedded.</p> <p>Target has been achieved. Accumulative over the 5 years.</p> <p>The Directorate successfully introduced the combined assurance methodology to imbed the SCM Governance Strategy in municipalities. However, the municipal SCM Audit interpretation challenges had a huge impact on SCM Governance. PT is however addressing audit challenges with all the relevant stakeholders.</p> <p>3.2 Strategies in place that addresses the gaps/needs of provincial departments, municipalities and the supplier base that conducts business with government for continuous improvement.</p> <p>Strategy has been finalised for 5-year period that focuses on:</p> <ul style="list-style-type: none"> ■ SCM Governance ■ SCM Technology ■ SCM Capacitation & Development ■ Strategic Sourcing <p>An agile and adaptive response plan is implemented through three (3) support programmes that focuses on continuous improvement:</p> <ul style="list-style-type: none"> ■ Support Programme for departments and public entities ■ Support Programme for municipalities and ■ Support Programme for suppliers <p>These programmes are monitored and evaluated through gap analysis done annually, quarterly reports and an overall client Support reporting on a quarterly basis.</p> <p>The SDIP is also a key consolidated Programme that focuses on this objective and is reported on in paragraph 2.2 of this report.</p> <p>3.3 Procurement initiatives in place that are leveraged to meet socio-economic benefit and the need to the citizen through departments and municipal districts.</p> <p>Four (4) commodity strategies concluded for the financial year:</p> <ol style="list-style-type: none"> 1. Reflected in one report in Q1 2 x initiatives i.e., cloth mask database and PPE database and commodity and suppliers' requirements for both. 2. Alternative provisioning strategy for PPE to introduce Behaviour change for hotspots. 3. Vaccine Procurement Strategy for Plan B mobilisation. <p>These initiatives are supported by business cases, strategy documents and cabinet submissions as applicable. In respect of Points 2 and 3 these strategies were developed and put in place to be actioned/deployed as required as part of the disaster procurement readiness.</p>

Outcome 3	Effective management and oversight of financial systems, supply chain and moveable asset management governance within the provincial and municipal spheres.
	<p>3.4 Votes supported with embedding Good Governance principles in respect of transversally managed financial systems.</p> <p>Thirteen (13) votes supported.</p> <p>The Supporting and Interlinked Financial Systems unit has achieved all its targets for the 2020/21 financial year and continued to strive to make use of innovation to improve the financial systems fulfilled its mandate in respect of the financial management systems environment by providing support, assistance and training to all provincial systems users (LOGIS, BAS and PERSAL).</p> <p>The unit also issued System Circular No. 2 of 2020 geared at tightening controls on the financial systems during the COVID-19 pandemic also with the view of enabling the clean-up of system data to enhance the credibility of information, improvements in financial systems reporting, and ultimately enhanced analysis of information for management purposes.</p> <p>3.5 Votes supported through the modernising and transforming of the transversally managed financial systems in keeping with the evolving needs of the Province.</p> <p>Thirteen (13) votes supported.</p> <p>The legacy financial systems are the central and single source for data collection on expenditure trends and general asset management of movable assets in WCG departments. PT established its own data centre which enabled it to partake in the 4th industrial revolution and introduce cutting edge technologies such as Machine Learning and Artificial intelligence to produce self-service reports which included the following:</p> <ul style="list-style-type: none"> ■ Automated IYM tool and related management dashboards, ■ Staff cost forecasting tools, ■ Asset management dashboards, ■ Automated conflict of interest tools and reports, ■ Development of the Municipal vulnerability dashboards, and ■ Development of the supplier evidence bank to enable the ease of doing business in the WCG. <p>The unit is also proud to have implemented an e-Payslip initiative geared at driving cost efficiencies and enabling ease of access to the government payslips and IRP 5s.</p> <p>The unit also assisted in performing a data maturity assessment for PT to identify baseline and put measures in place to improve the data governance and general use of data to enhance our efforts to outshine in our oversight mandate.</p>

Programme 4 – Financial Governance

Outcome 4	Governance transformation in departments, entities and municipalities improved
Progress	<p>4.1 Performance improvement measured by strengthened governance and accountability in provincial and municipal government.</p> <p>The Programme forged ahead with activities that the good governance strategy is maintained and sustained.</p> <p>Consistency workshops are now institutionalised and is considered the hallmark of the least amount of material adjustments to the financial statements.</p> <p>The Programme drafted a guideline for managing public entities, and will in the 2021/22 financial year, move closer to issuing a country standard to improve the management of public entities.</p> <p>Furthermore, in using one of the key levers for change and spearheading the digital reform, the unit implemented a more dynamic system to deal with technical queries, bringing the municipalities closer to the root causes of the findings raised by assurance providers.</p> <p>Recognising that it was a turbulent year, and appreciating that institutions needed support, the Department ramped up the number of engagements in the MFMA space. MS Teams allowed the Department to reinvent ways to support municipalities, with the removal of costs as a deterrent in prior years.</p> <p>The Department pushed itself and the reporting institutions within the mandate to ensure that COVID-19 reporting was an accurate and balanced depiction of events unfolding and that would be of interest to readers of these publications.</p>

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

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

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

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

The following was the outcome for the financial year under review:

- Financial and Corporate governance improved

Outcomes, outputs, output indicators, targets and actual achievements

Strategic Operational Management Support

The Culture Journey deliverables from 1 April 2020 to 31 March 2021 covered a variety of activities and interventions aimed at developing leadership across the organisation through Strategic leadership alignment, psychometric assessments and feedback to raise collective leadership consciousness, leadership and team coaching, as well as facilitated workshops with informal leaders to embed and spread the critical behaviours “virally” across PT.

PT during 2020/21 implemented the first phase of the Departmental Evaluation System that comprised of a Departmental Evaluation Plan and an Evaluation Policy, as a systematic approach to conducting and managing evaluations in PT.

With the onset of the COVID-19 pandemic in March 2020 and its impact on departmental budgets, PT’s communication budget was revised from R1 235 000 to R993 000 as budgets were reprioritised to fund the provincial COVID-19 response to limit the spread of the pandemic and to support the Western Cape Recovery Plan. The total communication expenditure for the 2020/21 financial year amounted to R761 192.93. The underspending is attributed to cancelled campaigns, free communication channels used, lower than expected cost estimates, supplier discounts and the utilisation of communication channels with a larger reach, resulting in cost efficiencies.

Financial Management

The Department received an unqualified with no findings (clean) audit report for the 2020/21 financial year. The continuous monitoring of the actual expenditure against budget, compliance with financial and supply chain management norms and standards and the early identification of risks and key areas of concern regarding the preparation of financial and non-financial reports and compliance with applicable legislation contributed to this achievement.

Outcomes, outputs, output indicators, targets and actual achievements tables:

PROGRAMME 1: ADMINISTRATION									
Sub-programme 1.2: Management Services									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	**Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations
1.2.1.1	Financial Corporate Governance Improved	Monitoring and evaluation system	Number of phases of a monitoring and evaluation system implemented	New Output Indicator	New Output Indicator	Phase 1	Phase 1	None	None
1.2.1.2		Organisational Culture Journey Report	Number of types of organisational culture change interventions implemented	New Output Indicator	New Output Indicator	5	5	None	None
1.2.1.3		Communication (plan) Implementation Report	Percentage of communication activities achieved as outlined in communication plan	New Output Indicator	New Output Indicator	80%	63%	17%	As a result of the pandemic, the Department failed to achieve its target of 80% of campaigns implemented. Of the eight planned campaigns, five campaigns (62.5%) were implemented, while three campaigns were cancelled.

Strategy to overcome areas of underperformance

The area of underperformance under 1.2.1.3 was beyond the Department's control due to the COVID-19 pandemic and henceforth there is no strategy to address this under-performance.

Changes to planned targets

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

Outcomes, outputs, output indicators, targets and actual achievements table

PROGRAMME 1: ADMINISTRATION									
Sub-programme 1.3: Financial Management									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	**Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations
1.3.1.1	Financial Corporate Governance Improved	Monitoring of Expenditure against the Budget	Number of In-Year Monitoring (IYM) Reports	12	12	12	12	None	None
1.3.1.2		Complete and proper records of financial affairs in accordance with prescribed norms and standards	Number of reports on compliance with minimum financial management performance indicators	New Output Indicator	New Output Indicator	12	12	None	None
1.3.1.3		Compliance with Supply Chain Management norms and standards	Number of Supply Chain Management reports on compliance with norms and standards	New Output Indicator	New Output Indicator	12	12	None	None
1.3.1.4		Maintained an accurate asset register	Number of stock-take and asset verification reports	New Output Indicator	New Output Indicator	2	1	1	Asset Management commenced with the final stock take on 10 February 2021 with envisaged completion date of 17 March 2021. As a result of the extended period of work from home arrangements, due to COVID-19, challenges were experienced with the timeous finalisation of the physical stock-take verification Staff were not available to open offices/open areas and photographs as evidence of the existence of personal inventory were not forthcoming.
1.3.1.5		Identification of risks and key areas of concern regarding preparation of financial and non-financial reports and compliance with applicable legislation	Number of Status of Records Review reports	New Output Indicator	New Output Indicator	4	4	None	None

Strategy to overcome areas of underperformance

The extended period of working from home under COVID-19 lockdown impacted the stock-takes performed, which resulted in the process not being completed timeously. To improve on the challenges experienced, computer equipment will be verified virtually. To facilitate this process a web-based form has been developed to assist with the verification process. The final stock-take will commence earlier, and Senior Managers will be informed timeously of challenges experienced with the physical verification of assets under their control.

Changes to planned targets

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

Sub-programme expenditure

Sub-programme name	2020/21			2019/20		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
1.1 Office of the Minister	6 565	6 562	3	5 804	5 704	100
1.2 Management Services	23 629	22 429	1 200	24 828	24 216	612
1.3 Financial Management	26 131	22 603	3 528	28 599	28 337	262
Total	56 325	51 594	4 731	59 231	58 257	974

4.2 Programme 2: Sustainable Resource Management

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

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

- Sub-programme 2.1: Programme Support
- Sub-programme 2.2: Fiscal Policy
- Sub-programme 2.3: Budget Management
- Sub-programme 2.4: Public Finance

The following were the outcomes for the financial year under review:

- To provide management and administrative support to Programme 2 – Sustainable Resource Management;
- To conduct research and advise on the management of the provincial and municipal fiscal resources;
- To promote effective resource allocation within the provincial budget through research, analysis and advice;

- To promote effective resource allocation within municipal budgets through research, analysis and advice;
- To improve the conformance, credibility, sustainability and guide and monitor the efficient implementation of the provincial budget;
- To guide and monitor the implementation of municipal budgets;
- To institutionalise and standardise good practice methodologies, tools and systems for delivery and maintenance of immovable assets; and
- To render an effective data and information management service.

The focus of the Programme during the year under review was to undertake integrated planning, budgeting and implementation for sustainable management of provincial and municipal fiscal resources. This objective was achieved despite the significant challenges posed to the work of the Programme due to the COVID-19 pandemic. The pandemic required an innovative and agile response to ongoing pressures. This required the Programme to simultaneously shift its operations online and at the same time manage the ongoing and evolving requirements of the pandemic on its key work areas. On the provincial side, the provincial budget strategy was adapted to consider the need for an immediate response, a short-term response and a medium term response. On the local government side, substantially enhanced financial oversight had to be undertaken as many municipalities saw significant declines in revenue collection and incurred additional expenses related to the pandemic. This was against the backdrop that municipal finances were already under stress prior to the pandemic.

Outcomes, outputs, output indicators, targets and actual achievements

Fiscal Policy

The Directorate met all its performance targets in respect of number of research reports, number of revenue and cash management reports and number of reports on the performance of the WCGRB. In addition, phase 1 of the Gambling Policy Research was completed and PT saw through the 19th Western Cape Gambling Management Amendment Bill, related funding of the WCGRB, through the committee phase in the Western Cape Provincial Parliament and commenced on the 20th and 21st Amendments of the Western Cape Gambling and Racing Act related to the relocation of outlying casinos. PT ensured that the accounts of the Provincial Revenue Fund received a clean audit status from the AGSA.

With respect to own receipts, the Directorate provided support to the Province with regard to forecasting own receipt shortfalls because of the COVID-19 pandemic induced lockdown and economic downturn and support to municipalities with regard to enabling sound cash ratios and borrowing requests.

Provincial Government Budget Office

The Provincial Government Budget Office conducted economic, policy and budget related research, which informed the formulation of the provincial budget policy to ultimately recommend budget allocations in line with the evolving COVID-19 pandemic, the strategic priorities outlined in the 2019 – 2024 PSP, the Western Cape Recovery Plan and other applicable policies. Evidence-

based economic and socio-economic research contained in the PERO continued to inform policymakers, departments and municipalities on key economic issues that impact policy, planning and budgeting.

The COVID-19 pandemic altered the economic and developmental outlook for the Province, which required both an immediate and medium-term fiscal response. A three-phased approach to the budget process was adopted to ensure that resources were reprioritised and deployed to respond to the pandemic and its social and economic consequences.

The Immediate Phase focused on the public health response through reprioritising resources and deploying available reserves. The outcome of the Immediate Phase resulted in the tabling of the 2020 First Adjusted Budget, whereby the Directorate played a key role in terms of the costing of COVID-19 to inform budgetary related decisions of the 2020 First Adjusted Budget.

The Short-term Phase focused on policy-led repositioning towards the Western Cape Recovery Plan's priorities of Jobs, Safety and Well-being. The outcome of the Short-term Phase resulted in the tabling of the MTBPS in November 2020 along with the 2020 Second Adjusted Budget. The 2020 MTBPS provided the fiscal resources to drive recovery over the short to medium-term. The medium-term phase set the course for recovery over the medium-term and laid the foundation for achieving fiscal sustainability over the medium to long term. The outcome of this phase resulted in the tabling of the 2020 Third Adjusted Budget and the 2021 MTEF Budget. The 2021 Budget provided the response to a complex and prolonged period of economic contraction, the COVID-19 pandemic and reduced fiscal envelope.

Local Government Budget Office

2020 Strategic Integrated Municipal Budgeting Engagement (SIME) Process

The Local Government Budget Office (LGBO) annually coordinates the SIME process (formerly known as LG MTEC). This process gave effect to sections 22 and 23 of the MFMA and Chapter 5 of the Local Government: Municipal Systems Act (MSA) that require the Provincial Government to provide views and comments on the draft budget, Integrated Development Plan (IDP), Spatial Development Framework (SDF) and any budget related policies and documentation, which must be considered by Council when tabling the aforementioned documents for approval.

The municipal budgets and associated documentation are considered to determine the extent to which it firstly, conforms to guiding legislative prescripts and secondly, is deemed to be responsive, credible and sustainable. The SIME process provides municipalities with an opportunity to incorporate the WCG's comments and recommendations on the draft budgets, IDPs and SDFs before the adoption thereof by their respective councils by the end of May to end of June each year in accordance with sections 16(1) and 24 of the MFMA and section 25 of the MSA. Following an extensive assessment process, the inputs of the various sector departments are consolidated into single assessment reports which are then distributed to the respective municipalities for consideration ahead of an interactive engagement. The engagement offers all involved parties an opportunity to deliberate on the main key findings and recommendations.

The 2020/21 municipal budgets and associated documents were tabled in a time of increased uncertainty due to the onset of the COVID-19 pandemic. The SIME engagements were used as a tool to discuss the realities of the COVID-19 pandemic on municipal plans and budgeting and this platform was utilised to discuss and identify the impact of COVID-19 on budgeting and planning towards the finalisation of the 2020/21 budgets.

As a result of the national lockdown and associated social distancing requirements, the 2020 SIME engagements, which are under normal circumstances held in person at the various municipal offices, took place virtually via video-conferencing facilities. The virtual engagements were at first a daunting prospect as most of the logistical arrangements were already in place for physical visits. It would also be the first time that the Department engaged municipal clients virtually. Successful virtual engagements were, however, held with all 30 municipalities which paved the way for a new way of doing business at a more cost-effective manner.

COVID-19 Impact Reports

Amidst the COVID-19 pandemic, the DEDAT and PT collaborated to ascertain the impact of the pandemic on the Western Cape economy and the livelihood of the Province's citizens. A model was subsequently developed by DEDAT that focused on the economic output (measured by gross value added – GVA) and employment impacts within the various sectors of the economy. The model identified possible economic impact scenarios that would support evidence-based planning and budgeting.

As a point of departure, the model used the GVA and employment contributions of the broad sectors and various sub-sectors of the various local municipalities. The model then applied a 5-week economic shutdown shock to the base contributions (which accommodates the first part of the lockdown period ending April 2020) and reflected on the total GVA loss for each main sector across this period. Following on the 5-week anticipated GVA losses, the model continued to reflect on stunted GVA growth forecasts in incremental periods as the economy started to reopen.

LGBO developed a detailed narrative report for each municipality outlining what the impact of the above stated that COVID-19 related shocks would be on key sectors contributing the local economies and what the consequences would be for medium to long term growth and development prospects.

MERO

The MERO is a socio-economic research publication produced annually by PT since 2012. Together with its sister publication, the PERO, the MERO informs the WCG's evidence-based approach towards integrated planning and budgeting by guiding the fair, equitable and sustainable distribution of financial resources.

The PERO provides policymakers, sector departments and municipalities with a high-level review and outlook of past and forecasted economic developments that influence the national and sub-national spheres of government. In turn, the MERO disaggregates economic intelligence at a municipal level which feeds into municipal IDPs, LED strategies and budgets.

The MERO starts off by providing an analysis of macroeconomic performance, a future growth outlook and labour market trends at a district level. It then proceeds with a more in-depth regional economic analysis by considering the trends in sectoral growth, skills, and employment for each of the Western Cape's municipal areas. The MERO is not only a planning and budgeting tool for the public sector, but aims to support private sector developments by reflecting on investment potential and comparative advantages for each local municipal area i.e., unpacking levels of specialisation in different sectors and discussing whether certain regions are importing, self-sufficient or exporting its surpluses. Importantly, the MERO also attempts to consider the influence of exogenous factors on the future growth outlook (sectoral forecasting) of local economies. This objective became particularly important in the 2020 edition of the MERO given the impact of the COVID-19 pandemic.

In 2020, the MERO underwent a complete redesign in terms of how it communicates socio-economic intelligence to its target audience. Emphasis has been placed on the inclusion of infographics to convey complex economic data in a user-friendly and visually appealing manner. This has made the information more digestible, contributing towards improved strategic decision-making by public and private sector role-players alike.

Overall, the 2020 MERO once again elevated the quality of the Department's socio-economic intelligence publications, not only through the value-added content which it contained, but also the way the information was packaged. The publication was very well received by the various municipal role-players who used the data and infographics extensively in their planning efforts towards the 2021/22 budget and IDP.

The COVID-19 pandemic had a significant impact on the implementation of the 2020 Budget. The 2020 budget was reprioritised towards frontline services to fund a provincial response to the pandemic. A three-phased budget approach was adopted in the 2020/21 financial year. This resulted in three Adjusted Budgets to be passed. Furthermore, the impact of COVID-19 resulted in additional expenditure reporting to various oversight entities and committees.

Socio-economic Profiles – Local Government (SEP-LG)

While the PERO and MERO undertook a high-level review and outlook of past and forecasted economic developments that influenced the national, provincial and local spheres of government, the SEP-LG in turn narrowed down (municipal specific) the focus towards the various factors that impacts upon local economies within the Western Cape.

By collating a wide array of socio-economic datasets sourced from various government sector departments in the Western Cape and private service providers, the SEP-LG publication served as a credible research tool. The data is collated in booklet form, steering clear of long-winded narratives, making use of infographics to present information in a manner that is visually appealing. The graphical representation of complex economic data by means of infographics will allow for meaningful interpretation of patterns and trends by internal and external role-players alike.

A unique SEP-LG publication was created for each of the 30 municipalities in the Western Cape, including each district municipality as well as the CoCT. Similarly, to the MERO, the

infographics included in the 2020 SEP-LG publications were extensively incorporated in the IDPs of the various municipalities.

Quarterly Municipal Performance Assessments

In terms of section 52(d) of the MFMA, the Mayor of a municipality must within 30 days after the end of each quarter, submit a report to council on the implementation of the budget and the financial state of affairs of the municipality. Section 31(1)(c) of the Municipal Budget and Reporting Regulations (MBRR), furthermore requires that these reports be submitted to NT and the relevant provincial treasury within five days of tabling in the council. These reports essentially assess the extent to which a municipality achieved the indicators and targets set out in their service delivery and budget implementation plan (SDBIP) approved together with its annual budget.

LGBO considered these performance assessment reports as part of its oversight mandate to monitor the implementation of municipal budgets. The reports were also considered to ensure adherence to guiding legislation and prescripts insofar the content and layout of these reports are concerned. Recommendations and findings are of strategic importance as it provides a municipality with practical solutions as to how it can improve its non-financial performance in the next quarter. LGBO's recommendations have notably contributed towards the improvement of pre-determined objective (PDO) related audit outcomes.

Municipal performance reporting for the 2nd quarter of each year is covered by section 72 of the MFMA which deals with mid-year (6-month) performance. The assessment of these section 72 reports is done via an integrated approach between the various units of PT and forms part of the broader TIME process. The TIME process, which is technical in nature, focusses on embedding good governance practices, responding to municipalities' current governance challenges, emerging risks and enabling optimal performance. Following consideration of a municipality's mid-year assessment, a consolidated TIME report was compiled which provides feedback on financial as well as non-financial performance. LGBO's contribution to this report is the assessment of a municipality's non-financial performance for the period ending in December of a particular year i.e., the 2nd quarter of a municipal financial year. LGBO successfully assessed the 2019/20 mid-year reports of all 30 municipalities.

Local Government Finance and MFMA Co-ordination

The COVID-19 pandemic had a significant impact on the finances of Western Cape municipalities as well as the work of the PT in monitoring their financial performance in the 2020/21 financial year. PT was able to monitor the impact of the lockdown and subsequent economic impacts on municipal revenue collection. The recovery in revenue collection as the economy reopened was closely monitored and municipalities were encouraged through intergovernmental forums to reintroduce credit control policies timeously. The impact on municipal spending was monitored closely and new reporting requirements introduced to collect weekly data on municipal spending on COVID-19 related spending items including personal protective equipment, sanitiser and support to vulnerable groups.

Local Government Finance continued to facilitate and coordinate the implementation of the MFMA in PT and municipalities to ensure that the objectives of the Local Government (LG)

reform agenda are achieved. Implementation of the MFMA is driven through IGR coordination between municipalities, provincial and national departments and other related stakeholders. Key responsibilities include monitoring, support and intervention in respect of MFMA implementation, budget implementation and revenue and expenditure management. In support of strengthening municipalities' financial management and budgeting practices the unit analysed and reported on the in-year revenue and expenditure management for municipalities.

Municipalities were supported to ensure that their budgets and adjusted budgets for the 2020/21 financial year were funded. One municipality that tabled an unfunded budget was assisted to achieve a funded position in their final budget and another was assisted to move to a funded position in their adjustment budget. A further two municipalities were supported to develop Budget Funding Plans and the implementation of these was monitored. PT worked with the Municipal Financial Recovery Service to review and prepare an amended Financial Recovery Plan for Kannaland Local Municipality.

Provincial Government Finance

The three-phased budget approach adopted resulted in tabling two additional Adjusted Budgets for the 2020/21 financial year. PT reprioritised the 2020 Provincial Budget resulting in the First Adjusted Budget in July 2020 and the first budget response to COVID-19. In March 2021 a third Adjusted Budget was tabled to ensure a continued response to COVID-19 and as part of the overall 2021 budget strategy.

Infrastructure

Given the focus on infrastructure investment and delivery, the Provincial Government tabled a supplementary publication OPMII, as part of the budget documentation on 16 March 2021. A more coordinated, integrated and strategic approach to planning and budgeting was key to respond to the challenges of infrastructure. Infrastructure investment remained a key focus for driving economic growth and the core element of sustainability, particularly at a time of renewed commitment to fiscal consolidation and fiscal discipline. PT monitored the infrastructure spending of the relevant departments. COVID-19 also had an impact in infrastructure delivery.

Business Information and Data Management (BIDM)

BIDM continuously formed an integral part in managing information (especially budgetary information) through the collection and dissemination of information to PT officials. In support of this the centralised repository was maintained with the relevant verified data stored which assisted with decision-making and ensured the tabling of credible publications. BIDM executed its responsibilities in relation to client interface, data collating, data and information management and records management for PT and played an integral role during the first year of the COVID-19 National disaster in the electronic tabling of the various Adjusted Budgets and then eventually the Main 2021 Budget.

Additional Deliverables

Annual Report Assessments: Section 121(1) of the MFMA states that every municipality/entity must prepare an annual report for each financial year. The annual report must be tabled before Council within seven (7) months after the end of the financial year where after Council is obliged to consider any views of the local community; the NT, the relevant provincial treasury and any provincial or national organs of state or municipalities which made submissions on the Annual Report. PT considered the tabled annual report and provided feedback to municipalities. A feedback report was issued to each municipality in the 2020/21 financial year.

SDBIPs: According to section 53(1)(c)(ii) of the MFMA, the mayor of each municipality must annually approve a detailed plan for implementing the municipality's delivery of services and its annual budget. The MFMA and MFMA Circular No. 13 of 2005 outlines the format of a SDBIP and indicates its key components. PT annually assessed the approved SDBIPs to ascertain conformance to the MFMA and guiding prescripts. A detailed feedback report was issued to each municipality in the 2020/21 financial year.

Outcomes, outputs, output indicators, targets, and actual achievements tables:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub-programme 2.2: Fiscal Policy									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	**Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations
2.2.1.1	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	Research reports on the Provincial and Local Government Fiscal System	Number of research reports on the Provincial and Local Government Fiscal System for Integrated Planning, Budgeting, and Implementation	4	4	4	4	None	None
2.2.1.2		Revenue and Cash Management Reports	Number of Revenue and Cash Management Reports for Integrated Planning, Budgeting, and Implementation	12 (i)	12 (ii)	12	12	None	None
2.2.1.3		Reports on the performance of the WCGRB	Number of reports on the performance of the WCGRB for integrated planning, budgeting, and implementation	4	4	4	4	None	None

- (i) This indicator is a combination of 2 indicators from the financial year 2018/19 as this indicator was previously 2 separate indicators and combined in the financial year 2020/21. Therefore, the total actual achieved is the sum of the actual achievement of those 2 indicators.
- (ii) This indicator is a combination of 2 indicators from the financial year 2019/20 as this indicator was previously 2 separate indicators and combined in the financial year 2020/21. Therefore, the total actual achieved is the sum of the actual achievement of those 2 indicators.

Strategy to overcome areas of under performance

There are no areas of underperformance.

Changes to planned targets

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

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub-programme 2.3: Budget Management									
Element: Provincial Government Budget Office									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	**Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations
2.3.1.1	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	Provincial budget policy assessment reports	Number of provincial budget policy assessment reports	28	28	28	41	13	Taking into account the economic and fiscal environment, all spheres of government were required to effectively respond to the COVID-19 pandemic. The Western Cape 2020 1 st Adjusted Budget was tabled in the WCPP as an immediate response to COVID-19. A significant reprioritisation and deployment of provincial resources were required for frontline health service delivery and humanitarian relief, amongst other. As a result, the PT Budget Team was required to conduct the Internal Integrated Assessments.
2.3.1.2		Provincial Budget and Economic Publications	Number of Provincial Budget and Economic Publications	New output indicator	New output indicator	3	3	None	None

Strategy to overcome areas of under performance

There are no areas of underperformance.

Changes to planned targets

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

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub-programme 2.3: Budget Management									
Element: Local Government Budget Office									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	**Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations
2.3.2.1	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	Integrated Municipal budget policy assessment reports	Number of integrated municipal budget policy assessment reports	30	30	30	30	None	None
2.3.2.2		Quarterly Performance Reports received, assessed	Percentage of Quarterly Performance Reports received, assessed	100%*	100%**	100%***	100%***	None	None
2.3.2.3		Publication of the Municipal Economic Review and Outlook	Timeous publication of the Municipal Economic Review and Outlook	September 2018	September 2019	September 2020	October 2020	One month later	The MERO publication was deferred to the third quarter of the financial year and was tabled on 20 October 2020.

* Method of calculation 2018/19

Numerator: Number of quarterly performance reports assessed (119)

Denominator: Number of quarterly performance reports received (119)

** Method of calculation 2019/20

Numerator: Number of quarterly performance reports assessed (118)

Denominator: Number of quarterly performance reports received (118)

*** Method of calculation 2020/21

Numerator: Number of quarterly performance reports assessed (118)

Denominator: Number of quarterly performance reports received (118)

Strategy to overcome areas of under performance

There were no areas of underperformance.

Changes to planned targets

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

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub-programme 2.4: Public Finance									
Element: Provincial Government Finance									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	**Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations
2.4.1.1	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	Provincial Budget assessment reports	Number of provincial budget assessment reports	28	28	28	28	None	None
2.4.1.2		Expenditure reviews	Number of expenditure reviews	2	2	2	2	None	None
2.4.1.3		Quarterly reports on the implementation of the budget	Number of quarterly reports on the implementation of the budget	4	4	4	4	None	None
2.4.1.4		Provincial Budget publications	Number of Provincial Budget publications	New Output Indicator	New Output Indicator	2	4	2	Passed 2 additional Adjusted Budgets in response to the COVID-19 pandemic

Strategy to overcome areas of under performance

There were no areas of underperformance.

Changes to planned targets

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

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub-programme 2.4: Public Finance									
Element: Local Government Finance (Group 1 and 2)									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	**Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations
2.4.2.1	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	Monthly IYM assessment reports on the implementation of the municipal budget	Number of monthly IYM assessment reports on the implementation of the municipal budget	372	372	372	369	3	In-Year reporting is cumulative in nature and therefore reports for subsequent months were inclusive of the data for the reports that were not submitted.
2.4.2.2		Municipal budget assessment reports	Number of Municipal budget assessment reports	30	30	30	30	None	None
2.4.2.3		Reports on MFMA implementation	Number of reports on MFMA implementation	4	4	4	4	None	None

Strategy to overcome areas of under performance

Encourage municipalities to report timeously so that PT can perform its analysis and complete the necessary reports.

Changes to planned targets

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

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub-programme 2.4: Public Finance									
Element: Infrastructure									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	**Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations
2.4.3.1	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	Immovable asset management plans assessed	Number of Immovable asset management plans assessed	Revised Output Indicator	Revised Output Indicator	32	32	None	None
2.4.3.2		Quarterly reports on the implementation of infrastructure budgets to Cabinet	Number of quarterly reports on the implementation of infrastructure budgets to Cabinet	4	4	4	3	1	Due to an internal delay the submission could not be finalised timeously. It is scheduled to serve at Cabinet on 14 April 2021.
2.4.3.3		Capacity interventions in support of infrastructure delivery at municipalities	Number of capacity interventions in support of infrastructure delivery at municipalities	New Output Indicator	New Output Indicator	4	1	3	The approval of the revised organisational structure was not finalised from DPSA. As a result, the budget for COE was reduced by R2.054 million during the Second Budget Adjustment. Due to this an in-year change to the APP was requested as follows, the output indicator stays the same however, the target for Q3 has been changed from 1 to 0 and for Q4 from 2 to 1. This resulted in an Annual Target of 2. However, the unit decided to continue with the interventions online and therefore was able to overachieve in Q3.
2.4.3.4		Provincial Budget publications	Number of provincial budget publications	New Output Indicator	New Output Indicator	1	2	1	In order to improve the budget documentation, there was a decision taken by management to also publish and update Infrastructure Publication with the Adjustment Budget documentation. Therefore, two publications were achieved during the financial year 2020/21.
2.4.3.5		Assessment on municipal infrastructure delivery management system	Number of assessments on municipal infrastructure delivery management system(s)	1	1	1	1	None	None

Strategy to overcome areas of under performance

Due to an internal delay the Cabinet submission could not be finalised timeously and was initially planned to serve at Cabinet on 14 April 2021, however, the actual date the Cabinet meeting was held, was on 21 April 2021. Measures will be put in place to ensure that the due dates are met in future.

Output indicators that were re-tabled due to in-year changes

Sub-programme 2.4.3 Public Finance: Infrastructure									
No.	Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	**Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations
2.4.3.3	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	Capacity interventions in support of infrastructure delivery at municipalities	Number of capacity interventions in support of infrastructure delivery at municipalities	New Output Indicator	New Output indicator	2	3	1	The approval of the revised organisational structure was not finalised from DPSA. As a result, the budget for COE was reduced by R2.054 million during the Second Budget Adjustment. Due to this an In-Year Change to the APP was requested as follows, the output indicator stays the same however, the target for Q3 has been changed from 1 to 0 and for Q4 from 2 to 1. This resulted in an Annual Target of 2. However, the unit decided to continue with the interventions online and therefore was able to overachieve in Q3.

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub-programme 2.4: Public Finance									
Element: Business Information and Data Management									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	**Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations
2.4.4.1	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	Datasets managed	Number of datasets managed	4	4	4	4	None	None
2.4.4.2		Budget process plans managed	Number of budget process plans managed	3	3	3	3	None	None

Strategy to overcome areas of under performance

There were no areas of underperformance.

Changes to planned targets

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

Sub-programme expenditure

Sub-programme name	2020/21			2019/20		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
2.1 Programme Support	7 165	7 165	-	6 673	5 790	883
2.2 Fiscal Policy	41 909	41 265	644	53 368	52 301	1 067
2.3 Budget Management	17 682	17 635	47	24 600	23 509	1 091
2.4 Public Finance	52 302	49 782	2 520	57 004	55 738	1 266
Total	119 058	115 847	3 211	141 645	137 338	4 307

4.3 Programme 3: Asset Management

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

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

- Sub-programme 3.1: Programme Support
- Sub-programme 3.2: Supply Chain Management
- Sub-programme 3.3: Supporting and Interlinked Financial Systems

The following are the outcomes for the financial year under review:

- Effective management and oversight of financial systems, supply chain and moveable asset management governance within the provincial and municipal spheres.

Outcomes, outputs, output indicators, targets and actual achievements

Supply Chain Management

In keeping with the PT's PFMA section 18 mandate to enforce and enable financial management as it relates to its procurement oversight in the Province, PT achieved the following within Supply Chain Management:

- Achieved all pre-determined targets for the 2020/21 financial year i.e., 1 x support Programme for Departments; 1 x support Programme for suppliers; quarterly client Centre performance reports; e-enabled datastore for institutional memory; 3 x commodity strategies; and 53 SCM Insight Reports.
- At the operational level 15 869 queries managed through its SCM helpdesk; 34 372 procurement events managed via the e-Procurement system for quotations; 52 quarterly procurement planning assessment reports for 13 departments; Quarterly and ad hoc SCM fora and focus groups held; 26 web-based interventions via its support programmes for departments and suppliers.

- At the strategic level, PT developed and implemented an automated procurement planning toolkit for the Province and implemented awareness sessions, a "How to" Guide and training with provincial departments. Phase 1 testing of the in-house development of the e-PS was completed. The Procurement Client Support Centre was established.

COVID-19 initiatives included the following:

- Issuance of various Circulars to support governance requirements;
- Implementation of CPAC to advise on COVID-19 purchasing – 17 emergency procurement matters presided before the CPAC for advice and recommendations;
- Logistics management support for the management of donations-in-kind by implementing an emergency donations management system that documented all donations received and provided user support and training;
- Weekly meetings with Departments of Health, Transport and Public Works and Education to ensure that on-the-fly support is provided to these frontline departments and that procurement requirements were afforded the necessary agility to respond to their needs;
- Compile a database of suppliers for cloth masks and non-medical PPE purchasing; and
- Monthly reporting on all COVID-19 procurement expenditure via Public Disclosure reporting.

PT achieved all its targets for the 2020/21 financial year within the ambit of LG SCM, while continually endeavouring to improve SCM governance in municipalities.

COVID-19 initiatives included the following:

- Supported municipalities with all the SCM Governance aspects during the hard lockdown period;
- Made available the provincial PPE and cloth mask databases and consulted municipalities on this matter;
- Assisted with pricing of PPE items;
- Provided guiding circulars on all the NT SCM Governance Emergency Circulars;
- Assisted municipalities with all its emergency procurement activities; and
- Assisted with all the emergency procurement reporting requirements.

Other initiatives included the following:

- Successfully facilitated district SCM Forums to assist municipalities with all the SCM governance challenges. Through the Local Government SCM Helpdesk PT successfully assisted municipalities and suppliers with 1 342 queries;
- Assisted municipalities during the audit period with hands-on support and compiled impact assessments and position papers to the National Treasury on the SCM audit challenges. PT also engaged with AGSA to resolve these audit challenges;
- Successfully introduced the first-generation procurement planning analysis to assist municipalities with procurement planning and commodity strategies;

- Conducted Asset Management Baseline Assessments in the various municipal districts. This provided PT with crucial information and data that will now feed into a dedicated Asset Management Project in the municipal sphere;
- Conducted assessments on municipal insight data through various sources. These analyses will assist municipalities with SCM Governance as well as decision making; and
- Assisted with various SCM assessments requests from the President's Hotline, NT, Minister of Local Government, Municipalities and Suppliers.

Supporting and Interlinked Financial Systems (SIFS)

PT achieved all its SIFS targets for the 2020/21 financial year and continued to strive to make use of innovation to improve the financial systems. PT continued to fulfil its mandate in respect of the financial management systems environment by providing support, assistance, and offering online training to all provincial systems users (LOGIS, BAS and PERSAL).

The legacy financial systems are the central and single source for data collection on expenditure trends and general asset management of movable assets in WCG departments. PT established its own data centre which enabled PT to partake in the 4th industrial revolution and introduce cutting edge technologies such as Machine Learning and Artificial intelligence to produce self-service reports which included the following:

- Automated Expenditure and Revenue management tool and related management dashboards;
- Staff cost forecasting tools;
- Asset management dashboards;
- Automated conflict of interest tools and reports;
- Development of the Municipal vulnerability dashboards; and
- Development of the Supplier evidence to enable the ease of doing business in the WCG.

Other initiatives included the following:

- Implemented an e-Payslip initiative to 10 of the 13 departments geared at driving cost efficiencies and enabling ease of access to the government payslips and IRP5s. Further implementations are ongoing to the rest of the departments;
- Assisted in performing a data maturity assessment for PT to identify baseline and put measures in place to improve the data governance and general use of data to enhance our efforts to outshine in our oversight mandate; and
- Issued System Circular No. 2 of 2020 geared at tightening controls on the financial systems during the COVID-19 pandemic also with the view of enabling the clean-up of system data to enhance the credibility of information, improvements in financial systems reporting, and ultimately enhanced analysis of information for management purposes.

Outcomes, outputs, output indicators, targets, and actual achievements tables:

PROGRAMME 3: ASSET MANAGEMENT									
Sub-programme 3.2: Supply Chain Management- Provincial and Local Government									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	**Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations
3.2.1.1	Effective management and oversight of financial systems, supply chain and moveable asset management governance within the provincial and municipal spheres	Municipal Districts assisted with standardised SCM and Asset Management Business practices to continuously improve SCM maturity	Number of municipal districts assisted	New Output Indicator	New Output Indicator	5	5	None	None
3.2.1.2		SCM Systems Insight Reports that measures cross functional activities and processes to assist District Municipalities in improving planning and decision making within the districts	Number of Districts assisted with systems Insight Reports	New Output Indicator	New Output Indicator	5	5	None	None
3.2.1.3		Annually defined support Programmes for departments and municipal districts	Number of support Programmes implemented for departments and municipal districts	New Output Indicator	New Output Indicator	6	0	6	In-Year Changes to APP 2020-21 were approved and changed from 6 to 2; one for Departments and one for Municipalities. Both are due in last Quarter. For PGSCM the gap analysis and support programme were concluded for the department and 28 interventions were undertaken.
3.2.1.4		Annually defined support programme for suppliers	Number of support Programmes implemented to develop and enable suppliers	New Output Indicator	New Output Indicator	1	1	None	None
3.2.1.5		Operational procurement client-support centre that demonstrates the support, assistance and guidance provided to clients	Number of reports reflecting performance of the client support centre	New Output Indicator	New Output Indicator	3	3	None	None
3.2.1.6		Develop an e-enabled platform that stores best practice models and content that support continuous improvements and developments for provincial departments	Number of e-enabled data store	New Output Indicator	New Output Indicator	1	1	None	None

PROGRAMME 3: ASSET MANAGEMENT									
Sub-programme 3.2: Supply Chain Management- Provincial and Local Government									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	**Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations
3.2.1.7	Effective management and oversight of financial systems, supply chain and moveable asset management governance within the provincial and municipal spheres	Commodity procurement strategies that drives efficiencies and enables local economic development within departments	Number of commodity procurement strategies developed	New Output Indicator	New Output Indicator	4	2	2	Indicator amended through in-year change process
3.2.1.8		SCM System insight reports using BI tools to provide performance information to support governance requirements & management decision-making for provincial departments	Number of SCM System insight reports produced, providing procurement performance information to departments	New Output Indicator	New Output Indicator	53	53	None	None
3.2.1.9		Assessment of Municipal Procurement plans and supporting strategic procurement initiatives	Number of procurement plans and supporting strategic procurement initiatives assessed for municipalities	New Output Indicator	New Output Indicator	10	10	None	None

Strategy to overcome areas of under performance

There are no areas of underperformance.

Output indicators that were re-tabled due to in-year changes

PROGRAMME 3: ASSET MANAGEMENT									
Sub-programme 3.2: Supply Chain Management- Provincial and Local Government									
No.	Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	**Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations
3.2.1.3	Effective management and oversight of financial systems, supply chain and moveable asset management governance within the provincial and municipal spheres	Annually defined support Programmes for departments and municipal districts	Number of support Programmes implemented for departments and municipal districts	New Output Indicator	New Output Indicator	2	2	None	None
3.2.1.7		Commodity procurement strategies that drives efficiencies and enables local economic development within departments	Number of commodity procurement strategies developed	New Output Indicator	New Output Indicator	3	3	None	None

PROGRAMME 3: ASSET MANAGEMENT									
Sub-programme 3.3: Supporting and Interlinked Financial Services									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	**Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations
3.3.1.1	Effective management and oversight of financial systems, supply chain and moveable asset management governance within the provincial and municipal spheres	Optimizing and improving security access & capability on the Corporate Suite of existing Transversal Financial Systems to ensure that effective user account management	Number of votes assisted with user account management	Revised Output Indicator	Revised Output Indicator	13	13	None	None
3.3.1.2		Provide end user training and change management interventions to promote the correct and optimal utilisation of financial systems	Number of votes assisted with end user training and change management interventions	New Output Indicator	New Output Indicator	13	13	None	None
3.3.1.3		Preparation to enable smart and integrated HR management, Supply Chain management and Financial management business processes through Information Communication & Technology (ICT)	Number of votes assisted with preparation initiatives for implementation of smart and integrated Financial Management System	Revised Output Indicator	Revised Output Indicator	13	13	None	None
3.3.1.4		Utilisation of business intelligence tools	Number of votes assisted with quality data from the Corporate Suite of existing Transversal Financial System	Revised Output Indicator	Revised Output Indicator	13	13	None	None

Strategy to overcome areas of under performance

There were no areas of underperformance.

Changes to planned targets

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

Linking performance with budgets

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

Sub-programme expenditure

Sub- programme Name	2020/21			2019/20		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
3.1 Programme Support	4 318	4 315	3	3 533	3 022	511
3.2 Supply Chain Management	31 016	29 516	1 500	34 308	34 191	117
3.3 Supporting and Interlinked Financial Systems	27 311	25 687	1 624	29 391	28 180	1 211
Total	62 645	59 518	3 127	67 232	65 393	1 839

4.4 Programme 4: Financial Governance

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

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

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

The following were the outcomes for the financial year under review:

- Governance transformation in departments, entities and municipalities improved

Outcomes, outputs, output indicators, targets and actual achievements

Accounting Services

PT buckled down to ensure that the accountability cycle was not compromised by the COVID-19 pandemic. Accounting and governance within PT did not continue with business as normal and were not harboured by losing time on travelling to institutions that it supported. PT held virtual sessions with all institutions to ensure that the COVID-19 storm was navigated with determination and purpose.

The WCG, for the second year in a row, achieved the accolade from the AGSA as the best performing province on audit outcomes for both the local and provincial spheres of government, with PT having played a key role in the achievement.

For the 2019/20 financial year, twelve (12) of the fourteen (14) departments achieved clean audits, one (1) department achieved a qualified audit, and one (1) department achieved an unqualified audit with other matters. Seven (7) of the ten (10) entities received clean audits and three (3) entities achieved an unqualified with other matters.

For the 2020/21 financial year, twelve (12) of the fourteen (14) departments achieved clean audits and two departments achieved an unqualified audit with other matters. Seven (7) of

the ten (10) entities received clean audits and three (3) entities achieved an 'unqualified with other matters' audit outcome.

The 2019/20 municipal audits were finalised by 30 June 2021. The good audit outcomes of the prior year have been improved on where nineteen (19) municipalities have achieved clean audits, eight (8) municipalities achieved unqualified audit with other matters audit outcomes and three (3) municipalities had negative audit outcomes.

The repeated success of the Western Cape, as cited by the Auditor-General of South Africa, can be attributed to, amongst others,

- The institutionalisation of controls that resulted in the reduction of irregular expenditure.
- Accounting officers and authorities should continue to hold senior management accountable to improve key disciplines in the area of the reliability of submitted performance reporting.
- Leadership oversight and accountability for commitments in collaboration with oversight committees to improve/maintain audit outcomes.

PT enabled these outcomes through:

- Successfully hosting the PFMA CFO Forum meetings, the related financial accounting forum meetings and the MFMA CFO forums. These forums were used to prepare not just for the regulatory audits, but more importantly, to advocate good governance. The consistency workshops that were hosted aimed at ensuring that institutions were supported with the best expert advice.
- Hosting the Chief Risk Officer and Chief Audit Executive forums and partnering with the Institute of Internal Auditors to elevate governance. These forums, where previously held quarterly, were being hosted every two months. Attendees were grateful for this level of support which could only be achieved with dedication and collaboration.
- Driving the ADR mechanism; there is now a final draft Country ADR, agreed to by NT, AGSA and ASB. PT inches closer to a final document and the Province remains open to seeking all forms of alternative mechanisms of clarifying disputes before any litigation is engaged, as demanded by intergovernmental relations principles.
- The impact of COVID-19 meant that PT paused on introducing new or progressive disclosures but advised all institutions of the minimum requirements on disclosing expenditure related to COVID-19. This could not have been planned when the March 2021 budgets were finalised and required a concerted effort by PT to carefully scrutinise reporting requirements.
- With the delegation of irregular expenditure to the Minister for Finance in the Province, a condonation working committee was established. This committee worked tirelessly to address most of the backlog relating to irregular expenditure where the Province was not the authority.
- The Province reduced the backlog requests for condonation to such an extent that most cases are current, i.e., Irregular expenditure as reported on 31 March 2021 which normally should be cleared by the next reporting cycle.

- On 22 September, PT held its AFS consistency workshop. This was the first ever virtual and first ever MFMA AFS consistency workshop for the Province and for the Country. The purpose of the workshop was to drive consistency through a consolidated view of the municipal Generally Recognised Accounting Practice (GRAP) Financial Statements. It considered 4 years of financial statements across 30 municipalities and allowed PT to have both a helicopter view and an individual view of the AFS.

Corporate Governance

On the governance side, the governance engagements with departments were consolidated into the NT mid-year process, ensuring that budget preparation is aligned to good governance principles.

PT's legal and policy unit was inundated with having to scrutinise the plethora of legislation in the wake of the lockdown. Most relevant legislation was engaged with to ensure that the PT is kept abreast and, in a position, to make an impact before any laws or regulations were assented to or became mandatory for implementation.

MFMA governance was realised through the TIME and SIME processes. TIME engagements technically evaluate the credibility of the information and processes instituted by municipalities to achieve required governance outcomes.

Continuing the PT flagship engagement was the Minister's engagement with Executive Members of Finance in all municipal councils. This complemented the work done by the South African Local Government Association (SALGA), Audit and Assurance Public Committees (AAPC) and the DLG. Whilst not completed by 31 March 2021 due to the impact of COVID-19, the preparations were well under way with the actual event taking place on 31 April 2021.

The CA trainee programme also successfully produced a pool of professional chartered accountants who were recruited by both the public and private sectors. Since inception, the academy produced nine (9) professionals, that have all been taken up in influential employment opportunities. The South African Institute of Chartered Accountants (SAICA) informally recognised PT as one of the top performing public sector trainee accountant offices and have recommended the unit to other public sector institutions.

Additionally, more than 100 interns and bursars were supported through the Financial Management Capacity Building Grant and the National Treasury Municipal Financial Management Internship programme, run in partnership with the National Treasury that supplements bursaries offered by municipalities to their residents. These programmes seek to develop relevant skills sets for young people within diverse local areas, as the future administrative leaders of municipalities.

Outcomes, outputs, output indicators, targets, and actual achievements tables:

PROGRAMME 4: FINANCIAL GOVERNANCE Sub-programme 4.2: Accounting Services Element: Local Government Accounting									
No.	Outcome	Output	Output Indicators	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	**Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations
4.2.1.1	Governance transformation in departments, entities and municipalities improved	Oversight and monitoring of municipal financial governance	Number of municipal accounting assessment reports	30	30	29	29	None	None
4.2.1.2		Support initiatives to strengthen the understanding and application of accounting standards	Number of interventions to improve the understanding and application of accounting standards	New Output Indicator	New Output Indicator	6	6	None	None
4.2.1.3		Reconciliation of AFS and data strings on National Treasury LG Database	Percentage of data strings submitted to the LG Database reconciled to audited AFS	New Output Indicator	New Output Indicator	100%	0	100%	Due to the Lockdown, municipalities were granted extension on the submission of AFS. Consequently, the audits are still being finalised and verifications could not be performed. This was due to the delay in the AFS submission deadline per MFMA Circular No. 104 received from National Treasury.

Strategy to overcome areas of under performance

While there were certain areas of underperformance for reasons that were beyond the Department's control, there were also some areas of overachievement. NT is still considering extending the deadline for submissions, which may result in PT revisiting what would be seen as acceptable performance in the ensuing months.

PROGRAMME 4: FINANCIAL GOVERNANCE Sub-programme 4.2: Accounting Services Element: Provincial Government Accounting									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	**Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations
4.2.2.1	Governance transformation in departments, entities and municipalities improved	Oversight and monitoring of departmental financial governance	Number of governance performance engagements held with departments	Revised Output Indicator	Revised Output Indicator	2	2	None	None
4.2.2.2		Support initiatives to departments on internal control	Number of internal control interventions rolled out in departments	New Output Indicator	New Output Indicator	6	5	1	National Treasury delegated to all PTs the responsibility of condoning irregular, fruitless and wasteful expenditure. This requirement was previously a function of National Treasury, which did not initially form part of the Planned Interventions for PT, however given this delegation, the unit was required to facilitate the establishment of the condonation working committee and related prescripts required in terms of the NT irregular, fruitless and wasteful expenditure framework. The following interventions were then implemented, guidance with the interpretation and implementation of the irregular framework, guidance with regard to the FAQs relating to irregular framework and the development of an SOP for the irregular framework implementation. This shifted the focus of the planned interventions to the condonation work that needed to be implemented as part of the unit's function of internal control oversight.
4.2.2.3		Supporting departments in the application of accounting statements and norms and standards frameworks	Number of votes assessed against the applicable accounting and norms and standards requirements	14	14	14	14	None	None
4.2.2.4		Timeous publication and tabling of the ACFS	Publication and tabling of the ACFS is done in the required timeframe	1 month after receipt of audit report on the ACFS	1 month after receipt of audit report on the ACFS	1 month after receipt of audit report on the ACFS	1 month after receipt of audit report on the ACFS	None	An exemption was received on 31 March 2020 from the Minister of Finance (NT) which extended the PFMA prescribed process resulting in the submission of the audited ACFS being extended to 31 December 2020. Therefore, this was tabled in Q4.

Changes to planned targets

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

Strategy to overcome areas of under performance

Given the delegation to PT to manage the condonation of irregular expenditure, the unit included the corresponding measures in the 2021/22 APP planned objectives, which will help to control and relieve the underperformance in the future.

Changes to planned targets

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

PROGRAMME 4: FINANCIAL GOVERNANCE									
Sub-programme 4.3: Corporate Governance									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Annual Target 2020/21	**Actual Achievement 2020/21	Deviation from planned target to Actual Achievement 2020/21	Reasons for deviations
4.3.1.1	Governance transformation in departments, entities and municipalities improved	Oversight and monitoring of municipal financial governance	Number of municipal governance assessment reports	Revised Output Indicator	Revised Output Indicator	30	30	None	None
4.3.1.2		Support initiatives on municipal financial capacity building and training	Number of municipal support initiatives on municipal finance capacity building and training	10	10	10	10	None	None
4.3.1.3		Support initiatives to municipalities on internal audit and risk management	Number of support initiatives on internal audit and risk management.	Revised Output Indicator	Revised Output Indicator	12	12	None	None
4.3.1.4		Supporting municipalities and departments on financial legal frameworks and policies	Number of support initiatives to municipalities and departments on financial legal frameworks and policies	Revised Output Indicator	4	4	4	None	None
4.3.1.5		Legislative scanning reports	Number of legislative scanning reports	Revised Output Indicator	4	4	4	None	None
4.3.1.6		Effective execution of SAICA accredited training programme	Number of trainees that successfully completed the SAICA training programme	New Output Indicator	New Output Indicator	4	3	1	Due to COVID-19 and strict lockdown, 1 trainee was unable to achieve her mandatory core hours. The trainee contract was extended until the end of 31 August 2021.

Strategy to overcome areas of under performance

Agreement concluded with all departments to ensure trainees will complete, at minimum, 200 core hours over 2 months and increased monitoring by PT in respect thereof. Mechanisms were implemented at departments to enable trainees to work remotely in terms of the achievement of core hours. The inability to attain core hours is particular to the pandemic and the new way of work which has yet to fully materialise.

Changes to planned targets

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

Linking performance with budgets

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

Sub-programme expenditure

Sub-programme Name	2020/21			2019/20		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
4.1 Programme Support	6 854	6 785	69	8 885	8 822	63
4.2 Accounting Services	19 655	19 598	57	32 197	30 409	1 788
4.3 Corporate Governance	24 968	24 051	917	28 819	28 546	273
Total	51 477	50 434	1 043	69 901	67 777	2 124

Reporting on the Institutional Response to the COVID-19 Pandemic

Progress on Institutional Response to the COVID-19 Pandemic

Budget Programme	Intervention	Geographic Location	No. of beneficiaries	Disaggregation of Beneficiaries	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
3	PT Circular No. 11; 21 and 23 of 2020 (COVID-19 & emergency procurement)	Whole Western Cape Province	0	0	0	0	N/A	N/A
3	Municipal Circulars No. 6 and 8 of 2020	Whole Western Cape Province	0	0	0	0	N/A	N/A
3	Implementing a central procurement and financial advisory committee (CPAC)	Whole Western Cape Province	0	0	0	0	N/A	N/A
3	Logistics support for the management of Donations-in-kind (governance requirements and System Support and training)	Whole Western Cape Province	0	0	103 500	0	N/A	N/A

Budget Programme	Intervention	Geographic Location	No. of beneficiaries	Disaggregation of Beneficiaries	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
3	Database of PPE Suppliers	Whole Western Cape Province	0	0	0	0	N/A	N/A
3	Database of Cloth mask suppliers	Whole Western Cape Province	0	0	0	0	N/A	N/A
3	e-PS enablement to incorporate formal bidding for provincial departments	Whole Western Cape Province	0	0	0	0	N/A	N/A
3	SCM WhatsApp Group created for SCM heads in the Province and municipalities	Whole Western Cape Province	0	0	0	0	N/A	N/A
3	Additional ad-hoc SCM Forums for provincial department	Whole Western Cape Province	0	0	0	0	N/A	N/A
3	Ad hoc SCM District Forums for municipalities	Whole Western Cape Province	0	0	0	0	N/A	N/A

5. TRANSFER PAYMENTS

5.1 Transfer payments to public entities

PT has one public entity, namely, the WCGRB. The WCGRB received R27.744 million from PT as a transfer payment.

Name of Public Entity	Key outputs of the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
Western Cape Gambling and Racing Board	To control and regulate gambling, racing and betting within the Province of the Western Cape	27 744	13 113	Regulate and oversight of the gambling industry in the Western Cape

Quarterly financial and non-financial monitoring processes have been institutionalised between the Ministry, PT and the WCGRB. The WCGRB fully complied with all the PFMA reporting requirements.

5.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2020 to 31 March 2021.

Name of transferee	Purpose for which the funds were used	Compliance with 38(1)(j) of the PFMA	Amount transferred R'000	Amount spent by the entity R'000	Reasons for the funds unspent by the entity
Various municipalities across the Western Cape Province	Financial management support, financial management capacity building and municipal financial recovery services grant	Yes	15 788*	0	Transfer of funds to municipalities only done during the last quarter of the financial year. Municipalities are in the preparation phase to spend the money
Departmental agencies and accounts	South African Broadcasting Corporation (SABC) TV licences	Yes	7	7	None
Households	Bursaries, leave gratuity, early retirement section 16(6) and injury on duty	Yes	7 194	7 194	None

Financial assistance is provided to municipalities to improve overall financial governance within municipalities inclusive of optimising and administration of revenue, improving the credibility and responsiveness of municipal budgets, improving municipal audit outcomes and addressing institutional challenges. In addition, financial assistance is provided to develop financial human capacity within municipal areas to enable a sustainable local financial skills pipeline that is responsive to municipalities' requirements to enable sound and sustainable financial management and good financial governance.

The table below reflects the transfer payments, which were budgeted for in the period 1 April 2020 to 31 March 2021, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for R'000	Amount transferred R'000	Reasons why funds were not transferred
Cape Winelands	Western Cape Financial Management Capacity Building Grant	300	0*	The Cape Winelands municipality declined the grant
Unallocated	Western Cape Financial Management Support Grant	400	0*	Delay in finalisation of the MoA timeously in line with DoRA

Note: * The amounts transferred (R15.788 million and R0) in the two tables above is equivalent to the total amount received by municipalities in Annexure 1A of the Annual Financial Statement (Refer to page 242 for more detail)

6. CONDITIONAL GRANTS

6.1 Conditional grants and earmarked funds paid

Western Cape Financial Management Support Grant

Department/Municipality to whom the grant has been transferred	Various municipalities across the Western Cape Province.
Purpose of the grant	To provide financial assistance to municipalities to improve overall financial governance within municipalities inclusive of optimising and administration of revenue, improving credibility and responsiveness of municipal budgets, improving of municipal audit outcomes, and addressing institutional challenges.
Expected outputs of the grant	<ul style="list-style-type: none"> Strengthening of IT systems to deliver reports required for financial management improvement. Improvements in data quality that informs the IDP and SDBIPs. Support municipalities during the implementation process relating to the Municipal Standard Chart of Accounts (mSCOA). Support to municipalities, in concert with DLG ICT application and linkages to financial management improvement. Improvement in revenue streams and transparency in tariff setting. Improvement to internal and external reporting on financial (budget) and non-financial performance (in-year reporting) information. Compliance with regulatory requirements related to performance management and improvement in the usefulness and reliability of reported information against PDOs. Improvement in SCM compliance and regulatory conformance. Improvement in financial governance matters, e.g. (updating and creation of municipal websites, improved internal audit and risk functioning). Improvement in audit outcomes (financial and non-financial).
Actual outputs achieved	<ul style="list-style-type: none"> Strengthened financial and IT related systems and capacitated staff. Improved data quality that informs the IYM, IDP and SDBIPs. Improved revenue estimation and transparency in tariff setting. Improved internal and external reporting on budget performance. Improved compliance with regulatory requirements related to performance management. Improved the usefulness and reliability of reported information against PDOs. Improved SCM compliance and regulatory conformance. Improved financial governance issues such as internal audit and risk management. Improved audit outcomes.
Amount per amended DoRA (R'000)	R7 488
Amount transferred (R'000)	R7 088
Reasons if amount as per DoRA not transferred	An amount of R400 000 was not allocated to specific municipalities.
Amount spent by the department/municipality (R'000)	0
Reasons for the funds unspent by the entity	None

Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> Monitoring and management of the programme (outputs and intended outcomes). Transfer funds to municipalities to assist implementation of the MFMA and its supporting regulations. Finalise and agree on implementation plans with affected municipalities. Periodic visits to monitor the impact and the appropriateness of the assistance in terms of the spending performance of the funds allocated and general compliance to conditions as set out in the grant framework and Memorandum of Agreements (MoAs).
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Western Cape Financial Management Capacity Building Grant

Department/Municipality to whom the grant has been transferred	Various municipalities across the Western Cape Province.
Purpose of the grant	To develop financial human capacity within municipal areas to enable a sustainable local financial skills pipeline that is responsive to municipalities' requirements to enable sound and sustainable financial management and good financial governance.
Expected outputs of the grant	<ul style="list-style-type: none"> Allocation to each municipality per year over a 3-year period as indicated in the allocation schedule to establish and/or augment current municipal bursary programmes that develop students and learners, with the required potential, within their respective municipal areas Allocation of bursaries by municipalities over a 3-year period to at least 2 learners within the municipal area per year for undergraduate or postgraduate studies for the academic period. Learners will be required to undertake full time studies in areas such as finance, economics, accounting, supply chain management, internal audit and risk management and infrastructure. Progress Report submitted by the Municipality as per the timeframes stipulated in the Memorandum of Agreement.
Actual outputs achieved	<ul style="list-style-type: none"> R8.7 million transferred to municipalities for the purpose of establishing and/or augmenting current municipal bursary programmes that develop students and learners, with the required potential, within their respective municipal areas.
Amount per amended DoRA (R'000)	R9 million
Amount transferred (R'000)	R8.7 million
Reasons if amount as per DoRA not transferred	The municipality did not accept the transfer as they no longer have the external bursary policy/programme.
Amount spent by the department/municipality (R'000)	An amount of R8.7 million was transferred to municipalities as at 31 March 2021. The amount spent by the municipalities was not yet known as at 31 March 2021 as the first reporting requirement date in terms of the amount transferred is 31 July 2021.
Reasons for the funds unspent by the entity	None

Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> • Prepare Memorandum of Agreement (MOA) that are aligned with intended outputs and outcomes. • Monitoring and management of the programme (outputs and intended outcomes). • Transfer funds to municipalities to assist implementation of the MFMA and its supporting regulations with respect to capacity building to ensure good financial governance. • Periodic visits to monitor the impact and the appropriateness of the assistance in terms of the spending performance of the funds allocated and general compliance to conditions as set out in the grant framework and MOAs.
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6.2 Conditional grants and earmarked funds received

None.

7. DONOR FUNDS

7.1 Donor Funds Received

PT did not receive any donor funding during the reporting period.

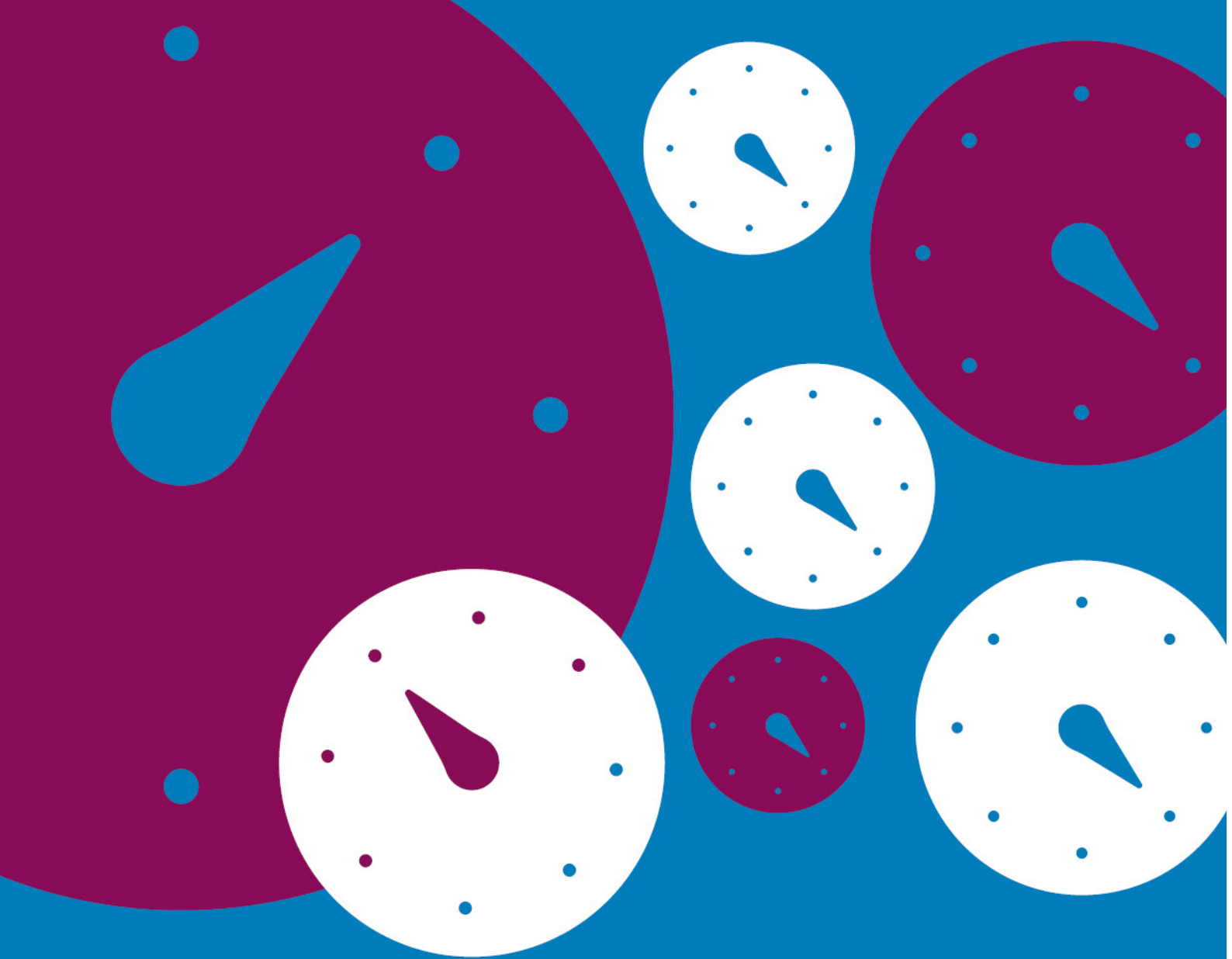
8. CAPITAL INVESTMENTS

8.1 Capital investment, maintenance and asset management plan

PT has no capital assets (immovable) of its own as these are managed by the Department of Transport and Public Works as the Custodian. Annually it is expected of PT to submit a User Immovable Asset Management Plan (U-AMP). Two (2) U-AMPs were submitted to DTPW during the reporting period. The U-AMP did not include any funds for capital works.

The Western Cape Infrastructure Delivery Management System (WC-IDMS) as approved by the Provincial Cabinet as well as the Framework for Infrastructure Delivery and Procurement Management (FIDPM) was issued by National Treasury and are systematically rolled-out and should assist with further infrastructure delivery improvements within the Province. This included enhanced planning and more efficient procurement methodologies. PT assisted the relevant provincial departments in this regard.

All maintenance for PT is generally undertaken by the Department of Transport and Public Works and in cases where that department does not provide the requested services, approval is obtained from them (Custodian) to undertake minor projects.



GOVERNANCE

PART C

PART C: GOVERNANCE

1. INTRODUCTION

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

The Department has an approved strategic plan (setting out PT's policy priorities, programmes and project plans for a five-year period) and APP (setting out what the Department intends doing in the coming financial year and during the MTEF to implement its strategic plan). Performance indicators and targets are set to assist PT in realising its goals and objectives as set out in the annual performance and strategic plan.

Quarterly performance reports provide progress updates on the implementation of the PT's APP, monitoring delivery against performance targets. The aforementioned takes place in accordance with Chapter 5 of the Treasury Regulations and ensures that financial and non-financial performance information underpins planning, budgeting, implementation management and accountability reporting to promote transparency and expenditure control towards the economic, efficient and effective use of public resources.

A system of internal audit under the control and direction of the Audit Committee is in place. The Audit Committee is established as an oversight body providing independent oversight over governance, risk management and control processes in PT.

Several other departmental structures are also in place and contribute to the improvement of governance. These include, amongst others, the (i) Enterprise Risk Management Committee (ERMCO); (ii) Occupational Health and Safety Committee; (iii) various Bid Committees (Specification, Evaluation, Adjudication); (iv) Information Technology STEERCOM which provides oversight relating to information technology governance and (v) Internal Control Unit.

2. RISK MANAGEMENT

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

An approved ERM Policy, providing a framework for the embedding of risk management processes within PT and a Strategy and Implementation Plan which monitors the performance of risk management processes throughout the financial year is in place for the 2020/21 financial year.

ERMCO Responsibility

The ERMCO reports that it has complied with its responsibilities arising from Section 38 (1)(a)(i) of the PFMA, Treasury Regulation 3.2.1 and Public Service Regulations (PSR) of 2016, Chapter 2, Part 1, 2 and 3. The ERMCO also reports that it has adopted the appropriate formal Terms of Reference (and regulated its affairs in compliance with this Terms of Reference and has discharged all its responsibilities as contained therein).

ERMCO Members

An ERMCO is in place for PT and comprises of selected members of PT's senior management team. In line with its approved Terms of Reference, the ERMCO met at least four times (quarterly) during the year under review.

The table below discloses relevant information on ERMCO members:

Member	Position	No. of meetings attended
Mr D Savage	Accounting Officer (Chairperson)	4
Dr R Havemann	DDG: Fiscal and Economic Services	3
Ms J Gantana	DDG: Governance and Asset Management	3
Mr A Phillips	CD: Public Policy Services	1
Mr M Booysen	Acting CD: Public Policy Services	2
Mr S Kenyon	CD: Local Government Public Finance	3
Ms A Pick	Acting CD: Provincial Government Public Finance	2
Mr I Smith	CD: Asset Management	2
Ms N Ebrahim	Acting CD: Asset Management	1
Mr A Hardien	CD: Financial Governance and Accounting	1
Ms A Smit	CFO and Risk Champion	4
Ms N Ismail	Director: Strategic and Operational Management Support	4
Mr P Pienaar	Director: BIDM	3
Ms C Green	Head of Office: Ministry	2

The following is an indication of other officials who attended the ERMCO meetings for the year under review:

Other attendees	Position	Scheduled Meetings	Attended
Ms A Haq	Director: ERM (DotP)	4	3
Ms G Solomons	Chief Risk Advisor: Enterprise Risk Management (DotP)	4	4
Mr Y Samodien	Risk Advisor: ERM (DotP)	4	4
Mr M Williams	Director: Internal Audit	4	3
Mr A Ahmed	Deputy Director: Internal Audit	4	3

Other attendees	Position	Scheduled Meetings	Attended
Ms B Cebekhulu	Deputy Director: Provincial Forensic services	4	4

ERMCO Key Activities

The AO is the chairperson of the ERMCO. In executing its function, the ERMCO performed the following key activities during the year:

- evaluated the effectiveness of mitigating strategies to address the material risks of PT;
- reviewed all risks outside the tolerance levels for further action/attention;
- reviewed the Fraud Prevention Plan and Fraud Prevention Implementation Plan and recommended it for approval by the Accounting Officer;
- monitored progress against the fraud prevention plan and fraud prevention implementation plan;
- evaluated the extent and effectiveness of the integration of the risk management policy, strategy and implementation plan;
- monitored the implementation of the risk management policy, strategy and implementation plan;
- monitored the Business Continuity Plan and oversight of the risks relating to the Occupational Health and Safety (OHAS) requirements;
- reviewed and assisted in the identification of new and emerging risks within PT; and
- assisted in the identification of departmental risks to be escalated to the Provincial Risk register.

Key risks considered and addressed during the year

The following are the key Strategic Risks for PT that were considered and addressed during the year:

- PT's inability to remain responsive and inclusive in its support to the Province due to the COVID-19 pandemic;
- constrained Fiscal Outlook;
- regression in SCM performance due to conflicting application and interpretation of National SCM Prescripts;
- worsening in the Province's fiscal position may result in uncertainty regarding approval of roll over and revenue retention adjustments budgets; and
- constrained ability of PT to improve conformance by municipalities to laws and regulations in the SCM environment.

The key focus for the 2020/21 financial year was the management and response to the COVID-19 pandemic. Existing risks, such as the Fiscal and SCM and service delivery risks, were exacerbated by the pandemic and additional mitigations were identified to manage these risks.

Each programme's risks were deliberated/debated at the quarterly ERMCO meetings. Programme managers were required to provide feedback on progress made with the implementation of the action plans to reduce the likelihood of risks materialising and/or the impact, should they materialise. ERMCO also referred risks back, that should be analysed more extensively and recommended additional mitigations or actions to manage risks.

The Governance and Administration Cluster (G&A) Audit Committee provided oversight over the risk management processes followed, through the quarterly audit committee meetings. Key and emerging risks were discussed and progress against the ERM Strategy and Implementation was monitored.

Key emerging risks for the following financial year

The emerging risks for the next financial year relate to increasing economic pressure due to budget cuts and further outbreaks of COVID-19, increased demand for municipal support services due to a reduction in municipal income and potential non-compliance with POPIA and associated regulations.

Conclusion

At the beginning of the financial year, several risks that could potentially influence the operation of PT were identified. Due to the deliberations at ERMCO, the mitigation measures put in place, the tracking of the implementation of these measures allowed PT to minimise these risks and PT was able to achieve most of its goals and objectives as set out in its APP.

3. FRAUD AND CORRUPTION

Fraud and corruption represent significant potential risks to PT's assets and can negatively impact on service delivery efficiency and PT's reputation.

The WCG adopted an Anti-Fraud and Corruption Strategy which confirms the Province's zero-tolerance stance towards fraud, theft and corruption. In line with this strategy, PT is committed to zero-tolerance with regard to corrupt, fraudulent or any other criminal activities, whether internal or external and vigorously pursues and prosecutes by all legal means available, any parties who engage in such practices or attempt to do so.

PT has an approved Fraud and Corruption Prevention Plan and a concomitant Fraud Prevention Implementation Plan which gives effect to the Prevention Plan.

Various channels for reporting allegations of fraud, theft and corruption exist and these are described in detail in the Provincial Anti-Fraud and Corruption Strategy, the WCG Whistle-blowing Policy and the Departmental Fraud and Corruption Prevention Plan. Each allegation received by the Provincial Forensic Services (PFS) Unit is recorded in a Case Management

System which is used as a management tool to report on progress made with cases relating to PT and to generate statistics for the WCG and PT.

Employees and workers who blow the whistle on suspicions of fraud, corruption and theft are protected if the disclosure is a protected disclosure (i.e., meets statutory requirements of the Protected Disclosures Act, No 26 of 2000 e.g., if the disclosure was made in good faith). The WCG Whistle-blowing Policy provides guidelines to employees and workers on how to raise concerns with the appropriate line management, specific designated persons in the WCG or external institutions, where they have reasonable grounds for believing that offences or improprieties have been or are being perpetrated in the WCG. The opportunity to remain anonymous is afforded to any person who would like to report acts of fraud, theft and corruption and should they do so in person, their identities are kept confidential by the person to whom they are reporting.

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

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

Cases	Number of cases
Open cases as at 1 April 2020	0
New cases (2020/21)	0
Closed cases (2020/21)	0
Open cases as at 31 March 2021	0

4. MINIMISING CONFLICT OF INTEREST

In terms of Chapter 2 – Conduct, Financial Disclosure, Anti-corruption and Ethics Management, Part 2 - Financial Disclosure of the PSR, 2016, read with the Determination on other categories of designated employees to disclose their financial interest and Directive on the form, date and financial interests to be disclosed issued by the Minister for the Public Service and Administration the financial disclosures of SMS members were completed and submitted to the Public Service Commission (PSC) and the Department of Public Service and Administration (DPSA). Officials on salary levels 11 and 12 as well as officials within the SCM, Management Accounting, Financial Accounting units and PSR Officers completed their financial disclosures for period 2019/20.

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

In addition, on a quarterly basis, PGSCM informs the AOof employees who have a registered supplier profile on the SEB/CSD. During the reporting period, no potential conflicts were identified.

5. CODE OF CONDUCT

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

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

All employees are expected to abide to the Code of Conduct. The code requires loyalty of public servants to the existing democratic order, accepting and honouring the supremacy of the Constitution and understanding the contents and purpose of the Constitution as a mechanism to maintain and regulate the existing order. The code is furthermore strengthened by the Code of Conduct for SCM Practitioners. All Bid Committee members and SCM Practitioners are required to declare that they will abide by the Code of Conduct for SCM Practitioners.

The explanatory manual on the Code of Conduct for Public Service is provided to all new employees and forms part of the induction programme offered to all new employees, as this forms the main basis on which pro-active, corrective and even disciplinary action rests.

The manual is accessible on PT's intranet.

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

6. HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES

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

PT occupies parts of buildings for which it is not the custodian, but provides and maintains, as far as possible a working environment that is safe and without risks to the health and safety of the employees. PT ensured that it remains as far as possible, compliant to the OHAS Act and thus ensured statutory Section 16.1 and Section 16.2 appointments, maintained functional transversal (joint) and Departmental OHAS Committees, having the necessary equipment and capacity. The well-trained OHAS Representatives conduct regular inspections and deficiencies are reported to the building custodian. During the period under review, the approved Departmental OHAS Policy Statement was on display and was also accessible to all employees. Furthermore, the OHAS Representatives attended training during the year.

The Departmental OHAS function coordinated effectively with regular awareness messages that were circulated to all employees at scheduled intervals. A Hazard Identification and Risk Assessment (HIRA) inspection was conducted.

PT ensured that all COVID-19 regulations, restrictions, protocols and requirements were adhered to. Furthermore, as a response to the current pandemic, a COVID-19 Committee was established and meets monthly to ensure that PT stays abreast of the developments and ensure the health and safety of its employees.

7. ACCESS TO INFORMATION

During the 2020/21 financial year, PT managed the request for information in terms of the Promotion of Access to Information Act, 2000. PT submitted its section 32 report for the financial year to the Human Rights Commission and there were no updates required to the section 15 for automatically available information. Due to the State of the National Disaster (COVID-19), there was a delay in the publication for 2020 for PT's manual on how to request information from the public body concerned as required in terms of Section 4 of the Act.

8. STANDING COMMITTEES

Date of Meeting	Committee	Subject	Response from Department
20 July 2020	Budget Committee	The Committee requested the following: 1. The Department provide a copy of the process/instructions as per the PFMA for roll-over and virements shift requests from departments. 2. A breakdown of the underspending relating to Compensation of Employees.	PT provided the response to the Committee on 29 July 2020.
23 July 2020	Budget Committee	The Committee requested the following: The Department provide the details and link regarding the launch of the disclosure report relating to the PPE.	PT provided the response to the Committee on 17 August 2020.
1 December 2020	Budget Committee	The Committee requested the following: 1. Copies of the National Treasury Guidelines on all the statutory and policy requirements to ensure that the Annual Reports are understandable to the general user of the financial statements; 2. Copies of the guidelines and instructions relating to irregular expenditure; and 3. A summary of the Broad-Based BBBEE report relating to non-compliance by departments and entities.	PT provided the response to the Committee on 7 December 2020.

Date of Meeting	Committee	Subject	Response from Department
16 March 2021	Budget Committee	The Committee requested the following: 1. The details of the new data that was used and the inputs that was provided to National Treasury which relates to the Equitable Share Formula; and 2. A copy of the combined assurance presentation that was presented to the Audit Committees.	PT provided the response to the Committee on 29 March 2021 and 8 April 2021.
19 February 2020	Standing Committee on Finance	The Committee resolved that the Department should brief the Committee on the "value for money" aspect of public procurement and the SCM process (at a date to be determined by the Committee). The briefing should include the top ten goods procured across departments in the retail space, the top ten services procured across departments, and the top ten costs related to infrastructure expenditure, (particularly in the construction sector and the leasing of office space), and how these costs relate to current market values. The Committee also requested that the PT provide the Committee with the matrix of issues presented to NT, and a report on the engagement that took place between the two (2) departments on 4 and 5 February 2020, particularly in terms of any potential amendments to regulations, legislation and other red tape blockages that were discussed.	PT awaits the invitation from the Committee. PT provided a response to the Committee on 5 August 2020.
12 March 2020	Standing Committee on Finance	PT should brief the Standing Committee on the new Grant Framework, once the review is completed at the end of August 2020. The Committee also requests that PT provide the Committee with a list of land to be released for spatial planning (of which R56 million was allocated by PT) and what this land would be used for.	PT awaits the invitation from the Committee. PT provided the response to the Committee on 21 April 2020.
9 June 2020	Standing Committee on Finance	The Department was requested to brief the Committee on the Western Cape Nineteenth (19 th) Gambling and Racing Amendment Bill [B1 - 2020].	N/A
N/A	Standing Committee on Finance	The Committee requested that the Department provides the list of stakeholders that are affected by the WC 19 th Gambling and Racing Amendment Bill or just broadly, are within the sector, and might be interested in the Bill.	PT provided the response to the Committee on 22 June 2020.

Date of Meeting	Committee	Subject	Response from Department
24 July 2020	Standing Committee on Finance	<p>The Committee requested the following:</p> <ol style="list-style-type: none"> 1. PT position on the most responsive macro policy and fiscal approach to frame the national and provincial economy, post COVID-19 recovery and how it can realise an inclusive economy. 2. The Provincial Minister and HOD to respond to how this budget adjustment assists to revise the public financing approach and principles used by PT before COVID-19 and new elements and or principles, if any, that have been developed to reorient public financing and the agility to respond to the post COVID-19 environment by province and municipalities. 3. How did the revised approach/ principles in point 2 direct the revision/reprioritisation of budgets by provincial departments and municipalities to (a) reverse the levels of inequality in the Province and municipalities as reflected by MERO reports in the past, including the Statistics SA Inequality Report of 2019, and (b) drive the Hotspots Strategy in the declared areas to reverse existing challenges that pre-exposed these communities to COVID-19? Please provide specifics, if not, why not? 4. What has happened to the War Room and the value derived from it, if any, regarding public finance and budgeting for the Province as issues attended to by it, if any? 5. From the R12.9 million of the revised baseline reductions, PT reported that Cost of Employment accounts for R5.6 million as a result of vacancies. Please provide the following information: <ol style="list-style-type: none"> a) The number of vacant posts and their levels per relevant department/s or entities? b) Of these mentioned in point 5(a), please indicate which of those vacancies have officials Acting in those positions and for how long, or any other method such as private agency/ labour broking/ contracting, etc. used to undertake such duties? c) How much is being spent in total to offset these measures in point 5(b)? Please specify per method utilised. 	PT provided the response to the Committee on 3 August 2020.

Date of Meeting	Committee	Subject	Response from Department
		<p>d) The period to date that such positions have been vacant?</p> <p>e) Are these critical posts, and what percentage is funded or unfunded?</p> <p>6. In the current staff complement of PT, what percentage is working from home, and what is the nature of support provided to them? Additionally:</p> <p>a) Is there any additional/special support provided to women, especially mothers, and people with disabilities, including those with special health conditions?</p> <p>b) How has COVID-19 impacted on the various levels of employees in PT, and are there mechanisms in place for each level?</p> <p>c) What is the nature of labour relations environment at PT, and the frequency of engagement with both organised and unorganised labour? Please provide the latest report or signed minutes of latest engagements with employees particularly on COVID-19, its impact on work conditions, and what has been agreed to as support and/or improvements to enable favourable working conditions in this current COVID-19 workspace?</p>	
3 August 2020	Standing Committee on Finance	The Standing Committee on Finance, Economic Opportunities and Tourism requested PT to brief the Committee on the shortlisting of candidates for the WCGRB vacancies, as well as the results/outcomes of the Probity Reports. The meeting is scheduled for 12 August 2020.	PT briefed the Committee on 12 August 2020 and provided a list of the Probity Assessment on 11 August 2020.
12 August 2020	Standing Committee on Finance	The Department was requested to brief the Committee on the shortlisting of candidates for the WCGRBvacancies, as well as the results/outcomes of the Probity Reports.	N/A

Date of Meeting	Committee	Subject	Response from Department
12 September 2020	Standing Committee on Finance	<p>The Committee resolved that the Department should provide the following information:</p> <ol style="list-style-type: none"> 1. A report on the calculations and reasoning/rationale for the fee amounts included under Clause 3 of the Bill; 2. A table/summary of fee increases, and fees collected from industry players over the last ten years, for the various categories of fees levied; and 3. A report on the financial situation of the gambling industry, currently, with the turnover for all major industry players and operators (if this information is available for the public). 	PT provided the response to the Committee on 1 October 2020.
10 December 2020	Standing Committee on Finance	Part A, B and D of the 2019/20 Annual Report was tabled.	N/A
18 March 2021	Standing Committee on Finance	<p>The Committee requested the following:</p> <ol style="list-style-type: none"> 1. A brief report on how the savings from the Western Cape Third Adjustment Appropriation would be incorporated into the main budget and how small businesses will be supported in the main budget in respect of economic development; and 2. A list of all vacancies in funded posts, and where there were posts vacant for six months or more, (i) when the posts became vacant, (ii) when the posts were advertised, (iii) what the results of the advertisements were, (iv) when the head-hunting exercises started, and (v) when the positions were filled. 	PT provided the response to the Committee on 16 April 2021.

9. PUBLIC ACCOUNTS COMMITTEE (PAC) RESOLUTIONS

The PAC considered, as part of its oversight role, the 2019/20 Annual Report of PT and noted the audit opinion of the Auditor-General regarding the Annual Financial Statements of PT for the 2019/20 financial year, having obtained a clean audit report with no findings. This audit opinion remains the same as the audit outcome for the 2018/19 financial year, where PT obtained a clean outcome with no findings.

The Committee made the following resolutions:

Background	Resolution	Department Response
<p>Page: 77 of the Annual Report</p> <p>Heading: "2.4 Key policy developments and legislative changes"</p> <p>Description:</p> <p>The Committee notes that the current SCM legislative framework by National Treasury aims to create a single regulatory framework for public procurement to eliminate fragmented procurement prescripts, as well as to advance economic opportunities for all previously disadvantaged people and women, the youth, and people with disabilities; small businesses; and to promote local production.</p> <p>The Committee further notes the challenge which is experienced by PT wherein cost containment and transversal contract requirements continued to place pressure on an already austere environment.</p>	<p>That the Department briefs the Committee on the Implementation Preferential Procurement Policy Framework Regulations as they relate to local content implementation.</p>	<p>PT awaits the invitation to brief the Committee.</p>
N/A	<p>The Committee requested a copy of the court judgement relating to the Preferential Procurement Regulations.</p>	<p>PT provided the response to the Committee on 25 May 2021.</p>
N/A	<p>The Committee requested a copy of the Preferential Procurement Policy Framework.</p>	<p>PT provided the response to the Committee on 25 May 2021.</p>

10. PRIOR MODIFICATIONS TO AUDIT REPORTS

No modifications were made to prior audit reports.

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

11. INTERNAL CONTROL

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

- Several Standard Operating Procedures were compiled by the unit as follows:
 - Post Audit;
 - Batches;
 - Internal Audit Process;
 - Manage, facilitate and co-ordinate the External Audit Process; and
 - Coordinate and facilitate the Provincial Forensic Services Process.
- Conducted an inspection on the Q1 performance information. This process has since been incorporated into the quarterly Status of Records Review.
- Facilitated the monthly report on all payments which were not paid within 30 days and submitted the reports to the PFMA Compliance Unit for the financial year.
- Provided the support function to the PFS Unit, including facilitating the attendance of awareness sessions by officials and assisting PFS to update the fraud risk register.
- Investigated Losses, Irregular Expenditure, Fruitless and Wasteful Expenditure cases. The Irregular and Fruitless & Wasteful expenditure submissions were updated and brought in line with the guidelines as issued by National Treasury.
- Facilitated the review of and amendments to the Financial Manual.
- Performed post-auditing functions on the BAS and LOGIS payments and Travel and Subsistence claims, which ensured that payments were in accordance with prescripts that improved standards of financial administration for audit purposes. Deviations were reported on a quarterly basis to the respective units. The Department commenced with the utilisation of the web-based post auditing database as rolled out by PG Accounting.
- Performed random checks on payments to ensure that cost containment measures were adhered to.
- Followed-up on the outstanding Internal Audit findings that were handed over to Internal Control and further pursued them in liaison with the relevant managers. Feedback was provided to the CFO, AO, and Audit Committee.
- Facilitated the 2020 Corporate Governance Review and Outlook (CGRO) process by ensuring that the responsible officials completed their sections and submitted it to PT: PG Accounting. Updated the CGRO database on a quarterly basis that was presented at several fora.
- Compiled the Quarterly Status of Records Review. PT, with the assistance of AGSA, quarterly performed reviews on the General Procedures, Financial Management, Performance Management, Performance and Contract Management, Compliance and

Resource Management. The reports were submitted to the CFO and AO. Furthermore, the reports are presented at the Quarterly Audit Committee Meetings.

- Provided the following secretariat functions to the ERMCO:
 - Compiled the minutes of the ERMCO meeting for each quarter;
 - Ensured that the members of ERMCO were appointed;
 - The 2020/21 – 2024/25 Enterprise Risk Management Policy was updated and signed off by the HOD on 9 April 2020;
 - The 2021/22 Enterprise Risk Management Strategy and Implementation Plan was updated and approved by the HOD on 31 March 2021;
 - The Terms of Reference of ERMCO for the period 2020/21 – 2024/25 was presented at ERMCO and approved by the HOD on 30 March 2021; and
 - The Operational Risk Register and Strategic Risk Register were updated and signed off bi-annually by the relevant SMS member and the AO.
- Quarterly submission of the IYM report, Status of Records Review, Tracking sheet, Quarterly Performance Report and CGRO documents to the Governance and Administration Cluster Audit Committee for discussion at quarterly meetings.

12. INTERNAL AUDIT AND AUDIT COMMITTEES

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

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

Internal Audit work completed during the year under review for PT included four assurance engagements, one consulting engagement and four follow-up audits. The details of these engagements are included in the Audit Committee report.

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

- Internal Audit function;

- External Audit function (AGSA);
- Departmental Accounting and reporting;
- Departmental Accounting Policies;
- AGSA management and audit report;
- Departmental In-year Monitoring;
- Departmental Risk Management;
- Internal Control;
- Pre-determined objectives; and
- Ethics and Forensic Investigations.

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

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Mr Francois Barnard (Chairperson)	BProc; BCompt (Hons); CTA; Postgraduate Diploma Auditing; MCom; CA (SA) MTP (SA)	External	N/A	01 January 2019 (1 st term)	N/A	7
Ms Merle Kinnes	BA; LLB; Higher Certificate in Forensics Examination; Attorney of the High Court	External	N/A	01 January 2016 (1 st term) 01 January 2019 (2 nd term)	N/A	7
Mr Mohamed Yaseen Ismail	BCom, PGDA, Certificate in Advanced Taxation, Certificate in Forensic and Investigative auditing, CA(SA), RA(SA), CFE	External	N/A	01 May 2016 (1 st term) 01 May 2019 (2 nd term)	30 June 2020	1
Mr Andrew Davids	BCom; Professional Post-Graduate Qualification: Company Secretarial and Governance Practice, ACG(CS)	External	N/A	01 January 2020 (1 st term)	N/A	7
Ms Crystal Abdoll	BCom; BCompt (Hons); CA (SA); Post-graduate Diploma: Certified Internal Auditing	External	N/A	01 March 2021 (1 st term)	N/A	2

13. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2021.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38(1)(a)(ii) of the PFMA and National Treasury Regulation 3.1. The Audit Committee also reports that it has adopted appropriate formal Terms of Reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

The Department is required to develop and maintain systems of internal control that would improve the likelihood of achieving its objectives, adapt to changes in the environment it operates in, promote efficiency and effectiveness of operations, and support reliable reporting and compliance with laws and regulations.

The WCG adopted a Combined Assurance Framework which identifies and integrates assurance providers. The first level of assurance is management assurance, requiring line management to maintain effective internal controls and execute those procedures on a day-to-day basis by means of supervisory controls and taking remedial action where required. The second level of assurance is internal assurance provided by functions separate from the direct line management, entrusted with assessing adherence to policies, procedures, norms, standards and frameworks. The third level of assurance is independent assurance providers that are guided by professional standards requiring the highest levels of independence.

A risk-based Combined Assurance Plan was developed for the Department, facilitated by Internal Audit, who is also an independent assurance provider. Internal Audit provides the Audit Committee and Management with reasonable assurance that the internal controls tested in the internal audit plan are adequate and effective. This is achieved by an approved risk-based internal audit plan, Internal Audit assessing the adequacy and effectiveness of controls mitigating the risks and the Audit Committee monitoring implementation of corrective actions.

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

Assurance Engagements:

- DPSA Delegations Framework;
- Records and Information Management;
- Transfer Payments; and
- COVID-19 SCM Transactions (WCG Transversal IA Plan).

Consulting Engagements:

- CPAC.

The above assignments were completed during the year.

The areas for improvement, as noted by Internal Audit during the performance of their work, were agreed to by management. The Audit Committee monitors the implementation of the agreed actions on a quarterly basis.

In-Year Management and Monthly/Quarterly Report

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

Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the Audited Annual Financial Statements to be included in the Annual Report, with the AGSA and the AO;
- reviewed the AGSA's Management Report and Management's responses thereto;
- reviewed changes to accounting policies and practices as reported in the Annual Financial Statements; and
- reviewed adjustments resulting from the audit of the Department.

Compliance

The Audit Committee has reviewed the Department's processes for compliance with legal and regulatory provisions. Feedback on new provisions that has an impact on the Department are provided quarterly by the Department to the Audit Committee.

Provincial Forensics Services

The Audit Committee reviews the reports presented by PFS on a quarterly basis. There were no matters brought to our attention that required further reporting by the Audit Committee.

Performance Information

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

Auditor-General's Report

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

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

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

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

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



Mr Francois Barnard

Chairperson of the Governance & Administration Cluster Audit Committee

Western Cape Provincial Treasury

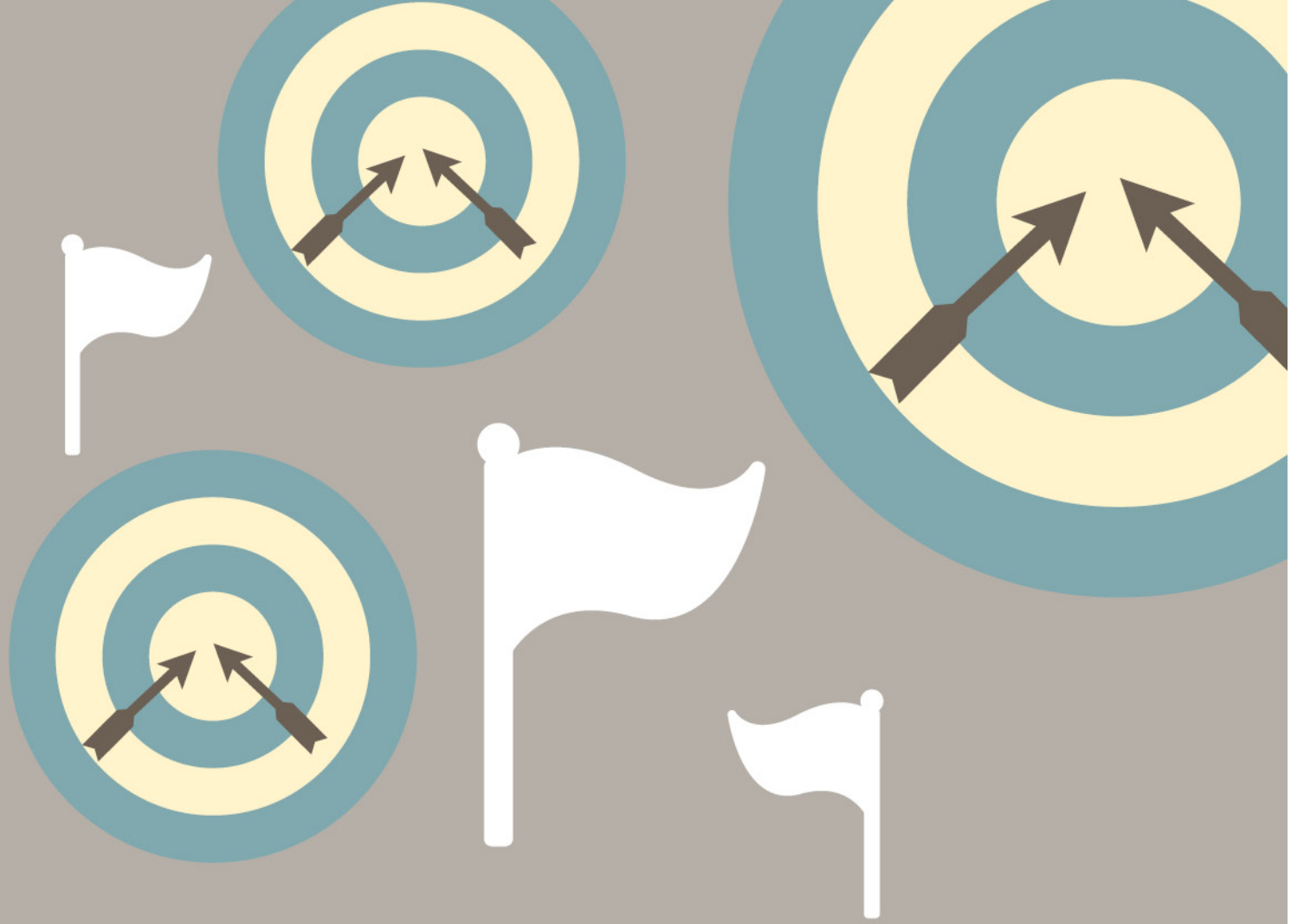
19 December 2021

14. B-BBEE Compliance Performance Information

Has the Department/Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 - 8) with regards to the following:		
Criteria	Response Yes/No	Discussion
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	
Developing and implementing a preferential procurement policy?	No	<p>When the 2017 Regulations were issued, PT presented to Cabinet the implementation challenges which inter alia included the raising of the threshold of the 80/20 point scoring system from a threshold of R1 million to R50 million will result in a "premium" increase for preferencing; introduction of pre-qualification criteria; introduction of a negotiation process and a passing over provision as a corrective measure for procuring entities to deal with the potential distortion of market related prices as a result of the introduction of prequalification criteria; contradiction in terms of where it speaks to "if feasible [own emphasis] to sub-contract for a contract above R30 million, an organ of state must [own emphasis] apply subcontracting to advance designated group" and local production and content challenges.</p> <p>Cabinet approved the following strategy for WCG:</p> <ul style="list-style-type: none"> • The issuance of an interim strategy to deal with the requirements of the PPPRs, as well as supply chain management governance requirements via PTIs that makes provision for the WCG to: • apply its discretion not to implement the pre-qualification criteria (i.e., regulation 4); • apply its discretion not to implement regulation 6(9)(a)–(c) and 7(9)(a)–(c); • conduct empowerment assessments for all procurement above R10 million (EME threshold), and further enabling departments to lower the threshold should its analysis so dictate; and

Has the Department/Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 - 8) with regards to the following:

Criteria	Response Yes/No	Discussion
		<ul style="list-style-type: none"> implement regional indicators to target local suppliers using the e-procurement system and simultaneously consider the rotation of suppliers. The development and implementation of a broader economic transformation policy that seeks to: promote private sector procurement towards targeted provincial economic growth areas; and further strengthen the partnership with the private sector by enabling access to the WCG supplier database. Specific commodity focused strategies that target economic transformation e.g. security and catering strategies (PT led initiatives to look at transversal strategies and transversal contracts) will be a key focus to implement strategic procurement initiatives. To date PT has implemented a transversal security framework agreement in keeping with this for the Province. Leveraging the economies of scale principle by packaging projects into longer term contracts, longer than 3 years based on criteria such as a corporate social responsibility plan, quality of service, etc. The roll-out of the framework agreement model for goods and services and investigate contractor development in the context of goods and services.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	
Developing criteria for entering into partnerships with the private sector?	N/A	
Determining criteria for the awarding of incentives, grants and investment schemes of Broad-Based Black Empowerment?	N/A	



**HUMAN
RESOURCE
MANAGEMENT
PART D**

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

Our contribution to the work of the WCG is as a result of the persistent and often selfless, efforts of the officials within PT.

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

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

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

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

2. STATUS OF PEOPLE MANAGEMENT AT THE DEPARTMENT

2.1 Departmental Workforce Planning Priorities

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

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

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

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

- Competent people in the right numbers at the right place at the right time with the right attitude;
- A performance conducive workplace;

- Health and Wellness services and health and safety interventions delivered to employees;
- Implementation of the Transversal Organisational Culture Strategy; and
- Organisational Culture Assessment completed (every second year).

The Workforce Plan has been reviewed in March 2019 and was approved by the Head of Department, to ensure that the Workforce Strategies and key activities remain valid and appropriate to ensure that PT will meet its strategic mandate for the duration of the period (2016/17 – 2020/21). The HR Implementation Plan report of 2020/21 reflect the Department's progress made on the strategic objectives. A new 5-year Workforce Plan (2021/22 – 2025/26) is in the process of being developed outlining key work force plan objectives of PT.

2.2 Employee Performance Management

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

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

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

2.3 Employee Wellness

The WCG's transversal EHWP follows a holistic approach to employee well-being and is largely preventative in nature, offering both primary and secondary services.

The EHWP is monitored through monthly utilisation reports for primary services (24/7/365 telephonic counselling service, online e-Care service and reporting) and secondary services (face-to-face counselling, trauma and critical incidents, training and targeted intervention, executive coaching, advocacy).

A quarterly report is prepared by the Directorate: Organisational Behaviour within the CSC that provides a trend analysis of utilisation, risk identification and its impact on productivity. Furthermore, on-going reporting to the DPSA is a requirement and such reporting focuses on

four areas namely, HIV/AIDS, Health and Productivity, Wellness Management and SHERQ (Safety, Health, Environment, Risk and Quality).

2.4 People Management Monitoring

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

3. PEOPLE MANAGEMENT OVERSIGHT STATISTICS

3.1 Personnel related expenditure

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

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

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

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

Table 3.1.1 Personnel expenditure by programme, 2020/21

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Goods & Services (R'000)	Personnel expenditure as a % of total expenditure	Average personnel expenditure per employee (R'000)	Number of Employees remunerated
Programme 1	51 594	37 250	6 041	11 210	72.2	351	103
Programme 2	115 847	71 913	72	8 611	62.1	654	110
Programme 3	59 518	39 293	144	17 968	66.0	538	73
Programme 4	50 434	36 057	4 449	2 642	71.5	554	65
Total	277 393	184 513	10 706	40 431	66.5	52.6	351

Note: The number of employees refers to all individuals remunerated during the reporting period, including interns (i.e., graduate and student], but excluding the Provincial Minister. The number of employees is cumulative and not a snapshot as at a specific date.

Table 3.1.2 Personnel expenditure by salary band, 2020/21

Salary bands	Personnel Expenditure (R'000)	% of total personnel expenditure	Average personnel expenditure per employee (R'000)	Number of Employees
Interns	2 168	1.2	83	26
Lower skilled (Levels 1 - 2)	302	0.2	151	2
Skilled (Levels 3 - 5)	7 473	4.1	197	38
Highly skilled production (Levels 6 - 8)	21 352	11.6	368	58
Highly skilled supervision (Levels 9 - 12)	122 666	66.5	604	203
Senior management (Levels 13 - 16)	30 552	16.6	1 273	24
Total	184 513	100.0	526	351

Note: The number of employees refers to all individuals remunerated during the reporting period, including interns (i.e., Premier's Advancement of Youth [PAY], matric, graduate and student], but excluding the Provincial Minister. The number is cumulative and not a snapshot as at a specific date.

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

Table 3.1.3 Salaries, Overtime, Housing Allowance and Medical Assistance by programme, 2020/21

	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Programme 1	26 417	14.1	15	0.0	572	0.3	1 574	0.8
Programme 2	51 445	27.5	375	0.2	904	0.5	2 226	1.2
Programme 3	28 898	15.4	-	-	1 013	0.5	1	1
Programme 4	26 802	14.3	-	-	540	0.6	1 177	0.6
Total	133 561	71.3	390	0.2	3 029	1.6	6 879	3.7

Note: The figures in Table 3.1.3 and 3.1.4 are drawn from the PERSAL system and not the BAS. The two systems are not synchronised for salary refunds in respect of staff appointments and resignations and/or transfers to and from other departments. This means there may be a difference in the expenditure reflected on these systems, e.g. Salaries, Overtime, Housing and Medical Assistance. Further to this, the table above does not make provision for other expenditure such as Pensions, Performance Bonus and other allowances, which make up the total personnel expenditure. The above expenditure reflects for all individuals remunerated during the reporting

period, including interns (Premier's Advancement of Youth (PAY), matric, graduate and student), but excluding the Provincial Minister.

Table 3.1.4 Salaries, Overtime, Housing Allowance and Medical Assistance by salary band, 2020/21

Salary Bands	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Interns	2 047	1.1	3	0.0	-	-	-	-
Lower skilled (Levels 1 - 2)	208	0.1	2	0.0	-	-	48	0.0
Skilled (Levels 3 - 5)	5 569	3	3	0.0	223	0.1	318	0.2
Highly skilled production (Levels 6 - 8)	15 042	8	58	0.0	592	0.3	1 484	0.8
Highly skilled supervision (Levels 9 - 12)	90 722	48.4	324	0.2	1 975	1.1	4 809	2.6
Senior management (Levels 13 - 16)	19 973	10.7	-	-	239	0.1	220	0.1
Total	133 561	71.3	390	0.2	3 029	1.6	6 879	3.7

Note: The figures in Table 3.1.3 and 3.1.4 are drawn from the PERSAL [Personnel Salary] system and not the BAS.. The two systems are not synchronised for salary refunds in respect of staff appointments and resignations and/or transfers to and from other departments. This means there may be a difference in the expenditure reflected on these systems, e.g. Salaries, Overtime, Housing and Medical Assistance. Further to this, the table above does not make provision for other expenditure such as Pensions, Performance Bonus and other allowances, which make up the total personnel expenditure. The above expenditure reflects for all individuals remunerated during the reporting period, including interns (PAY, matric, graduate and student), but excluding the Provincial Minister.

3.2 Employment and vacancies

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

Table 3.2.1 Employment and vacancies by programme, as at 31 March 2021

Programme	Number of active posts	Number of posts filled	Vacancy rate %
Programme 1	65	65	-
Programme 2	112	102	8.9
Programme 3	66	65	1.5
Programme 4	59	59	-
Total	302	291	3.6

Table 3.2.2 Employment and vacancies by salary band, as at 31 March 2021

Salary Band	Number of active posts	Number of posts filled	Vacancy rate %
Lower skilled (Levels 1 - 2)	3	3	-
Skilled (Levels 3 - 5)	29	29	-
Highly skilled production (Levels 6 - 8)	52	52	-
Highly skilled supervision (Levels 9 - 12)	193	186	3.6
Senior management (Levels 13 - 16)	25	21	16.0
Total	302	291	3.6

Table 3.2.3 Employment and vacancies by critical occupation, as at 31 March 2021

Critical Occupations	Number of active posts	Number of posts filled	Vacancy rate %
Cash Management Analyst (LG)	5	5	-
Economist	21	19	9.5
Expenditure Analyst (PG)	10	10	-
Financial Analyst	18	18	-
Infrastructure Analyst	8	7	12.5
Procurement Specialist/Analyst	22	22	-
Revenue and Expenditure Analyst (LG)	15	13	13.3
State Accountant	3	3	-
Total	102	97	4.9

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

3.3 Job evaluation

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

Table 3.3.1 summarises the number of posts that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

Table 3.3.1 Job evaluation, 1 April 2020 to 31 March 2021

Salary Band	Total number of posts as at 31 March 2021	Number of posts evaluated	% of posts evaluated	Posts Upgraded		Posts Downgraded	
				Number	Posts upgraded as a % of total posts	Number	Posts downgraded as a % of total posts
Lower skilled (Levels 1 - 2)	3	0	0.0	0	0.0	0	0.0

Salary Band	Total number of posts as at 31 March 2021	Number of posts evaluated	% of posts evaluated	Posts Upgraded		Posts Downgraded	
				Number	Posts upgraded as a % of total posts	Number	Posts downgraded as a % of total posts
Skilled (Levels 3 - 5)	29	0	0.0	0	0.0	0	0.0
Highly skilled production (Levels 6 - 8)	52	0	0.0	0	0.0	0	0.0
Highly skilled supervision (Levels 9 - 12)	193	1	0.3	0	0.0	0	0.0
Senior Management Service Band A (Level 13)	18	0	0.0	0	0.0	0	0.0
Senior Management Service Band B (Level 14)	4	1	0.3	0	0.0	0	0.0
Senior Management Service Band C (Level 15)	2	0	0.0	0	0.0	0	0.0
Senior Management Service Band D (Level 16)	1	0	0.0	0	0.0	0	0.0
Total	302	2	0.7	0	0.0	0	0.0

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

Table 3.3.2 Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2020 to 31 March 2021

Beneficiaries	African	Indian	Coloured	White	Total
None					

Table 3.3.3 summarises the number of cases where salary levels exceeded the grade determined by job evaluation or where higher notches awarded to employees within a particular salary level. Each salary level consists of 12 notches. Reasons for the deviation are provided in each case.

Table 3.3.3 Employees who have been granted higher salaries than those determined by job evaluation per major occupation, 1 April 2020 to 31 March 2021

Major Occupation	Number of employees	Job evaluation level	Remuneration on a higher salary level	Remuneration on a higher notch of the same salary level	Reason for deviation
None					

Table 3.3.4 Profile of employees who have been granted higher salaries than those determined by job evaluation, 1 April 2020 to 31 March 2021

Beneficiaries	African	Coloured	Indian	White	Total
None					

3.4 Employment changes

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

Table 3.4.1 Annual turnover rates by salary band, 1 April 2020 to 31 March 2021

Salary Band	Number of employees as at 31 March 2020	Turnover rate % 2019/20	Appoint-ments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate % 2020/21
Lower skilled (Levels 1-2)	3	25.0	0	0	0	0	0.0
Skilled (Levels 3-5)	34	54.8	5	1	10	0	29.4
Highly skilled production (Levels 6-8)	56	10.0	0	0	6	0	10.7
Highly skilled supervision (Levels 9-12)	193	13.0	10	2	17	1	9.3
Senior Management Service Band A (Level 13)	15	20.0	1	0	1	1	13.3
Senior Management Service Band B (Level 14)	4	0.0	1	0	1	0	25.0
Senior Management Service Band C (Level 15)	0	100.0	1	0	0	0	0.0
Senior Management Service Band D (Level 16)	1	100.0	0	0	0	0	0.0
Total	306	19.3	18	3	35	2	12.1
	21				37		

Note: "Transfers" refer to the lateral movement of employees from one Public Service Department to another (both Provincially & Nationally). The turnover rate is determined by calculating the total exits as a percentage of the baseline (Number of employees as at 31 March 2020).

Table 3.4.2 Annual turnover rates by critical occupation, 1 April 2020 to 31 March 2021

Critical Occupation	Number of employees as at 31 March 2020	Turnover rate % 2019/20	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate % 2020/21
Cash Management Analyst (LG)	4	0.0	0	0	0	0	0.0
Economist	18	5.3	0	0	0	0	0.0
Expenditure Analyst (PG)	10	10.0	1	0	0	0	0.0
Financial Analyst	16	0.0	2	0	0	0	0.0
Infrastructure Analyst	8	0.0	0	0	1	0	12.5
Procurement Specialist/Analyst	25	9.5	3	1	7	0	28.0
Revenue and Expenditure Analyst (LG)	15	38.5	0	0	2	0	13.3
State Accountant	3	0.0	0	0	0	0	0.0
Total	99	9.8	18	3	35	2	10.1
			7		10		

Note: "Transfers" refer to the lateral movement of employees from one Public Service Department to another (both Provincially & Nationally). The turnover rate is determined by calculating the total exits as a percentage of the baseline (Number of employees as at 31 March 2020).

Table 3.4.3 Staff leaving the employ of the Department, 1 April 2020 to 31 March 2021

Exit Category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2020
Death	0	0.0	0.0
Resignation*	15	40.5	4.9
Expiry of contract	13	35.1	4.2
Dismissal – operational changes	0	0.0	0.0
Dismissal – misconduct	1	2.7	0.3
Dismissal – inefficiency	0	0.0	0.0
Discharged due to ill-health	0	0.0	0.0
Retirement	6	16.2	2.0
Employee initiated severance package	0	0.0	0.0
Transfers to Statutory Body	0	0.0	0.0
Transfers to other Public Service departments	2	5.4	0.7
Promotion to another WCG Department	0	0.0	0.0
Total	37	100.0	12.1

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

* Resignations are further discussed in tables 3.4.4 and 3.4.5.

Table 3.4.4 Reasons why staff resigned, 1 April 2020 to 31 March 2021

Resignation Reasons	Number	% of total resignations
Better Remuneration	1	6.7
Other Occupation	3	20.0
No reason provided	9	60.0
Personal Health	1	6.7
Family/personal circumstances (e.g. Transfer of husband/wife/life partner)	1	6.7
Total	15	100.0

Table 3.4.5 Different age groups of staff who resigned, 1 April 2020 to 31 March 2021

Age group	Number	% of total resignations
Ages <19	0	0.0
Ages 20 to 24	1	6.7
Ages 25 to 29	1	6.7
Ages 30 to 34	6	40.0
Ages 35 to 39	3	20.0
Ages 40 to 44	0	0.0
Ages 45 to 49	3	20.0
Ages 50 to 54	1	6.7
Ages 55 to 59	0	0.0
Ages 60 to 64	0	0.0
Ages 65 >	0	0.0
Total	15	100.0

Table 3.4.6 Employee initiated severance packages

Total number of employee -initiated severance packages offered in 2020/21	None
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Table 3.4.7 Promotions by salary band, 1 April 2020 to 31 March 2021

Salary Band	Number of Employees as at 31 March 2020	Promotions to another salary level	Promotions as a % of total employees	Progressions to another notch within a salary level	Notch progressions as a % of total employees
Lower skilled (Levels 1 - 2)	3	0	0.0	1	33.3
Skilled (Levels 3 - 5)	34	0	0.0	14	41.2
Highly skilled production (Levels 6 - 8)	56	2	3.6	26	46.4
Highly skilled supervision (Levels 9 - 12)	193	2	1.0	103	53.7
Senior management (Levels 13 - 16)	20	2	10.0	9	45.0
Total	306	6	2.0	153	50.0

Note: Promotions refer to the total number of employees who have advanced to a higher post level within the Department by applying and being successful for an advertised post through the recruitment and selection process. The information reflects the salary level of an employee after he/she was promoted. Employee who do not qualify for notch progressions are not included.

Table 3.4.8 Promotions by critical occupation, 1 April 2020 to 31 March 2021

Critical Occupation	Number of Employees as at 31 March 2020	Promotions to another salary level	Promotions as a % of total employees in critical occupations	Progressions to another notch within a critical occupation	Notch progressions as a % of total employees in critical occupations
Cash Management Analyst (LG)	4	0	0.0	3	75.0
Economist	18	1	5.6	16	88.9
Expenditure Analyst (PG)	10	0	0.0	3	30.0
Financial Analyst	16	1	0.0	10	62.5
Infrastructure Analyst	8	0	0.0	6	75.0
Procurement Specialist/Analyst	25	0	0.0	13	52.0
Revenue and Expenditure Analyst (LG)	15	0	0.0	3	20.0
State Accountant	3	0	0.0	3	100.0
Total	99	1	1.0	57	57.6

Note: Promotions refer to the total number of employees who have advanced to a higher post level within the Department by applying and being successful for an advertised post through the recruitment and selection process. The information reflects the salary level of an employee after he/she was promoted. Employee who do not qualify for notch progressions are not included.

3.5 Employment equity

Table 3.5.1 Total number of employees (including employees with disabilities) in each of the following occupational levels, as at 31 March 2021

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	0	0	0	2	0	1	0	0	0	0	3

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Senior management (Levels 13 - 14)	2	5	0	3	0	3	2	2	1	0	18
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	18	50	1	14	31	61	1	10	0	0	186
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	7	6	0	0	12	21	0	7	0	0	53
Semi - skilled and discretionary decision-making (Levels 3 - 5)	5	8	0	1	4	11	0	0	0	0	29
Unskilled and defined decision-making (Levels 1 - 2)	1	1	0	0	0	0	0	0	0	0	2
Total	33	70	1	20	47	97	3	19	1	0	291
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	33	70	1	20	47	97	3	19	1	0	291

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

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

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

Table 3.5.2 Total number of employees (with disabilities only) in each of the following occupational levels, as at 31 March 2021

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Levels 13 - 14)	0	0	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	2	0	0	1	0	0	0	1	0	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	0	0	0	0	0	0	0	1	0	0	1

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

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

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

Table 3.5.3 Recruitment, 1 April 2020 to 31 March 2021

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	0	0	0	1	0	0	0	0	0	0	1
Senior management (Levels 13 - 14)	0	0	0	1	0	0	0	1	0	0	2
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	0	4	0	0	2	4	1	1	0	0	12
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	0	0	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision-making (Levels 3 - 5)	2	1	0	0	1	2	0	0	0	0	6
Unskilled and defined decision-making (Levels 1 - 2)	0	0	0	0	0	0	0	0	0	0	0
Total	2	5	0	2	3	6	2	1	0	0	21
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	2	5	0	2	3	6	2	1	0	0	21

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

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

Table 3.5.4 Promotions, 1 April 2020 to 31 March 2021

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

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

Note: Promotions refer to the total number of employees who have advanced to a higher post level within the Department, by applying and being successful for an advertised post, through the recruitment and selection process as per Table 3.4.7.

Table 3.5.5 Terminations, 1 April 2020 to 31 March 2021

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	0	0	0	0	0	0	0	0	0	0	0
Senior management (Levels 13 - 14)	1	1	0	0	0	1	0	0	0	0	3
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	1	6	0	3	2	4	1	1	0	0	18
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	2	0	0	0	2	2	0	0	0	0	6

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Semi-skilled and discretionary decision-making (Levels 3 - 5)	6	3	0	0	2	2	0	0	0	0	10
Unskilled and defined decision-making (Levels 1 - 2)	0	0	0	0	0	0	0	0	0	0	0
Total	7	10	0	3	6	9	1	1	0	0	37
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	7	10	0	3	6	9	1	1	0	0	37

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

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

Table 3.5.6 Disciplinary actions, 1 April 2020 to 31 March 2021

Disciplinary actions	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Dismissal	1	0	0	0	0	0	0	0	0	0	1
Total	1	0	0	0	0	0	0	0	0	0	1
Temporary Employees	0	0	0	0	0	0	0	0	0	0	0
Grand Total	1	0	0	0	0	0	0	0	0	0	1

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

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

Table 3.5.7 Skills development, 1 April 2020 to 31 March 2021

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15 - 16)	0	0	0	1	0	0	0	0	1
Senior management (Levels 13 - 14)	2	4	0	1	0	1	1	2	11
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	10	21	0	9	13	30	0	5	88
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	2	4	0	0	1	5	0	4	16
Semi-skilled and discretionary decision-making (Levels 3 - 5)	2	3	0	0	2	8	0	0	15

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Unskilled and defined decision-making (Levels 1 - 2)	0	0	0	0	0	0	0	0	0
Total	16	32	0	11	16	44	1	11	131
Temporary employees	0	0	0	0	0	0	0	0	0
Grand total	16	32	0	11	16	44	1	11	131

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

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

3.6 Signing of Performance Agreements by SMS members

Table 3.6.1 Signing of Performance Agreements by SMS Members, as at 31 May 2020

SMS Post Level	Number of active SMS posts per level	Number of SMS members per level	Number of signed Performance Agreements per level	Signed Performance Agreements as % of SMS members per level
Head of Department	1	1	1	100.0
Salary Level 15	2	2	2	100.0
Salary Level 14	4	4	4	100.0
Salary Level 13	18	17	17	100.0
Total	25	24	24	100.0

Note: This table refers to employees who are appointed as SMS members only. Employees who are remunerated higher than a SL12, but who are not SMS members have been excluded. Furthermore, the table reflects post salary details and not the individual salary level of employees. The allocation of performance-related rewards (cash bonus) for SMS members is dealt with later in the report. Refer to Table 3.8.5 in this regard. The due date for SMS members to sign Performance Agreements for the 2020/2021 performance cycle was extended to 31 October 2020, due to the COVID-19 pandemic, as per a DPSA circular issued in this regard.

Table 3.6.2 Reasons for not having concluded Performance Agreements with all SMS Members on 31 October 2020

Reasons for not concluding Performance Agreements with all SMS
None

Table 3.6.3 Disciplinary steps taken against SMS Members for not having concluded Performance Agreements on 31 October 2020

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

3.7 Filling of SMS posts

The tables in this section provide information on employment and vacancies as it relates to members of the SMS by salary level. It also provides information on advertising and the filling

of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken in cases of non-compliance.

Table 3.7.1 SMS posts information, as at 30 September 2020

SMS Level	Number of active SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Head of Department	1	1	100.0	0	-
Salary Level 15	2	2	100.0	0	-
Salary Level 14	4	4	100.0	0	-
Salary Level 13	17	17	100.0	0	-
Total	24	24	100.0	0	-

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

Table 3.7.2 SMS posts information, as at 31 March 2021

SMS Level	Number of active SMS posts per level	Number of SMS posts filled per level	% of SMS posts filled per level	Number of SMS posts vacant per level	% of SMS posts vacant per level
Head of Department	1	1	100.0	0	-
Salary Level 15	2	2	100.0	0	-
Salary Level 14	4	3	75.0	1	25.0
Salary Level 13	18	15	83.3	3	16.7
Total	25	21	84.0	4	16.0

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

Table 3.7.3 Advertising and Filling of SMS posts, as at 31 March 2021

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months after becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Head of Department	0	0	0
Salary Level 15	0	1	1
Salary Level 14	2	0	1
Salary Level 13	3	2	0
Total	5	3	2

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

SMS Level	Reasons for non-compliance
Head of Department	N/A
Salary Level 15	N/A

Salary Level 14	N/A
Salary Level 13	N/A

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

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

3.8 Employee performance

The following tables note the number of staff by salary band (Table 3.8.1) and staff within critical occupations (Table 3.8.2) who received a notch progression as a result of performance management. (i.e., qualifying employees who scored between 3 - 4 in their performance ratings).

Table 3.8.1 Notch progressions by salary band, 1 April 2020 to 31 March 2021

Salary Band	Employees as at 31 March 2020	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1 - 2)	3	1	33.3
Skilled (Levels 3 - 5)	34	14	41.2
Highly skilled production (Levels 6 - 8)	56	26	46.4
Highly skilled supervision (Levels 9 - 12)	193	103	53.4
Senior management (Levels 13 - 16)	20	9	45.0
Total	306	153	50.0

Table 3.8.2 Notch progressions by critical occupation, 1 April 2020 to 31 March 2021

Critical Occupations	Employees as at 31 March 2020	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Cash Management Analyst (LG)	4	3	75.0
Economist	18	16	88.9
Expenditure Analyst (PG)	10	3	30.0
Financial Analyst	16	10	62.5
Infrastructure Analyst	8	6	75.0
Procurement Specialist/Analyst	25	13	52.0
Revenue and Expenditure Analyst (LG)	15	3	20.0
State Accountant	3	3	100.0
Total	99	57	57.6

To encourage good performance, PT has granted the following performance rewards to employees for the performance period 2019/20 but paid in the financial year 2020/21. The information is presented in terms of race, gender, and disability (Table 3.8.3), salary bands (Table 3.8.4 and Table 3.8.5) and critical occupations (Table 3.8.6).

Table 3.8.3 Performance rewards by race, gender, and disability, 1 April 2020 to 31 March 2021

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2020	% of total within group	Cost (R'000)	Average cost per beneficiary (R)
African	0	87	0.0	0	0
Male	0	37	0.0	0	0
Female	0	50	0.0	0	0
Coloured	0	173	0.0	0	0
Male	0	73	0.0	0	0
Female	0	100	0.0	0	0
Indian	0	3	0.0	0	0
Male	0	1	0.0	0	0
Female	0	2	0.0	0	0
White	0	37	0.0	0	0
Male	0	20	0.0	0	0
Female	0	17	0.0	0	0
Employees with a disability	0	6	0.0	0	0
Total	0	306	0.0	0	0

Table 3.8.4 Performance rewards (cash bonus), by salary bands for personnel below Senior Management Service level, 1 April 2020 to 31 March 2021

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2020	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of the total personnel expenditure
Lower skilled (Levels 1 - 2)	0	3	0.0	0	0	0.0
Skilled (Levels 3 - 5)	0	34	0.0	0	0	0.0
Highly skilled production (Levels 6 - 8)	0	56	0.0	0	0	0.0
Highly skilled supervision (Levels 9 - 12)	0	193	0.0	0	0	0.0
Total	0	286	0.0	0	0	0.0

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

Table 3.8.5 Performance rewards (cash bonus), by salary band, for Senior Management Service level, 1 April 2020 to 31 March 2021

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2020	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of the total personnel expenditure
Senior Management Service Band A (Level 13)	0	15	0.0	0	0	0.0
Senior Management Service Band B (Level 14)	0	4	0.0	0	0	0.0
Senior Management Service Band C (Level 15)	0	0	0.0	0	0	0.0
Senior Management Service Band D (Level 16)	0	1	0.0	0	0	0.0
Total	0	20	0.0	0	0	0.0

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

Table 3.8.6 Performance rewards (cash bonus) by critical occupation, 1 April 2020 to 31 March 2021

Critical Occupation	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2020	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of total personnel expenditure
Cash Management Analyst (LG)	0	4	0.0	0	0	0.0
Economist	0	18	0.0	0	0	0.0
Expenditure Analyst (PG)	0	10	0.0	0	0	0.0
Financial Analyst	0	16	0.0	0	0	0.0
Infrastructure Analyst	0	8	0.0	0	0	0.0
Procurement Specialist/Analyst	0	25	0.0	0	0	0.0
Revenue and Expenditure Analyst (LG)	0	15	0.0	0	0	0.0
State Accountant	0	3	0.0	0	0	0.0
Total	0	99	0.0	0	0	0.0

3.9 Foreign workers

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

Table 3.9.1 Foreign Workers by salary band, 1 April 2020 to 31 March 2021

Salary Band	1 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% change
Lower skilled (Levels 1 - 2)	0	0.0	0	0.0	0	0
Skilled (Levels 3 - 5)	0	0.0	0	0.0	0	0
Highly skilled production (Levels 6 - 8)	0	0.0	0	0.0	0	0
Highly skilled supervision (Levels 9 - 12)	0	0.0	0	0.0	0	0
Senior management (Levels 13 - 16)	1	100.0	1	100.0	0	0
Total	1	100.0	1	100.0	0	0

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

Table 3.9.2 Foreign Workers by major occupation, 1 April 2020 to 31 March 2021

Major Occupation	1 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% change
Director	1	100.0	1	100.0	0	0.0
Total	1	100.0	1	100.0	0	0.0

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

3.10 Leave utilisation for the period 1 January 2020 to 31 December 2020

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

Table 3.10.1 Sick leave, 1 January 2020 to 31 December 2020

Salary Band	Total days	% days with medical certification	Number of Employees using sick leave	Total number of employees	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Interns	32	56.3	16	38	42.1	2	10
Lower skilled (Levels 1 - 2)	35	100.0	2	2	100.0	18	14
Skilled (Levels 3 - 5)	116	82.8	28	51	54.9	4	80
Highly skilled production (Levels 6 - 8)	180	77.2	41	54	75.9	4	199
Highly skilled supervision (Levels 9 - 12)	730	74.8	147	207	71.0	5	1 364
Senior management (Levels 13 - 16)	35	60.0	10	25	40.0	4	107
Total	1 128	75.8	244	377	64.7	5	1 774

Note: The leave dispensation as determined in the "Leave Determination", read with the applicable collective agreements, provides for normal sick leave of 36 working days in a sick leave cycle of three years. The three-year sick leave cycle started in January 2019 and ends in December 2021. The information in each case reflects the totals excluding incapacity leave taken by employees. For an indication of incapacity leave taken, refer to Table 3.10.2.

Table 3.10.2 Incapacity leave, 1 January 2020 to 31 December 2020

Salary Band	Total days	% days with medical certification	Number of Employees using incapacity leave	Total number of employees	% of total employees using incapacity leave	Average days per employee	Estimated Cost (R'000)
Interns	5	100.0	1	38	2.6	5	2
Lower skilled (Levels 1 - 2)	18	100.0	1	2	50.0	18	7
Skilled Levels 3 - 5)	0	0.0	0	51	0.0	0	0
Highly skilled production (Levels 6 - 8)	140	100.0	1	54	1.9	140	189
Highly skilled supervision (Levels 9 - 12)	146	100.0	5	207	2.4	29	308
Senior management (Levels 13 - 16)	0	0.0	0	25	0.0	0	0
Total	309	100.0	8	377	2.1	39	506

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

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

Table 3.10.3 Annual Leave, 1 January 2020 to 31 December 2020

Salary Band	Total days taken	Total number employees using annual leave	Average number of days taken per employee
Interns	179	29	6
Lower skilled (Levels 1 - 2)	19	2	10
Skilled Levels 3 - 5)	630	43	15
Highly skilled production (Levels 6 - 8)	963	57	17
Highly skilled supervision (Levels 9 - 12)	3 507	198	18
Senior management (Levels 13 - 16)	416	24	17
Total	5 714	353	16

Table 3.10.4 Capped leave, 1 January 2020 to 31 December 2020

Salary Band	Total capped leave available as at 31 Dec 2019	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Number of employees with capped leave as at 31 Dec 2020	Total capped leave available as at 31 Dec 2020
Lower skilled (Levels 1 - 2)	0	0	0	0	0	0
Skilled (Levels 3 - 5)	99	0	0	0	1	99
Highly skilled production (Levels 6 - 8)	86	0	0	0	9	86
Highly skilled supervision (Levels 9 - 12)	1 508	194	4	49	26	1 315
Senior management (Levels 13 - 16)	465	210	1	210	4	255
Total	2 159	404	5	81	40	1 756

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

Table 3.10.5 Leave pay-outs, 1 April 2020 to 31 March 2021

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave pay-outs during 2020/21 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service	761	5	152 198
Current leave pay-outs on termination of service	736	30	24 520
Total	1 497	35	42 760

3.11 Health Promotion Programmes, including HIV and AIDS

Table 3.11.1 Steps taken to reduce the risk of occupational exposure, 1 April 2020 to 31 March 2021

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
The nature of PT's work does not expose employees to increased risk of contracting HIV & AIDS. Despite the very low occupational risk, all employees have been targeted at all levels within the department.	<p>Due to the COVID-19 pandemic and lockdown conditions the HCT and wellness services were suspended.</p> <p>Employee Health and Wellness Services are rendered to all employees in need and include the following:</p> <ul style="list-style-type: none"> • 24/7/365 Telephone counselling; • Face to face counselling (4 session model); • Trauma and critical incident counselling; • Advocacy on HIV&AIDS awareness, including online EHW services; and • Training, coaching and targeted Interventions where these were required.

Table 3.11.2 Details of Health Promotion including HIV & AIDS Programmes, 1 April 2020 to 31 March 2021

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2016? If so, provide her/his name and position.	✓		Ms Letitia Isaacs, Director (acting): Organisational Behaviour (Department of the Premier)
2. Does the Department have a dedicated unit, or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	✓		<p>The CSC within the DotP provides a transversal service to the eleven (11) departments, including PT.</p> <p>A designated EHW unit within the Directorate Organisational Behaviour and the Chief Directorate Organisation Development serves to promote the health and well-being of employees in the eleven (11) client departments.</p> <p>The Unit consists of a Deputy Director, three (3) Assistant Directors, and two (2) EHW Practitioners.</p> <p>Budget: R4.293 million</p>
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for employees? If so, indicate the key elements/services of this Programme.	✓		<p>The DotP has entered into a service level agreement with Metropolitan Health (external service provider) until 31 January 2023 to render to an EHW Service to the eleven (11) departments of the CSC.</p> <p>The following interventions were conducted: Parenting during COVID-19, Impact of COVID-19 on Mental Health, Anxiety regarding COVID-19, Emotional Fitness, Maintaining Optimism, Dealing with Trauma Amidst COVID-19, Mindfulness, Financial Management, Emotional Impact Assessments and HCT & Wellness Screening.</p>
			<p>These interventions are based on the outbreak of the COVID-19 pandemic as well as the trends reflected in the quarterly reports and implemented to address employee needs.</p> <p>The targeted interventions for both employees and managers were aimed at personal development;</p>

Question	Yes	No	Details, if yes
			<p>promotion of healthy lifestyles; and improving coping skills. This involved presentations, workshops, group discussions to create awareness and encourage employees to have a pro-active approach to limit the impact of these problems in the workplace. Targeted Interventions were also implemented to equip managers with tools to engage employees in the workplace.</p> <p>Information sessions were also provided to inform employees of the EHW service and how to access the EHW Programme. Promotional material such as pamphlets, posters and brochures were distributed.</p>
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2016? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	✓		<p>The Provincial Employee Health and Wellness Steering Committee has been established with members nominated by each department.</p> <p>PT is represented by Mr Brandon Damons.</p>
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	✓		<p>The Transversal Management Framework for Employee Health and Wellness Programmes in the Western Cape Government is in effect and was adopted by the Co-ordinating Chamber of the PSCBC for the Western Cape Province in December 2016 (under review).</p> <p>Under the EHW banner, four EHW Policies were approved which includes HIV & AIDS and TB Management that responds to the prevention of discrimination against employees affected and infected by HIV & AIDS and TB in the workplace. The policy is in line with the amended National EHW Strategic Framework 2018.</p> <p>Further to this, the Department of Health, that is the lead department for HIV & AIDS, has approved the Transversal HIV and AIDS/STI Workplace Policy and Programme that is applicable to all departments of the Western Government.</p> <p>National EHW Strategic Framework 2018 as amended.</p> <p>During the reporting period, the transversal EHW policies including the HIV, AIDS and TB Management Policy have been audited by DPSA against the DPSA policies as well as the National Strategic Plan for HIV, TB and STIs (2017-2022) which ensures inclusivity and elimination of discrimination and stigma against employees with HIV.</p>
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	✓		<p>The Provincial Strategic Plan on HIV & AIDS, STIs and TB 2017 - 2022 has been implemented to mainstream HIV and TB and its gender and rights-based dimensions into the core mandates to reduce HIV-related stigma.</p> <p>The aim is to:</p> <ul style="list-style-type: none"> ● Reduce HIV and TB discrimination in the workplace. This included campaigns against unfair discrimination and empowerment of employees. ● Reduce unfair discrimination in access to services. This included ensuring that the Directorate Employee Relations addresses complaints or grievances relating to unfair discrimination and provides training to employees.

Question	Yes	No	Details, if yes
			<p>PT implemented the following measures to address the stigma and discrimination against those infected or perceived to be infective with HIV:</p> <ul style="list-style-type: none"> Wellness Screenings (Blood pressure, Glucose, Cholesterol, TB, BMI); HCT Screenings; TB Talks and Screenings; Distributing posters and pamphlets; Condom distribution and spot talks; and Commemoration of World AIDS Day and Wellness events. <p>NB. These measures are in place, however, not implemented due to COVID-19 pandemic.</p>
7. Does the Department encourage its employees to undergo HIV counselling and testing (HCT)? If so, list the results that you have achieved.	✓		<p>HCT SESSIONS:</p> <p>There were no Wellness and HCT screening sessions in this reporting period due to COVID-19 restrictions.</p>
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓		<p>The EHWP is monitored through Quarterly and Annual reporting and trend analysis can be derived through comparison of departmental utilisation and demographics i.e., age, gender, problem profiling, employee vs. manager utilisation, number of cases. Themes and trends also provide a picture of the risks and impact the EHW issues have on individual and the workplace.</p>

3.12 Labour relations

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

Table 3.12.1 Collective agreements, 1 April 2020 to 31 March 2021

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

Table 3.12.2 Misconduct and disciplinary hearings finalised, 1 April 2020 to 31 March 2021

Outcomes of disciplinary hearings	Number of cases finalised	% of total
Dismissal	1	100.0
Total	1	100.0
Percentage of total employment		0.3

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

Table 3.12.3 Types of misconduct addressed at disciplinary hearings, 1 April 2020 to 31 March 2021

Type of misconduct	Number	% of total
Fails to comply with or contravenes an act	1	100.0
Total	1	100.0

Table 3.12.4 Grievances lodged, 1 April 2020 to 31 March 2021

Grievances lodged	Number	% of total
Number of grievances resolved	6	85.7
Number of grievances not resolved	1	14.3
Total number of grievances lodged	7	100.0

Note: Grievances lodged refers to cases that were finalised within the reporting period. Grievances **not resolved** refers to cases where the outcome was **not in favour of the aggrieved**. All cases resolved and not resolved have been finalised.

Table 3.12.5 Disputes lodged with Councils, 1 April 2020 to 31 March 2021

Disputes lodged with Councils	Number	% of total
Number of disputes upheld	0	0.0
Number of disputes dismissed	0	0.0
Total number of disputes lodged	0	0.0

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

Table 3.12.6 Strike actions, 1 April 2020 to 31 March 2021

Strike actions	Number
Total number of person working days lost	0
Total cost (R'000) of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

Table 3.12.7 Precautionary suspensions, 1 April 2020 to 31 March 2021

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

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

3.13 Skills development

This section highlights the efforts of PT regarding skills development. Table 3.13.1 reflects the training needs as at the beginning of the period under review, and Table 3.13.2 the actual training provided.

Table 3.13.1 Training needs identified, 1 April 2020 to 31 March 2021

Occupational Categories	Gender	Number of employees as at 1 April 2020	Training needs identified at start of reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers (Salary Band 13 - 16)	Female	8	0	13	0	13
	Male	12	0	28	0	28
Professionals (Salary Band 9 - 12)	Female	102	0	243	0	243
	Male	90	0	169	0	169
Technicians and associate professionals (Salary Band 6 - 8)	Female	38	0	65	0	65
	Male	13	0	17	0	17
Clerks (Salary Band 3 - 5)	Female	20	0	75	0	75
	Male	17	0	77	0	77
Elementary occupations (Salary Band 1 - 2)	Female	0	0	0	0	0
	Male	2	0	7	0	7
Sub Total	Female	168	0	396	0	396
	Male	134	0	298	0	298
Total		302	0	694	0	694
Employees with disabilities	Female	2	0	1	0	1
	Male	4	0	3	0	3

Note: The above table identifies the training needs at the start of the reporting period as per the Department's Workplace Skills Plan.

Table 3.13.2 Training provided, 1 April 2020 to 31 March 2021

Occupational Categories	Gender	Number of employees as at 31 March 2021	Training needs provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers (Salary Band 13 - 16)	Female	8	0	15	0	15
	Male	13	0	9	0	9
Professionals (Salary Band 9 - 12)	Female	103	0	134	0	134
	Male	83	0	101	0	101
Technicians and associate professionals (Salary Band 6 - 8)	Female	40	0	19	0	19
	Male	13	0	6	0	6

Occupational Categories	Gender	Number of employees as at 31 March 2021	Training needs provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Clerks (Salary Band 3 - 5)	Female	15	0	45	0	45
	Male	14	0	9	0	9
Elementary occupations (Salary Band 1 - 2)	Female	0	0	0	0	0
	Male	2	0	0	0	0
Sub Total	Female	166	0	213	0	213
	Male	125	0	125	0	125
Total		291	0	338	0	338
Employees with disabilities	Female	2	0	1	0	1
	Male	3	0	1	0	1

Note: The above table identifies the number of training courses attended by individuals during the period under review.

3.14 Injury on duty

This section provides basic information on injuries sustained whilst being on official duty.

Table 3.14.1 Injury on duty, 1 April 2020 to 31 March 2021

Nature of injury on duty	Number	% of total
Required basic medical attention only	0	0.0
Temporary disablement	0	0.0
Permanent disablement	0	0.0
Fatal	0	0.0
Total	0	0.0
Percentage of total employment		0.0

3.15 Utilisation of consultants

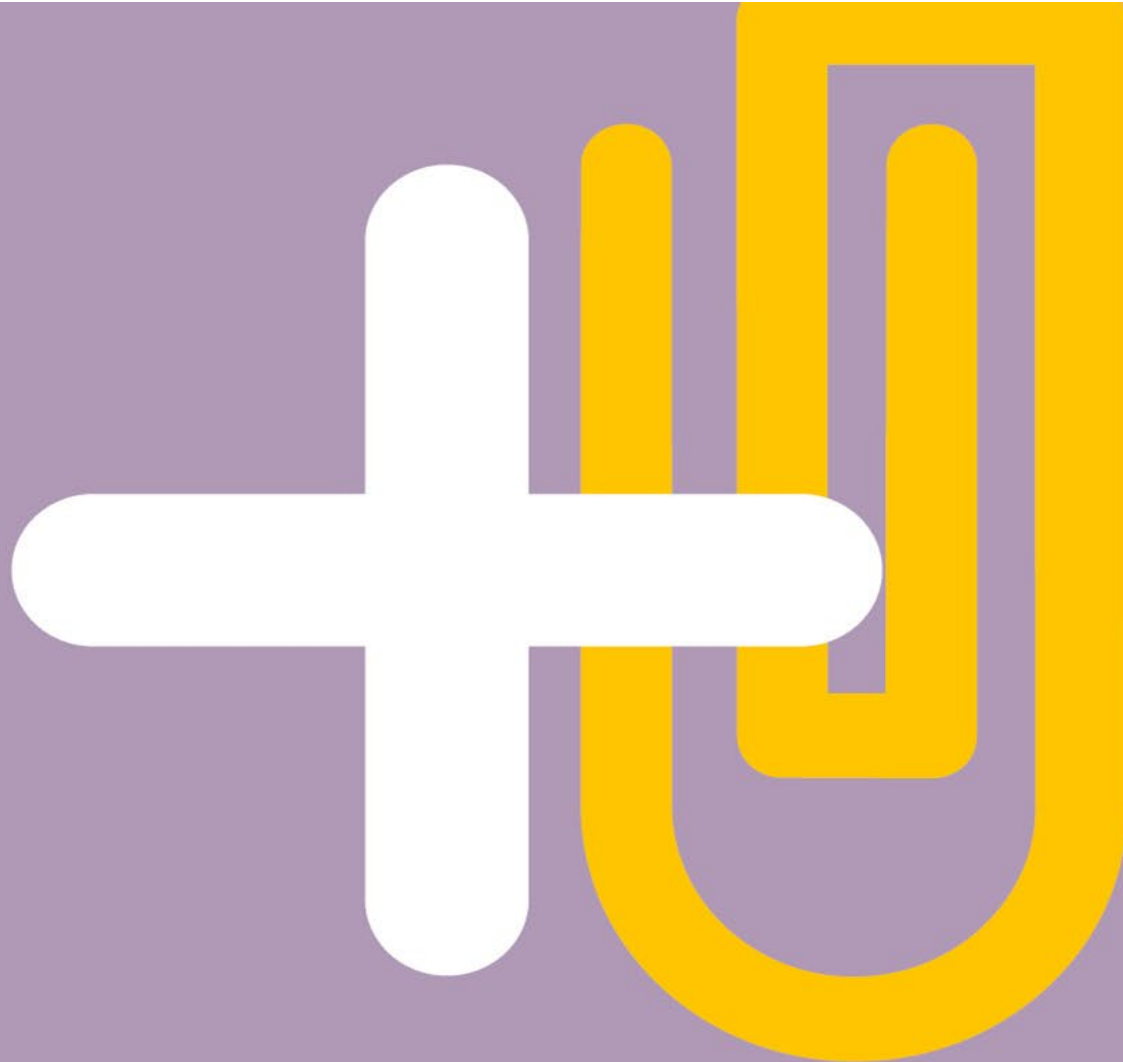
Table 3.15.1 Consultant appointments using appropriated funds

Programme	Consulting Firm	Project Title	Nature of the Project	Total number of Consultants that worked on the Project	Duration: Work days/ Hours	Contract Value in Rand R'000	Total Number of Projects	BB-BEE LEVEL
Programme 1	D Groenewald	Translation Services	Translation of Provincial Treasury Annual Performance Plan 2020/21 from English to Afrikaans	DCAS Contract	-	27	-	4
	Gava Kassiem	Proof reading and editing	Proof reading and editing of Annual Performance Plan, Overview of Provincial and Municipal Infrastructure Investment and Budget Overview of Provincial Revenue and Expenditure	1	-	48	-	4
	Nexus Forensic Services(Pty)Ltd	Lifestyle Audit	Lifestyle Audit conducted	N/A	-	29	-	2
	Prof. Sandile David Gxilishe	Translations	Translation of Annual Performance Plan from English to Xhosa	DCAS Contract	-	33	-	1
	Pricewater-houseCoopers Incorporated	Culture Journey	To develop and implement a Culture Journey Strategy and Roadmap	N/A	-	2 553	-	1

Programme	Consulting Firm	Project Title	Nature of the Project	Total number of Consultants that worked on the Project	Duration: Work days/ Hours	Contract Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
Programme 2	Government Technical Advisory Centre (GTAC)	Review and analysis of WCG CoE	Review and analysis of compensation of employees of Western Cape provincial government departments and cost containment measures	N/A	----	269	-	N/A
	Strategic Economic Solution (Stratecon)	Twentieth and Twenty First Comments	To analyse the comments received with regards to the draft Western Cape Twentieth and Twenty First Gambling and Racing Amendment Bills and accompanying Regulations	3	-	145	-	4
	Strategic Economic Solution (Stratecon)	Background research on Gambling Policy Review	To provide for a background research for the review of the gambling policy	5	-	1 876	-	4
	Gloucester Accounting Services	Probity Investigation	Probity investigation for the appointment of the WCGRB members	-	-	62	-	4
	HS Business Solution	Provincial Economic Outlook and Review (PERO)	Compilation of the Provincial Economic Outlook and Review for 2020	-	-	685	-	4
	Urban-Economic Development Economists (Pty) Ltd	Municipal Economic Outlook and Review	Conducting research and production of the MERO	-	-	1 088	-	4
	Quantum Leap Consulting	Provision of the Solutions of Architect (Business Analyst)	Support on the execution of the Directorate's ICT Plan	DotP Contract (1)	1 684.5H	1416	-	1

Programme	Consulting Firm	Project Title	Nature of the Project	Total number of Consultants that worked on the Project	Duration: Work days/ Hours	Contract Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
Programme 3	EOH Mthombo (Pty)Ltd	Procurement Planning Tool	Development of Procurement Planning Tool Project	DotP Contract (3)	1 085H	880		1
	Nasikha Business Specialist	SCM Reform	To assists PT with Business advisory support to enable its governance strategy and to facilitate the move from conformance to performance	2	3 810H	2 690	-	1
	Business Connexions	PERSAL Support	Rendering functional, technical and management support on the Personnel and Salary Administration System	2	1 465H	1 663	-	6
	Gijima Technology People	Business Analysts	Support on the enhancement of the Legacy Systems (ICT Project)	DotP Contract (2)	3 915H	1 425	-	7
	DLK Group	Business Analysts	Applications developer and Analysis Services (ICT)	DotP Contract	1 58.25H	203		
	EOH Mthombo (Pty)Ltd	Business Analysts	Applications developer and Analysis Services (ICT)	DotP Contract (3)	968.5H	783		1
	Quantum Leap Consulting	Business Analysts	Applications developer and Analysis Services (ICT)	DotP Contract (1)	31H	20		1
	State Information Technology Agency (SITA)	Subscription	Gartner Subscription	DotP Contract	N/A	1 285	-	4

Programme	Consulting Firm	Project Title	Nature of the Project	Total number of Consultants that worked on the Project	Duration: Work days/ Hours	Contract Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
Programme 4	EOH Mthombo (Pty)Ltd	WC Monitoring Evaluation System	Municipal Governance Review and Outlook (MGRO)	DotP Contract (1)	N/A	80	-	1
	IA Professionals	Assessment tool	Develop and Assessment tool for testing and performing King IV Information Technology	1	-	87		4
	IA Professionals	Quality Assurance Review (QAR)	Accredited organization to perform External Quality Assessment for 3 municipalities (Breed-Valley, Cape Agulhas and Swellendam) in terms of the standards of the Institute of Internal Auditor	3	-	613	-	4



**FINANCIAL
INFORMATION**

PART E

PART E: FINANCIAL INFORMATION

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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2021**

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Western Cape Department of Provincial Treasury set out on pages 187 to 241, which comprise the appropriation statement, statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Department of Provincial Treasury as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

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

Emphasis of matter

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

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Underspending of the budget

7. As disclosed in the appropriation statement, the Department materially underspent the budget by R12.1 million (2019/20: R9.2 million), with material underspending on the Administration, Sustainable Resource Management and Asset Management programmes.

Other matter

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

Unaudited supplementary schedules

9. The supplementary information set out on pages 242 to 250 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

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

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

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they

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could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

13. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
16. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the department's annual performance report for the year ended 31 March 2021:

Programme	Pages in the Annual Performance Report
Programme 2 – Sustainable Resource Management	87 to 100

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

Other matters

19. I draw attention to the matters below.

Achievement of planned targets

20. Refer to the annual performance report on pages 95 to 100 for information on the achievement of planned targets for the year and management's explanations provided for the under/overachievement of targets.

Adjustment of material misstatements

21. I identified a material misstatement in the annual performance report submitted for auditing. The material misstatement was in the reported performance information of programme 2 – Sustainable Resource Management. As management subsequently corrected the misstatement, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

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

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Other information

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

Internal control deficiencies

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

Auditor-General

Cape Town
17 December 2021



Auditing to build public confidence

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Annexure – Auditor-General's responsibility for the audit

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

Financial statements

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

My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern.

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- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

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**APPROPRIATION STATEMENT
for the year ended 31 March 2021**

Appropriation per programme									
	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Voted funds and Direct charges									
Programme									
1. ADMINISTRATION	56 373	-	(48)	56 325	51 594	4 731	91.6	59 231	58 257
2. SUSTAINABLE RESOURCE MANAGEMENT	119 010	-	48	119 058	115 847	3 211	97.3	141 645	137 338
3. ASSET MANAGEMENT	62 645	-	-	62 645	59 518	3 127	95.0	67 232	65 393
4. FINANCIAL GOVERNANCE	51 477	-	-	51 477	50 434	1 043	98.0	69 901	67 777
Programme sub total	289 505	-	-	289 505	277 393	12 112	95.8	338 009	328 765
Statutory Appropriation									
Total	289 505	-	-	289 505	277 393	12 112	95.8	338 009	328 765
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				19 654				6 002	
Actual amounts per Statement of Financial Performance (Total Revenue)				309 159				344 011	
Actual amounts per Statement of Financial Performance Expenditure					277 393				328 765

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PROVINCIAL TREASURY
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**APPROPRIATION STATEMENT
for the year ended 31 March 2021**

Appropriation per programme									
Economic classification	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	238 578	(4 927)	-	233 651	224 944	8 707	96.3	249 647	242 060
Compensation of employees	188 764	(4 251)	-	184 513	184 513	-	100.0	188 008	184 505
Salaries and wages	161 330	13	-	161 343	161 343	-	100.0	165 150	162 223
Social contributions	27 434	(4 264)	-	23 170	23 170	-	100.0	22 858	22 282
Goods and services	49 814	(676)	-	49 138	40 431	8 707	82.3	61 639	57 555
Administrative fees	3	1	-	4	4	-	100.0	3	3
Advertising	1 098	(227)	-	871	871	-	100.0	1 418	1 389
Minor assets	-	3	-	3	3	-	100.0	560	560
Audit costs: External	5 502	(36)	-	5 466	5 062	404	92.6	6 046	5 939
Bursaries: Employees	433	(124)	-	309	309	-	100.0	446	446
Catering: Departmental activities	-	82	-	82	82	-	100.0	450	400
Communication (G&S)	1 959	487	-	2 446	2 443	3	99.9	769	660
Computer services	3 892	(212)	-	3 680	3 280	400	89.1	10 484	9 991
Consultants: Business and advisory services	26 650	(1 057)	-	25 593	17 960	7 633	70.2	23 458	22 083
Legal services	943	425	-	1 368	1 363	5	99.6	936	936
Contractors	51	197	-	248	248	-	100.0	257	227
Agency and support / outsourced services	3 996	21	-	4 017	4 017	-	100.0	1 771	1 771
Entertainment	-	-	-	-	-	-	-	183	94
Fleet services (including government motor transport)	500	34	-	534	534	-	100.0	1 065	1 065
Consumable supplies	849	(353)	-	496	480	16	96.8	290	250
Consumable: Stationery, printing and office supplies	311	(68)	-	243	169	74	69.5	1 250	1 065
Operating leases	1 244	566	-	1 810	1 810	-	100.0	1 036	1 036
Property payments	485	(172)	-	313	313	-	100.0	45	45
Transport provided: Departmental activity	-	-	-	-	-	-	-	12	7
Travel and subsistence	274	(202)	-	72	72	-	100.0	5 466	5 248
Training and development	593	52	-	645	590	55	91.5	1 914	1 056
Operating payments	947	(168)	-	779	662	117	85.0	1 586	1 341
Venues and facilities	84	-	-	84	84	-	100.0	2 194	1 943
Rental and hiring	-	75	-	75	75	-	100.0	-	-
Transfers and subsidies	46 822	4 611	-	51 433	50 733	700	98.6	82 833	81 176
Provinces and municipalities	16 488	-	-	16 488	15 788	700	95.8	39 101	37 576
Municipalities	16 488	-	-	16 488	15 788	700	95.8	39 101	37 576
Municipal bank accounts	16 488	-	-	16 488	15 788	700	95.8	39 101	37 576
Departmental agencies and accounts	27 750	1	-	27 751	27 751	-	100.0	37 669	37 669
Departmental agencies	27 750	1	-	27 751	27 751	-	100.0	37 669	37 669
Households	2 584	4 610	-	7 194	7 194	-	100.0	6 063	5 931
Social benefits	992	4 890	-	5 882	5 882	-	100.0	3 551	3 547
Other transfers to households	1 592	(280)	-	1 312	1 312	-	100.0	2 512	2 384
Payments for capital assets	4 066	287	-	4 353	1 648	2 705	37.9	5 467	5 467
Machinery and equipment	4 066	287	-	4 353	1 648	2 705	37.9	5 467	5 467
Transport equipment	1 203	412	-	1 615	1 615	-	100.0	1 270	1 270
Other machinery and equipment	2 863	(125)	-	2 738	33	2 705	1.2	4 197	4 197
Payment for financial assets	39	29	-	68	68	-	100.0	62	62
Total	289 505	-	-	289 505	277 393	12 112	95.8	338 009	328 765

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VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2021**

Programme 1: ADMINISTRATION									
Sub programme	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1. OFFICE OF THE MINISTER	6 570	-	(5)	6 565	6 562	3	100.0	5 804	5 704
2. MANAGEMENT SERVICES	23 657	15	(43)	23 629	22 429	1 200	94.9	24 828	24 216
3. FINANCIAL MANAGEMENT	26 146	(15)	-	26 131	22 603	3 528	86.5	28 599	28 337
Total	56 373	-	(48)	56 325	51 594	4 731	91.6	59 231	58 257

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**APPROPRIATION STATEMENT
for the year ended 31 March 2021**

Economic classification	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	50 603	(69)	(48)	50 486	48 460	2 026	96.0	50 722	49 876
Compensation of employees	37 299	(1)	(48)	37 250	37 250	-	100.0	38 070	37 518
Salaries and wages	33 019	(31)	(48)	32 940	32 940	-	100.0	34 009	33 489
Social contributions	4 280	30	-	4 310	4 310	-	100.0	4 061	4 029
Goods and services	13 304	(68)	-	13 236	11 210	2 026	84.7	12 652	12 358
Administrative fees	3	1	-	4	4	-	100.0	3	3
Advertising	998	(233)	-	765	765	-	100.0	1 107	1 078
Minor assets	-	3	-	3	3	-	100.0	560	560
Audit costs: External	3 784	(174)	-	3 610	3 206	404	88.8	4 178	4 178
Bursaries: Employees	433	(124)	-	309	309	-	100.0	446	446
Catering: Departmental activities	-	82	-	82	82	-	100.0	22	22
Communication (G&S)	611	153	-	764	763	1	99.9	349	346
Computer services	1 419	37	-	1 456	1 056	400	72.5	1 208	1 208
Consultants: Business and advisory services	3 656	234	-	3 890	2 690	1 200	69.2	989	989
Legal services	10	(5)	-	5	-	5	-	4	4
Contractors	43	197	-	240	240	-	100.0	154	144
Agency and support / outsourced services	-	-	-	-	-	-	-	37	37
Entertainment	-	-	-	-	-	-	-	29	10
Fleet services (including government motor transport)	500	34	-	534	534	-	100.0	1 065	1 065
Consumable supplies	815	(329)	-	486	470	16	96.7	177	174
Consumable: Stationery, printing and office supplies	34	(29)	-	5	5	-	100.0	303	285
Operating leases	605	-	-	605	605	-	100.0	299	299
Property payments	-	2	-	2	2	-	100.0	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	12	7
Travel and subsistence	95	(73)	-	22	22	-	100.0	831	812
Training and development	56	81	-	137	137	-	100.0	181	43
Operating payments	242	-	-	242	242	-	100.0	364	314
Venues and facilities	-	-	-	-	-	-	-	334	334
Rental and hiring	-	75	-	75	75	-	100.0	-	-
Transfers and subsidies	1 665	(247)	-	1 418	1 418	-	100.0	2 980	2 852
Departmental agencies and accounts	6	1	-	7	7	-	100.0	6	6
Departmental agencies	6	1	-	7	7	-	100.0	6	6
Households	1 659	(248)	-	1 411	1 411	-	100.0	2 974	2 846
Social benefits	67	32	-	99	99	-	100.0	462	462
Other transfers to households	1 592	(280)	-	1 312	1 312	-	100.0	2 512	2 384
Payments for capital assets	4 066	287	-	4 353	1 648	2 705	37.9	5 467	5 467
Machinery and equipment	4 066	287	-	4 353	1 648	2 705	37.9	5 467	5 467
Transport equipment	1 203	412	-	1 615	1 615	-	100.0	1 270	1 270
Other machinery and equipment	2 863	(125)	-	2 738	33	2 705	1.2	4 197	4 197
Payment for financial assets	39	29	-	68	68	-	100.0	62	62
Total	56 373	-	(48)	56 325	51 594	4 731	91.6	59 231	58 257

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**APPROPRIATION STATEMENT
for the year ended 31 March 2021**

Subprogramme: 1.1: OFFICE OF THE MINISTER									
Economic classification	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	6 570	-	(5)	6 565	6 562	3	100.0%	5 711	5 611
Compensation of employees	6 450	-	(5)	6 445	6 445	-	100.0%	5 386	5 337
Goods and services	120	-	-	120	117	3	97.5%	325	274
Transfers and subsidies	-	-	-	-	-	-	0.0%	93	93
Households	-	-	-	-	-	-	0.0%	93	93
Total	6 570	-	(5)	6 565	6 562	3	100.0%	5 804	5 704

Subprogramme: 1.2: MANAGEMENT SERVICES									
Economic classification	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	22 016	295	(43)	22 268	21 068	1 200	94.6%	22 002	21 518
Compensation of employees	16 511	(2)	(43)	16 466	16 466	-	100.0%	18 185	17 944
Goods and services	5 505	297	-	5 802	4 602	1 200	79.3%	3 817	3 574
Transfers and subsidies	1 641	(280)	-	1 361	1 361	-	100.0%	2 826	2 698
Households	1 641	(280)	-	1 361	1 361	-	100.0%	2 826	2 698
Total	23 657	15	(43)	23 629	22 429	1 200	94.9%	24 828	24 216

Subprogramme: 1.3: FINANCIAL MANAGEMENT									
Economic classification	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments	22 017	(364)	-	21 653	20 830	823	96.2	23 009	22 747
Compensation of employees	14 338	1	-	14 339	14 339	-	100.0	14 499	14 237
Goods and services	7 679	(365)	-	7 314	6 491	823	88.7	8 510	8 510
Transfers and subsidies	24	33	-	57	57	-	100.0	61	61
Departmental agencies and accounts	6	1	-	7	7	-	100.0	6	6
Households	18	32	-	50	50	-	100.0	55	55
Payments for capital assets	4 066	287	-	4 353	1 648	2 705	37.9	5 467	5 467
Machinery and equipment	4 066	287	-	4 353	1 648	2 705	37.9	5 467	5 467
Payment for financial assets	39	29	-	68	68	-	100.0	62	62
Total	26 146	(15)	-	26 131	22 603	3 528	86.5	28 599	28 337

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**APPROPRIATION STATEMENT
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Programme 2: SUSTAINABLE RESOURCE MANAGEMENT									
	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Sub programme									
1. PROGRAMME SUPPORT	7 049	68	48	7 165	7 165	-	100.0	6 673	5 790
2. FISCAL POLICY	41 978	(69)	-	41 909	41 265	644	98.5	53 368	52 301
3. BUDGET MANAGEMENT	17 539	143	-	17 682	17 635	47	99.7	24 600	23 509
4. PUBLIC FINANCE	52 444	(142)	-	52 302	49 782	2 520	95.2	57 004	55 738
Total	119 010	-	48	119 058	115 847	3 211	97.3	141 645	137 338

	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	86 008	(2 321)	48	83 735	80 524	3 211	96.2	90 440	86 133
Compensation of employees	74 001	(2 136)	48	71 913	71 913	-	100.0	74 406	72 364
Salaries and wages	62 911	26	48	62 985	62 985	-	100.0	65 467	63 645
Social contributions	11 090	(2 162)	-	8 928	8 928	-	100.0	8 939	8 719
Goods and services	12 007	(185)	-	11 822	8 611	3 211	72.8	16 034	13 769
Advertising	100	6	-	106	106	-	100.0	311	311
Audit costs: External	968	(46)	-	922	922	-	100.0	924	817
Catering: Departmental activities	-	-	-	-	-	-	-	220	201
Communication (G&S)	605	153	-	758	759	(1)	100.1	259	176
Computer services	155	-	-	155	155	-	100.0	544	542
Consultants: Business and advisory services	8 677	(101)	-	8 576	5 541	3 035	64.6	7 683	6 975
Legal services	448	(1)	-	447	447	-	100.0	406	406
Agency and support / outsourced services	55	-	-	55	55	-	100.0	112	112
Entertainment	-	-	-	-	-	-	-	102	42
Consumable supplies	17	(9)	-	8	8	-	100.0	63	32
Consumable: Stationery, printing and office supplies	235	2	-	237	163	74	68.8	632	477
Travel and subsistence	82	(54)	-	28	28	-	100.0	2 359	2 166
Training and development	85	(13)	-	72	72	-	100.0	744	254
Operating payments	580	(122)	-	458	355	103	77.5	1 124	929
Venues and facilities	-	-	-	-	-	-	-	551	329
Transfers and subsidies	33 002	2 321	-	35 323	35 323	-	100.0	51 205	51 205
Provinces and municipalities	4 500	-	-	4 500	4 500	-	100.0	13 385	13 385
Municipalities	4 500	-	-	4 500	4 500	-	100.0	13 385	13 385
Municipal bank accounts	4 500	-	-	4 500	4 500	-	100.0	13 385	13 385
Departmental agencies and accounts	27 744	-	-	27 744	27 744	-	100.0	37 663	37 663
Departmental agencies	27 744	-	-	27 744	27 744	-	100.0	37 663	37 663
Households	758	2 321	-	3 079	3 079	-	100.0	157	157
Social benefits	758	2 321	-	3 079	3 079	-	100.0	157	157
Total	119 010	-	48	119 058	115 847	3 211	97.3	141 645	137 338

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Subprogramme: 2.1: PROGRAMME SUPPORT

	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	6 587	(1 610)	48	5 025	5 025	-	100.0%	6 673	5 790
Compensation of employees	6 379	(1 598)	48	4 829	4 829	-	100.0%	5 007	4 889
Goods and services	208	(12)	-	196	196	-	100.0%	1 666	901
Transfers and subsidies	462	1 678	-	2 140	2 140	-	100.0%	-	-
Households	462	1 678	-	2 140	2 140	-	100.0%	-	-
Total	7 049	68	48	7 165	7 165	-	100.0%	6 673	5 790

Subprogramme: 2.2: FISCAL POLICY

	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	14 234	(69)	-	14 165	13 521	644	95.5%	15 705	14 638
Compensation of employees	9 835	(8)	-	9 827	9 827	-	100.0%	10 853	10 394
Goods and services	4 399	(61)	-	4 338	3 694	644	85.2%	4 852	4 244
Transfers and subsidies	27 744	-	-	27 744	27 744	-	100.0%	37 663	37 663
Departmental agencies and accounts	27 744	-	-	27 744	27 744	-	100.0%	37 663	37 663
Total	41 978	(69)	-	41 909	41 265	644	98.5%	53 368	52 301

Subprogramme: 2.3: BUDGET MANAGEMENT

	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	17 539	143	-	17 682	17 635	47	99.7%	21 120	20 029
Compensation of employees	15 131	143	-	15 274	15 274	-	100.0%	16 475	15 949
Goods and services	2 408	-	-	2 408	2 361	47	98.0%	4 645	4 080
Transfers and subsidies	-	-	-	-	-	-	0.0%	3 480	3 480
Provinces and municipalities	-	-	-	-	-	-	0.0%	3 480	3 480
Total	17 539	143	-	17 682	17 635	47	99.7%	24 600	23 509

Subprogramme: 2.4: PUBLIC FINANCE

	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	47 648	(785)	-	46 863	44 343	2 520	94.6%	46 942	45 676
Compensation of employees	42 656	(673)	-	41 983	41 983	-	100.0%	42 071	41 132
Goods and services	4 992	(112)	-	4 880	2 360	2 520	48.4%	4 871	4 544
Transfers and subsidies	4 796	643	-	5 439	5 439	-	100.0%	10 062	10 062
Provinces and municipalities	4 500	-	-	4 500	4 500	-	100.0%	9 905	9 905
Households	296	643	-	939	939	-	100.0%	157	157
Total	52 444	(142)	-	52 302	49 782	2 520	95.2%	57 004	55 738

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Programme 3: ASSET MANAGEMENT									
	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Sub programme									
1. PROGRAMME SUPPORT	4 311	7	-	4 318	4 315	3	99.9	3 533	3 022
2. SUPPLY CHAIN MANAGEMENT	30 323	693	-	31 016	29 516	1 500	95.2	34 308	34 191
3. SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS	28 011	(700)	-	27 311	25 687	1 624	94.1	29 391	28 180
Total	62 645	-	-	62 645	59 518	3 127	95.0	67 232	65 393

	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	62 478	(2 090)	-	60 388	57 261	3 127	94.8	65 528	63 689
Compensation of employees	41 275	(1 982)	-	39 293	39 293	-	100.0	39 937	39 371
Salaries and wages	33 625	7	-	33 632	33 632	-	100.0	34 356	33 867
Social contributions	7 650	(1 989)	-	5 661	5 661	-	100.0	5 581	5 504
Goods and services	21 203	(108)	-	21 095	17 968	3 127	85.2	25 591	24 318
Catering: Departmental activities	-	-	-	-	-	-	-	70	39
Communication (G&S)	369	109	-	478	475	3	99.4	73	60
Computer services	2 068	(168)	-	1 900	1 900	-	100.0	8 715	8 236
Consultants: Business and advisory services	12 894	(821)	-	12 073	8 949	3 124	74.1	10 969	10 480
Legal services	485	431	-	916	916	-	100.0	526	526
Contractors	8	-	-	8	8	-	100.0	101	82
Agency and support / outsourced services	3 914	21	-	3 935	3 935	-	100.0	1 622	1 622
Entertainment	-	-	-	-	-	-	-	25	20
Consumable supplies	7	(7)	-	-	-	-	-	33	29
Consumable: Stationery, printing and office supplies	25	(24)	-	1	1	-	100.0	225	222
Operating leases	639	566	-	1 205	1 205	-	100.0	737	737
Property payments	485	(174)	-	311	311	-	100.0	45	45
Travel and subsistence	45	(42)	-	3	3	-	100.0	1 207	1 207
Training and development	142	2	-	144	144	-	100.0	412	211
Operating payments	38	(1)	-	37	37	-	100.0	3	3
Venues and facilities	84	-	-	84	84	-	100.0	828	799
Transfers and subsidies	167	2 090	-	2 257	2 257	-	100.0	1 704	1 704
Households	167	2 090	-	2 257	2 257	-	100.0	1 704	1 704
Social benefits	167	2 090	-	2 257	2 257	-	100.0	1 704	1 704
Total	62 645	-	-	62 645	59 518	3 127	95.0	67 232	65 393

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Subprogramme: 3.1: PROGRAMME SUPPORT

	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	4 311	7	-	4 318	4 315	3	99.93%	3 533	3 022
Compensation of employees	4 118	7	-	4 125	4 125	-	100.00%	2 705	2 460
Goods and services	193	-	-	193	190	3	98.45%	828	562
Total	4 311	7	-	4 318	4 315	3	99.93%	3 533	3 022

Subprogramme: 3.2: SUPPLY CHAIN MANAGEMENT

	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	30 156	(1 397)	-	28 759	27 259	1 500	94.8%	34 234	34 117
Compensation of employees	17 609	(2 044)	-	15 565	15 565	-	100.0%	17 809	17 692
Goods and services	12 547	647	-	13 194	11 694	1 500	88.6%	16 425	16 425
Transfers and subsidies	167	2 090	-	2 257	2 257	-	100.0%	74	74
Households	167	2 090	-	2 257	2 257	-	100.0%	74	74
Total	30 323	693	-	31 016	29 516	1 500	95.2%	34 308	34 191

Subprogramme: 3.3: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS

	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	28 011	(700)	-	27 311	25 687	1 624	94.1%	27 761	26 550
Compensation of employees	19 548	55	-	19 603	19 603	-	100.0%	19 423	19 219
Goods and services	8 463	(755)	-	7 708	6 084	1 624	78.9%	8 338	7 331
Transfers and subsidies	-	-	-	-	-	-	0.0%	1 630	1 630
Households	-	-	-	-	-	-	0.0%	1 630	1 630
Total	28 011	(700)	-	27 311	25 687	1 624	94.1%	29 391	28 180

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Programme 4: FINANCIAL GOVERNANCE									
	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Sub programme									
1. PROGRAMME SUPPORT	6 899	(45)	-	6 854	6 785	69	99,0	8 885	8 822
2. ACCOUNTING SERVICES	19 610	45	-	19 655	19 598	57	99,7	32 197	30 409
3. CORPORATE GOVERNANCE	24 968	-	-	24 968	24 051	917	96,3	28 819	28 546
Total	51 477	-	-	51 477	50 434	1 043	98,0	69 901	67 777

	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	39 489	(447)	-	39 042	38 699	343	99,1	42 957	42 362
Compensation of employees	36 189	(132)	-	36 057	36 057	-	100,0	35 595	35 252
Salaries and wages	31 775	11	-	31 786	31 786	-	100,0	31 318	31 222
Social contributions	4 414	(143)	-	4 271	4 271	-	100,0	4 277	4 030
Goods and services	3 300	(315)	-	2 985	2 642	343	88,5	7 362	7 110
Audit costs: External	750	184	-	934	934	-	100,0	944	944
Catering: Departmental activities	-	-	-	-	-	-	-	138	138
Communication (G&S)	374	72	-	446	446	-	100,0	88	78
Computer services	250	(81)	-	169	169	-	100,0	17	5
Consultants: Business and advisory services	1 423	(369)	-	1 054	780	274	74,0	3 817	3 639
Contractors	-	-	-	-	-	-	-	2	1
Agency and support / outsourced services	27	-	-	27	27	-	100,0	-	-
Entertainment	-	-	-	-	-	-	-	27	22
Consumable supplies	10	(8)	-	2	2	-	100,0	17	15
Consumable: Stationery, printing and office supplies	17	(17)	-	-	-	-	-	90	81
Travel and subsistence	52	(33)	-	19	19	-	100,0	1 069	1 063
Training and development	310	(18)	-	292	237	55	81,2	577	548
Operating payments	87	(45)	-	42	28	14	66,7	95	95
Venues and facilities	-	-	-	-	-	-	-	481	481
Transfers and subsidies	11 988	447	-	12 435	11 735	700	94,4	26 944	25 415
Provinces and municipalities	11 988	-	-	11 988	11 288	700	94,2	25 716	24 191
Municipalities	11 988	-	-	11 988	11 288	700	94,2	25 716	24 191
Municipal bank accounts	11 988	-	-	11 988	11 288	700	94,2	25 716	24 191
Households	-	447	-	447	447	-	100,0	1 228	1 224
Social benefits	-	447	-	447	447	-	100,0	1 228	1 224
Total	51 477	-	-	51 477	50 434	1 043	98,0	69 901	67 777

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Subprogramme: 4.1: PROGRAMME SUPPORT									
	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	6 899	(45)	-	6 854	6 785	69	99.0%	8 885	8 822
Compensation of employees	6 409	(45)	-	6 364	6 364	-	100.0%	5 909	5 909
Goods and services	490	-	-	490	421	69	85.9%	2 976	2 913
Total	6 899	(45)	-	6 854	6 785	69	99.0%	8 885	8 822

Subprogramme: 4.2: ACCOUNTING SERVICES									
	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	19 210	(402)	-	18 808	18 751	57	99.7%	20 048	19 789
Compensation of employees	17 533	(98)	-	17 435	17 435	-	100.0%	17 909	17 656
Goods and services	1 677	(304)	-	1 373	1 316	57	95.8%	2 139	2 133
Transfers and subsidies	400	447	-	847	847	-	100.0%	12 149	10 620
Provinces and municipalities	400	-	-	400	400	-	100.0%	10 921	9 396
Households	-	447	-	447	447	-	100.0%	1 228	1 224
Total	19 610	45	-	19 655	19 598	57	99.7%	32 197	30 409

Subprogramme: 4.3: CORPORATE GOVERNANCE									
	2020/21							2019/20	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Economic classification									
Current payments	13 380	-	-	13 380	13 163	217	98.4%	14 024	13 751
Compensation of employees	12 247	11	-	12 258	12 258	-	100.0%	11 777	11 687
Goods and services	1 133	(11)	-	1 122	905	217	80.7%	2 247	2 064
Transfers and subsidies	11 588	-	-	11 588	10 888	700	94.0%	14 795	14 795
Provinces and municipalities	11 588	-	-	11 588	10 888	700	94.0%	14 795	14 795
Total	24 968	-	-	24 968	24 051	917	96.3%	28 819	28 546

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021**

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A - C) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

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

4.1 Per programme

Per programme:	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Administration	56 325	51 594	4 731	8.40
The underspending is mainly due to delays in the appointment of a service provider for the support and maintenance of the video-conferencing facility and business analysts for the Business Process Re-engineering projects as well as the delivery of laptops				
Sustainable Resource Management	119 058	115 847	3 211	2.70
The underspending is mainly due to delays in the procurement process for research projects and in the appointment of a panel of technical specialists to support vulnerable municipalities.				
Asset Management	62 645	59 518	3 127	4.99
The underspending is mainly due to the non-receipt of claims from the Department of the Premier for ICT projects and the delay in the appointment of a service provider for an asset management project at municipalities.				
Financial Governance	51 477	50 434	1 043	2.03
The underspending is mainly due to the non-transfer of funds to municipalities in respect of the Capacity Building grant and the Financial Management Support grant.				

**WESTERN CAPE PROVINCE
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021**

4.2 Per economic classification

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Current expenditure				
Compensation of employees	184 513	184 513	-	-
Goods and services	49 138	40 431	8 707	17.72
Transfers and subsidies				
Provinces and municipalities	16 488	15 788	700	4.25
Departmental agencies and accounts	27 751	27 751	-	-
Households	7 194	7 194	-	-
Payments for capital assets				
Machinery and equipment	4 353	1 648	2 705	62.14
Payments for financial assets	68	68	-	-

The underspending on goods and services is due to the delays in the procurement of video-conferencing facilities, consultancy services and business analysts for the Business Process Re-engineering projects. Furthermore, it also includes the delays in the procurement process for research and in the appointment of a panel of technical specialists to support vulnerable municipalities, the non-receipt of claims from the Department of the Premier for ICT projects and the delay in the appointment of a service provider for an asset management project at municipalities.

The underspending of Provinces and municipalities is mainly due to the non-transfer of funds to municipalities in respect of the Western Cape Financial Management Capacity Building Grant and the Financial Management Support Grant. The underspending on machinery and equipment is mainly due to the delays in the delivery of laptops as a result of the COVID-19 pandemic.

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**STATEMENT OF FINANCIAL PERFORMANCE
as at 31 March 2021**

	<i>Note</i>	2020/21 R'000	2019/20 R'000
REVENUE			
Annual appropriation	1	289 505	338 009
Departmental revenue	2	19 654	6 002
TOTAL REVENUE		309 159	344 011
EXPENDITURE			
Current expenditure			
Compensation of employees	4	184 513	184 505
Goods and services	5	40 431	57 555
Total current expenditure		224 944	242 060
Transfers and subsidies			
Transfers and subsidies	7	50 733	81 176
Total transfers and subsidies		50 733	81 176
Expenditure for capital assets			
Tangible assets	8	1 648	5 467
Total expenditure for capital assets		1 648	5 467
Payments for financial assets	6	68	62
TOTAL EXPENDITURE		277 393	328 765
SURPLUS FOR THE YEAR		31 766	15 246
Reconciliation of Net Surplus for the year			
Voted Funds		12 112	9 244
Departmental revenue	13	19 654	6 002
SURPLUS FOR THE YEAR		31 766	15 246

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
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**STATEMENT OF FINANCIAL POSITION
as at 31 March 2021**

	<i>Note</i>	2020/21 R'000	2019/20 R'000
ASSETS			
Current Assets		13 787	9 533
Cash and cash equivalents	9	13 631	9 261
Receivables	11	156	272
Non-Current Assets		93	112
Receivables	11	93	112
TOTAL ASSETS		13 880	9 645
LIABILITIES			
Current Liabilities		13 773	9 538
Voted funds to be surrendered to the Revenue Fund	12	12 112	9 244
Departmental revenue to be surrendered to the Revenue Fund	13	1 392	201
Payables	14	269	93
TOTAL LIABILITIES		13 773	9 538
NET ASSETS		107	107
Represented by:			
Recoverable revenue		107	107
TOTAL		107	107

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
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**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2021**

	Note	2020/21 R'000	2019/20 R'000
NET ASSETS			
Recoverable revenue			
Opening balance		107	76
Transfers		-	31
Irrecoverable amounts written off	6.2	(20)	(33)
Debts recovered (included in departmental receipts)		(235)	(149)
Debts raised		255	213
Closing balance		107	107
TOTAL		107	107

**WESTERN CAPE PROVINCE
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VOTE 3**

**CASH FLOW STATEMENT
for the year ended 31 March 2021**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts

		309 231	343 995
Annual appropriated funds received	1.1	289 505	338 009
Departmental revenue received	2	19 720	5 982
Interest received	2.2	6	4
Net (increase)/decrease in working capital		292	15
Surrendered to Revenue Fund		(27 780)	(12 837)
Current payments		(224 944)	(242 060)
Payments for financial assets		(68)	(62)
Transfers and subsidies paid		(50 733)	(81 176)
Net cash flow available from operating activities	15	5 998	7 875

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for capital assets	8	(1 648)	(5 467)
Proceeds from sale of capital assets	2.3	1	85
(Increase)/decrease in non-current receivables		19	22
Net cash flows from investing activities		(1 628)	(5 360)

CASH FLOWS FROM FINANCING ACTIVITIES

Increase/ (decrease) in net assets		-	31
Net cash flows from financing activities		-	31
Net increase/ (decrease) in cash and cash equivalents		4 370	2 546
Cash and cash equivalents at beginning of period		9 261	6 715
Cash and cash equivalents at end of period		13 631	9 261

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
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**ACCOUNTING POLICIES
for the year ended 31 March 2021**

Summary of significant accounting policies

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

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation. Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1. Basis of preparation

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

2. Going concern

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

3. Presentation currency

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

4. Rounding

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

5. Foreign currency translation

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
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**ACCOUNTING POLICIES
for the year ended 31 March 2021**

6. Comparative information

6.1 Prior period comparative information

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

6.2 Current year comparison with budget

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

7. Revenue

7.1 Appropriated funds

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

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

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

7.2 Departmental revenue

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

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

**WESTERN CAPE PROVINCE
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VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2021**

7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and/penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy</p>
8.	<p>Expenditure</p>
8.1	<p>Compensation of employees</p>
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
8.2	<p>Other expenditure</p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
8.3	<p>Accrued expenditure payable</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
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**ACCOUNTING POLICIES
for the year ended 31 March 2021**

8.4 Leases

8.4.1 Operating leases

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

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

8.4.2 Finance leases

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

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

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

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

9. Aid Assistance

9.1 Aid assistance received

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

10. Cash and cash equivalents

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

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

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

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**ACCOUNTING POLICIES
for the year ended 31 March 2021**

11. Prepayments and advances

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

Prepayments and advances are initially and subsequently measured at cost.

12. Loans and receivables

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

13. Investments

Investments are recognised in the statement of financial position at cost.

14. Financial assets

14.1 Financial assets (not covered elsewhere)

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

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

14.2 Impairment of financial assets

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

15. Payables

Payables recognised in the statement of financial position are recognised at cost.

**WESTERN CAPE PROVINCE
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**ACCOUNTING POLICIES
for the year ended 31 March 2021**

16. Capital Assets

16.1 Movable capital assets

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

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

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

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

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

16.2 Intangible assets

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

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

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

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

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

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

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**ACCOUNTING POLICIES
for the year ended 31 March 2021**

17. Provisions and Contingents

17.1 Provisions

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

17.2 Contingent liabilities

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

17.3 Contingent assets

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

17.4 Capital commitments

Capital commitments are recorded at cost in the notes to the financial statements.

18. Unauthorised expenditure

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

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**ACCOUNTING POLICIES
for the year ended 31 March 2021**

19. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off.

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

20. Irregular expenditure

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

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

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

21. Changes in accounting estimates and errors

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

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

22. Events after the reporting date

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

**WESTERN CAPE PROVINCE
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**ACCOUNTING POLICIES
for the year ended 31 March 2021**

- | | |
|------------|---|
| 23. | <p>Departures from the MCS requirements</p> <p>The financial statements present fairly the Department's primary and secondary information and complies with the standards.</p> |
| 24. | <p>Recoverable revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p> |
| 25. | <p>Related party transactions</p> <p>Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.</p> |
| 26. | <p>Employee benefits</p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p> |

**WESTERN CAPE PROVINCE
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021**

1. Appropriation

1.1 Annual Appropriation

Programmes	2020/21			2019/20	
	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/ not received R'000	Final Appropriation R'000	Appropriation Received R'000
ADMINISTRATION	56 325	56 325	-	59 231	59 231
SUSTAINABLE RESOURCE MANAGEMENT	119 058	119 058	-	141 645	141 645
ASSET MANAGEMENT	62 645	62 645	-	67 232	67 232
FINANCIAL GOVERNANCE	51 477	51 477	-	69 901	69 901
Total	289 505	289 505	-	338 009	338 009

	Note	2020/21 R'000	2019/20 R'000
2. Departmental Revenue			
Sales of goods and services other than capital assets	2.1	43	40
Interest, dividends and rent on land	2.2	6	4
Sales of capital assets	2.3	1	85
Transactions in financial assets and liabilities	2.4	19 677	5 942
Total revenue collected		19 727	6 071
Less: Own revenue included in appropriation	13	73	69
Departmental revenue collected		19 654	6 002

2.1 Sales of goods and services other than capital assets

2

Sales of goods and services produced by the department	40	37
Other sales	40	37
Sales of scrap, waste and other used current goods	3	3
Total	43	40

"Other sales" includes commission on garnishees and insurances and sale of minor assets.

**WESTERN CAPE PROVINCE
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	<i>Note</i>	2020/21 R'000	2019/20 R'000
Interest, dividends and rent on land	2		
Interest		6	4
Total		6	4
2.2 Sales of capital assets	2		
Tangible assets		1	85
Machinery and equipment	27	1	85
Total		1	85
2.3 Transactions in financial assets and liabilities	2		
Other Receipts including Recoverable Revenue		19 677	5 942
Total		19 677	5 942

Included in other receipts are surplus funds of R11 851 532 received from the Western Cape Gambling and Racing Board (WCGRB) as well as R6 498 547 received from municipalities as unspent funds.

2.4 Cash received not recognised (not included in the main note) – 2020/21

Name of entity	Amount received R'000	Amount paid to Revenue Fund R'000	Balance R'000
Western Cape Gambling and Racing Board	459 184	459 184	-
Total	459 184	459 184	-

Cash received not recognised (not included in the main note) - 2019/20

Name of entity	Amount received R'000	Amount paid to Revenue Fund R'000	Balance R'000
Western Cape Gambling and Racing Board	668 378	668 378	-
Total	668 378	668 378	-

Provincial Treasury acts as a conduit for the Western Cape Gambling and Racing Board (WCGRB) and all revenue received from the Board was paid over to the Provincial Revenue Fund.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021**

	<i>Note</i>	2020/21 R'000	2019/20 R'000
3. Aid Assistance			
3.1 Donations received in kind			
Ten (10) licences and the implementation, maintenance and support of a donations system (SYSPRO)		550	-
Total		550	-
Donation received from Greater Translogie Advisory Services for Software and Services to assist in the management of COVID-19 related donations to the Western Cape Government.			
4. Compensation of employees			
4.1 Salaries and wages			
Basic salary		134 068	133 371
Performance award		38	978
Service Based		138	87
Compensative/circumstantial		1 295	2 356
Other non-pensionable allowances		25 804	25 431
Total		161 343	162 223
4.2 Social contributions			
Pension		16 280	16 110
Medical		6 859	6 143
Bargaining council		31	29
Total		23 170	22 282
Total compensation of employees		184 513	184 505
Average number of employees		267	264

The comparative figure for social contributions has been amended due to incorrect expenditure allocations. See Note 29 for further details.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021**

	<i>Note</i>	2020/21 R'000	2019/20 R'000
5. Goods and services			
Administrative fees		4	3
Advertising		871	1 389
Minor assets	5.1	3	560
Bursaries (employees)		309	446
Catering		82	400
Communication		2 443	660
Computer services	5.2	3 280	9 991
Consultants: Business and advisory services		17 960	22 083
Legal services		1 363	936
Contractors		248	227
Agency and support / outsourced services		4 017	1 771
Entertainment		-	94
Audit cost – external	5.3	5 062	5 939
Fleet services		534	1 065
Consumables	5.4	649	1 315
Operating leases		1 810	1 036
Property payments	5.5	313	45
Rental and hiring		75	-
Transport provided as part of the departmental activities		-	7
Travel and subsistence	5.6	72	5 248
Venues and facilities		84	1 943
Training and development		590	1 056
Other operating expenditure	5.7	662	1 341
Total		40 431	57 555

Advertising decreased due to fewer communication campaigns. The increase in communication costs are due to data allowances paid to officials working from home. The increase in agency and support/outsourced services are due to expenditure related to the walk-in centre at Century City, being reclassified from computer services to agency and support/outsourced services.

5.1 Minor assets	5		
Tangible assets		3	560
Machinery and equipment		3	560
Total		3	560

The purchasing and replacement of minor assets did not take place due to reprioritisation toward COVID-19 expenditure.

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	<i>Note</i>	2020/21 R'000	2019/20 R'000
5.2 Computer services	5		
SITA computer services		1 054	1 199
External computer service providers		2 226	8 792
Total		3 280	9 991

The decrease in external computer services is due to expenditure relating to the walk-in centre at Century City, being reclassified from computer services to agency and support/outsourced services.

5.3 Audit cost-external	5		
Regularity audits		4 791	5 704
Computer audits		271	235
Total		5 062	5 939

5.4 Consumables	5		
Consumable supplies		481	250
Uniform and clothing		-	26
Household supplies		409	147
Building material and supplies		11	8
IT consumables		-	44
Other consumables		61	25
Stationery, printing and office supplies		168	1 065
Total		649	1 315

"Other consumables" consist of gifts, awards and medical supplies.

5.5 Property payments	5		
Other		313	45
Total		313	45

"Other" refers to cleaning, safeguarding and security service.

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	<i>Note</i>	2020/21 R'000	2019/20 R'000
5.6 Travel and subsistence	5		
Local		72	4 940
Foreign		-	308
Total		72	5 248
5.7 Other operating expenditure	5		
Professional bodies, membership and subscription fees		28	84
Resettlement costs		85	128
Other		549	1 129
Total		662	1 341

"Other" refers to printing and publication services, courier and delivery services and storage services.

6. Payments for financial assets

Material losses through criminal conduct		6	5
Theft	6.3	6	5
Other material losses written off	6.1	42	24
Debts written off	6.2	20	33
Total		68	62

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	<i>Note</i>	2020/21 R'000	2019/20 R'000
6.1 Other material losses written off	6		
Nature of losses			
Missing external hard drive		1	-
Fruitless and wasteful - late cancellation of accommodation and excessive catering		1	1
- non attendance of training		2	2
- missed flights		-	5
- Telkom interest		1	1
Damages to hired vehicle		-	13
Air ticket/shuttle service - no show		7	-
Government garage vehicle damages		23	2
Laptop damages		7	-
Total		<u>42</u>	<u>24</u>
6.2 Debts written off	6		
Nature of debts written off			
Recoverable revenue written off			
Bursary debt		4	-
Total		<u>4</u>	<u>-</u>
Other debt written off			
SARS Income Tax		-	33
Stolen laptop		12	-
Pension debt		4	-
Total		<u>16</u>	<u>33</u>
Total debt written off		<u>20</u>	<u>33</u>
6.3 Details of theft	6		
Nature of theft			
Missing Cartridges		6	5
Total		<u>6</u>	<u>5</u>

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	<i>Note</i>	2020/21 R'000	2019/20 R'000
7. Transfer and Subsidies			
Provinces and municipalities	ANNEXURE 1A	15 788	37 576
Departmental agencies and accounts	ANNEXURE 1B	27 751	37 669
Households	ANNEXURE 1C	7 194	5 931
Total		50 733	81 176

During the 1st and 2nd Adjusted Estimate, earmarked allocations to municipalities were surrendered to the Provincial Revenue Fund due to the non-finalisation of the grant review process, resulting in decreased spending.
The comparative figure has been amended to include early retirement penalties paid. See Note 29 for further details.

8. Expenditure for Capital Assets

Tangible assets		1 648	5 467
Machinery and equipment	27	1 648	5 467
Total		1 648	5 467

The decrease in capital assets is due to computer equipment ordered during the 2020/21 financial year but was not delivered due to global supply chain disruptions.

8.1 Analysis of funds utilised to acquire capital assets – 2020/21

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	1 648	-	1 648
Machinery and equipment	1 648	-	1 648
Total	1 648	-	1 648

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8.2 Analysis of funds utilised to acquire capital assets – 2019/20

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	5 467	-	5 467
Machinery and equipment	5 467	-	5 467
Total	5 467	-	5 467
	<i>Note</i>	2020/21 R'000	2019/20 R'000

8.3 Finance lease expenditure included in Expenditure for capital assets

Tangible assets		
Machinery and equipment	1 615	1 270
	-	-
Total	1 615	1 270

9. Cash and Cash Equivalents

Consolidated Paymaster General Account	13 623	9 253
Cash on hand	8	8
Total	13 631	9 261

10. Prepayments and Advances

10.1 Prepayments (Expensed)

	'Balance as at 1 April 2020 R'000	Less: Received in the current year R'000	Add/Less: Other R'000	Add: Current Year prepayments R'000	Amount as at 31 March 2021 R'000
<i>Listed by economic classification</i>					
Goods and services	1 637	-	(1 637)	131	131
Total	1 637	-	(1 637)	131	131

The current year prepayment was in respect of online training for the period starting 15 March 2021 to 15 May 2021.

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Prepayments (Expensed)

	'Balance as at 1 April 2019	Less: Received in the current year	Add/Less: Other	Add: Current Year prepayments	Amount as at 31 March 2020
	R'000	R'000	R'000	R'000	R'000
Prepayments (Expensed)					
<i>Listed by economic classification</i>					
Goods and services	-	-	-	1 637	1 637
Total	-	-	-	1 637	1 637

11. Receivables

		2020/21			2019/20		
	Note	Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	11.1	77	-	77	169	-	169
Recoverable expenditure	11.2	7	-	7	24	-	24
Staff debt	11.3	8	-	8	46	7	53
Other receivables	11.4	64	93	157	33	105	138
Total		156	93	249	272	112	384

	Note	2020/21 R'000	2019/20 R'000
11.1 Claims recoverable			
	11		
Private enterprises		77	169
Total		77	169

The amount of R77 000 refers to an amount owed by Nedbank for cash prizes paid to bursary competition winners on their behalf.

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	<i>Note</i>	2020/21 R'000	2019/20 R'000
11.2 Recoverable expenditure (disallowance accounts)	11		
Disallowance: Damages and losses		-	24
SAL: Tax debt		7	-
Total		7	24
11.3 Staff debt	11		
Salary Related Debt		-	12
Laptops stolen/lost		8	3
Traffic fines		-	1
Bursary Debt		-	37
Total		8	53
11.4 Other receivables	11		
Ex Employees Salary: Related Debts		64	84
Bursary Debts		90	54
Damaged Laptop		3	-
Total		157	138
12. Voted Funds to be surrendered to the Revenue Fund			
Opening balance		9 244	3 727
Transfer from statement of financial performance (as restated)		12 112	9 244
Paid during the year		(9 244)	(3 727)
Closing balance		12 112	9 244
13. Departmental revenue and to be surrendered to the Revenue Fund			
Opening balance		201	3 240
Transfer from Statement of Financial Performance (as restated)		19 654	6 002
Own revenue included in appropriation		73	69
Paid during the year		(18 536)	(9 110)
Closing balance		1 392	201

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	<i>Note</i>	2020/21 R'000	2019/20 R'000
14. Payables - current			
Advances received	14.1	173	77
Clearing accounts	14.2	-	1
Other payables	14.3	96	15
Total		269	93
14.1 Advances received	14		
Other institutions	<i>Annexure 3A</i>	173	77
Total		173	77
"Advances received" refers to bursary monies from Nedbank paid over to Provincial Treasury (PT), who administers it on their behalf.			
14.2 Clearing accounts	14		
ACB Recall Account		-	1
Total		-	1
14.3 Other payables			
Income tax account		10	15
SAL:GEHS Refund Control Account		86	-
Total		96	15

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	<i>Note</i>	2020/21 R'000	2019/20 R'000
15. Net cash flow available from operating activities			
Net surplus as per Statement of Financial Performance		31 766	15 246
Add back cash movement not deemed operating activities		(25 768)	(7 371)
Decrease in receivables		116	-
Decrease in prepayments and advances		-	9
Increase in payables - current		176	6
Proceeds from sale of capital assets		(1)	(85)
Expenditure on capital assets		1 648	5 467
Surrenders to Revenue Fund		(27 780)	(12 837)
Own revenue included in appropriation		73	69
Net cash flow generated by operating activities		5 998	7 875
16. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		13 623	9 253
Cash on hand		8	8
Total		13 631	9 261

17. Contingent liabilities and contingent assets

17.1 Contingent liabilities

The Department is involved in ongoing litigation instituted by Sunwest International (Pty) Ltd, also known as Grandwest Casino and Entertainment World and Worcester Casino (Pty) Ltd. They are claiming the total amount of R46 334 448 collected by the WCGRB in respect of free play credits (Customer loyalty points) should not be included as part of the drop (Gambling taxable income) to be refunded or to reduce future gambling taxes. However, the contingent liability should not be disclosed in the financial statements of the Department as there are no past events enacted/committed by Provincial Treasury as it independent from the PRF and WCGRB, and subsequently paragraph (a) of the definition of a contingent liability is not met. There is also no present obligation, and therefore paragraph (b) in the contingent liability definition is also not met.

The Labour Appeal Court (LAC) declared the salary increases for the 2020/2021 financial year unlawful and invalid. The LAC ruling has been appealed and referred to the Constitutional Court. The ruling by the Constitutional Court will confirm if the department will be obligated to pay the salary increases in dispute. **The amount cannot be reliably estimated.**

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17.2 Contingent assets

All Policy and Procedure on Incapacity Leave and Ill-Health Retirement (PILIR) cases for the current year were finalised at year-end.

At this stage the Department is not able to reliably measure the contingent assets in terms of the Government Employees Housing Scheme of the Individually Linked Savings Facility (ILSF), relating to resignations and termination of services.

	<i>Note</i>	2020/21 R'000	2019/20 R'000
18. Capital commitments			
Machinery and Equipment		2 705	-
Total		2 705	-

Capital commitments pertains to computer equipment ordered during 2020/21 that could not be delivered to an ongoing world wide shortage of computer components as a result of the COVID-19 pandemic.

19. Accruals and payables not recognised

19.1 Accruals

Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	572	-	572	1 373
Total	572	-	572	1 373

	2020/21 R'000	2019/20 R'000
Listed by programme level		
Administration	69	299
Sustainable Resource Management	105	35
Asset Management	362	959
Financial Governance	36	80
Total	572	1 373

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19.2 Payables not recognised

Listed by economic classification	30 days	30+ days	Total	Total
Goods and services	172	-	172	62
Total	172	-	172	62

	2020/21	2019/20
	R'000	R'000
Listed by programme level		
Administration	124	5
Sustainable Resource Management	-	3
Asset Management	-	24
Financial Governance	48	30
Total	172	62

Note	2020/21	2019/20
	R'000	R'000

Included in the above totals are the following:

Confirmed balances with departments	<i>Annexure 2</i>	124	-
Total		124	-

20. Employee benefits

Leave entitlement	11 101	5 080
Service bonus	4 076	4 362
Performance awards	-	1 041
Capped leave	3 295	3 965
Other	1 854	2 963
Total	20 326	17 411

"Other" includes the long service awards, salary related accruals and liability for early retirement officials. At this stage the department is not able to reliably measure the long term portion of the long service awards. The increase in leave entitlement is due to DPSA decision to grant approval to extend the date for the taking of leave.

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21. Lease commitments

21.1 Operating lease

2020/21	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	1 408	669	2 077
Later than 1 year and not later than 5 years	-	-	730	552	1 282
Total lease commitments	-	-	2 138	1 221	3 359

2019/20	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	1 318	669	1 987
Later than 1 year and not later than 5 years	-	-	2 025	1 221	3 246
Total lease commitments	-	-	3 343	1 890	5 233

Operating leases refers to the rental of print/copy/scan machines and the rental of office accommodation.

21.2 Finance leases

2020/21	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	1 544	1 544
Later than 1 year and not later than 5 years	-	-	-	2 048	2 048
Total lease commitments	-	-	-	3 592	3 592

2019/20	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	1 490	1 490
Later than 1 year and not later than 5 years	-	-	-	2 155	2 155
Total lease commitments	-	-	-	3 645	3 645

Finance leases refer to the vehicles leased from Government Motor Transport.

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	<i>Note</i>	2020/21 R'000	2019/20 R'000
22. Accrued departmental revenue			
Transactions in financial assets and liabilities		19 759	14 633
Total		19 759	14 633

Transactions in assets and liabilities refers to accrued revenue to be paid back by the WCGRB (R16 573 000) as well as unspent conditional grants (R2 465 318) by municipalities. The prior year's figure was restated due to unspent conditional grants by municipalities not being recognised.

22.1 Analysis of accrued departmental revenue

Opening balance	14 633	1 337
Less: Amounts received	11 852	1 337
Add: Amounts recognised	18 540	14 633
Other (Specify)	(1 562)	-
Closing balance	19 759	14 633

The amount of R1 562 532 was erroneously paid over to the Provincial Revenue Fund (PRF) during the 2017/18 and 2018/19 financial years. The WCGRB requested approval to deduct this amount from the accrued departmental revenue, therefore the amount paid over was R11 851 532.

23. Irregular expenditure

23.1 Reconciliation of irregular expenditure

Opening balance		3 017	1 139
As restated		3 017	1 139
Add: Irregular expenditure - relating to prior year	23.2	10	-
Add: Irregular expenditure - relating to current year		-	1 879
Less: Prior year amounts condoned	23.3	(2 958)	(1)
Closing balance		69	3 017

Analysis of closing balance

Current year	-	1 879
Prior years	69	1 138
Total	69	3 017

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23.2 Details of current and prior year irregular expenditure – added current year (under determination and investigation)

		2020/21 R'000
Incident	Disciplinary steps taken/criminal proceedings	
Expenditure in contravention of Cost Containment measures.	None	10
Total		10

23.3 Details of irregular expenditure condoned

		2020/21 R'000
Incident	Condoned by (relevant authority)	
Non-compliance of SCM treasury Regulation 16 A6.3 - Bid advertisement period	WC Provincial Treasury	2 212
Non-compliance with Treasury regulation 16 A9.1(d) - Non-submission of request to SARS for confirmation of tax obligation letter of foreign supplier	WC Provincial Treasury	735
Non-compliance with SCM procedures - Accommodation	WC Provincial Treasury	1
Expenditure in contravention of cost containment measures	WC Provincial Treasury	10
Total		2 958

	<i>Note</i>	2020/21 R'000	2019/20 R'000
24. Fruitless and wasteful expenditure			
24.1 Reconciliation of fruitless and wasteful expenditure			
Opening balance		3	-
As restated		3	-
Fruitless and wasteful expenditure – relating to prior year		-	8
Fruitless and wasteful expenditure – relating to current year	24.2	1	9
Less: Amounts recoverable		-	(5)
Less: Amounts written off	24.3	(4)	(9)
Closing balance		-	3

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	<i>Note</i>	2020/21 R'000	2019/20 R'000
24.2 Details of current and prior year fruitless and wasteful expenditure – added current year (under determination and investigation)			
			2020/21 R'000
Incident	Disciplinary steps taken/criminal proceedings		
Telkom Interest	None		1
Total			<u>1</u>
24.3 Details of fruitless and wasteful expenditure written off			
			2020/21
Incident			
Accommodation - No show			1
Telkom Interest			1
Training - Non attendance			2
Total			<u>4</u>

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25. Related party transactions

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

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

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

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

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

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

The Minister of Finance and Economic Opportunities was responsible for the following departments and entities as at 31 March 2021:

- Provincial Treasury
- Western Cape Gambling and Racing Board
- Department of Economic Development and Tourism which has the following two (2) entities under its control:
 1. Western Cape Tourism, Trade and Investment Promotion Agency (WESGRO)
 2. Saldanha Bay Industrial Development Zine Licencing Company (SBIDZ LiCo)

The Atlantis SEZ SOC Limited is also included in the Minister's Cabinet portfolio.

Key management personnel as mentioned in Note 26 also forms part of related parties.

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26. Key management personnel

		2020/21	2019/20
	No. of individuals	R'000	R'000
Political office bearer	1	1 978	2 011
Management	11	13 287	14 337
Total		15 265	16 348

Management includes all officials from level 14 and above, as well as the CFO at level 13, who have significant influence over the finance and operational policy decisions of the Department.

27. Movable Tangible Capital Assets

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2021**

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	16 807	1	55	355	16 508
Computer equipment	11 287	1	-	120	11 168
Furniture and office equipment	3 022	-	55	161	2 916
Other machinery and equipment	2 498	-	-	74	2 424
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	16 807	1	55	355	16 508

An amount of R168 068 under Computer Equipment that was not included on Logistical Information System (LOGIS), is in the process of being taken up on LOGIS.

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Movable Tangible Capital Assets under investigation

	Number	Value
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		R'000
Machinery and equipment	9	169

The major assets under investigation could not be found during the stock take count conducted in the 2020/21 financial year.

Additions

27.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Cash	Non-cash	(Capital work- in-progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	1 648	22	(1 615)	-	55
Transport assets	1 615	-	(1 615)	-	-
Computer equipment	-	-	-	-	-
Furniture and office equipment	33	22	-	-	55
Other machinery and equipment	-	-	-	-	-
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	1 648	22	(1 615)	-	55

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Disposals

27.2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Sold for cash	Non-cash disposal	Total disposals	Cash received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	332	23	355	1
Transport assets	-	-	-	-
Computer equipment	97	23	120	1
Furniture and office equipment	161	-	161	-
Other machinery and equipment	74	-	74	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	332	23	355	1

27.3 Movement for 2019/20

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	16 951	-	4 595	4 739	16 807
Computer equipment	11 520	-	4 115	4 348	11 287
Furniture and office equipment	2 979	-	283	240	3 022
Other machinery and equipment	2 452	-	197	151	2 498
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	16 951	-	4 595	4 739	16 807

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27.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	5	-	6 304	-	6 309
Value adjustments	-	-	-	-	-	-
Additions	-	-	-	3	-	3
Disposals	-	-	-	166	-	166
TOTAL MINOR ASSETS	-	5	-	6 141	-	6 146
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	1	-	4 110	-	4 111
TOTAL NUMBER OF MINOR ASSETS	-	1	-	4 110	-	4 111

Minor Capital Assets under investigation

	Number	Value
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		R'000
Machinery and equipment	74	112

Minor assets under investigation could not be found during the stock take count concluded in the 2020/21 financial year.

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for the year ended 31 March 2021**

Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	5	-	6 019	-	6 024
Additions	-	-	-	864	-	864
Disposals	-	-	-	579	-	579
TOTAL MINOR ASSETS	-	5	-	6 304	-	6 309

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	1	-	4 237	-	4 238
TOTAL NUMBER OF MINOR ASSETS	-	1	-	4 237	-	4 238

27.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2021

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	13	-	13
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	13	-	13

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2020

	Specialis- ed military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	44	-	44
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	44	-	44

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021**

28 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	98	-	-	-	98
TOTAL INTANGIBLE CAPITAL ASSETS	98	-	-	-	98

Movement for 2019/20

28.1 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	98	-	-	-	98
TOTAL INTANGIBLE CAPITAL ASSETS	98	-	-	-	98

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021**

29. Prior period errors

			2019/20	
	Note	Amount before error correction	Prior period error	Restated amount
29.1				
Expenditure				
Compensation of employees	4	185 805	(1 300)	184 505
Transfers and Subsidies	7	79 876	1 300	81 176
Net effect		265 681	-	265 681

The prior year error occurred when early retirement penalties were incorrectly classified and paid out of the Compensation of Employees (social contributions) instead of Transfers and Subsidies. The amendment was made to reflect the correct expenditure allocation.

Assets

Accrued departmental revenue	22	13 414	1 219	14 633
Net effect		13 414	1 219	14 633

The prior year's error is in respect of unspent conditional grants that were not paid back by municipalities. The correction was made to restate the accrued revenue due to the department.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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30. Statement of Conditional Grants and other transfers to municipalities

NAME OF MUNICIPALITY	2020/21				2019/20				
	GRANT ALLOCATION				TRANSFER				
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Division of Revenue Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
BEAUFORT WEST	1 300	-	-	1 300	1 300	-	-	2 335	2 335
BERGRIVIER	300	-	-	300	300	-	-	710	710
BITOU	300	-	-	300	300	-	-	710	710
BREEDE VALLEY	1 300	-	-	1 300	1 300	-	-	1 460	1 460
CAPE AGULHAS	300	-	-	300	300	-	-	1 780	1 780
CAPE WINELANDS DISTRICT	300	-	-	300	-	300	-	660	660
CEDERBERG	800	-	-	800	800	-	-	1 290	960
CENTRAL KAROO DISTRICT	300	-	-	300	300	-	-	1 184	1 184
CITY OF CAPE TOWN	300	-	-	300	300	-	-	610	610
DRAKENSTEIN	380	-	-	380	380	-	-	875	620
EDEN DISTRICT	2 408	-	-	2 408	2 408	-	-	3 520	3 520
GEORGE	800	-	-	800	800	-	-	1 135	1 135
HESSEQUA								710	710
KANNALAND	300	-	-	300	300	-	-	5 531	5 531
KNYSNA	800	-	-	800	800	-	-	1 443	1 443
LAINGSBURG	1 300	-	-	1 300	1 300	-	-	1 835	1 505
LANGEBERG	300	-	-	300	300	-	-	709	709
MATZIKAMA	300	-	-	300	300	-	-	710	710
MOSSEL BAY	300	-	-	300	300	-	-	660	660
OUDTSHOORN	300	-	-	300	300	-	-	1 852	1 852
OVERBERG DISTRICT	300	-	-	300	300	-	-	1 310	1 310
OVERSTRAND	300	-	-	300	300	-	-	660	380
PRINCE ALBERT	300	-	-	300	300	-	-	1 715	1 715
SALDANHA BAY	300	-	-	300	300	-	-	660	660
STELLENBOSCH	300	-	-	300	300	-	-	635	635
SWARTLAND	300	-	-	300	300	-	-	709	709
SWELLENDAM	300	-	-	300	300	-	-	709	709
THEEWATERSKLOOF	300	-	-	300	300	-	-	1 414	1 084
WITZENBERG	300	-	-	300	300	-	-	710	710
WEST COAST	700	-	-	700	700	-	-	860	860
UNALLOCATED	400	-	-	400	-	400	-	-	-
	16 488	-	-	16 488	15 788	700	-	39 101	37 576

The underspending of R700 000 is attributed to Cape Winelands Municipality declining to take the Financial Management Capacity Building grant of R300 000 and the balance of R400 000 was unallocated funds that was not appropriated to specific municipalities.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021**

31. Broad Based Black Economic Empowerment Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

32. COVID-19 Response Expenditure

	Note	2020/21 R'000	2019/20 R'000
COVID-19 Response Expenditure	<i>Annexure 4</i>		
Goods and services		2 632	-
Total		2 632	-

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021**

**ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
BEAUFORT WEST	1 300	-	-	1 300	1 300	-	-	1 300	-	1 300	-	2 335	2 335
BERGRIVIER	300	-	-	300	300	-	-	300	-	300	-	710	710
BITOU	300	-	-	300	300	-	-	300	-	300	-	710	710
BREEDE VALLEY	1 300	-	-	1 300	1 300	-	-	1 300	-	1 300	-	1 460	1 460
CAPE AGULHAS	300	-	-	300	300	-	-	300	-	300	-	1 780	1 780
CAPE WINELANDS DISTRICT	300	-	-	300	-	300	-	-	-	-	-	660	660
CEDERBERG	800	-	-	800	800	-	-	800	-	800	-	1 290	960
CENTRAL KAROO DISTRICT	300	-	-	300	300	-	-	300	-	300	-	1 184	1 184
CITY OF CAPE TOWN	300	-	-	300	300	-	-	300	-	300	-	610	610
DRAKENSTEIN	380	-	-	380	380	-	-	380	-	380	-	875	620
GARDEN ROUTE DISTRICT	2 408	-	-	2 408	2 408	-	-	2 408	-	2 408	-	3 520	3 520
GEORGE	800	-	-	800	800	-	-	800	-	800	-	1 135	1 135
HESSEQUA	300	-	-	300	300	-	-	300	-	300	-	710	710
KANNALAND	300	-	-	300	300	-	-	300	-	300	-	5 531	5 531
KNYSNA	800	-	-	800	800	-	-	800	-	800	-	1 443	1 443
LAINGSBURG	1 300	-	-	1 300	1 300	-	-	1 300	-	1 300	-	1 835	1 505
LANGEBERG	300	-	-	300	300	-	-	300	-	300	-	709	709
MATZIKAMA	300	-	-	300	300	-	-	300	-	300	-	710	710
MOSSEL BAY	300	-	-	300	300	-	-	300	-	300	-	660	660
ODTSHOORN	300	-	-	300	300	-	-	300	-	300	-	1 852	1 852
OVERBERG DISTRICT	300	-	-	300	300	-	-	300	-	300	-	1 310	1 310
OVERSTRAND	300	-	-	300	300	-	-	300	-	300	-	660	380
PRINCE ALBERT	300	-	-	300	300	-	-	300	-	300	-	1 715	1 715
SALDANHA BAY	300	-	-	300	300	-	-	300	-	300	-	660	660
STELLENBOSCH	300	-	-	300	300	-	-	300	-	300	-	635	635
SWARTLAND	300	-	-	300	300	-	-	300	-	300	-	709	709
SWELLENDAAM	300	-	-	300	300	-	-	300	-	300	-	709	709
THEEWATERSKLOOF	300	-	-	300	300	-	-	300	-	300	-	1 414	1 084
WITZENBERG	300	-	-	300	300	-	-	300	-	300	-	710	710
WEST COAST DISTRICT	700	-	-	700	700	-	-	700	-	700	-	860	860
UNALLOCATED	400	-	-	400	-	400	-	-	-	-	-	-	-
Total	16 488	-	-	16 488	15 788	700	-	15 788	-	15 788	-	39 101	37 576

The underspending of R700 000 is attributed to Cape Winelands municipality declining to take the Financial Management Capacity Building grant of R300 000 and the balance of R400 000 was unallocated funds that was not appropriated to specific municipalities.

**WESTERN CAPE PROVINCE
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2019/20
	Adjusted appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds %	Final Appropriation R'000
Western Cape	27 744	-	-	27 744	27 744	100.0%	37 663
Gambling and Racing Board							
SABC TV licences	6	-	1	7	7	100.0%	6
Total	27 750	-	1	27 751	27 751		37 669

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1C
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

	TRANSFER ALLOCATION				EXPENDITURE		2019/20
	Adjusted appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds transferred %	Final Appropriation R'000
HOUSEHOLDS							
Transfers							
Leave Gratuity	989	-	520	1 509	1 510	100%	2 223
Bursaries to non-employees	1 500	-	(280)	1 220	1 219	100%	2 082
Injury on duty	3	-	-	3	3	100%	24
Schools Essay writing competition - cash prizes	92	-	-	92	92	100%	297
Cash donation to deceased official's family	-	-	-	-	-		5
Early retirement penalties	-	-	4 370	4 370	4 370	100%	1 300
Total	2 584	-	4 610	7 194	7 194		5 931

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1D
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2020/21 R'000	2019/20 R'000
Received in kind			
Greater Translogic Advisory Services	Ten (10) licenses and the implentation, maintenance and support of a donations system (SYSPRO)	550	-
TOTAL		550	-

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 2
INTER-GOVERNMENT PAYABLES**

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2020/21*	
	31/03/2021 R'000	31/03/2020 R'000	31/03/2021 R'000	31/03/2020 R'000	31/03/2021 R'000	31/03/2020 R'000	Payment date up to six (6) working days before year end	Amount R'000
GOVERNMENT ENTITY								
DEPARTMENTS								
Current								
Department of the Premier	124	-	-	7	124	7	31/03/2021	91
Easten Cape Provincial Treasury	-	-	-	-	-	-	31/03/2021	12
Total Departments	124	-	-	7	124	7		103
OTHER GOVERNMENT ENTITY								
Current								
Government Technical Advisory Centre	-	-	-	-	-	-	31/03/2021	140
Total Other Government Entities	-	-	-	-	-	-		140
TOTAL INTERGOVERNMENTAL PAYABLES	124	-	-	7	124	7		243

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 3A
INTER-ENTITY ADVANCES RECEIVED (Note 14)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2021 R'000	31/03/2020 R'000	31/03/2021 R'000	31/03/2020 R'000	31/03/2021 R'000	31/03/2020 R'000
OTHER INSTITUTIONS						
Current						
Nedbank - bursary monies for students	-	-	173	77	173	77
TOTAL	-	-	173	77	173	77

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 4
COVID-19 RESPONSE EXPENDITURE
Per quarter and in total**

Expenditure per economic classification	APRIL 2020	MAY 2020	JUN 2020	Subtotal Q1	JUL 2020	AUG 2020	SEPT 2020	Subtotal Q2	OCT 2020	NOV 2020	DEC 2020	Subtotal Q3	JAN 2021	FEB 2021	MAR 2021	Subtotal Q4	2020/21 TOTAL	2019/20 TOTAL
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
GOODS SERVICES	196	228	272	696	150	145	256	551	146	424	38	608	304	198	275	777	2 632	-
Communication	196	228	151	575	150	145	152	447	146	145	-	291	249	142	142	533	1 846	-
Consumable supplies	-	-	121	121	-	-	-	-	-	279	-	279	-	-	22	22	422	-
Computer services	-	-	-	-	-	-	104	104	-	-	38	38	55	56	111	222	364	-
TOTAL COVID-19 RESPONSE EXPENDITURE	196	228	272	696	150	145	256	551	146	424	38	608	304	198	275	777	2 632	-

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 5

Transport Assets as per finance lease register period ended 31 March 2021

	Opening balance R'000	Current year adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
GG Motor Vehicles	4 212	-	478	(291)	4 399

Transport assets as per finance lease register year ended 31 March 2020:

	Opening balance R'000	Current year adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
GG Motor Vehicles	3 882	-	788	(458)	4 212

The Provincial Treasury utilised 21 Government motor vehicles during the period ended 31 March 2021, and 21 Government motor vehicles during the previous financial year ended 31 March 2020. The motor vehicles are leased under a finance agreement unique to the Western Cape Government and the annexure aims to improve the minimum reporting requirements as per the Modified Cash Standard.

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 6

IRREGULAR EXPENDITURE ANNEXURE TO THE AFS			
Description	Stage of completion	No. of cases	Total R'000
Alleged irregular expenditure - identified by Institution (A)	Stage 1		
Current year occurrences			
Prior year occurrences		3	10
Alleged irregular expenditure - identified by Auditors (B)	Stage 1		
Current year occurrences			
Prior year occurrences		5	3 017
Total Alleged irregular expenditure			3 027
Total confirmed irregular expenditure	Stage 2		
IE - no losses incurred	Stage 3		
IE - resulted in losses	Stage 3		
IE - determination in-progress	Stage 3		
IE - recovered/referred for recovery	Stage 5		
IE - irrecoverable and written-off	Stage 5		
IE - referred to PFS for further investigation	Stage 4		
IE - referred to HRF for disciplinary process	Stage 6		
IE - referred for condonation	Stage 7	1	69
IE - condoned	Stage 7	7	2 958
IE - not condoned and removed by AO/AA	Stage 7		
<p>The bulk of the irregular expenditure is as a result of supply chain procedures not being followed. At the beginning of the financial year, there were 5 cases outstanding, totalling R 3 017 076. These cases were submitted to Provincial Government Accounting for condonation on 7 November 2019 and 24 July 2020 respectively. On 28 January 2021, the department received the outcome on these 5 cases. It was confirmed 4 out of the 5 cases were recommended by the CWC for condonement.</p> <p>During the 2020/21 financial year, 3 additional cases totalling to R9 646 were identified by the Department as irregular expenditure. The cases were investigated by Internal Control. Furthermore, these cases were submitted to Provincial Government Accounting for condonement on 19 February and 11 March 2021. The CWC informed the Department that these cases were recommended for condonement.</p>			
<p>Notes</p> <p>"irregular expenditure" means expenditure, other than unauthorised expenditure, incurred in contravention of or that that is not in accordance with a requirement of any applicable legislation, including -</p> <p>(a) this Act; or</p> <p>(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of that Act; or</p> <p>(c) any provincial legislation providing for procurement procedures in that provincial government;</p> <p>Stage 1 - Discovery</p> <p>Stage 2 - Assessment</p> <p>Stage 3 - Determination</p> <p>Stage 4 - Investigation</p> <p>Stage 5 - Recovery of Losses</p> <p>Stage 6 - Disciplinary</p> <p>Stage 7 - Condonement/Removal</p>			

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**Western Cape
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