

**Western Cape Government
Provincial Treasury**

**Annual Report
2019/20**

Provincial Treasury

Directorate Financial Management

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PROVINCIAL TREASURY

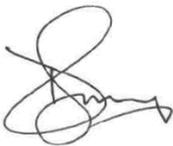
Annual Report

2019/20

Mr D Maynier

Minister of Finance and Economic Opportunities

I have the honour of submitting the Annual Report of the Provincial Treasury for the period
1 April 2019 to 31 March 2020.



DAVID SAVAGE
ACCOUNTING OFFICER
DATE: 30 October 2020

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PART A

General Information

PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

AAPC	Audit and Assurance Public Committees
AC	Audit Committee
ACFS	Annual Consolidated Financial Statements
ADR	Alternative Dispute Resolution
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
AM	Asset Management
AO	Accounting Officer
AOS	Accounting Officer System
APP	Annual Performance Plan
ASB	Accounting Standards Board
BAS	Basic Accounting System
BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
BER	Bureau for Economic Research
BS	Budget Statement
BTO	Budget Treasury Office
C-AMP	Custodian-Asset Management Plans
CA	Chartered Accountant
CAE	Chief Audit Executive
CAP	Compliance Acceleration Plan
CD	Chief Director
Ce-I	Centre for e-Innovation
CFO	Chief Financial Officer
CGRO	Corporate Governance Review and Outlook
CIDB	Construction Industry Development Board
CIGFARO	Chartered Institute of Government Finance Audit and Risk Officers
CKD	Central Karoo District
CoCT	City of Cape Town
CoE	Compensation of Employees
COMAF	Communication of an Audit Finding
COTS	Commercial Off-The-Shelf
COVID-19	Coronavirus Disease 2019
CRA	Contract Registration Application
CRU	Corporate Relations Unit
CSC	Corporate Services Centre
CSD	Central Supplier Database
CWDM	Cape Winelands District Municipality

DBAC	Departmental Bid and Adjudication Committee
DCAS	Department of Cultural Affairs and Sport
DCF	District Council Forum
DDG	Deputy Director-General
DEDAT	Department of Economic Development and Tourism
DEA&DP	Department of Environmental Affairs and Development Planning
D:ERM	Directorate Enterprise Risk Management
DHS	Department of Human Settlements
DI	Departmental Instructions
DLG	Department of Local Government
DoA	Department of Agriculture
DOCS	Department of Community Safety
DoH	Department of Health
DoRA	Division of Revenue Act
DotP	Department of the Premier
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DSD	Department of Social Development
e-GAP	Electronic Governance Action Plan
EC	Ethics Committee
EDT	Education Training Development
EDU	Economic Development Unit
EEP	Employment Equity Plan
EHW	Employee Health and Wellness
EPS	Electronic Purchasing System
EPRE	Estimates of Provincial Revenue and Expenditure
EPWP	Expanded Public Works Programme
ERM	Enterprise Risk Management
ERMCO	Enterprise Risk Management Committee
FAQ	Frequently Asked Question
FI	Finance Instruction
FIDPM	Framework for Infrastructure Delivery and Procurement Management
FMC	Financial Management Capability
FMCM	Financial Management Capability Model
G&A	Government and Administration
GAP	Governance Action Plan
GDP	Gross Domestic Product
GEPF	Government Employees Pension Fund
GIAMA	Government-wide Immovable Asset Management Act

GMT	Government Motor Transport
GPSSBC	General Public Service Sector Bargaining Council
GRAP	Generally Recognised Accounting Practice
HCT	HIV & AIDS Counselling and Testing
HD	Helpdesk
HDIs	Historically Disadvantaged Individuals
HDI	Human Development Index
HOD	Head of Department
HOT	Head Official Treasury
HR	Human Resource
HRM	Human Resource Management
IA	Internal Audit
ICN	Item Control Number
ICS	Improvement of Conditions of Service
ICT	Information and Communication Technology
IDIP	Infrastructure Delivery Improvement Programme
IDMS	Infrastructure Delivery Management System
IDP	Infrastructure Delivery Plan
IDP	Integrated Development Plans
IDP	Individual Development Plans
IFMS	Integrated Financial Management System
IFS	Interim Financial Statements
IGR	Inter-Governmental Relations
IIA	Institute for Internal Auditors
IMFO	Institute of Municipal Finance Officers
IMS	Issue Management System
IPS	Integrated Procurement Solution
ISA	International Standards on Auditing
IRM	Infrastructure Reporting Model
IT	Information Technology
IYM	In-Year Monitoring
JDA	Joint District Approach
KPA	Key Performance Area
LED	Local Economic Development
LG	Local Government
LGA	Local Government Accounting
LGBO	Local Government Budget Office
LG MTEC	Local Government Medium Term Expenditure Committee
LG SCM	Local Government Supply Chain Management

LOGIS	Logistical Information System
LRA	Labour Relations Act
MAM	Movable Asset Management
MCS	Modified Cash Standards
MEC	Member of Executive Council
MERO	Municipal Economic Review and Outlook
MFMA	Municipal Finance Management Act, 2003 (Act 56 of 2003)
M-GAP	Municipal Governance Action Plan
MGRO	Municipal Governance Review and Outlook
MM	Municipal Manager
MOA	Memorandum of Agreement
mSCOA	Municipal Standard Chart of Accounts
MTBPC	Medium Term Budget Policy Committee
MTBPS	Medium Term Budget Policy Statement
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTFF	Medium Term Fiscal Framework
MTREF	Medium Term Revenue and Expenditure Framework
NDP	National Development Plan
NT	National Treasury
NT MTEC	National Treasury Medium Term Expenditure Committee
NTI	National Treasury Instruction
NTR	National Treasury Regulation
OCPO	Office of the Chief Procurement Officer
OD	Organisational Development
OHAS	Occupational Health and Safety
OPRE	Overview of Provincial Revenue and Expenditure
OSD	Occupational Specific Dispensation
PAA	Public Audit Act
PAC	Public Accounts Committee
PAIA	Promotion of Access to Information Act (No 2 of 2000)
PAJA	Promotion of Administrative Justice Act (No 3 of 2000)
PAY	Premier's Advancement of Youth
PDO	Predetermined Objectives
PERMIS	Performance Management Information System
PERSAL	Personnel and Salary Administration System
PERO	Provincial Economic Review and Outlook
PES	Provincial Equitable Share
PFMA	Public Finance Management Act, 1999 (Act 1 of 1999)

PFS	Provincial Forensic Services
PG	Provincial Government
PG MTEC	Provincial Government Medium Term Expenditure Committee
PG SCM	Provincial Government Supply Chain Management
PI	Performance Indicator
PID	Project Initiation Documents
PILIR	Policy on Incapacity Leave and Ill-Health Retirement
PMDS	Performance Management Development System
PMF	Performance Management Frameworks
PMI	Performance Measure Indicator
PMU	Programme Management Unit
POPIA	Protection of Personal Information Act
PPP	Public Private Partnership
PPFA	Preferential Procurement Policy Framework Act
PPSC	Provincial Portfolio Steering Committee
PRF	Provincial Revenue Fund
PSC	Public Service Commission
PSCBC	Public Service Commission Bargaining Council
PSDF	Provincial Spatial Development Framework
PSG	Provincial Strategic Goal
PSO	Provincial Strategic Objective
PSP	Provincial Strategic Plan
PSR	Public Service Regulations
PSRMF	Public Service Risk Management Framework
PT	Provincial Treasury
PTI	Provincial Treasury Instruction
PTM	Provincial Treasury Management
PTRPA	Provincial Tax Regulation Process Act
QAR	Quality Assurance Review
QPR	Quarterly Performance Report
REAL	Revenue, Expenditure, Assets, and Liabilities
RFI	Request for Information
RWOP	Remunerative Work Outside of the Public Service
SABC	South African Broadcasting Corporation
SAICA	South African Institute of Chartered Accountants
SAIGA	Southern African Institute of Government Auditors
SALGA	South African Local Government Association
SAQA	South African Qualification Authority
SARS	South African Revenue Services

SCM	Supply Chain Management
SCoA	Standard Chart of Accounts
SCOF	Standing Committee on Finance
SCOPA	Standing Committee on Public Accounts
SDBIP	Service Delivery and Budget Implementation Plan
SDIP	Service Delivery Improvement Plan
SDM	Service Delivery Model
SDR	Service Delivery Review
SEB	Supplier Evidence Bank
SEP	Socio-economic Profile
SER	Socio-economic Review
SETA	Sector Education and Training Authority
SHERQ	Safety, Health, Environment, Risk and Quality
SIME	Strategic Integrated Municipal Engagement
SIP	Strategic Infrastructure Plan
SIPDM	Standard for Infrastructure Procurement and Delivery Management
SITA	State Information Technology Agency
SLA	Service Level Agreement
SME	Small and Medium Enterprises
SMME	Small, Medium and Micro Enterprise
SMS	Senior Management Service
SP	Strategic Plan
SPMS	Staff Performance Management System
SOP	Standard Operating Procedure
SOPI	Strategic Objective Performance Indicator
TCF	Technical Committee on Finance
the dti	Department of Trade and Industry
TIME	Technical Integrated Municipal Engagements
TPW	Transport and Public Works
U-AMP	User-Asset Management Plans
UIFW	Unauthorised, Irregular, Fruitless and Wasteful Expenditure
WCED	Western Cape Education Department
WCG	Western Cape Government
WC FMSG	Western Cape Financial Management Support Grant
WCGRB	Western Cape Gambling and Racing Board
WC MTBPS	Western Cape Medium Term Budget Policy Statement
WCPP	Western Cape Provincial Parliament
WCSD	Western Cape Supplier Database
WSP	Workplace Skills Plan

3. FOREWORD BY THE MINISTER

The 2019/20 Annual Report highlights Provincial Treasury's progress towards delivering on its vision of Good Financial Governance, the 2014 - 2019 Provincial Strategic Plan and in particular Provincial Strategic Goal 5 which seeks to embed good governance and integrated management practices across the work of the Western Cape Government.

The 2019/20 financial year has been characterised by significant uncertainties and growing fiscal constraints, reflecting the structural weaknesses in the broader South African economy. The Western Cape Fiscal Strategy has been a cornerstone of the Provincial Treasury's response to this context. The strategy emphasizes strict allocative efficiency, fiscal discipline and fiscal consolidation to ensure the fiscal sustainability of the Western Cape Government, to ensure our ability to respond to both development priorities and emerging risks. A critical element of this has been to maintain a balanced budget, through a focus on expenditure control within budget limits, stringent management of personnel budgets and effective revenue mobilisation.

As such, my first Western Cape Medium Term Budget Policy Statement that was tabled in November 2019, included a response to the proposed budget cuts by national government and a plan to protect frontline services as well as the budget policy priorities to deliver the vision for a safer Western Cape where everyone prospers.

The successful implementation of the Fiscal Strategy has maintained stability, credibility and transparency when it comes to the budget in the Western Cape. The importance of this cannot be underestimated, and in this regard, I would like to commend "Team Finance".

Good financial governance was further enhanced by dedicated and customised support and assistance provided by the Provincial Treasury to departments, municipalities and entities, especially with improvements in Supply Chain Management governance that focus on the ease of doing business with government and the strengthening of supply chain management capacity.

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, the successful outcome of which is evidenced by the Department's 98 per cent achievement of its targets, and its seventh consecutive clean audit.

Together we can ensure this government works for its citizens.



MR D MAYNIER
MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES

DATE: 30 October 2020



Mr David Maynier
Minister of Finance and
Economic Opportunities

4. REPORT OF THE ACCOUNTING OFFICER

Overview of the operations of the Department

During the 2019/20 financial year, Provincial Treasury continued to focus its resources on achieving the goals, objectives and targets as set out in its Annual Performance Plan underpinned by Provincial Strategic Goal 5 - Embed good governance and integrated service delivery through partnership and spatial alignment.

The following are some of the significant achievements and challenges experienced by the Provincial Treasury during the 2019/20 financial year:



David Savage
Accounting Officer
Provincial Treasury

Departmental Administration and Governance

The Department obtained an unqualified with no findings (clean) audit outcome; its seventh consecutive one. This was achieved through continuous monitoring of business and operational risks and by ensuring that systems, processes and controls are continuously reviewed and strengthened when required by all levels within the Department. The maintenance of this high level of performance was particularly important as this was a period of leadership transition, with my arrival as the new Head of Department and the emergence of a number of other leadership vacancies. This reflects the depth and quality of leadership in the Department, founded on a strong ethical base that emphasizes effective resource use. It was gratifying to see this foundation recognised when the Provincial Treasury received the Silver Award for “Best Ethics Department” in the 2019 Provincial Service Excellence Awards.

Resource Allocation and Monitoring

The weak economic environment inevitably impacts on socio-economic outcomes and places rising pressures on public service delivery. This has significant implications for budget policy and public financial management. The strategy for responding to this context must be based on robust evidence and assessment of risks. The Provincial Treasury has thus continued to emphasise and enhance its social, economic and fiscal research, which is captured in the 2019 Provincial and Municipal Economic Review and Outlooks and 2019 Socio-Economic Profiles for Local Government. These critical documents inform the Western Cape Fiscal Strategy, the budget policy priorities and the 2019 Provincial and Municipal Budgets.

During the period, several transversal risks materialised. These included water security concerns and the spill over effects of the drought, unstable energy supply, deteriorating national economic performance and lower provincial revenue collection, a shifting demographic profile in the Province, increased safety concerns and incidents of violent crime and uncertainty regarding the impacts of the fourth industrial revolution.

The greatest risk to the provincial fiscus was that of a reduced fiscal envelope, driven by declining revenues from transfers and own source revenues, in the face of rising expenditure

pressures. The Western Cape Fiscal Strategy provided an integrated framework to manage these risks in order to ensure fiscal sustainability, through driving allocative efficiency, fiscal discipline and fiscal consolidation, with a strong focus on expenditure control within budget limits, stringent management of personnel budgets and revenue mobilisation.

Given the key focus on infrastructure investment and delivery, a supplementary publication (the Overview of Provincial and Municipal Infrastructure Investment 2020) was published. This provides an overview of planned infrastructure investment in the Province as the basis for enhanced coordination and integration of service delivery within and across spheres of government. This approach has been formalised into the Joint District and Metropolitan Approach (JDMA) of the Province, which provides a strong foundation for future improvements in the effectiveness and efficiency of service delivery.

Within the JDMA approach, the Provincial Treasury has also supported municipalities to strengthen their financial management and budget practices. This has included financial support via the Western Cape Financial Management Support Grant (WC FMSG) that assisted with the improvement of municipal revenue streams, transparency in tariff settings and drafting of Long Term Financial Plans. (Refer to pages 85 to 96 for more detail). In addition, the Provincial Treasury has continued to strengthen its oversight functions, including in-year revenue and expenditure management reporting and the analysis and reporting on annual budgets and mid-year.

Supply Chain Management and Financial Systems

The Provincial Treasury has continued to manage and mitigate transversal risks and implementation challenges within the supply chain management (SCM) and financial systems environment. Issues around Auditor-General of South Africa's (AGSA) interpretation of SCM prescripts and Central Supplier Database (CSD) downtime continued to require responsive solutions while sustaining the governance environment that has been built over the years.

The Provincial Treasury performs both enabling and oversight roles with respect to the supply chains of both provincial government and municipalities.

SCM performance reporting and procurement planning initiatives assisted in the move toward strengthening the performance agenda for SCM. Financial systems and targeted information and communication technology (ICT) initiatives played a critical role in assessing the financial performance of departments and municipalities, through the use of business intelligence tools. A critical focus was the ease of suppliers doing business with government coupled with the strengthening of SCM capacity. These found their traction in various support initiatives that were undertaken for departments, municipalities and suppliers, and included the establishment of the tender Walk-in Centre, the introduction and utilisation of the Security Services Framework Contract and the continued roll out of the e-Procurement System. Establishing the building blocks for improved governance in municipalities was centred around building a strong connection with SCM and internal control units in municipalities.

This has been supported by continued initiatives to clarify the regulatory environment and improve SCM Governance through the issuance of revised Provincial Treasury Instructions (PTIs).

Provincial Treasury continued to fulfil its mandate regarding the financial management systems environment by providing assistance and training to all provincial systems users (LOGIS, BAS and PERSAL). In addition, the clean-up of system data is a continuing focus, underpinning improvements in the credibility of information, improvements in financial systems reporting, and ultimately enhanced analysis of information for management purposes. (Refer to pages 97 to 105 for more detail).

Improved Corporate Governance and Accounting Practices

The Provincial Treasury played a significant role in the Western Cape Government achieving the accolade from AGSA as the best performing province on audit outcomes.

For the 2018/19 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.

For the 2018/19 financial year, thirteen (13) municipalities have achieved clean audits, fifteen (15) municipalities achieved unqualified audit with other matters audit outcomes and two (2) municipalities were qualified; the best audit results in the Country.

The Provincial Treasury enabled these outcomes through:

- Successfully hosting the Public Finance Management Act (PFMA) Chief Financial Officer (CFO) Forum meetings, the related financial accounting forum meetings and the Municipal Finance Management Act (MFMA) CFO forum. These forums are used in preparation for the regulatory audit, but more importantly, to advocate good governance.
- Hosting the Chief Risk Officer and Chief Audit Executive forums, and partnering with the Institute of Internal Auditors to elevate governance.
- Driving the Alternative Dispute Resolution (ADR) mechanism; there is now a final draft Country ADR, agreed to by NT, AGSA and Accounting Standards Board (ASB).
- Supporting the introduction of additional disclosures in relation to unwanted expenditure (UIF&W) that will be trialed in the Western Cape and has already been submitted for adoption as a country standard in 2021/22. This is to ensure that we remain transparent and enhance the users understanding of financial statements, so that oversight agencies may perform their necessary functions.
- Hosting two public entity forums for the first time in 2020, as the public entities have bespoke needs and provisions different to departments.

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

MFMA governance was realised through the Technical Integrated Municipal Engagement (TIME) and Strategic Integrated Municipal Engagement (SIME) processes. TIME engagements technically evaluate the credibility of the information and processes instituted by municipalities to achieve required governance outcomes.

Another flagship engagement was the Minister's engagement with Executive Members of Finance in all municipal councils. This complements the work done by the South African Local Government Association (SALGA), Audit and Assurance Public Committees (AAPC) and our sister department, the Department of Local Government (DLG).

The Chartered Accountant trainee programme has also successfully produced a pool of professional chartered accountants who have been recruited by both the public and private sectors. The South African Institute of Chartered Accountants (SAICA) has informally recognized the Provincial Treasury as one of the top performing public sector trainee accountant offices and have recommended the Unit to other public sector institutions.

Additionally, more than 130 interns were supported through a programme, run in partnership with the National Treasury, that supplements bursaries offered by municipalities to their residents. This programme seeks to develop relevant skills sets for young people within diverse local areas, as the future administrative leaders of municipalities (Refer to pages 105 to 112 for more detail).

Overview of financial results of the Department

Table 1 Departmental receipts

Departmental Receipts	2019/20			2018/19		
	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	14	40	(26)	13	38	(25)
Transfers received	1	-	1	1	-	1
Interest, dividends and rent on land	1	4	(3)	1	1	-
Sale of capital assets	-	85	(85)	-	114	(114)
Financial transactions in assets and liabilities	53	5 942	(5 889)	50	6 632	(6 582)
Total	69	6 071	(6 002)	65	6 785	(6 720)

Total departmental receipts as depicted in Table 1 for the 2019/20 financial year amounted to R6.071 million of the estimate of R69 000. It should be noted that the original budget of R1.411 million included estimates related to the Western Cape Gambling and Racing Board (WCGRB) for the sale of goods and services other than capital assets relating to bookmaker's licences. In terms of paragraph 56(a) of the Modified Cash Standard 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 R5.889 million mainly due to the surrender of the previous year's surplus from the WCGRB and recovery of previous years' expenditure based on the outcome of the roll-over applications for unspent provincial conditional grants to municipalities.

Table 2 Programme expenditure

Programme Name	2019/20			2018/19		
	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	59 231	58 257	974	59 868	59 261	607
Sustainable Resource Management	141 645	137 338	4 307	123 178	121 334	1 844
Asset Management	67 232	65 393	1 839	56 679	56 068	611
Financial Governance	69 901	67 777	2 124	67 108	66 443	665
Total	338 009	328 765	9 244	306 833	303 106	3 727

Reasons for under expenditure

The underspending under Programme 1 – Administration amounts to R974 000 or 1.6 per cent of the Final Appropriation. This is mainly due to vacant posts that were not filled as planned, the appointment of fewer graduate interns than anticipated and training that could not be concluded in time.

The underspending under Programme 2 – Sustainable Resource Management amounts to R4.307 million or 3.0 per cent of the Final Appropriation. This is mainly due vacant posts that were not filled as planned, officials who exited the Department, procurement of research and advisory services not concluded in time and less training taking place than anticipated.

The underspending under Programme 3 – Asset Management amounts to R1.839 million or 2.7 per cent of the Final Appropriation. This is mainly due to vacant posts that were not filled as planned as well as the late procurement of external computer services and research and advisory services.

The underspending under Programme 4 – Financial Governance amounts to R2.124 million or 3.0 per cent of the Final Appropriation. This is mainly due to vacant posts that were not filled as planned and officials who exited the Department. In addition, transfers to five (5) municipalities for the Western Cape Financial Management Support Grant (WC FMSG) did not take place due to various reasons such as the non-adherence to the Memorandum of Agreement (MoA) conditions of the previous year's grant, signed MoA's that were not received which is a requirement for the payment of the grant, and unspent funds from the previous year that was not refunded. (Refer to Note 30 on page 240).

Virement

The Department ended the 2019/20 financial year with an adjusted appropriation of R338.009 million of which an amount of R328.765 million was actually spent. A provisional virement was approved by the Member of Executive Council on 21 April 2020 and the Department ended with a net underspending of R9.244 million or 2.7 per cent for the reporting period. The following virements were applied between the programmes and the details of the

shifts below between the main divisions can be found on the Appropriation Statement (pages 188 to 201).

- R17 000 was shifted from Programme 1: Administration to Programme 2: Sustainable Resource Management to accommodate for the leave gratuity of an official who left the Department.
- R18 000 was shifted from Programme 1: Administration to Programme 3: Asset Management to accommodate for the leave gratuity of an official who left the Department.

Unauthorised, fruitless and wasteful expenditure

There was no unauthorised expenditure during the reporting period. The reasons, amounts and steps taken pertaining to fruitless and wasteful expenditure are recorded in Part E: Note 23.

Future plans of the Department for the 2020 Medium Term Expenditure Framework

At the provincial level, the Department will:

- Manage datasets for, and continue the implementation of, a research-based approach allowing for intergovernmental discussion on the provincial and local government fiscal system for integrated planning, budgeting and implementation and to inform evidence-based decision-making.
- Conduct expenditure reviews to understand and identify expenditure trends or any potential efficiency gains on selected expenditure items or delivery of particular integrated services.
- Assess provincial budgets to determine the credibility, sustainability and integration of services in order to influence the quality of the Estimates of Provincial Revenue and Expenditure.
- Conduct assessments on budget submissions as part of the Provincial Government Medium Term Expenditure Committee (MTEC) process in order to improve allocative efficiency, responsiveness of the budget to socio-economic needs, budget policy objectives and national and provincial priorities.
- Facilitation and co-ordination of Medium Term Expenditure Committee processes and the related document flow.
- Publish the Provincial Economic Review and Outlook (PERO), Western Cape Medium Term Budget Policy Statement (WC MTBPS) and Overview of Provincial Revenue and Expenditure (OPRE) which will provide the strategic direction and policy framework that informs the provincial budget.
- Publish the Estimates of Provincial Revenue and Expenditure and the Adjusted Estimates of Provincial Revenue and Expenditure.
- Provide oversight information (financial and non-financial information) on the implementation of the provincial budget (Estimates of Provincial Revenue and Expenditure) and the Annual Performance Plans (APP).

- Monitor revenue and cash flows in departments in order to encourage efficient and effective collection of own revenue and cash flows for integrated planning, budgeting and implementation.
- Monitor the financial and non-financial performance of the Western Cape Gambling and Racing Board in order to promote integrated planning, budgeting and implementation and propose amendments to gambling legislation.
- Strengthen and institutionalisation of the infrastructure governance delivery management system to facilitate integration and promote seamless delivery through a holistic approach of facilitating infrastructure delivery, in the management of all aspects of the life cycle of immovable assets.
- Monitor and report on the implementation of infrastructure budgets in the Province.
- Assess the quality and monitor legislative compliance of relevant institutions pertaining to asset management plans (U-AMPs/C-AMPs).
- Publish the Overview of Provincial and Municipal Infrastructure Investment.
- Optimise and improve security access and capabilities on the Corporate Suite of existing Transversal Financial Systems to ensure that effective account management is executed and maintained, generic policies exist for the management of transversal systems and comprehensive support services are provided.
- Provide integrated training interventions to promote the correct and optimal use of financial systems in accordance with system user profiles.
- Assist departments with preparation for the implementation and the migration to the Integrated Financial Management System (IFMS).
- Implement a strategy that addresses the gaps or needs of provincial departments to improve financial management performance for SCM and Asset Management (AM) within the Province.
- Develop an enabling environment that facilitates supplier development initiatives that contributes toward creating a supplier base that is responsive to WCG procurement and asset management needs.
- Create an enabling environment through a public facing mechanism that is accessible to all our clients and provides the necessary redress for SCM.
- Develop e-enabled platforms that store best practice models and content that support continuous improvement and capacitation of our clients.
- Develop commodity procurement strategies that drive efficiencies and enables local economic development through transversal contracting, framework agreements and other contracting models, which will result in value for money purchasing.
- Support governance requirements and better management decision-making in provincial departments through the analysis of data extracted and performance information using business intelligence tools.
- Drive an integrated approach to address audit and governance issues through quarterly engagements with departments and Governance Action Plans (GAPs) to achieve higher levels of governance by improving the financial management capability of departments.

- Improve internal control systems within departments. In this area, we will implement the delegated authority of the province to manage all irregular and fruitless and wasteful expenditure.
- Publish the annual consolidated financial statements (ACFS) for the Province to inform the Provincial Government and other users of the position and performance of the Province.
- Implement support interventions on enterprise risk management (ERM) as per the National Treasury risk frameworks, internal audit (IA) as per the Institute of Internal Auditors (IIA) standards and other guidelines, and audit committees.
- Support and assist departments through support initiatives towards a dynamic and relevant financial legal framework that enables sound financial management and service delivery.
- Continue to enhance the skills pipeline, which addresses the financial management competencies within departments thereby improving on capacitation through the effective execution of the South African Institute of Chartered Accountants (SAICA), accredited training programme.

At the municipal level, the Provincial Treasury will:

- Publish the Municipal Economic Review and Outlook (MERO), which provides credible and relevant social and economic development information to inform municipal planning and budgeting processes within the Province.
- Conduct integrated assessments of the annual budgets of municipalities and provide recommendations to improve the responsiveness of the budgets to address socio-economic and policy objectives.
- Assess draft municipal budgets to improve conformance, credibility, and sustainability.
- Perform periodic in-year assessments on the performance of municipal budgets.
- Monitor the implementation of municipal budgets in terms of conformance, accountability, data integrity, sustainability and efficiencies.
- Monitor revenue and cash flows in municipalities in order to encourage efficient and effective collection of own revenue and cash flows for integrated planning, budgeting and implementation.
- Facilitate and co-ordinate the implementation of the MFMA in order to improve intergovernmental relations and co-ordination within and across Provincial Treasury, other departments and relevant stakeholders to improve conformance and performance in municipalities.
- Assist municipalities with infrastructure delivery to improve the spending performance of municipal infrastructure spending.
- Assess, promote and enforce effective and prudent financial management through SCM and Asset Management and ensuring that the entire SCM cycle is applied and that the practices of municipalities are sound and promote governance, transparency and accountability.

- Use technology as an enabler to improve and address inefficiencies in municipal purchasing and asset management to improve planning and decision-making within the districts.
- Improve procurement planning within municipalities and/or districts that are linked to the budgeting process, by identifying opportunities for efficiencies in purchasing and leveraging buying to identify strategic sourcing opportunities.
- Improve financial maturity of municipalities by assessing the financial statements for credibility and using the outputs of the Municipal Standard Chart of Accounts (mSCOA) information for data interrogation purposes to inform resource allocation.
- Provide support to municipalities to improve compliance with relevant Generally Recognised Accounting Practice (GRAP) and MFMA reporting requirements.
- Ensure integrity of municipal data through the alignment between Audited Annual Financial Statements (AFS) and mSCOA data-strings.
- Co-ordinate the annual integrated governance assessment per municipality to improve the financial governance level of municipalities.
- Co-ordinate and support municipalities with skills development and capacitation through the agreed integrated capacitation approach associated with the Joint District and Metropolitan Approach.
- Support and assist municipalities through support initiatives towards a dynamic and relevant financial legal framework that enables sound financial management and service delivery.

Public Private Partnerships

The Provincial Treasury has a responsibility to provide 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 in implementation. PT is guided by the Public Finance Management Act (PFMA) and the National Treasury Regulation 16 to fulfil its oversight role in terms of PPPs.

While there are no PPPs within the Vote, there are currently three provincial PPPs (see table below) that have been awarded within the Provincial Government and are monitored by Provincial Treasury.

Registered Provincial PPP projects: Closed deals

Project name	Description	Department	Start date	End date
Chapman's Peak Drive Toll Road	Design, construct, finance, operations and maintenance of Chapman's Peak Drive.	Department of Transport and Public Works	21 May 2003	21 May 2033
WC Rehabilitation Centre and Lentegeur Hospital	Provision of estate maintenance, medical and non-medical equipment, hard & soft facilities management and related services in respect of the Western Cape Rehabilitation Centre and Lentegeur Psychiatric Hospital.	Department of Health	1 March 2007	31 March 2020
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 & Development Planning and implemented by CapeNature	2 December 2009	30 year long-term contracts (with the option of renewal for another 15 years)

*Note: The De Hoop Public Private Partnership makes provision for additional concessionaires.

Discontinued activities/activities to be discontinued

No activities were discontinued during the 2019/20 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. No irregular expenditure was identified during the 2019/20 regulatory audit process. The irregular expenditure identified during the 2018/19 regulatory audit process are under investigation and will be dealt with in terms of the Irregular Expenditure Framework issued by National Treasury on 25 September 2018.

Further details on irregular expenditure is available in Part E: Note 22.

Challenges within SCM

Previously, capacity issues were the main challenge relating to supply chain management. However, all vacant posts that were in the recruitment and selection process during the reporting period were filled and two (2) positions are currently vacant due to internal promotions.

The ongoing identification and implementation of innovative ways to improve employees' skills and knowledge is still a SCM focus area.

Gifts and Donations received in kind from non-related parties

The Department did not receive any in kind goods and services from parties other than related parties during the period under review.

In total, a gift to the amount of R80.00 was received by an official during the reporting period which is disclosed in the gift register maintained within the Financial Management section of the Department.

Exemptions and deviations received from the National Treasury

The Minister of Finance via Government Gazette No. 43188 dated 31 March 2020 provided exemption for the 2019/20 financial year from complying with the deadlines in sections 40(1)(c) 40(1)(d) and 65 (2) of the PFMA and regulations made or instructions issued in terms of section 76 of the PFMA which is associated with the provisions of the sections of the PFMA.

Events after the reporting date

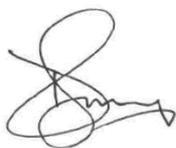
On 15 March 2020 President Cyril Ramaphosa declared a national state of disaster in terms of the Disaster Management Act due to the COVID-19 pandemic. The Department has assessed the impact of the COVID-19 pandemic on the Department and determined that no further reporting information in the 2019/20 financial statements is deemed material due to COVID-19.

Conclusion

I would like to take this opportunity to express my sincere appreciation and gratitude to the entire finance team as without their hard work, dedication and commitment to excellence, the progress we have made would not have been possible.

In the spirit of integrated management, I would also like to acknowledge and thank our partners - the departments, entities and municipalities.

Approval and sign off



David Savage
Accounting Officer
Provincial Treasury
Date: 30 October 2020

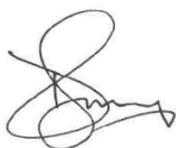
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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 the annual report as 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 the Department for the financial year ended 31 March 2020.

Yours faithfully



David Savage
Accounting Officer
Provincial Treasury

Date: 30 October 2020

6. STRATEGIC OVERVIEW

6.1 Vision

Good financial governance.

6.2 Mission

To improve governance through:

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

6.3 Values

The core values of the Western Cape Government, to which the Department subscribed, are the following:



Caring

To care for those we serve and work with



Competence

The ability and capacity to do the job we are appointed to do



Accountability

We take responsibility



Integrity

To be honest and do the right thing



Innovation

To be open to new ideas and develop creative solutions to problems in a resourceful way



Responsiveness

To serve the needs of our citizens and employees

7. LEGISLATIVE AND OTHER MANDATES

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

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

The Provincial Treasury 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 the Provincial Treasury and it inter alia include the following: preparing and exercising control over the implementation of the provincial budget; promote and enforce 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 of provincial treasury instructions not inconsistent 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 of provincial entities of national and provincial norms and standards; assisting provincial departments and provincial public entities in building 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 provide any information required by NT in terms of the PFMA and do anything further that is necessary to fulfil its responsibilities effectively.

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

In terms of section 5(4) of the MFMA, 2003 (Act 56 of 2003) the Provincial Treasury 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; it may assist municipalities in the preparation of their budgets; further exercise any powers, perform any duties delegated to it by the National Treasury in terms of the MFMA and may take appropriate steps if a municipality or municipal entity in the Province commits a breach of the MFMA.

- **Annual Division of Revenue Amendment Act**

To provide for the equitable division of revenue raised nationally, inclusive of conditional grants, amongst the three spheres of government and matters incidental thereto.

- **Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No. 10 of 2009)**

To regulate the financial management of Parliament and provincial legislatures in a manner consistent with its status in terms of the Constitution.

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

To provide a uniform framework for the management of immovable assets that are held or used by provincial (in this case) departments and to ensure the optimal coordination of the use of such immovable assets within the context of the departmental service delivery objectives.

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

To define, amongst others, the role of the Provincial Minister of Finance, and that of the Treasury as representative of the Provincial Government; promoting co-operation between spheres of government on fiscal, budgetary and financial matters; to provide insight into the prescribed processes for the determination of the equitable share and allocation of revenue raised nationally and for matters connected therewith.

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

To establish a framework for the national government, provincial governments and local governments to promote and facilitate intergovernmental relations; to provide for mechanisms and procedures to facilitate the settlement of intergovernmental disputes; and to provide for matters connected therewith.

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

To provide assistance to the Auditor-General's Office in the recovering of outstanding audit fees, to appropriately respond or intervene (as the case may be) on matters arising from audit reports and to provide for matters connected therewith.

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

To provide the Treasury with a regulatory framework enabling and assisting departments and potential Historically Disadvantaged Individuals (HDIs) in the sustainable development and implementation of a preferential procurement system.

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

To regulate the intergovernmental process that must be followed by provinces in the exercise of their power in terms of section 228 of the Constitution to impose taxes, levies and duties, and flat-rate surcharges on the tax bases of any tax, levy or duty imposed by national legislation; and to provide for matters connected therewith.

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

To provide for the organisation and administration of the Treasury and for human resource management which includes the regulation of conditions of employment, terms of office, discipline, retirement and discharge of staff members of the Treasury and matters connected therewith.

- **Annual Western Cape Appropriation Act**

To provide for the appropriation of money from the Western Cape Provincial Revenue Fund for the requirements of the Province of the Western Cape; and to provide for matters incidental thereto.

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

To appropriate adjusted amounts of money from the Western Cape Provincial Revenue Fund for the requirements of the Province of the Western Cape; and to provide for matters incidental thereto.

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

To provide for the withdrawal of State moneys from the Western Cape Provincial Revenue Fund, as a direct charge, in accordance with the Constitution of the Republic of South Africa, 1996, the Constitution of the Western Cape, 1997 (Act 1 of 1998) and the Public Finance Management Act, 1999 (Act 1 of 1999), and for matters incidental thereto.

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

To provide regulatory prescripts to support the Member of the Executive Council (MEC) responsible for the Act to ensure sound financial administration by the Western Cape Gambling and Racing Board, in regulating the gambling activities in the Province and to provide for matters connected therewith.

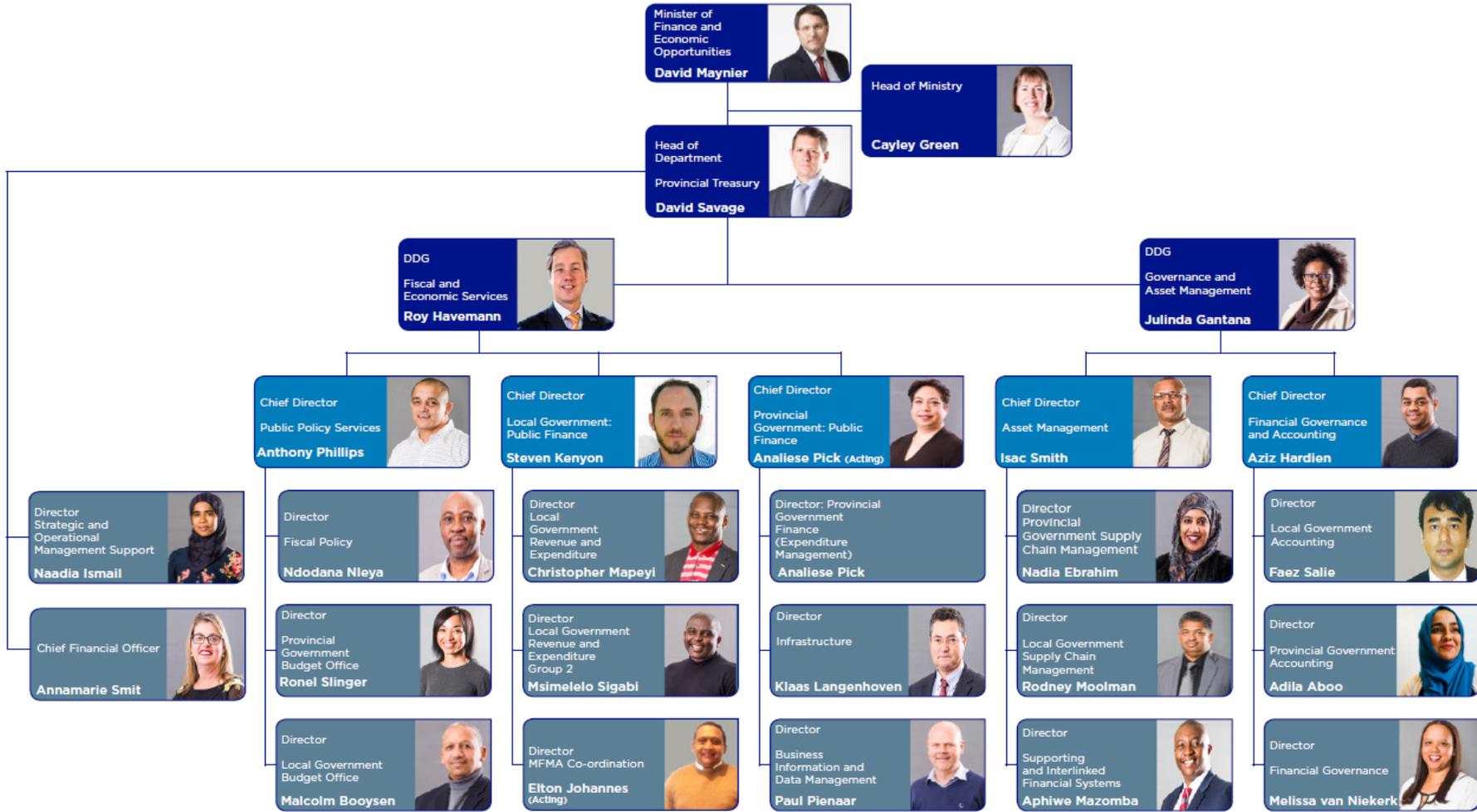
- **Western Cape Law on the Powers and Privileges of the Provincial Legislature Amendment Act, 1998 (Law 3 of 1998), as amended**

To provide the Treasury with regulatory prescripts in assisting the Provincial Parliament when necessary in meeting their financial responsibilities as set out in legislation.

Provincial Treasury

As at 1 August 2020

8. ORGANISATIONAL STRUCTURE



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 of 2012/13 and beyond transfers from the Provincial Revenue Fund to the Entity were necessary to assist it in performing its regulatory responsibilities.	Regulation of all gambling, racing and activities incidental thereto in the Western Cape Province.

PART B

Performance Information

PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa (AGSA) 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 Report on other legal and regulatory requirements section of the auditor's report.

Refer to the Report of the Auditor-General, published as Part E: Financial Information on page 181.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

Clean audit

The Western Cape is emerging from a devastating drought. This crisis has made it clear that the impact of climate change is already being felt and highlights the need to preserve scarce resources, while managing an economic transition towards a tower carbon future. Indications are that the Province will become increasingly water-scarce and that electricity may be costly and in short supply over the medium term. The Department thus continues to be confronted by an increasingly challenging environment characterised by rapid advances in technology, climate change, socio-economic inequality and instability and a constrained fiscus. Despite these challenges, the Department continued to make progress towards the goals outlined in the Strategic Plan, while achieving a clean audit outcome. The Department's commitment to sound governance led to this clean audit outcome for the 2019/20 financial year, maintained across seven (7) financial years since 2013/14. The Auditor General attributed the success to "effective leadership culture, the implementation of action plans, and established policies and procedures" in the Western Cape.

Supplier Open Days and Supplier Evidence bank

The Provincial Treasury Supplier Helpdesk hosted numerous Supplier Open Days to assist businesses, especially small and medium enterprises, to promote doing business with government. In support of supplier development, the Provincial Treasury Supplier Open Days aimed to assist businesses with registering on the Central Suppliers Database, address questions with regard to procurement processes and resolve issues preventing suppliers from doing business with government. Through these sessions, suppliers were provided with information to increase their understanding of government procurement processes and ultimately promote a good relationship between government and its suppliers. The Supplier Open Days unlock opportunities for small businesses and is provided at no cost to attendees and visitors. All

suppliers must be registered on the Central Supplier Database (CSD) as it increases transparency in procurement, improves efficiency and reduces costs through electronic registration and verification, which benefits local suppliers and small businesses. A key feature of the database is that government procurement officials will be able to identify local suppliers throughout the Country. This is augmented by the Western Cape Government Supplier Evidence Bank (SEB) which subsequently went live on 1 October 2019 to store governance documentation that serves as evidence in the procurement process.

Awarding of bursaries

For the 11th year running, the Department offered bursaries to Grade 12 learners and post- and undergraduate students interested in pursuing careers in Economics, Accounting, Finance and Auditing.

Through these bursaries, the Department aimed to create a talent pool of young people with the right skills to fill in-demand positions while making tertiary studies more accessible and ensuring that more professionals are available to improve the financial well-being of Western Cape municipalities and provincial departments at the same time.

2019 Provincial and Municipal Economic Review & Outlook

Research and development was conducted once again in respect of the 2019 Provincial Economic Review and Outlook (PERO) and Municipal Economic Review and Outlook (MERO) that was tabled by the MEC in September 2019. These research publications provided the context for the development of the Medium Term Budget Policy Statement and laid the foundation for the development of the provincial budget for the Medium Term Expenditure Framework (MTEF). The 2019 Provincial and Municipal Economic Review and Outlook Seminar, provided an opportunity for key stakeholders in the economic, policy, research and strategic planning space to connect, discuss and identify the key trends and possible implications of these trends. It also provided an opportunity for the Department to receive input and feedback from key stakeholders to inform better decision-making in the constrained environment in the Western Cape.

These publications were key in informing and determining the budget policy priorities of this Province as informed by the Provincial Strategic Plan (PSP).

Medium Term Budget Policy Committee engagements

The first of the Medium Term Budget Policy Committee (MTBPC) engagements was hosted by the Department in collaboration with other stakeholders during October 2019 and identified the budget policy priorities of the Western Cape Government for the 2020 Medium Term Expenditure Framework (MTEF). It also informed the 2019 Medium Term Budget Policy Statement (MTBPS), the 2019 - 2024 Provincial Strategic Plan as well as the delivery and accountability system that drives delivery within the current fiscal context. The themes of the engagements were Economy and Jobs, Empowering People, Good Governance, Innovation, Resilience and Culture, Public Transport, Mobility and Spatial Transformation and Safe and Cohesive Communities.

Western Cape Medium Term Budget Policy Statement

The 2019 Western Cape Medium Term Budget Policy Statement was tabled in November 2019 and included the revised fiscal framework for the current financial year and the proposed fiscal framework for the next three years. It also included a response to the proposed budget cuts by national government and a plan to protect frontline services as well as the budget policy priorities to deliver the vision for a safer Western Cape where everyone prospers.

PG MTEC 2 engagements

Provincial Treasury hosted the Provincial Government Medium Term Expenditure Committee (PG MTEC) 2 engagements during January 2020. These engagements and the Medium-Term Budget Policy Committee (MTBPC) engagements form part of the 2020 budget process and built on the MTBPC 1 and PG MTEC 1 engagements that were held during October 2019 and on the 2019 MTBPS that was tabled in November 2019. The engagements allowed departments and public entities the opportunity to have detailed discussions on how spending plans will give effect to the 2019 - 2024 PSP including alignment with municipal priorities, demonstrating how departmental budgets have been reprioritised towards the relevant priorities and the key budgetary and service delivery risks including related mitigation measures. This process required tough policy choices to be made, a continued focus on driving citizen-centric service delivery and innovation.

Western Cape economic growth rate

The latest provincial gross domestic product (GDP) figures from Stats SA reflected the Western Cape economic growth as 0.8 per cent for 2018, even though the Province was experiencing one of the worst droughts in recent history. This strong rallying of our provincial economy is very positive news, as the expectation was that the Western Cape would only grow by about 0.2 per cent in 2018.

Since 2018, there were signs of recovery and growth and our expectation is that 2019 will show even higher growth results, this despite the announcement of South Africa entering into a recession. As outlined in the 2019 Provincial Economic Review and Outlook and the 2019 Municipal Economic Review and Outlook this growth is driven by private services - which include wholesale and retail trade; catering and accommodation; transport, storage and communication; finance, insurance, real estate and business services; as well as community, social and personal services.

2020/21 Western Cape Budget

The MEC tabled the 2020 Western Cape Budget in March 2020 – A budget for You – for all in the Western Cape - to build 'A Safe Western Cape Where Everyone Prospers'. This budget supports the new Vision Inspired Priorities set out in the 2019 - 2024 Provincial Strategic Plan; protects frontline services, holds the line on investment in new and existing, infrastructure assets; prepares for a new cleaner, greener energy future; and prepares to respond to future risks that may negatively impact the Western Cape.

Western Cape Nedbank Essay Writing Competition

Anesipho Phiko from Tembalethu Secondary School was announced as the overall winner of the annual Essay Writing Competition hosted by Nedbank, Provincial Treasury and Western Cape Education Department (WCED). This competition aimed to encourage and reward excellence in the Western Cape and to develop future leaders in the fields of Economics, Mathematics and Accounting. Out of the 25 finalists, the top 15 received study bursaries to pursue a three-year degree or diploma, thereby creating opportunities for young people and addressing the scarcity of skills in the financial and related sectors.

COVID-19

On the cusp of the 2019/20 financial year-end, the President proclaimed a national disaster and the Minister of Cooperative Governance and Traditional Affairs published the lockdown regulations, outlining how people and businesses need to adjust to stop the spread of Coronavirus (COVID-19). Through the advent of COVID-19, the Department recognised that there would be a severe impact on the Western Cape economy and immediately responded to the pandemic with the institutionalisation of the economic workstream, as part of the Joint Operations Centre, to work on many priorities to mitigate the impact of the COVID-19 pandemic on the health system and the economy.

The Department responded by working with all provincial departments to reprioritise their budgets to meet immediate needs and supported them in procurement and financial management challenges as they arose. The Western Cape Provincial Cabinet also approved a proposal by the Department to unlock emergency funding for the COVID-19 response, in terms of section 25 of the Public Finance Management Act (Act 6 of 2000). This proposal allows for under-spending on the compensation of employees in the Departments of Health (DOH), Social Development (DSD) and Local Government from the 2019/20 year, to be retained and re-prioritised towards addressing the COVID-19 crisis. The proposal also allows for R208 million in funding, set aside for unforeseen and unavoidable expenditure, to be used for COVID-19 response. These funds will be used primarily for health, logistics and food supply. The Western Cape remains fiscally stable and well managed and is in the best possible position to respond as needed to the COVID-19 crises and will continue to work closely with National Treasury and other provincial treasuries in this regard.

2.2 Service Delivery Improvement Plan

The Department implemented its Service Delivery Improvement Plan (SDIP) through the provision of a supply chain management helpdesk (i.e. for support assistance and guidance) to provincial departments, provincial public entities, municipalities, municipal entities and suppliers. The objective of the SDIP is to outline key services (i.e. “how to do business with the Western Cape Government”), addressing gaps and areas of improvement within procurement and defining standards for the delivery of procurement as a service and a lever to enable service delivery.

The Department has completed a Service Delivery Improvement Plan (SDIP) for 1 April 2018 to 31 March 2021. The tables below highlight the service delivery plan and the achievements to date.

Main Service and Standards

Main Services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Provide SCM advice and assistance to departments, municipalities and to potential and current suppliers through the helpdesk service	<ul style="list-style-type: none"> ● Provincial Departments ● Public Entities ● Municipalities ● Suppliers 	<p>PG SCM</p> <p>a) An average of 96.5% of queries received during the financial year were resolved within specified timeframes.</p> <p>b) A total of 2 232 queries were successfully attended to.</p> <p>c) 608 in respect of CSD, 247 was SCM related and 1 377 in respect of the IPS.</p> <p>LG SCM</p> <p>a) 69.5% of a total of 392 queries received were successfully resolved within specified timeframes.</p>	<p>Responsiveness to stakeholder queries:</p> <p>a) Maintenance of 95% consistency in standard of SCM issues, complaints, queries successfully resolved.</p> <p>b) Consistently strive to attain 100% service quality.</p>	<p>Responsiveness to stakeholder queries:</p> <p>PG SCM</p> <p>a) 95% of queries were resolved within the specified time as per Helpdesk Framework.</p> <p>b) A total of 5 372 queries were received:</p> <ul style="list-style-type: none"> i. 2 354 Central Supplier Database (CSD) queries; ii. 1 245 Western Cape Supplier Evidence Bank (WCSEB) queries; iii. 612 Supply Chain Management (SCM) queries; and iv. 1 161 Integrated Procurement Solution (IPS) queries. <p>LG SCM</p> <p>a) An average of 82% of the total 1 420 queries received were successfully resolved within the specified timeframes:</p> <ul style="list-style-type: none"> i. 730 queries were in respect of CSD; and ii. 690 queries were SCM and Asset Management related.

Main Services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
		<p>b) The reason for not meeting the desired standard is due to the fact that the Unit experienced a high turnover in resource capacity which fluctuated between 46% - 50% capacity, with critical posts not being filled as the turnover rate was faster in movement than the ability to fill posts.</p>		<p>b) The reason for not meeting the desired standard is due to the fact that the Unit experienced a high turnover in resource capacity which fluctuated between 46% - 50% capacity, with critical posts not being filled as the turnover rate was faster in movement than the ability to fill posts.</p>
		<p>PG SCM a) Perception surveys were conducted for all quarters of the financial year. 100% of service beneficiaries indicated their satisfaction with the level and standard of service provided.</p>	<p>Stakeholder/user satisfaction a) 90% of service beneficiaries indicated satisfaction with the level and standard of service provided.</p>	<p>Stakeholder/user satisfaction PG SCM a) 100% of service beneficiaries indicated satisfaction with the level and standard of service provided by the SCM Helpdesk.</p>

Main Services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
		<p>LG SCM</p> <p>a) Given the constrained capacity as indicated previously, perception surveys will be implemented as from Quarter 1 of the 2019/20 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>LG SCM</p> <p>a) 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>Conduct interventions to assist departments, municipalities and potential and current suppliers to upskill them on public sector procurement requirements</p>	<ul style="list-style-type: none"> ● Provincial Departments ● Municipalities ● Suppliers ● Public Entities 	<p>a) PG SCM</p> <p>Target achieved:</p> <p>i. Two (2) interventions in respect of Empowerment Impact Assessments concluded at the Department of Cultural Affairs and Sport (DCAS) and Department of Environmental Affairs and Development Planning (DEA&DP).</p> <p>ii. Two (2) IPS training interventions held at DSD and DCAS.</p>	<p>PG SCM</p> <p>a) 16 interventions to assist on public sector procurement requirements.</p>	<p>a) PG SCM</p> <p>Target achieved:</p> <p>For provincial departments (16):</p> <p>i. One (1) x bespoke SCM training intervention held at DCAS (24 beneficiaries).</p> <p>ii. One (1) x IPS bespoke training intervention held at Department of Agriculture (DoA) (165 beneficiaries).</p> <p>iii. One (1) x IPS bespoke training intervention held at Provincial Treasury (4 beneficiaries).</p> <p>iv. One (1) x Capacitation and Development Programme engagement conducted at 11 departments (32 beneficiaries).</p>

Main Services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
		<p>iii. Seven (7) Procurement Planning interventions held with DoA, Department of Human Settlements (DHS), DSD (2), Department of Transport and Public Works (DTPW), DCAS and Department of the Premier (DotP).</p> <p>iv. One (1) Security Framework Agreement Awareness session held with all 13 departments.</p> <p>v. Two (2) Impact assessments concluded on key SCM issues: NT transversal contracts and NT draft travel framework.</p> <p>vi. One (1) Security Framework Agreement systems enablement intervention with all 13 departments.</p> <p>vii. One (1) i- Develop training needs analysis tool intervention held with DCAS.</p>		<p>v. One (1) x bespoke WCSEB & IPS train-the-trainer session held with all 13 departments (88 beneficiaries).</p> <p>vi. One (1) x intervention held with buyers in all six (6) districts in respect of the WCSEB and IPS (294 beneficiaries).</p> <p>vii. One (1) x bespoke e-Tender training session held at Groote Schuur Hospital (11 beneficiaries).</p> <p>viii. One (1) x intervention with the Department of Health (DoH) in respect of the Provincial Security Framework Agreement (30 beneficiaries).</p> <p>ix. One (1) x intervention held on 21 November 2019 with DoH in respect of the Catering Strategy (3 beneficiaries).</p> <p>x. 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>xi. One (1) x SCM integrated training held with the departments of Health, Education and Social Development (14 beneficiaries).</p>

Main Services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
				<p>xii. One (1) x Security Framework Agreement quarterly session held with DoH (2 beneficiaries).</p> <p>xiii. One (1) x SCM integrated training held at Kromme Rhee with the departments of Health, Agriculture, Education, Provincial Treasury and Community Safety (15 beneficiaries).</p> <p>xiv. 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>xv. One (1) x bespoke intervention held with the Department of Local Government (DLG) in respect of its Travel Tender (2 beneficiaries).</p> <p>xvi. One (1) x e-Procurement System (EPS) intervention held with core EPS team (3 beneficiaries).</p> <p>For suppliers (5):</p> <p>xvii. One (1) x Smart Procurement World Summit held on 9 May 2019 at GrandWest Casino (168 beneficiaries).</p>

Main Services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
				<p>xviii. One (1) x Supplier development intervention held at Hessequa and Kannaland municipalities on 22 and 23 May 2019 on how to do business with Western Cape Government (WCG), awareness w.r.t. the Provincial Catering Strategy and Security Framework Agreement as well as assisted suppliers with database registrations (62 beneficiaries).</p> <p>xix. 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).</p> <p>xx. One (1) x Supplier Initiative held in Saldanha Bay for database registration and to create awareness on the new WCSEB (60 beneficiaries).</p> <p>xxi. One (1) x Supplier IPS training held on 12 March 2020 (3 beneficiaries).</p>

Main Services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
		<p><u>Additional Achievement:</u></p> <p>For provincial departments: (6)</p> <p>i. Six (6) Procurement Planning interventions held with DOCS, DLG, WCED, DotP and DSD (2).</p> <p>For suppliers: (11)</p> <p>i. One (1) Smart Procurement World Conference held at GrandWest Casino.</p> <p>ii. One (1) Security Framework Agreement Awareness session held in the Cape Metro with all service providers on the Framework agreement.</p> <p>iii. Three (3) sessions were held in the Overberg, Cape Winelands District and West Coast Districts to create awareness in respect of the Province's Security Services Framework Agreement and Catering Strategy including CSD & WCSD database registration.</p>		<p><u>Additional Achievement:</u></p> <p>For departments (1):</p> <p>i. Issuance of Chapter 16A of Provincial Treasury Instructions to departments and provincial public entities.</p> <p>For suppliers (7):</p> <p>i. Two (2) x Supplier interventions collaborated with Department of Transport and Public Works (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).</p> <p>ii. One (1) x Supplier Initiative collaborated with Cape Chamber at the River Club on 17 May 2019. (Cape Chamber, Small Business Week) (55 beneficiaries).</p> <p>iii. One (1) x Supplier Initiative at Fan Court George (part of route budget speech) on 26 April 2019. Database registrations were done.</p>

Main Services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
		<p>iv. Four (4) interventions that required co-partnering with departments were held in Langebaan, George and the Cape Metro (2). These were in respect of National Treasury's Central Supplier Database and e-Portal support as well as on the Province's own IPS.</p> <p>v. Two (2) sessions were held in the Eden and Central Karoo District to create awareness in respect of the Province's Security Services Framework Agreement and Catering Strategy including database registration.</p> <p>vi. One (1) Security Framework Agreement Awareness session.</p> <p>b) 100% Client satisfaction was recorded for all events.</p>	<p>b) 99% Service beneficiaries indicated satisfaction.</p>	<p>iv. One (1) x Supplier Initiative at Mazars-Century City, Africa Day on 24 May 2019, for database registrations (3 beneficiaries).</p> <p>v. One (1) x Supplier Intervention for database registrations, held in collaboration with the Department of Economic Development and Tourism (DEDAT) at the Local Content & Production Summit in Pinelands (9 beneficiaries).</p> <p>vi. 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>b) 100% Client satisfaction was recorded for all events.</p>

Main Services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
		<p>a) LG SCM Target Achieved:</p> <ul style="list-style-type: none"> i. One (1) x SIPDM Infrastructure Model Policy implementation intervention- Mossel Bay Municipality. ii. Three (3) x SCM Reform interventions (Bespoke training, Infrastructure, Local Content and Production, CSD & e-Portal) – Garden Route District and Hessequa municipalities. iii. One (1) x e-Portal intervention – Drakenstein Municipality. <p><u>Additional Achievement:</u></p> <ul style="list-style-type: none"> i. One (1) x Bid Committee training - Garden Route District. ii. One (1) x Specialised SCM Governance intervention assessment – Laingsburg. iii. One (1) x Participation of five (5) districts in Demand Management & Procurement Planning training. 	<p>LG SCM</p> <ul style="list-style-type: none"> a) Five (5) interventions to assist on public sector procurement requirements. 	<p>a) LG SCM Target exceeded: For municipalities:</p> <ul style="list-style-type: none"> i. 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). ii. Three (3) x SCM Combined Assurance workshops held with CKD and Garden Route District municipalities (78 municipal officials). iii. One (1) x Broad-Based Black Economic Empowerment (B-BBEE) workshop held in Stellenbosch for all 30 municipalities (53 municipal officials). iv. One (1) x CSD, CRA and e-Portal training intervention held for Prince Albert Municipality (7 municipal officials). v. 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).

Main Services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
		<p>iv. One (1) x Financial Diagnostic intervention assessment – Knysna in partnership with Public Finance and Department of Local Government (DLG).</p> <p>v. Continuous intervention on the Back to Basic Program within the CKD area during the quarter in partnership with Public Finance and Department of Local Government.</p> <p>vi. One (1) x Data Analytics intervention training: Garden Route and Overberg District and to Provincial Treasury officials.</p> <p>vii. One (1) x Contract Management intervention training for management: five (5) municipal districts.</p> <p>viii. One (1) x Physical Asset Management in Public Sector intervention training: five (5) municipal districts.</p>		<p>vi. 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>vii. 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>viii. One (1) x Data Analytics Training for all five (5) municipal districts (29 attendees).</p> <p>ix. Three (3) x Basic SCM training conducted (76 attendees).</p> <p>x. Three (3) x Combined Assurance workshops conducted (82 attendees).</p> <p>xi. One (1) x SCM Audit Challenges workshop conducted (30 attendees).</p>

Main Services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
		<p>ix. One (1) x Specialised SCM Governance intervention workshop: Laingsburg.</p>		<p>xii. One (1) x Draft Public Procurement Bill workshop conducted (50 attendees).</p> <p>xiii. One (1) x Chief Financial Officer (CFO) Forum conducted (50 attendees).</p> <p>xiv. Two (2) weeks of Municipal Technical Integrated Municipal Engagements (TIME) conducted (30 municipalities).</p> <p>xv. Two (2) x interventions that required co-partnering with departments, were held in Kannaland, Oudtshoorn and Riversdale. These were in respect of National Treasury's (NT) Central Supplier Database, e-Portal support and how to do business with Government.</p> <p>xvi. 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>

Main Services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
		b) 100% of Service beneficiaries indicated satisfaction with the level and standard of service.	b) 99% Service beneficiaries indicated satisfaction.	For suppliers: i. 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. ii. One (1) x Supplier Development Programme conducted (25 attendees). b) 100% of Service beneficiaries indicated satisfaction with the level and standard of service.

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>Consultation: Clients are consulted through: a) Maintaining the current quality achieved in 2018-19. b) Webinars, Podcasts. c) Explore other areas for improvement.</p>	<p>Consultation: 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>a) Standards met.</p>		<p>PG SCM</p> <p>a) Addressed 5 372 queries received via the helpdesk, written correspondence, emails, one-on-one meetings and telephone.</p> <p>b) Three (3) x SCM Forum meetings held on 26 June 2019, 17 September 2019 and 20 February 2020.</p> <p>c) Weekly meetings with DEDAT in respect of the WCG's Economic Procurement Policy.</p> <p>d) One (1) x SCM Policy Focus Group held on 24 July 2019.</p> <p>e) One (1) meeting held with Service Provider, in respect of the Security Framework Agreement, to address a complaint received.</p> <p>f) WCSEB video created and distributed to all database users at departments and Provincial Public entities.</p> <p>g) Issuance of Treasury Circular 31 of 2019 on e-Tender publication portal.</p> <p>h) Inventory Management Consulting Engagement held with Department of the Premier (DotP) on 1 October 2019 and with Provincial Treasury on 20 January 2020.</p> <p>i) WCSEB Brochure created and distributed to all database users.</p> <p>j) Demand Management Focus Group held on 4 March 2020.</p> <p>k) Procurement Bill workshop held with Provincial departments and Public entities on 5 March 2020.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>LG SCM</p> <p>a) Facilitated a benchmarking exercise between the Department of Transport and Public Works (TPW), Eskom (Blouberg Plant) and LG SCM officials on the implementation of Framework Agreements and SIPDM.</p>		<p>LG SCM</p> <p>a) Quarterly Provincial SCM Forum meetings held.</p> <p>b) Addressed 1 420 queries received via the helpdesk, written correspondence, emails, one-on-one meetings and telephone.</p> <p>c) Participated in one (1) x SCM Forum held on 12 July 2019.</p> <p>d) 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>e) Participated in one (1) x B-BBEE workshop held on 20 September 2019.</p> <p>f) Participated in one (1) x CFO Forum held on 13 September 2019.</p> <p>g) The District Model/ Approach has been accepted in collaboration with DLG and District visits commenced from November 2019 onwards.</p> <p>h) Utilised the SCM Combined Assurance workshops to internally advocate that the District Model/ Approach can work as a pilot project.</p> <p>i) Assisted municipalities on the WCSEB with database registration.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
		<p>j) Assisted municipalities, municipal entities and suppliers via telephonic enquiries, followed by an email as confirmation, via the Helpdesk function.</p> <p>k) Co-hosted the Local Economic Development (LED) and Supply Chain Management (SCM) Indaba, with DEDAT and the Garden Route municipalities, held on 14 - 15 November 2019.</p> <p>l) Provided the 5 municipal districts with accredited SCM training, from the gaps identified on the Helpdesk and on the Auditor-General South Africa (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>m) Awareness sessions held with municipalities at the LED-SCM Indaba on the WCSEB and how it effects municipalities.</p> <p>n) Participated in the TIME from 10 - 19 February 2020, for 30 municipalities, to address SCM governance gaps identified.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Access:</p> <p>The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>a) Dedicated space at the Cape Access Centre (4 Dorp Street, Cape Town), utilised to assist suppliers with CSD registration.</p> <p>b) Assisted suppliers and departments by responding to queries raised via the dedicated Helpdesks (CSD, SCM and IPS). A total of 2 232 queries were successfully attended to; 608 in respect of CSD, 247 was SCM related and 1 377 in respect of the IPS.</p>	<p>Access:</p> <p>The service is accessible:</p> <p>a) Maintaining the current quality achieved in 2018-19.</p>	<p>o) 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>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> <p>Access:</p> <p>The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>a) Assisted 71 suppliers, with CSD registration, at 4 Dorp Street.</p> <p>b) Assisted 3 718 suppliers, with database registration, at the procurement Walk-in Centre in Century City.</p> <p>c) 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.

Current/actual arrangements	Desired arrangements	Actual achievements
<p>LG SCM</p> <p>a) Assisted municipalities and suppliers on a range of SCM related queries via the dedicated Helpdesk (392 queries successfully addressed).</p> <p>Courtesy: The desired arrangements were met however, both units had challenges in meeting the allocated targeted timeframes:</p>	<p>Courtesy: Courtesy is reported and measured through:</p> <p>a) Maintaining the current quality achieved in 2018-19. b) Explore other areas for improvement.</p>	<p>LG SCM</p> <p>a) Assisted suppliers with CSD registration via the dedicated MFMA Helpdesk function.</p> <p>b) Assisted municipalities to load all municipal employee information onto the CSD System, via the dedicated MFMA Helpdesk, before the 7th of each month.</p> <p>c) 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> <p>i. 690 SCM queries; and ii. 730 CSD queries.</p> <p>d) Assisted 50 suppliers at the Supplier Open Day in the CKD.</p> <p>e) Assisted suppliers during the Local Content and Production roadshows.</p> <p>f) 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>g) Assisted municipalities with CSD, CRA and e-Portal related enquiries via the MFMA SCM Helpdesk.</p> <p>Courtesy: The desired arrangements were met and in addition the following were achieved:</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Openness and transparency: The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <ul style="list-style-type: none"> a) Utilisation of an e-Procurement System to invite quotations; b) Utilisation of PT website to publish policies, guidelines, procurement instructions and templates; and c) Perception surveys conducted for all queries received. 	<p>Openness and transparency: Openness and transparency is further achieved through:</p> <ul style="list-style-type: none"> a) Maintaining the current quality achieved in 2018-19. b) Explore other areas for improvement. 	<ul style="list-style-type: none"> e) 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). f) Complaints Register implemented in the 2nd Quarter of 2019/20. g) Developed a SCM Challenges Matrix with a roadmap on addressing challenges, through partnership between NT, Office of the Chief Procurement Officer (OCPO), PT and District municipalities. <p>Openness and transparency: The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM:</p> <ul style="list-style-type: none"> a) Quarterly Helpdesk Report concluded, and information stored on shared drive. b) Attended to 5 372 queries, either via email, telephone or written correspondence. c) 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.

Current/actual arrangements	Desired arrangements	Actual achievements
		<ul style="list-style-type: none"> d) 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. e) Utilisation of an e-Procurement System to invite quotations. f) Quarterly System Insight reports with performance information provided to departments. g) One (1) x meeting held with a Service Provider in respect of the Security Framework Agreement, to address a complaint received. h) One (1) x Supplier engagement, held in January 2020, with a Supplier on the RFI complaint received via the Minister's office. i) Provincial departments publish advertisements and awards on the e-Tender Portal. j) Perception surveys conducted for all queries received.

Current/actual arrangements	Desired arrangements	Actual achievements
<p>LG SCM</p> <p>a) Procurement planning reports and system insight reports per department concluded.</p>		<p>LG SCM</p> <p>a) Four (4) x Quarterly Helpdesk reports concluded.</p> <p>b) Weekly feedback provided to management on the MFMA Helpdesk queries.</p> <p>c) Four (4) x Quarterly Municipal Performance Insight reports, per Municipal District concluded.</p> <p>d) Attended to 1 420 queries, either via email, telephone or written correspondence.</p> <p>e) Participated in One (1) x CFO Forum held on 13 September 2019.</p> <p>f) One (1) x B-BBEE workshop concluded.</p> <p>g) One (1) x Supplier Open Day concluded in partnership with PG SCM.</p> <p>h) Two (2) x CSD, CRA and e-Portal training interventions concluded.</p> <p>i) Monitoring awards above R100 000 on the CRA System for municipalities and provided feedback at the SCM Forum meetings.</p> <p>j) Five (5) x LED-SCM Indaba meetings concluded, in preparation for the LED-SCM Indaba in November 2019.</p> <p>k) Co-hosted the LED-SCM Indaba 2019, with Garden Route municipalities and DEDAT, on 14 - 15 November 2019.</p> <p>l) MFMA SCM information stored onto MyContent Electronic Record Management System.</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>a) Performance information provided to departments in terms of Supply Chain Management on a quarterly basis in order to improve planning and decision-making processes; and</p> <p>b) Provided tools to departments to ensure efficiency gains in departmental procurement planning and procurement processes.</p>	<p>Value for Money:</p> <p>a) Provide support and assistance to all Western Cape Provincial Departments, Public entities and the Public.</p>	<p>m) Five (5) x Local Content and Production roadshows concluded in partnership with PG SCM and DEDAT.</p> <p>n) Provided comments and recommendations, on SCM Regulation 29, 32 and 36, to National Treasury and municipalities.</p> <p>o) Assisted Breede Valley Municipality with a Supplier Open Day, on 11 March 2020, co-hosted with CIDB, SARS and PT-LG SCM.</p> <p>p) Developed a SCM Audit Matrix, to assist with addressing the SCM Audit challenges faced during the 2018/2019 FY.</p> <p>Value for Money:</p> <p>The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>a) Provided support, assistance, guidance and tools to departments to ensure efficiency gains in departmental procurement processes.</p> <p>b) Performance information provided to departments in terms of Supply Chain Management, on a quarterly basis, to improve planning and decision-making processes.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>LG SCM</p> <p>a) Provided templates and tools to municipalities, municipal entities, suppliers and other local government organisations to improve procurement efficiencies.</p>		<p>c) Procurement planning support and Quarterly Assessment Report issued to departments, as well as first phase development of Information and Communication Technology (ICT) enabled Procurement Planning Tool.</p> <p>LG SCM</p> <p>a) Provided support, assistance and guidance to municipalities, municipal entities, suppliers and other local government organisations on procurement information.</p> <p>b) 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>c) Capacitated all 30 municipalities at the SCM Forum meeting held on 12 July 2019.</p> <p>d) A Municipal Insight Performance Report was produced to assess gaps within the municipal procurement environment and training needs were identified.</p> <p>e) Participated in one (1) x LED-SCM Indaba on 14 - 15 November 2019.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
		<p>f) Capacitation and development of officials and suppliers on procurement requirements, as per the interventions reported and via the LED-SCM Indaba.</p> <p>g) Provided clarification to municipalities and municipal entities, on the implementation for Cost Containment Regulation on SCM processes.</p> <p>h) Assisted all 30 municipalities with implementation of SCM Regulation 29, 32 and 36.</p> <p>i) 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>Conduct interventions to assist departments, municipalities and potential and current suppliers to upskill them on public sector procurement requirements</p> <p>Consultation:</p> <p>The desired arrangements were met and in addition the following were achieved:</p>	<p>Consultation:</p> <p>Clients are consulted through:</p> <p>a) Maintaining the current quality achieved in 2018-19.</p> <p>b) Webinars, Podcasts.</p> <p>c) Explore other areas for improvement.</p>	<p>Consultation:</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>a) Regular preparatory meetings held with key stakeholders and staff in respect of supplier development initiatives.</p> <p>b) Debriefing session held with all stakeholders who attended awareness sessions (roadshow) held in five (5) districts.</p>		<p>PG SCM</p> <p>a) Three (3) x SCM Forum meetings held on 26 June 2019, 17 September 2019 and 20 February 2020.</p> <p>b) Regular preparation/ operational meetings held with PT staff in respect of supplier engagement sessions, WCSEB and e-Procurement Systems (EPS).</p> <p>c) Preparation meetings in terms of logistical arrangements held with external stakeholders (DTPW: EPWP, DoH and DEDAT).</p> <p>d) Two (2) x Inventory Management Consulting engagements held with DotP on 1 October 2019 and Provincial Treasury on 20 January 2020.</p> <p>e) WCSEB video created and distributed to all database users.</p> <p>f) One (1) x Policy Focus Group meeting held with departments to discuss the requirements in respect of the WCSEB.</p> <p>g) Service providers were invited to the WCSEB interventions via email and telephonically.</p> <p>h) WCSEB brochure created and distributed to departments.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>LG SCM</p> <p>a) Regular preparation/ operational meetings held with PT staff and one (1) x Asset Management Forum meeting.</p> <p>b) Diagnostic engagement with Knysna Municipality in collaboration with the Department of Local Government (DLG), Department of Environmental Affairs and Development Planning (DEA&DP), LG Sector Departments and internal PT units.</p> <p>c) Engagements with suppliers, Department of Economic Development and Tourism (DEDAT), South African Revenue Services (SARS), Department of Trade and Industry (DTI), LG officials, LG SCM to assist with compliance requirements for SCM.</p> <p>d) Engagement with Drakenstein Municipality on the supplier development and Local Economic Development (LED) program (Case Study).</p> <p>e) Debriefing session held with all stakeholders who attended awareness sessions (roadshows held in 5 districts).</p>		<p>LG SCM</p> <p>a) Twelve (12) x Preparatory meetings held with identified municipalities in respect of Supplier Development initiatives.</p> <p>b) Supplier Development initiatives held with all five (5) municipal districts.</p> <p>c) 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>d) Training on Data Analytics for Management, held on 23 September 2019, at University of Stellenbosch (PT and SPL).</p> <p>e) 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>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>f) Assisted and guided the implementation of SCM on the mSCOA project with National Treasury and PT mSCOA project team.</p> <p>Access: The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>a) Dedicated space at the Cape Access Centre (4 Dorp Street, Cape Town) to assist suppliers with CSD registration.</p> <p>b) Assisted 2 232 suppliers and departments by access through responding to queries raised via the dedicated Helpdesks (CSD, SCM and IPS).</p>	<p>Access: The service is accessible:</p> <p>a) Maintaining the current quality achieved in 2018-19.</p>	<p>f) Eighteen (18) intervention programmes were conducted that assisted municipalities, municipal entities and suppliers.</p> <p>g) One (1) x SCM Forum meeting held on 12 July 2019 for 30 municipalities and 1 Municipal Entity.</p> <p>h) One (1) x Combined Assurance workshop held on 03 March 2020 for the West Coast District.</p> <p>i) One (1) x Municipal TIME was held from 10 – 19 February 2020.</p> <p>j) One (1) x SCM Audit Intervention workshop held on 04 - 05 February 2020 with NT and municipalities.</p> <p>k) One (1) x Draft Public Procurement workshop held on 12 March 2020.</p> <p>l) One (1) x CFO Forum held on 13 March 2020.</p> <p>Access: The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>a) 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).</p> <p>b) Assisted 346 suppliers in total with CSD/WCSD registrations at all the supplier initiatives for the first quarter.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>c) Assisted 1 674 CSD registration at 4 Dorp Street, Cape Town (287); at Langebaan, 21 in George, 111 in Observatory (27); Grand West Arena, 27 in Athlone (125), at Moorreesburg, 37 in Mfuleni (21) and 273 suppliers with CSD/WCSD registration at the awareness sessions held in five (5) districts.</p> <p>d) A total of 697 suppliers attended the Security Services Framework Agreement and Catering Strategy awareness sessions in the five (5) districts.</p> <p>LG SCM</p> <p>a) Assisted 683 suppliers with CSD registration at 4 Dorp Street, Cape Town (287), via dedicated helpdesk (123) and through awareness sessions (roadshow) held in five (5) districts (273).</p> <p>b) Assisted municipalities with the HR information/files uploaded to the CSD system.</p> <p>c) A total of 697 suppliers attended the awareness sessions (roadshow) held in five (5) districts.</p>		<p>c) 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</p> <p>a) Assisted suppliers with CSD, CRA and e-Portal registration via the dedicated helpdesk.</p> <p>b) Assisted municipalities with the HR information/file uploads to the CSD System via the MFMA Helpdesk, before the 7th of each month.</p> <p>c) Assisted suppliers that attended the Supplier Development session held in two (2) districts.</p> <p>d) 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.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Courtesy:</p> <p>The desired arrangements were met and in addition the following were achieved:</p>	<p>Courtesy:</p> <p>Courtesy is reported and measured through:</p> <ul style="list-style-type: none"> a) Maintaining the current quality achieved in 2018-19 b) Explore other areas for improvement. 	<ul style="list-style-type: none"> e) 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). f) Assisted 30 municipalities with Communication of an Audit Finding (COMAF) during the 2018/19 financial year audit. g) Assisted 40 suppliers, during the Supplier Open Day, on the SCM legislative requirements and how to do business with Government. h) 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. i) Assisted 20 municipalities and one (1) Municipal Entity with registration to the CRA System and loading information onto the System. j) Developed a SCM Matrix to address all SCM Audit challenges during the 2018/19 financial year audit. <p>Courtesy:</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>a) 100% Client satisfaction recorded for all events.</p> <p>LG SCM</p> <p>a) 100% Client satisfaction recorded for all events.</p> <p>b) Concluded 65% of queries within the allocated timeframes. The reason for not meeting the desired standard has been indicated in the feedback provided in the main service and standards of this report.</p> <p>Openness and transparency: The desired arrangements were met and in addition the following were achieved:</p>	<p>Openness and transparency: Openness and transparency is further achieved through:</p> <p>a) Maintaining the current quality achieved in 2018 - 2019.</p> <p>b) Explore other areas for improvement.</p>	<p>PG SCM</p> <p>a) 100% Client satisfaction recorded for all events.</p> <p>b) No areas of improvement identified as 100% Client satisfaction recorded for the reporting period 2019/20.</p> <p>LG SCM</p> <p>a) 100% Client satisfaction recorded for all events.</p> <p>b) The following areas were improved during the 2019/20 reporting period:</p> <ul style="list-style-type: none"> i. Automation of Helpdesk processes – implementation of the Issue Management System (IMS) (acknowledgement, reports, allocation of queries and automatic reminders); ii. Monitoring response time of queries to suppliers and municipalities, based on their classification i.e. low, medium and high; and iii. Compilation of standard responses to municipalities and suppliers. <p>Openness and transparency: 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>a) Advised 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);</p> <p>b) Utilisation of an e-Procurement System to invite quotations;</p> <p>c) Utilisation of PT website to publish policies, guidelines, procurement instructions and templates; and</p> <p>d) Frequently Asked Questions (FAQs) being prepared will be finalised and uploaded on the website in the 2019/20 financial year.</p>		<p>PG SCM</p> <p>a) 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>b) Utilisation of an e-Procurement System to invite quotations.</p> <p>c) Utilisation of PT website to inform suppliers of planned supplier events in the districts.</p> <p>d) Departments published advertisements and awards on the e-Portal.</p> <p>e) Utilisation of the PT website to publish policies, guidelines, procurement instructions and templates.</p> <p>f) 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>g) 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>h) Shared drive utilised to store information and create institutional memory.</p> <p>i) Quarterly Helpdesk reports concluded.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>LG SCM</p> <p>a) Advised 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).</p>		<p>j) Quarterly System Insight reports, in respect of performance information, provided to departments on a quarterly basis.</p> <p>k) FAQs developed specifically in respect of the Security Framework Agreement.</p> <p>l) Maintaining the Issue Management System.</p> <p>m) Issuance of Chapter 16A of Provincial Treasury Instructions to departments and Provincial Public entities.</p> <p>n) Quarterly Procurement Planning reports provided to departments.</p> <p>LG SCM</p> <p>a) Advice provided on access to tender information on the National Treasury e-Portal Publication System.</p> <p>b) Assisted municipalities and municipal entities with the registration to the CRA System and loading information on the System.</p> <p>c) Quarterly reporting on CRA information to municipalities and municipal entities.</p> <p>d) Maintained weekly WCSD and CSD Register, inclusive of conflicts of interest.</p> <p>e) Information (presentations and reports) on the 21 interventions, stored on MyContent for the quarter under review.</p> <p>f) Quarterly SCM MFMA Helpdesk Report concluded.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
		<p>g) 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>h) 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>i) 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>j) Assisted municipalities on the WCSEB requirements in the Garden Route and Central Karoo District.</p> <p>k) Informed all 30 municipalities of the Supplier Development initiatives and programmes to be held in the five (5) municipal districts.</p> <p>l) 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>m) Issue Management System implemented to manage queries accordingly in the 2020/21 financial year.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p>Value for money The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <ul style="list-style-type: none"> a) Review of departmental spend and procurement activities in terms of procurement planning; b) Provided tools to departments to ensure efficiency gains in departmental procurement processes; and c) Training of officials and suppliers on Security Framework Agreement and procurement/IPS requirements. 	<p>Value for money</p> <ul style="list-style-type: none"> a) Provide support and assistance to all Western Cape Provincial Departments, Public entities and the Public. 	<ul style="list-style-type: none"> n) Co-hosted Draft Public Procurement Bill workshop, with municipalities and PT: MFMA divisions, on 12 March 2020 with PG SCM. <p>Value for money The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <ul style="list-style-type: none"> a) Trained officials and suppliers on CSD requirements. b) Capacitated Provincial departments and Public Entity officials at SCM Forum. c) Commodity focused interventions with suppliers held in the Eden District. d) Capacitation and development of officials and suppliers on procurement requirements as per the interventions reported and via the SCM Forum. e) Reviewing of departmental spend and procurement activities in terms of procurement planning. f) Provided support, assistance, guidance and tools to departments to ensure efficiency gains in departmental procurement processes.

Current/actual arrangements	Desired arrangements	Actual achievements
<p>LG SCM</p> <p>a) Provided templates and tools to municipalities, municipal entities, suppliers and other local government organisations.</p>		<p>LG SCM</p> <p>a) Capacitated municipal officials at the SCM Forum meetings.</p> <p>b) Trained officials and suppliers on CSD, CRA, e-Portal and WCSEB requirements.</p> <p>c) Provided support, assistance, guidance templates and tools to municipalities, municipal entities, suppliers and other local government organisations on procurement information.</p> <p>d) Participated in one (1) x LED-SCM Indaba on 14 - 15 November 2019.</p> <p>e) Capacitation and development of officials and suppliers on procurement requirements as per the interventions reported and via the SCM Forum.</p> <p>f) Provided clarification to municipalities and municipal entities on the implementation for Cost Containment Regulation on SCM processes.</p> <p>g) Assisted all 30 municipalities with implementation of SCM Regulation 32, 36 and 29.</p> <p>h) Assisted all 30 municipalities with regards to the development of a Procurement Planning Toolkit, to ensure compliance to NT MFMA Circular 62. Provided municipalities with a best practice procurement plan template to assist with proper planning.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
		<ul style="list-style-type: none"> i) Capacitated all 30 municipalities at the SCM Forum meeting on 12 July 2019. j) Capacitated suppliers and municipal officials during the Supplier Development program with PG SCM. k) Assisted municipalities, in partnership with NT, OCPO and five (5) district municipalities, by addressing the SCM Audit challenges through a Matrix Roadmap. l) Quarterly municipal SCM reporting requirements to National Treasury on the following: <ul style="list-style-type: none"> i. SCM policy requirements; ii. SCM reporting requirements; iii. Procurement plans; iv. Composition of the Bid Adjudication Committee; v. Procurement expenditure on SCM Regulation 32 and 36; and vi. PT assistance to municipalities to address audit challenges.

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>a) 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>a) SCM forums and District SCM/LED Forums and TIME engagements and Municipal Governance Review and Outlook (MGRO) process.</p>	<p>Information is communicated through:</p> <p>a) Maintaining the current quality achieved in 2018-19.</p> <p>b) Explore other areas for improvement.</p>	<p>The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>a) SCM Forum meetings held to mainstream information.</p> <p>b) 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>a) Quarterly SCM Forum meetings held to mainstream information relating to Supply Chain Management.</p> <p>b) 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>c) LED-SCM Indaba Forum meeting held on 14 – 15 November 2019 to mainstream information with municipalities.</p>

Current/actual information tools	Desired information tools	Actual achievements
		<p>d) Audit SCM Challenges meeting held between NT, PT and District municipalities on 4 – 5 February 2020 to outline implementation challenges.</p> <p>e) Partnership with the Governance Unit on the TIME between 10 – 19 February 2020 on addressing the governance gaps.</p> <p>f) CFO Forum meeting held on 13 March 2020 to mainstream information with municipalities.</p> <p>g) 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>a) 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> <p>a) Maintaining the current quality achieved in 2018-19.</p> <p>b) Explore other areas for improvement.</p>	<p>The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>a) SCM Forum meetings held to mainstream information.</p> <p>b) 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>

Current/actual information tools	Desired information tools	Actual achievements
<p>LG SCM</p> <ul style="list-style-type: none"> a) District SCM/LED Forum meetings to share procurement information. b) Sharing of information via MFMA Circulars, email correspondence and focus groups. c) TIME engagements and MGRO process. 		<p>LG SCM</p> <ul style="list-style-type: none"> a) Quarterly SCM Forum meetings held to mainstream information. b) 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. c) LED-SCM Indaba Forum meeting held on 14 – 15 November 2019 to mainstream information with municipalities. d) Audit SCM Challenges meeting held between NT, PT and District municipalities on 04 – 05 February 2020 to outline the implementation challenges. e) Draft Public Procurement Bill workshop held on 12 March 2020.

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>PG SCM</p> <p>a) 21 complaints were received for the financial year from suppliers in respect of SCM related matters which have been resolved with the suppliers and departments concerned (where applicable).</p>	<p>Complaints/Suggestions/ Compliments/Queries are registered and monitored through:</p> <p>a) Maintaining the current quality achieved in 2018/19.</p> <p>b) Explore other areas for improvement.</p>	<p>The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>a) Maintained Helpdesk registers inclusive of complaints.</p> <p>b) 12 complaints received and responded to.</p> <p>LG SCM</p> <p>a) A Complaints Register is kept for complaints received from suppliers in respect of municipal procurement processes.</p> <p>b) 16 complaints regarding municipal SCM processes has been received and assessed.</p> <p>c) Perception surveys to be implemented in the 2020/21 financial year.</p> <p>d) Maintained Helpdesk Register inclusive of 16 complaints received from municipalities, other local government institutions and suppliers.</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>a) 21 complaints were received for the financial year from suppliers in respect of SCM related matters which have been resolved with the suppliers and departments concerned (where applicable).</p>	<p>Complaints/Suggestions/ Compliments/Queries are registered and monitored through:</p> <p>a) Maintaining the current quality achieved in 2018/19</p> <p>b) Explore other areas for improvement.</p>	<p>The desired arrangements were met and in addition the following were achieved:</p> <p>PG SCM</p> <p>a) Complaints dealt with via the SCM Helpdesk.</p> <p>b) In total, 15 complaints were received and resolved/ responded to.</p> <p>c) Maintenance of Helpdesk registers inclusive of complaints.</p> <p>LG SCM</p> <p>a) A Complaints Register is kept for complaints received from suppliers in respect of municipal procurement processes.</p> <p>b) Improved turnaround time on responding to complaints received from suppliers.</p> <p>c) 16 complaints regarding municipal SCM processes has been received and assessed.</p>

2.3 Organisational environment

The current organisational structure consists of three hundred and thirty-eight (338) approved posts, of which three hundred and twelve (312) are funded. As at 31 March 2020, only three hundred and six (306) posts were filled.

The Department worked hard to address employment equity to attain representivity in its workforce. Achieving employment equity (EE) required systematic attention and is an ongoing process. The Department strived towards achieving a demographically representative and equitable workforce and a workplace culture that demonstrates respect for human dignity. The Department vigorously managed the EE targets as per the approved EE Plan. Women currently make up 38.1 per cent of the Senior Management Service (SMS), which is below the national target of 50 per cent. During the reporting period, women in SMS has increased by one (1). Altogether, three (3) officials were promoted into SMS positions. The total representation of People with Disabilities (PWD) is at 1.9 per cent, below the national target of 2 per cent. The Department continues to drive disability disclosure encouraging staff with disabilities to disclose them.

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 where the private sector and government 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.

The Department developed an Annual People Planner in consultation with the Corporate Services Centre (CSC) in the Department of the Premier. The Annual People Planner assisted PT to plan and meet current and future people requirements to deliver excellent service in terms of the Strategic Plan and strategic priorities of the compensation of employees (CoE) budget. The process runs concurrently with the strategic planning cycle. It assisted managers to identify priority issues regarding recruitment, employment equity, training and development, succession and creating talent pools despite decreasing people-related expenditure (including CoE).

The Department commissioned a formal evaluation on the design and implementation of the Chartered Accountants Academy in 2018. The outcome of the evaluation was that the academy was successful both in its design and its operations. As with any review, recommendations to further improve the programme was made, and continual monitoring and discussions with the Programme Manager has taken place. The Improvement Plan was approved and will ensure that evidence from the evaluation is used to improve plans and policies and consequently strengthen the programme in question.

The erstwhile Head of Department, Mr Zakariya Hoosain, took his leave from the Department with effect from 31 May 2019. The Department will always be grateful for his contributions, commitment, professionalism and support towards good clean governance. Ms Julinda Gantana was subsequently appointed as the acting Head Official for Provincial Treasury,

effective 1 June 2019 until 30 November 2019 when a permanent appointment was made in the form of Mr David Savage, who with his extensive experience at National Treasury and International Financial Institutions, brought much needed stability to the Department. The Department was also deeply saddened by the sudden passing of Advocate Estienne Pretorius, the Head of Ministry of Finance and trusted advisor.

Seven (7) requests from employees to exit on early retirement without pension penalties were favourably considered. Three (3) left during the period under review, one (1) of which being the Director: Provincial Government Accounting.

The Director: Local Government Accounting resigned with effect from 28 February 2020.

Despite the Department's high vacancy rate, the Department was still able to fully achieve fifty-eight (58) of the fifty-nine (59) programme performance indicators, one (1) programme performance indicator was partially achieved and one (1) was achieved, later than the date specified in the APP. Of the fifty-eight (58) performance indicators achieved three (3) were overachieved. This achievement can be attributed to the commitment and dedication of the employees of Provincial Treasury.

2.4 Key policy developments and legislative changes

During the reporting period, there were no major key policy developments and/or legislative changes that affected the mandate of Provincial Treasury. National Treasury has however, embarked on a review of Supply Chain Management from 2015 and implemented various reforms in relation to legislation and policy, training and capacitation, strategic procurement and SCM technology, including the Preferential Procurement Regulations for implementation 1 April 2017, which necessitated a review of Provincial Treasury Instructions issued in 2012. In addition, developments in technology have impacted on SCM and has also required a change in business processes. The Department completed an analysis of all SCM guidelines, practice notes, circulars, instructions and directives issued by both the National Treasury and Provincial Treasury and embarked on a review process. A revised set of Provincial Treasury Instructions (PTIs) were finalised and issued in the 2019/20 financial year.

National Treasury issued, by means of National Treasury Instruction Number 3 of 2019, the Framework for Infrastructure Delivery and Procurement Management with an effective date of 1 October 2019. Simultaneously, National Treasury repealed the Standard for Infrastructure Procurement and Delivery Management (SIPDM) and the Model Policy for Procurement and Delivery Management.

The review of the current SCM legislative framework by National Treasury is underway. The National Treasury gazetted the Procurement Bill for public comment close to the end of the financial year, which aims is 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 Promote local production. The due date for comments was 30 June 2020.

The Implementation Preferential Procurement Policy Framework Regulations as they relate to local content implementation continued to challenge the SCM environment. Cost Containment and Transversal contract requirements continued to place pressure on an already austere environment.

The Department introduced a replacement database for the Western Cape Supplier Database namely the Western Cape Supplier Evidence Bank that has been further refined and streamlined and serves as a central repository of governance documentation and utilises the National Treasury's Central Supplier Database as the master database of information.

As in the prior period, whilst there have been marginal changes from the frameworks issued by National Treasury, these most often result in interpretation challenges with AGSA. Amendments to the Public Audit Act was passed by Parliament in March 2019 and for the year under review, the AGSA could implement some of the amendments. This resulted in reporting on Material Irregularities, which did not necessarily impact the Western Cape, but we foresee different types of findings as the auditors becomes more experienced at implementing these amendments and assented to by the President.

National Treasury issued a revised framework for Irregular Expenditure, which grants delegations to provinces to deal with long-outstanding irregular expenditure matters and is in the final stages of revising the frameworks for Fruitless and Wasteful and Unauthorised Expenditure. 2020/21 will be a year of implementing these additional delegated responsibilities but will go a long way to ensure consequence management is addressed for financial misdemeanors.

In response to the uptake of disputes on audit outcomes, Provincial Treasury leads the initiative to establish a Country approved Alternative Dispute Resolution (ADR) mechanism. At the turn of the financial year, this process was workshopped with all WCG institutions and will go a long way to ensure fairness in the handling of disputes. The Department continues to advocate that litigation should be the absolute last resort for dealing with technical matters and should only be done once all Inter-Governmental Relations (IGR) structures have been exhausted.

3. STRATEGIC OUTCOME ORIENTATED GOALS

Programme 1 – Administration

Strategic Outcome Orientated Goal 1	Efficient and effective departmental governance support services.
Progress	<p>Programme 1 contributed towards promoting good governance, effectiveness and efficiency throughout the Department, through many support endeavours.</p> <p>Through the bursary programme, a talent pool of young people with the right skills to fill in-demand positions was maintained. It ensured that more professionals were available to improve the financial well-being of both Provincial departments as well as Western Cape municipalities.</p> <p>The Department developed an Annual People Planner that assisted with planning and meeting current and future people requirements to deliver excellent service in terms of the Strategic Plan and priorities of the compensation of employees (COE) budget.</p> <p>Discussions of evaluation findings and recommendations stemming from the CAA evaluation took place and planned improvements were approved. The monitoring of progress will continue into the new financial year.</p> <p>The Department continued to make progress towards the goals outlined in the Strategic Plan, while achieving a clean audit outcome. The Department's commitment to sound governance led to this clean audit outcome for the 2019/20 financial year.</p>

Programme 2 – Sustainable Resource Management

Strategic Outcome Orientated Goal 2	Effective, efficient and sustainable management of provincial and municipal fiscal resources.
Progress	<p>Provincial Treasury prepared the provincial budget within a constrained economic and fiscal environment.</p> <p>The budget is underpinned by the Western Cape Government's Fiscal Strategy towards delivery on the Provincial Strategic Plan, which is:</p> <ul style="list-style-type: none"> ● Allocative efficiency to achieve a balanced allocation of resources that reflects the priorities of government and considers programme effectiveness based on evidence. ● Fiscal sustainability from a provincial perspective focuses on maintaining stability in key government programmes and managing risks in a constrained economic and fiscal environment. Therefore, the focus is on appropriate balancing of fiscal aggregated in a manner that ensures a sustainable fiscal position in the medium to long term. ● Fiscal consolidation entails reducing government expenditure and/or increasing revenue. ● Fiscal discipline ensures that all provincial departments and entities remain within budget limits and avoids irregular, fruitless and wasteful expenditure. <p>Municipalities were assisted in the preparation of their budgets through the annual planning and budget process. The Provincial Treasury monitored, supported and reported on the efficient and effective implementation of both provincial and municipal fiscal resources.</p>

Programme 3 – Asset Management

Strategic Outcome Orientated Goal 3	Financial systems, supply chain and movable asset governance within the provincial and municipal spheres.
Progress	<p>Departments and municipalities were assisted to maintain good governance practices and to prepare and implement the necessary SCM and financial systems reforms in order to sustain the responsive governance environment built on over the years. This was achieved through the issuance of revised Provincial Treasury Instructions with a critical focus strengthening of SCM capacity through various support initiatives for departments and municipalities SCM performance reporting and procurement planning initiatives assisted in the move toward strengthening the performance agenda for SCM. Financial systems and targeted ICT projects and initiatives played a critical role in assessing financial performance of departments and municipalities through the use of business intelligence tools. A continued focus on financial management systems environment was also critical in providing assistance and training to all provincial systems users (LOGIS, BAS and PERSAL). In addition, the clean-up of system data is a continued and on-going focus. The use of data, improvement on financial systems reporting and credibility of information is a critical focus.</p> <p>The SCM component facilitated the registration of suppliers on the Western Cape Supplier Evidence Bank (WCSEB) and participated in the broader WCSEB roadshows to inform suppliers as well as to register suppliers on the Central Supplier Database. The Department invests in ongoing training and development of staff involved in supply chain activities.</p>

Programme 4 – Financial Governance

Strategic Outcome Orientated Goal 4	To embed good governance through financial management improvement and capacity building initiatives for departments, entities and municipalities.
Progress	<p>Departments, entities and municipalities were assisted to prepare annual financial statements free from material misstatements. This is evidenced by both MFMA and PFMA audit outcomes, and WC being hailed as the best run province in the Country. Looking back over the last five (5) years, since the hard implementation of the Modified Cash Standard, and the continual improvement to the Standards of GRAP, each of the entities serviced by PT has received significant support to maintain good governance practices that ensures assets, liabilities, revenue and expenditure are fully accounted for.</p> <p>Several new frameworks and guidelines have been issued by the standard setters; focusing on the most critical ones, the Framework for Irregular Expenditure and the Alternative Dispute Resolution Mechanisms are the most noteworthy. Toward the tail end of the five (5) years, we were stretched to consider the mechanisms used by departments and entities for service delivery, and most noteworthy is Transfers and Subsidies.</p> <p>On the governance front, the CGRO and MGRO/TIME continued to be embedded in the daily, weekly and monthly controls being applied by all institutions and is a massive contributing program to the Western Cape bedrock of good, clean governance.</p>

All Provincial Treasury's initiatives, notably Governance Quarterly Engagements and TIME Engagements are processes that are directly in support of Chapter 13 of the National Development Plan (NDP) – Building a capable and developmental state. These mechanisms have continued to be used; with specific alignment to the integrated management approach adopted by the WCG and has proved to yield better results for planning, execution and reporting.

These initiatives assisted provincial departments and municipalities on the path to a capable and developmental state enabling enhanced socio-economic opportunities; support the development of expertise, better systems and processes to reduce inefficiencies and maintain a high adherence to ethics; and build a government that is accountable to its people.

Provincial Treasury assisted and supported provincial departments and municipalities to improve their management and financial practices, and operational systems to achieve National Outcome 9: A responsive, accountable, effective and efficient local government system and National Outcome 12: An efficient, effective and development orientated public service.

Considerable energy and effort was expended in supporting municipalities with their mSCOA implementation, a business reform that proved and continues to prove that it is far more complex than what was initially anticipated and which still poses many implementation challenges due to it being unchartered territory, which still requires further unpacking for practical and effective implementation. The Department is committed to supporting and working with National Treasury to work through these implementation challenges and finding practical solutions. This does however, require using significant municipal and Provincial Treasury resources to ensure a smooth transition.

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 were the strategic objectives for the financial year under review:

- To provide ministerial support services;
- To improve corporate management processes; and
- To provide financial administrative services to the Department.

Strategic objectives, performance indicators, planned targets and actual achievements

The Office of the Minister achieved all its performance objectives. The Minister was therefore able to effectively discharge his executive responsibilities.

The quarterly monitoring and reporting on the implementation of the Workforce Plan improved the human resources management processes within the Department. This contributed to no audit findings on human resources management for the year under review.

Performance planning, monitoring and reporting processes were maintained during the period under review. All prescribed non-financial plans and reports were submitted according to set requirements and timeframes. This contributed to an unqualified audit opinion, where the reported performance information for the selected programme, i.e. Programme 2: Sustainable Resource Management was useful and reliable in all material aspects in accordance with the identified performance management and reporting requirements.

Financial Management achieved all its performance indicators. This contributed to the achievement of an unqualified with no material findings audit opinion for the 2019/20 financial year.

Strategic objectives:

PROGRAMME 1: ADMINISTRATION						
Sub-programme 1.1: Office of the Minister						
Strategic objective		Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
1.	Number of reports to monitor compliance with statutory and executive requirements	4	4	4	None	None

Performance indicators:

Sub-programme 1.1: Office of the Minister								
Programme performance indicator		Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
1.1	Number of formal engagements with the Department on meeting statutory and executive requirements	Revised PI	8	8	8	8	None	None
1.2	Number of formal engagements with the Western Cape Gambling and Racing Board on meeting statutory and executive requirements	Revised PI	4	4	4	4	None	None
1.3	Number of meetings/engagements with the Consul Generals, members of the Diplomatic Corps and incoming foreign delegations	Revised PI	7	7	7	7	None	None

Strategy to overcome areas of under performance

There are no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 1: ADMINISTRATION						
Sub-programme 1.2: Management Services						
	Strategic objective	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
2.	Number of material Human Resource Management and Performance Management audit findings	0	0	0	None	None

Performance indicators:

Sub-programme 1.2: Management Services								
	Programme performance indicator	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
2.1	Number of prescribed performance plans and reports submitted	7	6	6	7	7	None	None
2.2	Number of reports on the implementation of the Workforce Plan	4	4	4	4	4	None	None

Strategy to overcome areas of under performance

There are no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 1: ADMINISTRATION						
Sub-programme 1.3: Financial Management						
	Strategic objective	Actual Achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
3.	Number of material financial management audit findings	0	0	0	None	None

Performance indicators:

Sub-programme 1.3: Financial Management								
Programme performance indicator		Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
3.1	Number of IYM reports	12	12	12	12	12	None	None
3.2	Number of Budget submissions	4	4	4	4	4	None	None
3.3	Number of Corporate reports	4	4	4	4	4	None	None

Strategy to overcome areas of under performance

There are no areas of under performance.

Changes to planned targets

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

Sub-programme expenditure

Sub-programme name	2019/20			2018/19		
	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	5 804	5 704	100	6 162	6 091	71
1.2 Management Services	24 828	24 216	612	26 722	26 390	332
1.3 Financial Management	28 599	28 337	262	26 984	26 780	204
Total	59 231	58 257	974	59 868	59 261	607

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 strategic objectives 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.

Strategic objectives, performance indicators, planned targets and actual achievements

Fiscal Policy

Research and analysis forms the basis on which fiscal policy is developed. Research undertaken include a focus on the provincial and local government fiscal framework including the implications of the current economic environment and how it impacts on the fiscal sustainability of the provincial government and municipalities. The focus included translating the research and analysis into budget policy formulation and fiscal framework of the Province and formulation of the Provincial Fiscal Strategy. The Fiscal Strategy combines elements of revenue and expenditure management to deliver a balanced and sustainable budget. On the Local Government front, the focus included strengthening research and fiscal policy to inform intergovernmental discussions on fiscal policy matters and the integration between fiscal and budget policy.

The monitoring, analysis and reporting on the provincial revenue, inclusive of cash management, plays a key role in giving effect to the Fiscal Strategy in support of the principles of fiscal sustainability, fiscal consolidation and fiscal discipline. The Directorate also supports the promotion of good governance within the Western Cape Gambling and Racing Board through monitoring and reporting on the performance of the WCGRB and fulfilling strategic oversight responsibilities.

Budget Management

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 strategic priorities outlined in the 2019 – 2024 Provincial Strategic Plan and other applicable policies. The Directorate focused on the

alignment of policy, planning and budgeting. The 2019 integrated planning and budgeting process focused on the integrated management approach to ensure that key partners in respect of policy and planning, spatial planning, municipal interface and partnering were provided an opportunity to engage with provincial departments and provide inputs integral to planning and budgeting aimed at ensuing maximum citizen impact.

Evidence-based economic and socio-economic research contained in the annual Provincial Economic Review and Outlook and the Municipal Economic Review and Outlook publications, informs policymakers, departments and municipalities on key economic issues that impacts policy, planning and budgeting.

The 2018 Fiscal Policy Seminar, hosted by the Provincial Minister of Finance and attended by experts in government, private sector and academia, provided an interactive platform to engage on topics related to economic and fiscal policy matters contributing toward a Fiscal Strategy for growth and creating maximum citizen impact within a constrained economic environment. Annually in November, post the tabling of the National Medium Term Budget Policy Statement, the Western Cape Medium Term Budget Policy Statement (WC MTBPS) provided the framework within which the Provincial Budget was formulated and set the economic and fiscal context for the Medium Term Expenditure Framework. The WC MTBPS communicated the intended budget policy framework and budget priorities to support the delivery of the WCG's policies, programmes and projects driving service delivery within the Province. To strengthen the co-ordination and alignment between planning, budgeting and implementation for service delivery impact, the Directorate has been focusing on programme and project effectiveness and performance with the aim of assessing allocative efficiency, responsiveness and the effectiveness of the budget in terms of the policy and delivery context.

The 2019 Provincial Budget was crafted in consultation with key stakeholders, taking into account the policy direction provided through Provincial Government Medium Term Expenditure Committee engagements and other strategic engagements with Western Cape municipalities to further drive joint planning and execution.

The Local Government Budget Office (LGBO) provides research, advice and analysis on the regional and local economy and the provision provides economic intelligence for use in the municipal planning and budgeting process. The LGBO facilitated the updates of the Integrated Work Plan (under the auspices of Provincial Strategic Goal 5: Work Group 4), most notably the introduction of a Work Group Implementation Plan. The Unit assessed the annual budgets of municipalities and provided recommendations to improve budget responsiveness as well as allocative efficiency to give effect to socio-economic and policy objectives. The Unit also supported the municipal budget process by coordinating the Local Government Medium Term Expenditure Committee (LG MTEC) engagements.

Furthermore, the Unit also monitors the implementation of municipal budgets through the Service Delivery and Budget Implementation Plans (SDBIPs) of municipalities. The final approved SDBIPs are evaluated to ensure legislative compliance after which the approved SDBIPs form the basis for quarterly and half-year non-financial performance monitoring against the set targets contained in the approved SDBIP. Detailed feedback is given to each municipality.

The LGBO conducted evidenced-based economic and socio-economic research contained in the Municipal Economic Review and Outlook and localised Socio-Economic Profiles (SEP) to aid municipalities with the formulation of their annual budgets and review of their Integrated Development Plans (IDPs).

Public Finance

Fiscal consolidation and discipline is part of the Western Cape Government's Fiscal Strategy, thus the focus remained on expenditure control within budget limits and stringent management of personnel budgets. The compilation of the adjusted estimates and main budget estimates lays the opportunity to ensure fiscal sustainability. Provincial Government Finance assessed provincial budgets to improve the credibility and sustainability of the budget and monitored the implementation of budgets to enhance accountability, efficiency and data integrity.

The 2018/19 integrated planning and budgeting process focused on the integrated management approach to ensure spatial planning, municipal interface and maximum citizen impact. Local Government Finance continued to facilitate and co-ordinate the implementation of the MFMA in Provincial Treasury and municipalities to ensure that the objectives of the Local Government reform agenda are achieved. Implementation of the MFMA is driven through IGR co-ordination 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.

Given the focus on infrastructure investment and delivery, the Provincial Government tabled a supplementary publication (Overview of Provincial and Municipal Infrastructure Investment 2020), as part of the budget documentation on 10 March 2020. A more coordinated, integrated and strategic approach to planning and budgeting was key to respond in a comprehensive manner to the challenges of infrastructure. Infrastructure investment remained a key focus for driving economic growth and core element of sustainability, particularly at a time of renewed commitment to fiscal consolidation and fiscal discipline. The Unit monitored the infrastructure spending of the relevant departments.

Business Information and Data Management forms an integral part in driving the development of the knowledge information management system for the Provincial Treasury. A centralised repository was maintained that assisted with decision-making and ensures the tabling of credible publications. As enabler for the Programme the component executed its responsibilities in relation to client interface, data collating, data and information management and records management for the Department.

Strategic objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT						
Sub-programme 2.1: Programme Support						
Strategic objective		Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
4.	Percentage of Programme 2 – Sustainable Resource Management’s programme performance indicator targets achieved	100%* 24/24	100%** 24/24	100%** 24/24	None	None

* Method of calculation 2018/19

Numerator: Number of achieved performance indicator targets (24)

Denominator: Number of planned performance indicator targets (24)

** Method of calculation 2019/20

Numerator: Number of achieved performance indicator targets (24)

Denominator: Number of planned performance indicator targets (24)

Performance indicators:

Sub-programme 2.1: Programme Support								
Programme performance indicator		Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
4.1	Number of quarterly performance reports for Programme 2 – Sustainable Resource Management submitted	4	4	4	4	4	None	None

Strategy to overcome/areas of under performance

There are no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT						
Sub-programme 2.2: Fiscal Policy						
Strategic objective		Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
5.	Number of fiscal policy reports	20	20	20	None	None

Performance indicators:

Sub-programme 2.2: Fiscal Policy								
Programme performance indicator		Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
5.1	Number of research reports on the Provincial and Local Government Fiscal System	4	4	4	4	4	None	None
5.2	Number of Provincial Revenue reports	4	4	4	4	4	None	None
5.3	Number of Cash Management Reports	8	8	8	8	8	None	None
5.4	Number of reports on the performance of the WCGRB	4	4	4	4	4	None	None

Strategy to overcome areas of under performance

There are no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT						
Sub-programme 2.3: Budget Management						
Element: Provincial Government Budget Office						
	Strategic objective	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
6.	Timeous publication of the Overview of Provincial Revenue and Expenditure	March 2019	March 2020	March 2020	None	None

Performance indicators:

Sub-programme 2.3: Budget Management								
Element: Provincial Government Budget Office								
	Programme performance indicator	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
6.1	Number of provincial budget policy assessment reports	28	28	28	28	28	None	None
6.2	Timeous publication of the Provincial Economic Review and Outlook	September 2016	29 September 2017	September 2018	September 2019	September 2019	None	None
6.3	Timeous publication of the Medium-Term Budget Policy Statement	November 2016	23 November 2017	November 2018	November 2019	November 2019	None	None

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT						
Sub-programme 2.3: Budget Management						
Element: Local Government Budget Office						
	Strategic objective	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
7.	Number of municipal budgets with effective resource allocations	30	30	30	None	None

Performance indicators:

Sub-programme 2.3: Budget Management								
Element: Local Government Budget Office								
	Programme performance indicator	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
7.1	Number of municipal budget policy assessment reports	30	30	30	30	30	None	None
7.2	Percentage of Quarterly Performance Reports received, assessed	100%* (120/120)	100%** (120/120)	100%*** (119/119)	100%**** (118/118)	100%**** (118/118)	None	None
7.3	Timeous publication of the Municipal Economic Review and Outlook	September 2016	29 September 2017	September 2018	September 2019	September 2019	None	None

* Method of calculation 2016/17:

Numerator: Number of quarterly performance reports assessed (120)

Denominator: Number of quarterly performance reports received (120)

** Method of calculation 2017/18

Numerator: Number of quarterly performance reports assessed (120)

Denominator: Number of quarterly performance reports received (120)

*** 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)

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT						
Sub-programme 2.4: Public Finance						
Element: Provincial Government Finance						
Strategic objective		Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
8.	Timeous tabling of the Estimates of Provincial Revenue and Expenditure	March 2019	March 2020	March 2020	None	None

Performance indicators:

Sub-programme 2.4: Public Finance								
Element: Provincial Government Finance								
Programme performance indicator	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations	
8.1	Number of provincial budget assessment reports	28	28	28	28	28	None	None
8.2	Number of expenditure reviews	1	1	2	2	2	None	None
8.3	Number of quarterly reports on the implementation of the budget	4	4	4	4	4	None	None

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT						
Sub-programme 2.4: Public Finance						
Element: Local Government Finance (Groups 1 and 2)						
	Strategic objective	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
9.	Number of quarterly reports on the implementation of municipal budgets	4	4	4	None	None

Performance indicators:

Sub-programme 2.4: Public Finance								
Element: Local Government Finance (Groups 1 and 2)								
	Programme performance indicator	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
9.1	Number of monthly IYM assessment reports on the implementation of the municipal budget	372	372	372	372	372	None	None
9.2	Number of Municipal budget assessment reports	30	30	30	30	30	None	None
9.3	Number of reports on MFMA implementation	4	4	4	4	4	None	None

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT						
Sub-programme 2.4: Public Finance						
Element: Infrastructure						
	Strategic objective	Actual Achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
10.	Number of assessments on the institutionalisation of the IDMS	5	5	5	None	None

Performance indicators:

Sub-programme 2.4: Public Finance								
Element: Infrastructure								
	Programme performance indicator	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
10.1	Number of asset management plans assessed	28	30	34	32	33	1	The Department of Environmental Affairs submitted the U-AMP of their entity (Cape Nature) for assessment.
10.2	Number of Infrastructure expenditure reports assessed	72	78	84	84	84	None	None
10.3	Number of infrastructure project delivery assessments	10	10	10	10	10	None	None
10.4	Number of quarterly reports on the implementation of infrastructure budgets to Cabinet	4	4	4	4	4	None	None
10.5	Number of developed and tested infrastructure delivery management system(s) in municipalities	2	1	1	1	1	None	None

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

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

Strategic objectives:

Programme 2: SUSTAINABLE RESOURCE MANAGEMENT						
Sub-programme 2.4: Public Finance						
Element: Business Information and Data Management						
	Strategic objective	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
11.	An available central repository	1	1	1	None	None

Performance indicators:

Sub-programme 2.4: Public Finance								
Element: Business Information and Data Management								
	Programme performance indicator	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
11.1	Number of datasets managed	4	4	4	4	4	None	None
11.2	Number of budget process plans managed	3	3	3	3	3	None	None

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

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

Sub-programme expenditure

Sub-programme name	2019/20			2018/19		
	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	6 673	5 790	883	6 539	6 172	367
2.2 Fiscal Policy	53 368	52 301	1 067	41 896	41 625	271
2.3 Budget Management	24 600	23 509	1 091	20 751	20 667	84
2.4 Public Finance	57 004	55 738	1 266	53 992	52 870	1 122
Total	141 645	137 338	4 307	123 178	121 334	1 844

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 strategic objectives for the financial year under review:

- To provide management and administrative support to Programme 3 - Asset Management;
- To maintain and implement the supply chain and asset management strategy for the Province by providing policy direction and support, assistance and guidance to departments to improve governance, capacity, skill and performance within supply chain and asset management
- To provide policy guidance and facilitating the management of supply chain and asset management practices in municipalities; and
- To provide for the implementation, management and oversight of provincially operated financial systems and the migration to the IFMS.

Strategic objectives, performance indicators, planned targets and actual performance

Supply Chain Management

Both the Provincial and Local Government SCM Units fully met their strategic objectives performance indicators and planned targets and in particular instances, overachieved due to training/ support interventions identified in terms of the issuance of the PTI's as well as co-partnering on supplier support interventions in respect of database registration, aspects covered on how to do business with government as well as awareness in respect of the Province's security framework agreement and proposed catering strategy.

The use of technology, via business intelligence tools and data analyses of procurement information, was strengthened to present SCM performance information to departments to enable better procurement governance requirements and to support improving procurement planning initiatives within departments. The Western Cape Supplier Evidence Bank was introduced as a replacement for the Western Cape Supplier Database as a central repository of governance documentation with refined capability from a data and governance perspective also utilising the National Treasury's Central Supplier Database as the master database of information. The Provincial Treasury has also played an instrumental role in the development and finalization of the Economic Procurement Policy for the Province.

The Unit established a walk-in-centre in October 2019 that supports departments, municipalities as well as current and potential suppliers in respect of database registration and support to the e-Procurement Solution for quotations (ePS). The intention is to expand the services in the short to medium term to provide a comprehensive client support centre in respect of supply chain and moveable asset management.

Helpdesk support through query handling, SCM opinions and redress on supplier and practitioner queries emanated in the main due to the added focus on CSD registration, local content, Broad Based Black Economic Empowerment (B-BBEE) requirements, conflict of interest and SCM operational requirements. The SCM Forum was used to capacitate, create awareness and manage the changes in the SCM environment for the provincial sphere.

Both units participated and contributed to the Western Cape Smart Procurement Conference. Through this conference, challenges posed by SCM compliance requirements were shared, learnings from both an institutional and business perspective were exchanged and the successful implementation of projects and programmes were showcased in how procurement contributes to economic development.

The Local Government Supply Chain Management unit continued with its core mandate to assist all municipal districts to improve supply chain management and continued to make in-roads to the district approach. The Directorate also played a very active role in the Joint District Approach (JDA) and in the District Coordinators Forum.

The LG SCM unit made significant strides in partnering with the PT Governance unit is assisting municipalities to focus on close linkages between internal control functions and supply chain management within municipalities as a key building block for the improvement of the governance in supply chain management within municipalities. The Directorate also represented municipalities on all the national forums and successfully escalated all the SCM audit interpretation challenges.

Significant achievements were attained despite resource capacity challenges by the Directorate: Provincial Government SCM in which a total of 5 372 queries were received from provincial departments, entities and suppliers and were successfully dealt with for the financial year. One (1) additional departmental intervention to the targeted five (5) interventions were concluded in respect of the issuance of the revised Chapter 16A of the Provincial Treasury Instructions were concluded. Five (5) additional supplier interventions to the targeted five (5) interventions were held which required co-partnering with departments and municipalities in respect of supplier database registration of which three (3) of these interventions also covered aspects in respect of how to do business with government and one (1) additionally covered an awareness programme on the Provinces proposed catering strategy and its current Security Framework Agreement. This also formed part of the Service Delivery Improvement Plan (SDIP) of the Department. The Directorate: Local Government SCM partnered on some of these interventions as well as held the SCM Indaba as indicated above. Other significant achievements include the baseline skills development assessments that were concluded for nine (9) departments (i.e. i-Develop) and the in-roads made in the utilisation of business intelligence tools to produce performance information for departments.

Supporting and Interlinked Financial Systems

There has been slow progress by National Treasury with the implementation of the IFMS. NT indicated that in the 2019/20 financial year implementation will start with the new Oracle e-Business Suite which is essentially the IFMS. Provincial Treasury has held a number of engagements with NT to ensure that it aligns with the above-mentioned plans.

The Supporting and Interlinked Financial Systems unit continued to sustain and address improvements and efficiencies within its business model in achieving its strategic objectives targets set as for the 2019/20 financial year. There were no significant changes to the articulation of targets and deliverables as compared to the previous financial year as the focus was internal in respect of business process improvement and business continuity within the Unit. Hence, the Unit continued to fulfil its mandate in providing assistance to all provincial system users (LOGIS, BAS, PERSAL) with user management services and continually training and capacitating system users to ensure that there is quality and optimal use of the above transversal systems as it is its core business to do so.

The clean-up of system data in preparation for the eventual move to the IFMS has been a key focus area. In the 2019/20 financial year, the focus has been on assisting the 13 Provincial Departments with cleaning up of dated commitments, inventory, consumables and Item Control Number (ICN) reporting levels in preparation and readiness for the IFMS Project implementation. The Directorate has realised the importance of the system data and ensures that it produces reports that are custom made to assist departments with decision-making tools. To this end the Unit made strides in developing its internal capacity to focus and to re-organise itself to be able to support the data management function.

Strategic objectives:

Programme 3: ASSET MANAGEMENT						
Sub-programme 3.1: Programme Support						
Strategic objective		Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
12.	Percentage of Programme 3 - Asset Management's programme performance indicator targets achieved	100%* (13/13)	100%** (12/12)	100%** (12/12)	None	None

* Method of calculation 2018/19

Numerator: Number of achieved performance indicator targets (13)
Denominator: Number of planned performance indicator targets (13)

** Method of calculation 2019/20

Numerator: Number of achieved performance indicator targets (12)
Denominator: Number of planned performance indicator targets (12)

Performance indicators:

Sub-programme 3.1: Programme Support								
Programme performance indicator	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations	
12.1	Number of quarterly performance reports for Programme 3 - Asset Management submitted	4	4	4	4	4	None	None

Strategy to overcome areas of under performance

There are no areas of under performance.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 3: ASSET MANAGEMENT						
Sub-programme 3.2: Supply Chain Management						
Element: Supply Chain Management: Provincial Government						
Strategic objective	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations	
13.	Number of departments assisted to continuously improve governance, capacity and skill and performance within supply chain and moveable assets management	13	13	13	None	None

Performance indicators:

Sub-programme 3.2: Supply Chain Management								
Element: Supply Chain Management: Provincial Government								
Programme performance indicator		Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
13.1	Number of interventions performed to assist departments with the continuous improvements of their supply chain and asset management systems	Revised PI	31	22	16	17	1	One (1) additional intervention in respect of the issuance of Chapter 16A (supply chain management for goods and services) of the Provincial Treasury Instructions to departments and provincial public entities to align to the various SCM reforms.
13.2	Number of SCM/AM and SCM system assessment reports	Revised PI	169	108	108	108	None	None
13.3	Number of interventions for strategic sourcing implementation	4	3	1	1	1	None	None
13.4	Number of supplier engagement sessions held to develop and educate suppliers	19	16	11	5	10	5	Overachievement in respect of: <ul style="list-style-type: none"> One (1) supplier intervention session held in the Eden District as per request from two municipalities in the District on how to do business with government, to provide supplier database registration clarification as well as awareness in respect of the Provinces proposed catering strategy and its current Security Framework Agreement.

Sub-programme 3.2: Supply Chain Management							
Element: Supply Chain Management: Provincial Government							
Programme performance indicator	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
							<ul style="list-style-type: none"> Two (2) additional supplier interventions held in collaboration with the Department of Transport and Public Works: EPWP, as requested by the department, in Hout Bay and Khayelitsha for database registrations and to create awareness on how to do business with the Western Cape Government. Two (2) additional supplier interventions held in collaboration with the Department of Economic Development and Tourism and the second one in collaboration with Cape Agulhas Municipality as requested by the department & municipality for support in respect of supplier database registrations.

Strategy to overcome areas of under performance

There are no areas of under performance.

Changes to planned targets

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

Strategic objectives:

Programme 3: ASSET MANAGEMENT						
Sub-programme 3.2: Supply Chain Management						
Element: Supply Chain Management: Local Government						
Strategic objective		Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
14.	Number of municipalities assisted to improve management of supply chain and assets	30	30	30	None	None

Performance indicators:

Sub-programme 3.2: Supply Chain Management								
Element: Supply Chain Management: Local Government								
Programme performance indicator		Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
14.1	Number of municipal SCM and MAM Virtuous Cycle assessment reports	10	10	10	8	8	None	None
14.2	Number of Municipal Districts assisted with structured training interventions and capacity building	Revised PI	Revised PI	5	5	5	None	None
14.3	Number of Municipal Districts assisted with the improvement of risk and internal control for SCM	New PI	New PI	New PI	5	5	None	None
14.4	Number of Municipal Districts assisted with localisation of procurement	5	5	5	5	5	None	None

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

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

Strategic objectives:

Programme 3: ASSET MANAGEMENT						
Sub-programme 3.3: Supporting and Interlinked Financial Systems						
	Strategic objective	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
15.	Number of votes assisted to effectively utilise the suite of financial systems	13	13	13	None	None

Performance indicators:

Sub-programme 3.3: Supporting and Interlinked Financial Systems								
	Programme performance indicator	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
15.1	Number of votes provided with user account management service i.r.o. provincially operated financial systems	152	147	122	13	13	None	None
15.2	Number of votes assisted with the data maintenance planning and preparation i.r.o. all provincially operated financial systems for migration to the IFMS	Revised PI	Revised PI	13	13	13	None	None
15.3	Number of votes assisted in providing and analysing data	New PI	14	13	13	13	None	None

Strategy to overcome areas of under performance

There were no areas of under performance.

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	2019/20			2018/19		
	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	3 533	3 022	511	2 676	2 676	-
3.2 Supply Chain Management	34 308	34 191	117	24 865	24 624	241
3.3 Supporting and Interlinked Financial Systems	29 391	28 180	1 211	29 138	28 768	370
Total	67 232	65 393	1 839	56 679	56 068	611

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 strategic objectives for the financial year under review:

- To provide leadership, management and administrative support to Programme 4 - Financial Governance;
- To improve the understanding and application of accounting standards and financial reporting within municipalities;
- To improve the application of accounting practices in line with the reporting frameworks, provincial consolidated financial statements tabled and improved financial governance; and
- To develop, monitor and advise on norms and standards of corporate governance within municipalities and financial legislation in departments.

Strategic objectives, performance indicators, planned targets and actual achievements**Accounting Services**

The Local Government Accounting Directorate has met three (3) out of the four (4) planned targets. The key focus was to continue supporting municipalities in complying with the municipal standard chart of accounts (mSCOA) regulations and GRAP accounting standards. The Directorate provided support through the issuing of GRAP checklists and quality reviews

of annual financial statements received prior to it being submitted to the assurance providers for audit. The Directorate also provided GRAP training to municipal officials. The mSCOA support provided has also been integral to the municipalities in complying with the regulations. Most notable was the management of transversal contentious audit findings by key officials in treasury; this core team has now been established as the staple for all future transversal and contentious matters.

The Directorate Provincial Government Accounting and Compliance has met all its planned targets and exceeded the target for training by providing additional training for the 2019/20 financial year. The implementation of accounting frameworks based on the Modified Cash Standard for departments and the GRAP Standards for entities have been stable, yielding consistent audit outcomes. Provincial Treasury's consistency workshops with departments have proven to be effective and will continue. A key boon in the current year was massive strides in getting provinces to manage the condonation of irregular expenditure and closing in rapidly on the alternative dispute resolution mechanism, giving provinces more authority in dealing with local technical audit findings.

Provincial Treasury conducted governance engagements with departments, teaming up with National Treasury in the midyear engagements. Quarterly assessments were prepared and discussed by the SMS of PT with the departmental senior officials. These engagements focused on the Fiscal Strategy, SCM, Financial and Systems reform processes and the Province's ability to respond to these reforms. A co-created response plan that speaks to good financial governance with the respective departments on critical issues raised at the engagements was finalised and monitored for implementation.

Corporate Governance

The Directorate Corporate Governance achieved all its planned targets for the 2019/20 financial year.

This Directorate played an instrumental role in spearheading the Technical Integrated Municipal Engagements (TIME), which instilled a methodology of aligning provincial and local government financial policy, planning and implementation throughout the financial year on review to ensure dynamic and implementable support plans. These engagements involved Provincial Treasury, the Department of Local Government, Department of Environmental Affairs and Development Planning, select sector departments and municipalities. TIME was conducted during February of 2020.

The Directorate coordinated and supported municipalities with skills development and capacitation through the agreed integrated capacitation approach.

Support interventions were provided to municipalities on Enterprise Risk Management (ERM) as per the National Treasury risk frameworks, Internal Audit (IA) as per the Institute of Internal Auditors (IIA) standards and other guidelines, and audit committees.

Municipalities and departments were supported and assisted through support initiatives towards a dynamic and relevant financial legal framework that enables sound financial management and service delivery.

The Directorate continues to enhance the skills pipeline, which addresses the financial management competencies within departments, thereby improving on capacitation through the effective execution of the South African Institute of Chartered Accountant (SAICA), accredited training programme.

The Mayco members of finance/finance minister workshop is now another staple in the suite of support initiatives, enjoying the platform with municipal and departmental experts to ensure the municipal political oversight is appropriately informed in the areas of finance.

Strategic objectives:

PROGRAMME 4: FINANCIAL GOVERNANCE						
Sub-programme 4.1: Programme Support						
	Strategic objective	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
16.	Percentage of Programme 4 – Financial Governance’s programme performance indicator targets achieved	93%* 13/14	100%** 15/15	93%** 14/15	7%	PT 17.4 - Two (2) municipalities did not have audited AFS at the time when LGA prepared for the MTECs therefore they were unable to complete MTEC inputs for all 30 municipalities. It was a timing issue.

* Method of calculation 2018/19

Numerator: Number of achieved performance indicator targets (13)

Denominator: Number of planned performance indicator targets (14)

**Method of calculation 2019/20

Numerator: Number of achieved performance indicator targets (14)

Denominator: Number of planned performance indicator targets (15)

Performance indicators:

Sub-programme 4.1: Programme Support								
	Programme performance indicator	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
16.1	Number of quarterly performance reports for Programme 4 - Financial Governance submitted	4	4	4	4	4	None	None

Strategy to overcome areas of under performance

Based on the area of underperformance recorded above, a performance indicator in the LGA unit should be re-defined to ensure that it falls within the control of the unit and is based on the differentiated model for non-delegated municipalities.

Changes to planned targets

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

Strategic objectives:

Programme 4: FINANCIAL GOVERNANCE						
Sub-programme 4.2: Accounting Services						
Element: Local Government Accounting						
	Strategic objective	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
17.	Number of municipalities supported to comply with the GRAP standards	30	30	30	None	None

Performance indicators:

Sub-programme 4.2: Accounting Services								
Element: Local Government Accounting								
	Programme performance indicator	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
17.1	Number of Municipalities supported with the accounting reporting framework	30	30	30	30	30	None	None
17.2	Number of Reports submitted for TIME engagements	Revised PI	Revised PI	29	30	30	None	None

Sub-programme 4.2: Accounting Services								
Element: Local Government Accounting								
Programme performance indicator		Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
17.3	Number of municipalities monitored and supported with mSCOA implementation	New PI	New PI	30	30	30	None	None
17.4	Number of reports submitted for the MTEC engagements	New PI	30	Revised PI	30	28	2	Two (2) municipalities did not have audited AFS at the time when LGA prepared for the MTECs.

Strategy to overcome areas of under performance

The strategy employed for the two (2) municipalities that did not submit their annual financial statements was to still complete the task post the submission of their AFS to the assurance providers and have bilateral discussions with the leadership of the municipalities on what the key risks were. Going forward, whether or not a municipality submits their annual financial statements, we will use all available intelligence to inform our assessments, as this is an evolving process.

Changes to planned targets

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

Strategic objectives:

PROGRAMME 4: FINANCIAL GOVERNANCE						
Sub-programme 4.2: Accounting Services						
Element: Provincial Government Accounting and Compliance						
Strategic objective		Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
18.	Number of votes assisted to comply with financial accounting and governance norms and standards	14	14	14	None	None

Performance indicators:

Sub-programme 4.2: Accounting Services								
Element: Provincial Government Accounting and Compliance								
Programme performance indicator		Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
18.1	Number of votes assessed against the applicable accounting and norms and standards requirements	14	14	14	14	14	None	None
18.2	Number of accounting training interventions	5	6	6	6	7	1	Increased request for training which we then provided to service the needs of the departments
18.3	Timeous Publication and tabling of the ACFS	1 month after receipt of audited AFS	Audited ACFS tabled on 29 January 2018	1 month after receipt of audit report on the ACFS	1 month after receipt of audit report on the ACFS	Tabling occurred January 2020	None	The production and submission of the ACFS to parliament is the substantial deliverable, more so than the timing of the report.
18.4	Number of CGRO Cabinet submissions coordinated	4	4	4	4	4	None	None
18.5	Mid-year engagement with departments on their governance performance	New PI	Revised PI	Revised PI	1	1	None	None

Strategy to overcome areas of under performance

There were no areas of under performance.

Changes to planned targets

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

Strategic objectives:

Programme 4: FINANCIAL GOVERNANCE						
Sub-programme 4.3: Corporate Governance						
	Strategic objective	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
19	Number of municipalities assisted to improve corporate governance	30	30	30	None	None

Performance indicators:

Sub-programme 4.3: Corporate Governance								
	Programme performance indicator	Actual Achievement 2016/17	Actual Achievement 2017/18	Actual Achievement 2018/19	Planned target 2019/20	Actual Achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on deviations
19.1	Number of municipal support initiatives on municipal finance capacity building and training	10	10	10	10	10	None	None
19.2	Number of municipal TIME assessment reports	Revised PI	Revised PI	Revised PI	30	30	None	None
19.3	Number of municipal support initiatives on Governance, Risk and Control	12	12	12	12	12	None	None
19.4	Number of municipal and departmental support initiatives on financial legal frameworks and policies	Revised PI	Revised PI	Revised PI	4	4	None	None
19.5	Number of legislative scanning reports	Revised PI	Revised PI	Revised PI	4	4	None	None

Strategy to overcome areas of under performance

There were no areas of under performance.

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	2019/20			2018/19		
	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	8 885	8 822	63	9 710	9 388	322
4.2 Accounting Services	32 197	30 409	1 788	31 499	31 306	193
4.3 Corporate Governance	28 819	28 546	273	25 899	25 749	150
Total	69 901	67 777	2 124	67 108	66 443	665

5. TRANSFER PAYMENTS

5.1 Transfer payments to public entities

The Department has one public entity, namely the Western Cape Gambling and Racing Board (WCGRB). The WCGRB received R37.663 million from Provincial Treasury as a transfer payment.

Name of Public Entity	Services rendered by 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 and racing within the Province of the Western Cape	37 663	37 663	Regulate and oversight of the gambling industry in the Western Cape

Quarterly financial and non-financial monitoring processes have been institutionalised between the Ministry, Provincial Treasury 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 2019 to 31 March 2020.

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	37 576*	0	Many of the transfers have occurred during December and March 2020. The municipalities were in the process of completing the applications from the students in their local communities.
Departmental agencies and accounts	SABC TV licences	Yes	6	6	None
Households	Bursaries, leave gratuity and injury on duty	Yes	4 329	4 329	None
Gifts and donations	Best performing Previously Disadvantaged School & Essay writing competition as well as donation to deceased officials' family	Yes	302	302	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 of 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 2019 to 31 March 2020, but no transfer payments were made. These transfers were specifically designed to assist municipalities with the additional costs of implementing mSCOA.

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
Cederberg municipality	Western Cape Financial Management Support Grant	R330	R0*	Cederberg Municipality had not repaid the refund; therefore, the gazetted amount was not transferred.
Drakenstein municipality	Western Cape Financial Management Support Grant	R255	R0*	The signed MOA was not received from Drakenstein municipality, which is a requirement in the grant conditions.
Laingsburg municipality	Western Cape Financial Management Support Grant	R330	R0*	Due to non-adherence to MOA conditions of the previous grant, therefore Laingsburg municipality was not eligible for the current grant.
Overstrand municipality	Western Cape Financial Management Support Grant	R280	R0*	The signed MOA was not received from Overstrand municipality, which is a requirement in the grant conditions.
Theewaterskloof municipality	Western Cape Financial Management Support Grant	R330	R0*	The signed MOA was not received from Theewaterskloof municipality, which is a requirement in the grant conditions.

Note: * The amounts transferred (R37.576 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 241 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 Integrated Development Plan (IDP) and SDBIPs. ● Support municipalities during the implementation process relating to the Municipal Standard Chart of Accounts (mSCOA). ● Support to municipalities, in concert with Department of Local Government 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 Predetermined Objectives (PDOs). ● Improvement in Supply Chain Management 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)	R22.886
Amount transferred (R'000)	R21.361
Reasons if amount as per DoRA not transferred	<p>An amount of R1.525 million which relates to MSCOA related assistance was not transferred because:</p> <ul style="list-style-type: none"> ● Signed MOA's were not received from Drakenstein, Overstrand and Theewaterskloof municipality, which was a requirement i.t.o the grant conditions. Cederberg Municipality had not repaid the refund; therefore, the gazetted amount was not transferred. Due to non-adherence to MOA conditions of the previous grant, Laingsburg municipality was not eligible for the current grant.

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).

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 with progressive growth over the MTEF 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, infrastructure, or in areas that give effect to the priority outcomes of the Provincial Strategic Goal (PSG) (particularly PSG 5), National Outcomes 5, 9 and 12. ● 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"> ● R11.394 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)	R11.394
Amount transferred (R'000)	R11.394
Reasons if amount as per DoRA not transferred	None
Amount spent by the department/ municipality (R'000)	An amount of R11.394 million was transferred to municipalities as at 31 March 2020. The amount spent by the municipalities was not yet known as at 31 March 2020 as the first reporting requirement date in terms of the amount transferred is 31 July 2020.
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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Western Cape Municipal Financial Recovery Services Grant

Department/Municipality to whom the grant has been transferred	Kannaland municipality.
Purpose of the grant	To assist the Municipalities to perform its functions effectively, including the co-ordination and integrated functions and support related to improve on overall financial governance and financial sustainability within municipalities when there is a municipal intervention.
Expected outputs of the grant	<ul style="list-style-type: none"> ● Conduct mandatory and discretionary provincial interventions and support in terms of sections 139, 154 or 155 of the Constitution and Chapter 13 of the MFMA, relating to: <ul style="list-style-type: none"> - Progressive realisation of financial management capacity building objectives that will result in the improvement in the competency and skill of municipal financial officials within the Municipality towards sustainable municipal Budget and Treasury Office (BTO) capabilities; - Support municipalities during the implementation process relating to the Municipal Standard Chart of Accounts (mSCOA); - Improvement in 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 Supply Chain Management compliance and regulatory conformance. - Improvement in audit outcomes (financial and non-financial).
Actual outputs achieved	<ul style="list-style-type: none"> ● R4.821 million transferred to the Municipality to assist it with performing its functions effectively, to improve overall financial governance and financial sustainability as the Municipality is under section 139 (5) of a municipal intervention.
Amount per amended DoRA (R'000)	R4.821
Amount transferred (R'000)	R4.821
Reasons if amount as per DoRA not transferred	None
Amount spent by the department/ municipality (R'000)	An amount of R4.821 million was transferred to the Municipality as at 31 March 2020. The amount spent by the Municipality has not yet been determined as the first reporting requirement date in terms of the amount transferred is 30 September 2020.
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) as stipulated in the Financial Recovery Plan. ● Report progress in terms of Implementation of the Financial Recovery Plan and spending of funds at least every three months/quarterly as informed by section 147(1)(b) of the MFMA. ● Transfer funds to municipalities for the assistance with the implementation of the Financial Recovery Plan, MFMA and its supporting regulations related to intervention deliverables. ● Finalise and agree on business/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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6.2 Conditional grants and earmarked funds received

None.

7. DONOR FUNDS

7.1 Donor Funds Received

Provincial Treasury did not receive any donor funding during the reporting period.

8. CAPITAL INVESTMENTS

8.1 Capital investment, maintenance and asset management plan

The Department 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 the Department to submit an Immovable User Asset Management Plan (U-AMP). Two U-AMPs were submitted to TPW 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. The Infrastructure Directorate within Provincial Treasury assisted the relevant provincial departments in this regard.

All maintenance for the Department 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.

PART C

Governance

PART C: GOVERNANCE

1. INTRODUCTION

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

2. RISK MANAGEMENT

The Accounting Officer (AO) for the Provincial Treasury takes responsibility for implementing Enterprise Risk Management (ERM) in accordance with the National Treasury Public Sector Risk Management Framework (PSRMF) and the Directorate Enterprise Risk Management (D: ERM) in the Department of the Premier (DotP) provides a centralised service to the Department.

Enterprise Risk Management Committee Responsibility

The Enterprise Risk Management Committee (ERMCO) reports that it has complied with its responsibilities arising from Section 38 (1)(a)(i) of the Public Finance Management Act, Treasury Regulation 3.2.1 and Public Service Regulations of 2016, Chapter 2, Part 1, 2 and 3. The ERMCO also reports that it has adopted an appropriate formal Terms of Reference (approved by the ERMCO chairperson on 23 April 2019) and regulated its affairs in compliance with this Terms of Reference and has discharged all its responsibilities as contained therein.

Enterprise Risk Management Committee Members

The ERMCO comprises of selected members of the Department's senior management team. As per its Terms of Reference the ERMCO met 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)	2
Ms J Gantana	Acting DDG: Fiscal and Economic Services	3
Mr I Smith	Acting DDG: Governance and Asset Management	3
Mr A Phillips	CD: Public Policy Services	2
Ms R Slinger	Acting CD: Public Policy Services	2
Mr M Sigabi	Acting CD: Local Government Public Finance	2
Ms A Pick	Acting CD: Provincial Government Public Finance	3

Member	Position	No. of meetings attended
Ms N Ebrahim	Acting CD: Asset Management	3
Mr A Hardien	CD: Financial Governance and Accounting	3
Ms A Smit	CFO and Risk Champion	4
Ms N Ismail	Director: Strategic and Operational Management Support	2
Ms J Hendricks	Acting Director: Strategic and Operational Management Support	1
Ms V Coetzee	Acting Head of Office: Ministry	1
Ms C Green	Head of Office: Ministry	-

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

Other attendees	Position	No. of meetings attended
Ms A Haq	Director: ERM (DotP)	3
Ms G Solomons	Chief Risk Advisor: Enterprise Risk Management (DotP)	4
Mr Y Samodien	Risk Advisor: ERM (DotP)	4
Mr M Williams	Director: Internal Audit	3
Mr A Ahmed	Deputy Director: Internal Audit	2
Ms T Mmuoe	Director: Provincial Forensic services	1
Ms B Cebekhulu	Deputy Director: Provincial Forensic services	1

Enterprise Risk Management Committee Key Activities

The Accounting Officer is the chairperson of the ERMCO. In the execution of its function, the ERMCO performed the following key activities during the year:

- Evaluated the effectiveness of mitigating strategies to address the material risks of the Department;
- Reviewed all risks outside the tolerance levels for further action/attention;
- Reviewed and assisted in the identification of new and emerging risks within the Department;
- Assisted in the identification of departmental risks to be escalated to the Provincial Risk register;
- Reviewed the fraud and corruption prevention plan and its concomitant implementation plan; and
- Reviewed the implementation of the Emergency and Disaster Recovery Plan/ Business Continuity Plan and oversight of the risks relating to the Occupational Health and Safety (OHAS) requirements.

Key risks considered and addressed during the year

The following are key strategic risks for the Department that were reviewed on a quarterly basis, including assessing the mitigations in place:

- Constrained fiscal outlook due to the declining economic environment which impacted the budget allocations to departments. This risk is mitigated by the Provincial Budget Policy Committee reviewing budget proposals and the national Technical Committee on Finance that consults with the Department on funding allocations. This will continue to be an area of concern to the Provincial Treasury going forward, notwithstanding its continued commitment towards good financial accountability and resilience.
- Regression in SCM performance due to conflicting application and interpretation of National SCM Prescripts remains a key risk due to its impact on the audit outcomes of the Province as a whole. The Provincial Treasury is committed to finding amicable solutions between itself, the National Treasury and the Auditor-General in its endeavours to resolve interpretation and application issues.

Each programme's risks were deliberated/debated at the quarterly ERMCO meetings. Programme managers were required to provide feedback on progress with implementation of 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 Audit Committee provided independent oversight of the department's system of risk management. The Audit Committee was furnished with Quarterly ERM progress reports and risk registers to execute their independent oversight role.

Key emerging risks for the following financial year

The following are key emerging risks which needs to be considered in the next financial year:

- Maintaining fiscal stability, good governance and quality service delivery in a constrained economic environment with further pressures coming from responding to the COVID-19 pandemic; and
- Recovering and continuing the business of the Department during and after the COVID-19 pandemic.

Conclusion

At the beginning of the financial year, a number of critical risks that could potentially influence the operation of Provincial Treasury were identified. Due to the deliberations at ERMCO, the mitigation measures put in place, the tracking of the implementation of these measures allowed the Department to minimise these risks, and the Department was able to achieve its goals and objectives as set out in its Annual Performance Plan.

3. FRAUD AND CORRUPTION

Fraud and corruption represent significant potential risks to the Department's assets and can negatively impact on service delivery efficiency and the Department'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, the Department 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.

The Department has an approved Fraud and Corruption Prevention Plan and a concomitant 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 the Department and to generate statistics for the WCG and the Department.

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 the Department noting the following:

Cases	Number of cases
Open cases as at 1 April 2019	0
New cases (2019/20)	0
Closed cases (2019/20)	0
Referred (2019/20)	0
Open cases as at 31 March 2020	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 Public Service Regulations (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 Senior Management Services (SMS) members were completed and submitted to the Public Service Commission (PSC) and the Department of Public Administration (DPSA). The officials on salary level 11 and 12 as well as the officials within the Supply Chain Management, Management Accounting and Financial Accounting unit completed their financial disclosures for period 2018/19.

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

As per the Accounting Officers' System for Supply Chain and Movable Asset Management, it is expected that every official involved in supply chain management, to sign a Code of Conduct for Supply Chain Management Practitioners as issued by National Treasury. In addition, it is expected that every official will declare his/her interest each and every time he/she is involved with a procurement related matter, declare any business, commercial interest and financial interest or activities undertaken for financial gain that may raise a possible conflict of interest.

In addition, on a quarterly basis, Provincial Government Supply Chain Management informs the Accounting Officer of employees who has a registered supplier profile on the WCSD/CSD. During the reporting period, two potential conflicts were identified of which both were resolved by the Department.

The Ethics Committee (EC) of the Department guides and oversees ethics management within the Department by setting the standard, providing oversight and advice and ensuring integration and collaboration of various ethics-related functions.

The requirements of Chapter 2 of the PSR, 2016, are incorporated in the Fraud and Corruption Prevention Plan and Response Plan 2019/20 – 2020/21 of the Department.

No actual cases were identified during the reporting period by the Internal Control section or any external or internal audits.

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 Supply Chain Management Practitioners. All Bid Committee members and Supply Chain Management Practitioners are required to declare that they will abide by the Code of Conduct for Supply Chain Management 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 the Department'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 Occupational Health and Safety Act, 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.

The Department occupies parts of buildings of 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. The Department ensured that it remains as far as possible compliant to the Occupational Health and Safety Act and thus ensured statutory Section 16.1 and Section 16.2 appointments, maintained functional transversal (joint) and departmental Occupational Health and Safety Committees, having the necessary equipment and capacity. The well-trained OHS Representatives conduct regular inspections and deficiencies are reported to the building custodian. During the period under review, the approved Departmental Occupational Health and Safety Policy Statement was on display and was also accessible to all employees. Furthermore, the Occupational Health and Safety Representatives attended training during the year. The Departmental OHS structure contains an effective emergency evacuation team that consists of First Aiders, Fire Marshals and Floor Marshals. The Departmental OHS function coordinated successful emergency evacuation drills and consistent awareness messages are circulated to all employees on scheduled intervals.

7. ACCESS TO INFORMATION

During the 2019/20 financial year, the Department managed the request for information in terms of the Promotion of Access to Information Act, 2000. The Department submitted its section 32 report for the financial year to the Human Rights Commission and also submitted its section 15 automatically available information to the Minister of Justice and Constitutional

Development for publication in the Government Gazette. The Department's section 14 manual was also submitted to the Human Rights Commission and is available on the official website in all three official languages.

The Department continued to improve its physical and information security resilience through a review of the business impact analysis culminating in the formulation of a business continuity plan.

8. STANDING COMMITTEES

Date of Meeting	Committee	Subject	Response from Department
30 September 2019	Budget Committee	<p>The Department was requested to respond to recommendations made by the Budget Committee on regarding the following:</p> <ol style="list-style-type: none"> 1. A copy of the Gross Domestic Product (GDP) statistics for the fishing sector. 2. The total of the Expanded Public Works Programme (EPWP) workers (if any) that were employed for the maintenance of infrastructure which contributed to the 2.3 per cent increase of employment in the Construction Sector. 3. A report on all fraudulent cases at all municipalities, this should include the financial implications and the plan to recover these amounts: to be submitted by Ms Niezel Palmer 4. The brief report detailing the percentage that municipalities fund to poor and indigent households. 5. A brief report on the potential of renewable energy for the Karoo area. 	The Department briefed the Committee on 22 October 2019.
2 October 2019	Budget Committee	<p>The Committee requested that the Department submits the following:</p> <ol style="list-style-type: none"> 1. The list of all the regulations used in the Supply Chain Management Unit. 2. A copy of the submission that was submitted to National Treasury relating to the regulations that are hindering service delivery. 	The Department briefed the Committee on 11 October 2019.
18 October 2019	Standing Committee on Finance	The Standing Committee on Finance, Economic Opportunities and Tourism requested the Provincial Treasury to brief the Committee on the possible impact of the Special Appropriation Bill [BIO - 2019] on the Western Cape economy.	The Department briefed the Committee on 18 October 2019.

Date of Meeting	Committee	Subject	Response from Department
1 November 2019	Standing Committee on Finance	The Committee requested that the Department submits the following: <ol style="list-style-type: none"> 1. A list of the challenges the Department experiences within the SCM space, as engaged with National Treasury; 2. A status report on the Provincial Public Private Partnerships indicated on page 18 of the Department's Annual Report; and 3. A report on the nature of the grievances lodged as per Table 3.12.4 of the Department's Annual Report. 	The Department briefed the Committee on 24 January 2020.
12 March 2020	Standing Committee on Finance	The Department was requested to respond to the recommendation made by the Standing Committee on Finance regarding the following: <ol style="list-style-type: none"> 1. Provincial Treasury should brief the Standing Committee on the new Grant Framework, once the review is completed at the end of August 2020. 2. The Committee also requested that the Provincial Treasury provide the Committee with a list of land to be released for spatial planning (of which R56 million was allocated by the Provincial Treasury), and what this land would be used for. 	The Department awaits the invitation from the committee. The Department submitted the response on 21 April 2020.

9. PUBLIC ACCOUNTS COMMITTEE (PAC) RESOLUTIONS

The PAC considered, as part of its oversight role, the 2018/19 Annual Report of the Department and noted the audit opinion of the AGSA regarding the annual financial statements for the 2018/19 financial year of the Department, having obtained an unqualified audit report with no findings on pre-determined objectives. The audit opinion remains unchanged from the 2017/18. The Committee made the following resolution:

Background	Resolution	Department Response
Page: 4 of the briefing document of the Auditor-General to the PAC. Heading: "5.1: Risks that require continuous monitoring (Local Content)"	That the Department, National Treasury and a municipality from the Western Cape brief the Committee on the challenges in terms of the implementation of the local content requirement, including providing guidance on the best way forward on successfully addressing this risk for all future years.	The Department awaits the invitation in order to brief the Committee.

Background	Resolution	Department Response
<p>Description: The Committee notes that according to the Department of Trade and Industry, the local content of a product is the tender price less the value of imported content, expressed as a percentage. It is, therefore, necessary to first compute the imported value of a product to determine the local content of a product.</p> <p>The categories of content are indicated hereunder as follows:</p> <ul style="list-style-type: none"> ● Imported Content; and ● Local Content. <p>Local Content is local value added in South Africa by South African resources. Where a tender response contains a combination of local and imported goods and/or services, the tender price must be separated into its local and imported components. The bidder will be contractually required to maintain records to certify imported content, for example, invoice of materials, expenditure records and income statements. There is an increase in the drive from National as well as provincial governments to promote local content. Within the South African context, the purchase of local content is seen as the preferred preference, as it stimulates the growth of the South African economy.</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 the Provincial Treasury performed the following tasks during the year under review:

- Conducted inspections on Inventory within Supply Chain Management and Occupational Health and Safety within Strategic and Operational Management Support.
- Submitted the monthly report on all payments, which were not paid within 30 days to the PFMA Compliance Unit for the financial year.
- Provided the support functions to the Provincial Forensic Services Unit (PFS) that included awareness sessions with officials and assisted PFS to update the fraud risk register.
- Loss management investigations of Losses, Irregular Expenditure, Fruitless and Wasteful Expenditure and Government Garage (GG) vehicles were maintained and driven as a priority area. The Irregular and Fruitless & Wasteful expenditure was updated in line with the guidelines as issued by National Treasury.
- The Unit embarked on the process by facilitating the updates of the Financial Manual.
- Performed post-auditing functions on the BAS and LOGIS payments, and Travel and Subsistence (T&S) claims, which ensured that payments were in accordance with prescripts that improved standards of financial administration for audit purposes. Deviations were reported quarterly to the respective units. The post-auditing database was also reviewed and updated by including the changes that was issued.
- 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 pursued them further in liaison with the relevant managers where after feedback was provided to the CFO, AO and Audit Committee.
- Facilitated the process for the 2019 CGRO by ensuring the responsible officials completed their sections and submitted to PT: PG Accounting. Updated the Corporate Governance Review and Outlook (CGRO) database on a quarterly basis that was presented at several fora.
- AGSA implemented a new key controls document to the Department, namely Status of Records Review. The Department, with the assistance of AGSA, performed reviews on the General Procedures, Financial Management, Performance Management, Performance and Contract Management, Compliance and Resource Management. The report was submitted to the CFO and AO. Furthermore, the report was presented at several fora.

- Provided the following secretariat functions to the ERMCO:
 - Compiling the minutes for the ERMCO meeting for each quarter;
 - Ensured that the Operational Risk Register and Strategic Risk Register were updated and signed off by the relevant SMS member and the AO;
 - Ensured that the Enterprise Risk Management Policy was updated and issued;
 - Ensured that the terms of reference of ERMCO was updated and issued; and
 - Ensured that the Enterprise Risk Management Strategy and Implementation Plan was updated and issued.
- Quarterly submission of the In-Year Monitoring (IYM) report, Status of Records Review, Tracking sheet, Quarterly Performance Report (QPR) and CGRO documents to the Government and Administration (G&A) 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 should assist 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;
- 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 Provincial Treasury included four assurance audits, one consulting engagement and six 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 (Auditor-General of South Africa - 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 *	BProc; BCompt (Hons); CTA; Postgrad Diploma in 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)	N/A	5
Mr Jeremy Fairbairn **	Certificate in General Management and Consultancy; Hons BCom (Bus. Management); BCom (Hons.); Higher Diploma in Education; BCom (Law)	External	N/A	01 January 2017 (1 st term)	N/A	5
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	1

* Chairperson

** First term ended 31 December 2019. Only served one term

13. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2020.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1)(a)(ii) of the Public Finance Management Act and National Treasury Regulation 3.1. The Audit Committee also reports that it has adopted appropriate formal Terms of Reference, has regulated its affairs in compliance with these Terms 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, to adapt to changes in the environment it operates in and to promote efficiency and effectiveness of operations, supports 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 of 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 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 are adequate and effective. This is achieved by an approved risk-based internal audit plan, Internal Audit assessing the adequacy 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;
- ICT Change Navigation;
- Provincial Government Accounting: Interim (IFS) and Annual Financial Statements (AFS); and
- Transfer Payments.

Consulting Engagements:

- Inventory and Consumables.

The above assignments were completed during the year.

The areas for improvement, as noted by Internal Audit during 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 Accounting Officer 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 Auditor-General South Africa (AGSA) and the Accounting Officer;
- 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.

Provincial Forensics Services

The Provincial Forensic Services (PFS) presented us with reports. The Audit Committee monitors the progress of the PFS reports 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 Provincial Treasury for maintaining an unqualified audit opinion with no findings.



Mr Francois Barnard

Chairperson of the Governance & Administration Cluster Audit Committee

Western Cape Provincial Treasury

12 October 2020

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, the Provincial Treasury 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 Provincial Treasury Instructions (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);

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"> ● 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 ● implement regional indicators to target local suppliers using the e-procurement system and simultaneously consider the rotation of suppliers. ● The development and implementation of an Economic Procurement Policy, in partnership with the Departments of Economic Development and Tourism and the Department of the Premier, that is aligned to Provincial Strategic Goal 1 (which covers job creation and infrastructure development) and is aligned to the Medium-Term Budget Policy Statement. The EPP has been drafted and finalised for implementation. ● The development and implementation of a broader economic transformation policy that seeks to: <ul style="list-style-type: none"> ● 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 the Provincial Treasury has implemented a transversal security framework agreement in keeping with this for the Province.

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"> ● 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	

PART D

Human Resource Management

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

Our contribution to the work of the Western Cape Government is as a result of the persistent, and often selfless, efforts of the people within the Provincial Treasury.

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. Further to this, the Department 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 attitudes to perform the work. Through this process the Department 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 the Department’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 during March/April 2019 to ensure that the Workforce Strategies and key activities remain valid and appropriate to ensure that the Department will meet its strategic mandate for the duration of the period (2016/17 – 2020/21).

The top management agreed that a new Workforce Plan was not required and opted to amend the action plan (Section 8) as follows:

WFP Objectives	Priority	Key activity
To develop and embed a vision-led, values and performance driven organisation	1. Culture and Ethics	Implement the Culture Journey Strategic Framework
To bring about a talent driven organisation through a world-class people management value chain	2. Leadership Development, Career Development, Succession Planning and Retention	Design and implement a Leadership Development Strategy across all occupational levels – linked to the WCG Leadership Philosophy – “People aligned with purpose and connected by integrity”
To bring about a talent driven organisation through a world-class people management value chain	3. Transformation, including Employment Equity and Diversity Management	Develop and implement an EE Implementation Framework
To develop and embed a vision-led, values and performance driven organisation	4. Employee Health and Wellness	Implementation of Employee Health and Wellness Operational Plans for the four pillars of the Government’s Employee Health and Wellness Strategic Framework for the Public Service
To design and implement a workplace which allows people to be the best they can and want to be	5. Organisational Structure	Referencing the SDM, review the current functional capacity (process, lateral design mechanisms, systems and structure) and identify the areas of optimisation
To bring about a talent driven organisation through a world-class people management value chain	6. Recruitment and Selection	Develop a Recruitment Planning Toolkit with timeframes to prioritise the filling of SMS posts and critical/key posts and include innovative ways to attract and retain employees in key positions

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 administration process, the Western Cape Government 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 (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 Employee Health and Wellness Programme (EHW) follows a holistic approach to employee well-being and is largely preventative in nature, offering both primary and secondary services.

The EHW Programme is monitored in the Department 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 Corporate Service Centre (CSC) that provides a trend analysis of utilisation, risk identification and its impact on productivity. Furthermore, on-going reporting to the Department of Public Service and Administration (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

The Department, 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 the Department 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, employment equity etcetera.

3. PEOPLE MANAGEMENT OVERSIGHT STATISTICS

3.1 Personnel related expenditure

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

The figures in Table 3.1.1 are drawn from the Basic Accounting System 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, 2019/20

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	58 257	37 518	9 231	12 358	64.4	257	146
Programme 2	137 338	72 364	254	13 769	52.7	603	120
Programme 3	65 393	40 671	211	24 318	62.2	557	73
Programme 4	67 777	35 252	3 296	7 110	52.0	511	69
Total	328 765	185 805	12 992	57 555	56.5	455	408

Note: The number of employees refers to all individuals remunerated during the reporting period, including interns, but excluding the Minister. The number is accumulative and not a snapshot as at a specific date.

Table 3.1.2 Personnel expenditure by salary band, 2019/20

Salary bands	Personnel Expenditure (R'000)	% of total personnel expenditure	Average personnel expenditure per employee (R'000)	Number of Employees
Interns	1 703	0.9	33	52
Lower skilled (Levels 1 - 2)	335	0.2	112	3
Skilled (Levels 3 - 5)	11 087	6.0	202	55
Highly skilled production (Levels 6 - 8)	18 108	9.8	323	56
Highly skilled supervision (Levels 9 - 12)	125 219	67.7	577	217
Senior management (Levels 13 - 16)	28 618	15.5	1 145	25
Total	185 070	100.0	454	408

Note: The number of employees refers to all individuals remunerated during the reporting period, including interns, but excluding the Minister. The number is accumulative 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, 2019/20

Programme	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	25 271	13.7	89	0.0	585	0.3	1 393	0.8
Programme 2	51 421	27.8	578	0.3	886	0.5	2 025	1.1
Programme 3	28 969	15.7	0	0.0	925	0.5	1 724	0.9
Programme 4	26 505	14.3	2	0.0	496	0.3	1 002	0.5
Total	132 166	71.4	669	0.4	2 892	1.6	6 144	3.3

Table 3.1.4 Salaries, Overtime, Housing Allowance and Medical Assistance by salary band, 2019/20

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	1 673	0.9	0	0.0	-	-	-	-
Lower skilled (Levels 1 - 2)	234	0.1	2	0.0	-	-	43	0.0
Skilled (Levels 3 - 5)	7 965	4.3	29	0.0	183	0.1	328	0.2
Highly skilled production (Levels 6 - 8)	13 038	7.0	102	0.1	594	0.3	1 290	0.7
Highly skilled supervision (Levels 9 - 12)	91 137	49.2	526	0.3	1 857	1.0	4 287	2.3
Senior management (Levels 13 - 16)	18 118	9.8	10*	0.0	259	0.1	195	0.1
Total	132 166	71.4	669	0.4	2 892	1.6	6 144	3.3

*Note: The overtime at SMS level is as a result of overtime worked by an employee during the financial year subsequent to a promotion to SMS level.

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 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 2020

Programme	Number of active posts	Number of posts filled	Vacancy rate %
Programme 1	72	72	-
Programme 2	109	105	3.7
Programme 3	69	68	1.4
Programme 4	62	61	1.6
Total	312	306	1.9

Table 3.2.2 Employment and vacancies by salary band, as at 31 March 2020

Salary Band	Number of active posts	Number of posts filled	Vacancy rate %
Lower skilled (Levels 1 - 2)	3	3	-
Skilled (Levels 3 - 5)	34	34	-
Highly skilled production (Levels 6 - 8)	56	56	-
Highly skilled supervision (Levels 9 - 12)	197	193	2.0
Senior management (Levels 13 - 16)	22	20	9.1
Total	312	306	1.9

Table 3.2.3 Employment and vacancies by critical occupation, as at 31 March 2020

Critical Occupations	Number of active posts	Number of posts filled	Vacancy rate %
Cash Management Analyst (LG)	5	4	20.0
Economist	18	18	-
Expenditure Analyst (PG)	10	10	-
Financial Analyst	16	16	-
Infrastructure Analyst	8	8	-
Procurement Specialist / Analyst	25	25	-
Revenue and Expenditure Analyst (LG)	15	15	-
State Accountant	3	3	-
Total	100	99	1.0

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 Job evaluation, 1 April 2019 to 31 March 2020

Salary Band	Total number of posts as at 31 March 2020	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
Skilled (Levels 3 - 5)	34	3	1.0	0	0.0	0	0.0
Highly skilled production (Levels 6 - 8)	56	15	4.8	0	0.0	0	0.0
Highly skilled supervision (Levels 9 - 12)	197	3	1.0	0	0.0	0	0.0
Senior Management Service Band A (Level 13)	15	1	0.3	0	0.0	0	0.0
Senior Management Service Band B (Level 14)	4	0	0.0	0	0.0	0	0.0
Senior Management Service Band C (Level 15)	2	1	0.3	0	0.0	0	0.0
Senior Management Service Band D (Level 16)	1	1	0.3	0	0.0	0	0.0
Total	312	24	7.7	0	0.0	0	0.0

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

Posts have been upgraded or downgraded in this financial year as a result of national benchmarking / job evaluation processes which have taken place during previous financial years and implemented during the period under review.

Table 3.3.2 Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2019 to 31 March 2020

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 2019 to 31 March 2020

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 2019 to 31 March 2020

Beneficiaries	African	Coloured	Indian	White	Total
None					

3.4 Employment changes

Turnover rates provide an indication of trends in the employment profile of the Department 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 2019 to 31 March 2020

Salary Band	Number of employees as at 31 March 2019	Turnover rate % 2018/19	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate % 2019/20
Lower skilled (Levels 1 - 2)	4	0.0	0	0	1	0	25.0
Skilled (Levels 3 - 5)	42	36.4	11	1	22	1	54.8
Highly skilled production (Levels 6 - 8)	50	22.9	11	0	3	2	10.0
Highly skilled supervision (Levels 9 - 12)	184	10.3	31	0	19	5	13.0
Senior Management Service Band A (Level 13)	15	6.7	2	0	3	0	20.0
Senior Management Service Band B (Level 14)	3	25.0	0	1	0	0	0.0
Senior Management Service Band C (Level 15)	1	0.0	0	0	1	0	100.0
Senior Management Service Band D (Level 16)	1	0.0	1	0	1	0	100.0
Total	300	15.3	56	2	50	8	19.3
			58		58		

Note: "Transfers" refer to the lateral movement of employees from one Public Service Department to another (Both Provincially & Nationally).

Table 3.4.2 Annual turnover rates by critical occupation, 1 April 2019 to 31 March 2020

Critical Occupation	Number of employees as at 31 March 2019	Turnover rate % 2018/19	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate % 2019/20
Cash Management Analyst (LG)	3	0.0	0	0	0	0	0.0
Economist	19	5.6	1	0	1	0	5.3
Expenditure Analyst (PG)	10	0.0	1	0	1	0	10.0
Financial Analyst	16	0.0	0	0	0	0	0.0
Infrastructure Analyst	7	12.5	1	0	0	0	0.0
Procurement Specialist/Analyst	21	27.8	4	0	2	0	9.5
Revenue and Expenditure Analyst (LG)	13	18.8	7	0	5	0	38.5
State Accountant	3	0.0	0	0	0	0	0.0
Total	92	10.9	14	0	9	0	9.8
			14		9		

Table 3.4.3 Staff leaving the employ of the Department, 1 April 2019 to 31 March 2020

Exit Category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2019
Death	1	1.7	0.3
Resignation*	23	39.7	7.7
Expiry of contract	18	31.0	6.0
Dismissal – operational changes	0	0.0	0.0
Dismissal – misconduct	0	0.0	0.0
Dismissal – inefficiency	0	0.0	0.0
Discharged due to ill-health	0	0.0	0.0
Retirement	5	8.6	1.7
Employee initiated severance package	0	0.0	0.0
Transfers to Statutory Body	0	0.0	0.0
Transfers to other Public Service departments	8	13.8	2.7
Promotion to another WCG Department	3	5.2	1.0
Total	58	100.0	19.3

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 2019 to 31 March 2020

Resignation Reasons	Number	% of total resignations
Better remuneration	2	8.7
Health related	1	4.3
Insufficient progression possibilities	4	17.4
No reason provided	9	39.1
Other occupation	6	26.1
Need for a career change	1	4.3
Total	23	100.0

Table 3.4.5 Different age groups of staff who resigned, 1 April 2019 to 31 March 2020

Age group	Number	% of total resignations
Ages <19	0	0.0
Ages 20 to 24	1	4.3
Ages 25 to 29	5	21.7
Ages 30 to 34	7	30.4
Ages 35 to 39	5	21.7
Ages 40 to 44	2	8.7
Ages 45 to 49	2	8.7
Ages 50 to 54	1	4.3
Ages 55 to 59	0	0.0
Ages 60 to 64	0	0.0
Ages 65 >	0	0.0
Total	23	100.0

Table 3.4.6 Employee initiated severance packages

Total number of employee initiated severance packages offered in 2019/20	None
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Table 3.4.7 Promotions by salary band, 1 April 2019 to 31 March 2020

Salary Band	Number of Employees as at 31 March 2019	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)	4	0	0.0	1	25.0
Skilled (Levels 3 - 5)	42	0	0.0	19	45.2
Highly skilled production (Levels 6 - 8)	50	1	2.0	28	56.0
Highly skilled supervision (Levels 9 - 12)	184	8	4.3	108	58.7
Senior management (Levels 13 - 16)	20	1	5.0	11	55.0
Total	300	10	3.3	167	55.7

Note: Promotions reflect the salary level of an employee after he/she was promoted.

Table 3.4.8 Promotions by critical occupation, 1 April 2019 to 31 March 2020

Critical Occupation	Number of Employees as at 31 March 2019	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)	3	0	0.0	4	*133.3
Economist	19	0	0.0	14	73.7
Expenditure Analyst (PG)	10	0	0.0	7	70.0
Financial Analyst	16	1	6.3	12	75.0
Infrastructure Analyst	7	0	0.0	7	100.0
Procurement Specialist/ Analyst	21	0	0.0	12	57.1
Revenue and Expenditure Analyst (LG)	13	2	15.4	6	46.2
State Accountant	3	0	0.0	3	100.0
Total	92	3	3.3	65	70.7

Note: Promotions reflect the salary level of an employee after he/she was promoted.

*One internal movement of an employee to a Cash Management Analyst during the period under review resulted in more employees at the end of the current review period than the previous.

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 2020

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)	3	5	0	2	0	5	1	2	1	0	19
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	19	53	1	17	31	61	1	10	0	0	193
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	8	5	0	0	12	20	0	7	0	0	52
Semi - skilled and discretionary decision-making (Levels 3 - 5)	7	10	0	1	7	14	0	0	0	0	39
Unskilled and defined decision-making (Levels 1 - 2)	1	1	0	0	0	0	0	0	0	0	2

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Total	38	74	1	21	50	100	2	19	1	0	306
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	38	74	1	21	50	100	2	19	1	0	306

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 2020

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	1	0	1	0	0	0	1	0	0	5
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
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	1	0	1	0	0	0	2	0	0	6
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	2	1	0	1	0	0	0	2	0	0	6

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 2019 to 31 March 2020

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	1	0	0	0	1	0	1	0	0	3
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	5	15	0	3	4	2	0	2	0	0	31
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	3	1	0	0	4	2	0	1	0	0	11
Semi-skilled and discretionary decision-making (Levels 3 - 5)	1	4	0	0	3	4	0	0	0	0	12
Unskilled and defined decision-making (Levels 1 - 2)	0	0	0	0	0	0	0	0	0	0	0
Total	9	21	0	4	11	9	0	4	0	0	58
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	9	21	0	4	11	9	0	4	0	0	58

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 2019 to 31 March 2020

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	0	0	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	1	2	0	0	3	2	0	0	0	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	1	0	0	0	0	0	0	0	0	0	1
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	3	2	0	0	3	2	0	0	0	0	10
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	3	2	0	0	3	2	0	0	0	0	10

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, as per Table 3.4.7.

Table 3.5.5 Terminations, 1 April 2019 to 31 March 2020

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	0	1	1	0	0	0	0	0	0	0	2
Senior management (Levels 13 - 14)	0	1	1	1	0	0	0	0	0	0	3
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	4	8	1	1	3	6	0	1	0	0	24
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	1	1	0	0	0	3	0	0	0	0	5
Semi-skilled and discretionary decision-making (Levels 3 - 5)	6	2	0	0	8	7	0	0	0	0	23
Unskilled and defined decision-making (Levels 1 - 2)	0	0	0	0	0	1	0	0	0	0	1
Total	11	13	3	2	11	17	0	1	0	0	58
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
Grand total	11	13	3	2	11	17	0	1	0	0	58

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 2019 to 31 March 2020

Disciplinary actions	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Employee resigned during disciplinary hearing	0	0	0	0	1	0	0	0	0	0	1
Suspension without a Salary and a Final Written Warning	2	0	0	0	0	0	0	0	0	0	2
Total	2	0	0	0	1	0	0	0	0	0	3
Temporary Employees	0	0	0	0	0	0	0	0	0	0	0
Grand Total	2	0	0	0	1	0	0	0	0	0	3

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 2019 to 31 March 2020

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15 - 16)	0	0	1	0	0	0	0	0	1
Senior management (Levels 13 - 14)	2	0	0	0	0	1	0	1	4
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	16	26	2	3	19	33	0	4	103
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	1	6	0	0	5	7	0	2	21
Semi-skilled and discretionary decision-making (Levels 3 - 5)	8	8	0	0	4	8	0	0	28
Unskilled and defined decision-making (Levels 1 - 2)	1	1	0	0	0	0	0	0	2
Total	28	41	3	3	28	49	0	7	159
Temporary employees	0	0	0	0	0	0	0	0	0
Grand total	28	41	3	3	28	49	0	7	159

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 2019

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	1	1	100.0
Salary Level 14	4	3	3	100.0
Salary Level 13	16	15	15	100.0
Total	23	20	20	100.0

Note: This table refers to employees who are appointed as Senior Management Service (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.

Table 3.6.2 Reasons for not having concluded Performance Agreements with all SMS Members on 31 May 2019

Reasons for not concluding Performance Agreements with all SMS
Not applicable

Table 3.6.3 Disciplinary steps taken against SMS Members for not having concluded Performance Agreements on 31 May 2019

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 of 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 2019

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	2	1	50.0	1	50.0
Salary Level 15	2	1	50.0	1	50.0
Salary Level 14	5	3	60.0	2	40.0
Salary Level 13	16	15	93.8	1	6.3
Total	25	20	80.0	5	20.0

Note: This table refers to employees who are appointed as Senior Management Service (SMS) members only. Employees who are remunerated higher than a SL12, but who are not SMS members have been excluded. The SMS level category, Head of Department reflects two such active posts, due to the redeployment of the Head of Department until the end of his contract, which expired on 31 December 2019.

Table 3.7.2 SMS posts information, as at 31 March 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	0	0	2	100.0
Salary Level 14	4	4	100.0	0	-
Salary Level 13	15	15	100.0	0	-
Total	22	20	90.9	2	9.1

Note: This table refers to employees who are appointed as Senior Management Service (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 2020

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	1	0	1
Salary Level 15	2	0	0
Salary Level 14	2	1	0
Salary Level 13	2	3	0
Total	7	4	1

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 (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 2019 to 31 March 2020

Salary Band	Employees as at 31 March 2019	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1 - 2)	4	1	25.0
Skilled (Levels 3 - 5)	42	19	45.2
Highly skilled production (Levels 6 - 8)	50	28	56.0
Highly skilled supervision (Levels 9 - 12)	184	108	58.7
Senior management (Levels 13 - 16)	20	11	55.0
Total	300	167	55.7

Table 3.8.2 Notch progressions by critical occupation, 1 April 2019 to 31 March 2020

Critical Occupations	Employees as at 31 March 2019	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Cash Management Analyst (LG)	3	4	*133.3
Economist	19	14	73.7
Expenditure Analyst (PG)	10	7	70.0
Financial Analyst	16	12	75.0
Infrastructure Analyst	7	7	100.0
Procurement Specialist/ Analyst	21	12	57.1
Revenue and Expenditure Analyst (LG)	13	6	46.2
State Accountant	3	3	100.0
Total	92	65	70.7

*Note: One internal movement of an employee to a Cash Management Analyst during the period under review resulted in more employees at the end of the current review period than the previous.

To encourage good performance, the Department has granted the following performance rewards to employees for the performance period 2018/19, but paid in the financial year 2019/2020. 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 2019 to 31 March 2020

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2019	% of total within group	Cost (R'000)	Average cost per beneficiary (R)
African	20	87	23.0	134	6 713
Male	9	38	23.7	60	6 667
Female	11	49	22.4	74	6 751
Coloured	71	170	41.8	534	7 521
Male	24	64	37.5	176	7 343
Female	47	106	44.3	358	7 611
Indian	2	6	33.3	20	10 069
Male	1	4	25.0	4	3 616
Female	1	2	50.0	17	16 521
White	19	33	57.6	176	9 278
Male	8	19	42.1	93	11 682
Female	11	14	78.6	83	7 530
Employees with a disability	2	4	50.0	11	5 282
Total	114	300	38.0	875	7 677

Table 3.8.4 Performance rewards (cash bonus), by salary bands for personnel below Senior Management Service level, 1 April 2019 to 31 March 2020

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2019	% 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)	1	4	25.0	1	965	0.0
Skilled (Levels 3 - 5)	8	42	19.0	19	2 340	0.0
Highly skilled production (Levels 6 - 8)	21	50	42.0	106	5 027	0.1
Highly skilled supervision (Levels 9 - 12)	84	184	45.7	750	8 928	0.5
Total	114	280	40.7	876	7 677	0.6

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 2019 to 31 March 2020

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2019	% 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	3	0.0	0	0	0.0
Senior Management Service Band C (Level 15)	0	1	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 2019 to 31 March 2020

Critical Occupation	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2019	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of total personnel expenditure
Cash Management Analyst (LG)	4	3	*133.3	27	6 808	0.0
Economist	7	19	36.8	142	20 330	0.1
Expenditure Analyst (PG)	5	10	50.0	45	8 943	0.0
Financial Analyst	8	16	50.0	85	10 632	0.1
Infrastructure Analyst	4	7	57.1	25	6 354	0.0
Procurement Specialist/Analyst	11	21	52.4	86	7 780	0.1
Revenue and Expenditure Analyst (LG)	5	13	38.5	35	6 918	0.0
State Accountant	2	3	66.7	12	6 085	0.0
Total	46	92	50.0	457	9 937	0.3

*Note: One internal movement of an employee to a Cash Management Analyst during the period under review resulted in more employees at the end of the current review period than the previous.

3.9 Foreign workers

The tables below summarise the employment of foreign nationals in the Department 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 2019 to 31 March 2020

Salary Band	1 April 2019		31 March 2020		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 2019 to 31 March 2020

Major Occupation	1 April 2019		31 March 2020		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 2019 to 31 December 2019

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 2019 to 31 December 2019

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	213	55.4	52	89	58.4	4	99
Lower skilled (Levels 1 - 2)	25	88.0	3	3	100.0	8	10
Skilled (Levels 3 - 5)	322	79.2	37	42	88.1	9	217
Highly skilled production (Levels 6 - 8)	522	79.1	45	52	86.5	12	582
Highly skilled supervision (Levels 9 - 12)	1 915	76.3	185	206	89.8	10	3 573
Senior management (Levels 13 - 16)	100	81.0	15	24	62.5	7	339
Total	3 097	75.9	337	416	81.0	9	4 820

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 2019 to 31 December 2019

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	121	100.0	1	89	1.1	121	48
Lower skilled (Levels 1 - 2)	0	0.0	0	3	0.0	0	0
Skilled (Levels 3 - 5)	25	100.0	2	42	4.8	13	17
Highly skilled production (Levels 6 - 8)	40	100.0	1	52	1.9	40	52
Highly skilled supervision (Levels 9 - 12)	52	100.0	2	206	1.0	26	89
Senior management (Levels 13 - 16)	0	0.0	0	24	0.0	0	0
Total	238	100.0	6	416	1.4	40	206

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 2019 to 31 December 2019

Salary Band	Total days taken	Total number employees using annual leave	Average number of days taken per employee
Interns	768	75	10
Lower skilled (Levels 1 - 2)	57	3	19
Skilled (Levels 3 - 5)	752	42	18
Highly skilled production (Levels 6 - 8)	1 076	52	21
Highly skilled supervision (Levels 9 - 12)	4 653	208	22
Senior management (Levels 13 - 16)	450	23	20
Total	7 756	403	19

Table 3.10.4 Capped leave, 1 January 2019 to 31 December 2019

Salary Band	Total capped leave available as at 31 Dec 2018	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 2019	Total capped leave available as at 31 Dec 2019
Lower skilled (Levels 1 - 2)	0	0	0	0	0	0
Skilled (Levels 3 - 5)	100	0	0	0	1	99
Highly skilled production (Levels 6 - 8)	115	1	1	1	9	86
Highly skilled supervision (Levels 9 - 12)	1 694	148	5	30	31	1 508
Senior management (Levels 13 - 16)	389	0	0	0	5	465
Total	2 298	149	6	25	46	2 159

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 2019 to 31 March 2020

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee (R)
Leave pay-outs during 2019/20 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service	1 350	4	337 580
Current leave pay-outs on termination of service	846	44	19 235
Total	2 196	48	45 763

3.11 Health Promotion Programmes, including HIV and AIDS

Table 3.11.1 Steps taken to reduce the risk of occupational exposure, 1 April 2019 to 31 March 2020

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 the Department'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>HIV & AIDS Counselling and Testing (HCT) and Wellness screenings were conducted in general. 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 2019 to 31 March 2020

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 Maria van der Merwe, Acting Director: 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 Corporate Services Centre (CSC) within the Department of the Premier provides a transversal service to the eleven (11) departments, including Provincial Treasury.</p> <p>A designated Employee Health and Wellness 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: R2.65 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 Department of the Premier has entered into a service level agreement with ICAS until 31 January 2020 and thereafter Metropolitan Health from 1 February 2020. These external service providers rendered an Employee Health and Wellness Service to the eleven (11) departments of the Corporate Services Centre (CSC).</p> <p>The following interventions were conducted: Financial Management, Identifying an Employee in Crisis, Mental Health Awareness, Retirement Planning, Disability and Mental Health, Diversity Management, Happy and Healthy Living, Emotional Impact Assessment sessions, TB Awareness session, TB Screening, Employee Information session (EHW Services), HCT and Wellness Screening and conducted a Mental Health Survey.</p> <p>These interventions are based on 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; 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 Employee Health and Wellness (EHW) Programme. Promotional material such as pamphlets, posters and brochures were distributed.</p>

Question	Yes	No	Details, if yes
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.	✓		The Provincial Employee Health and Wellness Steering Committee has been established with members nominated by each department. Provincial Treasury is represented by Mr Brandon Damons.
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.</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 2019.</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>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. <p>The Department 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.

Question	Yes	No	Details, if yes
7. Does the Department encourage its employees to undergo HIV counselling and testing (HCT)? If so, list the results that you have achieved.	✓		HCT SESSIONS: <ul style="list-style-type: none"> The Department participated in two (2) HCT and Wellness screening sessions. 52 Employees were tested and counselled for HIV, Tuberculosis and Sexually Transmitted Infections (STIs). There were zero (0) clinical referrals for TB, HIV or STIs for further management.
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 impact of health promotion programmes is indicated through information provided through the EHW quarterly reports.</p> <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 2019 to 31 March 2020

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 2019 to 31 March 2020

Outcomes of disciplinary hearings	Number of cases finalised	% of total
Employee resigned during disciplinary hearing	1	33.3
Suspension without a Salary and a Final Written Warning	2	66.7
Total	3	100.0
Percentage of total employment		0.7

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

Table 3.12.3 Types of misconduct addressed at disciplinary hearings, 1 April 2019 to 31 March 2020

Type of misconduct	Number	% of total
Possesses or wrongfully uses property of state	1	33.3
Damages and/or causes loss of state property	1	33.3
Steals bribes or commits fraud	1	33.3
Total	3	100.0

Table 3.12.4 Grievances lodged, 1 April 2019 to 31 March 2020

Grievances lodged	Number	% of total
Number of grievances resolved	9	81.8
Number of grievances not resolved	2	18.2
Total number of grievances lodged	11	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 2019 to 31 March 2020

Disputes lodged with Councils	Number	% of total
Number of disputes upheld	0	0.0
Number of disputes dismissed	1	100.0
Total number of disputes lodged	1	100.0

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 2019 to 31 March 2020

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 2019 to 31 March 2020

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 the Department with regard to skills development. Table 3.13.1 reflect 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 2019 to 31 March 2020

Occupational Categories	Gender	Number of employees as at 1 April 2019	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	6	0	11	0	11
	Male	14	0	21	0	21
Professionals (Salary Band 9 - 12)	Female	103	0	250	0	250
	Male	78	0	131	0	131
Technicians and associate professionals (Salary Band 6 - 8)	Female	33	0	54	0	54
	Male	9	0	24	0	24
Clerks (Salary Band 3 - 5)	Female	22	0	50	0	50
	Male	21	0	26	0	26
Elementary occupations (Salary Band 1 - 2)	Female	1	0	0	0	0
	Male	2	0	9	0	9
Sub Total	Female	167	0	365	0	365
	Male	126	0	212	0	212
Total		293	0	577	0	577
Employees with disabilities	Female	2	0	0	0	0
	Male	2	0	1	0	1

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 2019 to 31 March 2020

Occupational Categories	Gender	Number of employees as at 31 March 2020	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	3	0	3
	Male	12	0	10	0	10
Professionals (Salary Band 9 - 12)	Female	102	0	196	0	196
	Male	86	0	115	0	115
Technicians and associate professionals (Salary Band 6 - 8)	Female	38	0	32	0	32
	Male	13	0	12	0	12
Clerks (Salary Band 3 - 5)	Female	21	0	35	0	35
	Male	18	0	31	0	31
Elementary occupations (Salary Band 1 - 2)	Female	0	0	0	0	0
	Male	2	0	2	0	2
Sub Total	Female	171	0	266	0	266
	Male	135	0	170	0	170
Total		306	0	436	0	436
Employees with disabilities	Female	2	0	0	0	0
	Male	4	0	0	0	0

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 2019 to 31 March 2020

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	BBBEE LEVEL
Programme 1	Fundile Majola	Translations	Translation of Annual Performance Plan from English to Xhosa	DCAS Contract	-	26	-	1
	Word to Word	Translations	Translation of Annual Report from English to Afrikaans	DCAS Contract	-	35	-	1
	Prof. Sandile David Gxilishe	Translations	Translation of Annual Report from English to Xhosa	DCAS Contract	-	44	-	1
	PricewaterhouseCoopers Incorporated	Culture Journey	To develop and implement a Culture Journey Strategy and Roadmap	N/A	-	884	-	1
Programme 2	University of Stellenbosch: Bureau for Economic Research (BER)	Provincial Economic Review and Outlook	Economic research reports compiled for the 2019 Medium Term Budget Policy Statement and the 2020 Overview of Provincial Revenue and Expenditure	3		1 033	-	N

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	University of Cape Town: Department Policy Research Unit (DPRU)	Labour Market Research for the PERO	To provide Labour Market Economic Research for the PERO	N/A	-	315	-	7
	Urban-Economic Development Economists (Pty) Ltd	Municipal Economic Outlook and Review	Conducting research and production of the MERO	1	-	863	-	4
	University of Stellenbosch: Executive Development (Pty) Ltd	Predetermined Objectives Training, Municipal Cash Flow Management, Annual Budgets and IYM Training, Revenue Management Training	Transversal Training and Capacity Building for Municipal and Western Cape Government Officials	N/A	N/A	1 899	7 Training sessions	N
	Bohica Business Consulting CC	Provision of Junket Licence Research to the WCPT	To conduct the Junket Licence Research Services	1	1	1 878	-	1
	Christo De Coning	Review of Western Cape Infrastructure Delivery Management System (WC IDMS)	To conduct an independent review on the implementation of the WC IDMS and the Standard of Infrastructure Procurement and Delivery Management (SIPDM)	2	N/A	900	-	N
	Gloucester Accounting Services	Probity Investigation	Probity investigation for the appointment of WCGRB members	N/A	N/A	87	-	N

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	University of Stellenbosch: Executive Development (Pty) Ltd	Supply Chain Asset Management Training, Supply Chain Risk Performance Management Training	Transversal Training and Capacity Building for Municipal and Western Cape Government Officials	N/A	N/A	1 085	4 Training sessions	N
	Business Connexions	Kitso	Maintain and further develop the current Business Intelligence System (KITSO) for the Basic Accounting System (BAS)	N/A	N/A	857	-	6
	Business Connexions	PERSAL Support	Rendering functional, technical and management support on the Personnel and Salary Administration System	2	2671	2 458	-	6
	Quantum Leap Consulting	Systems Analysts	Support on the execution of the Directorate's ICT Plan	DotP Contract (2)	N/A	1 355	-	1
	Gijima Technology People	Business Analysts	Support on the enhancement of the Legacy Systems (ICT Project)	DotP Contract (3)	N/A	1 219	-	2
	MI Business Services (Pty) Ltd (T/A MI Consulting)	To provide support on LOGIS	Provision of general service for inventory management project to update ledgers on LOGIS	6	N/A	403	-	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 3	Commerce Edge South Africa	Smart Procurement Conference	Capacitation and development programme for Public Sector Officials and suppliers in respect of procurement	N/A	3 days	440	1	2
	Nasikha Business Specialists	SCM Reform	To assist the PT with Business advisory support to enable its governance strategy and to facilitate the move from Conformance to Performance	2	N/A	726	-	1
	Quantum Leap Consulting	Procurement Planning Automation	Procurement Planning Automation	N/A	N/A	747	-	1
	State Information Technology Agency (Pty) Limited (SITA)	Gartner	Executive Programs	N/A	N/A	1 190	N/A	
Programme 4	Ducharme Training Institute	MCS Training	Training on the Modified Cash Standard to departments and public entities	N/A	N/A	27	-	4
	Ducharme Training Institute	GRAP Training	Training finance practitioners on the implementation of the GRAP standards	N/A	N/A	82	-	4
	Quantum Leap Consulting	Systems Analyst	mSCOA System Analyst	DotP Contract (1)	N/A	1 650	-	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 4	University of Stellenbosch: Executive Development (Pty) Ltd	MFMA Induction, COSO Training, Public Sector Governance Training and GRAP Training	Transversal Training and Capacity Building for Municipal and Western Cape Government Officials	N/A	N/A	1 085	4 Training sessions	N
	Zaqen Actuaries	Actuarial Services	Calculation of pensions	N/A	N/A	40	-	N
	Ignite Advisory Services	Municipal Governance Action Plan (MGAP)	To develop the municipal governance review and outlook (MGRO) e-GAP tool for 30 municipalities	N/A	N/A	344	-	N
	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	N/A	N/A	411	1	4

PART E
Financial Information

PART E: FINANCIAL INFORMATION

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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2020**

**REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON
VOTE NO. 3: 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 188 to 240, which comprise the appropriation statement, statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the 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 2020, 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 of South Africa, 1999 (Act No. 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 this auditor's report.
4. I am independent of the department in accordance with sections 290 and 291 of the Code of ethics for professional accountants and parts 1 and 3 of the International code of ethics for professional accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA codes) as well as the 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 codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other matter

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

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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2020**

Unaudited supplementary schedules

7. The supplementary information set out in pages 241 to 246 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 thereon.

Responsibilities of the accounting officer for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS as 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.
9. 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

10. 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 could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. 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

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 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 selected programmes presented in the annual

**WESTERN CAPE PROVINCE
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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2020**

performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to 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.
14. 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 annual performance report of the department for the year ended 31 March 2020:

Programme	Pages in the Annual Performance Report
Programme 2 – Sustainable Resource Management	85 - 96

15. 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.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programme:
- Programme 2 – Sustainable Resource Management

Other matter

17. I draw attention to the matter below.

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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2020**

Achievement of planned targets

18. Refer to the Annual Performance Report on pages 89 to 96 for information on the achievement of planned targets for the year.

Report on the audit of compliance with legislation

Introduction and scope

19. 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 the specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
20. 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.

Other information

21. 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 has been specifically reported in this auditor's report.
22. 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 thereon.
23. 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.
24. 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.
25. I have nothing to report in this regard.

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REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2020

Internal control deficiencies

26. 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
30 September 2020



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

**WESTERN CAPE PROVINCE
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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2020**

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

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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2020**

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 confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing 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 2020**

Appropriation per programme									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Voted funds and Direct charges	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. ADMINISTRATION	59 266	-	(35)	59 231	58 257	974	98.4	59 868	59 261
2. SUSTAINABLE RESOURCE MANAGEMENT	141 628	-	17	141 645	137 338	4 307	97.0	123 178	121 334
3. ASSET MANAGEMENT	67 214	-	18	67 232	65 393	1 839	97.3	56 679	56 068
4. FINANCIAL GOVERNANCE	69 901	-	-	69 901	67 777	2 124	97.0	67 108	66 443
Programme sub total	338 009	-	-	338 009	328 765	9 244	97.3	306 833	303 106
Statutory Appropriation									
Total	338 009	-	-	338 009	328 765	9 244	97.3	306 833	303 106
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				6 002				6 720	
Actual amounts per Statement of Financial Performance (Total Revenue)				344 011				313 553	
Actual amounts per Statement of Financial Performance Expenditure					328 765				303 106

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PROVINCIAL TREASURY
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**APPROPRIATION STATEMENT
for the year ended 31 March 2020**

Appropriation per programme									
Economic classification	2019/20							2018/19	
	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	251 269	(322)	-	250 947	243 360	7 587	97.0	232 897	229 291
Compensation of employees	189 308	-	-	189 308	185 805	3 503	98.1	178 976	176 277
Salaries and wages	165 199	(49)	-	165 150	162 223	2 927	98.2	158 393	155 892
Social contributions	24 109	49	-	24 158	23 582	576	97.6	20 583	20 385
Goods and services	61 961	(322)	-	61 639	57 555	4 084	93.4	53 921	53 014
Administrative fees	3	-	-	3	3	-	100.0	3	3
Advertising	1 337	81	-	1 418	1 389	29	98.0	1 035	1 035
Minor assets	723	(163)	-	560	560	-	100.0	350	350
Audit costs: External	5 657	389	-	6 046	5 939	107	98.2	5 645	5 644
Bursaries: Employees	600	(154)	-	446	446	-	100.0	582	582
Catering: Departmental activities	627	(177)	-	450	400	50	88.9	691	671
Communication (G&S)	792	(23)	-	769	660	109	85.8	587	508
Computer services	9 602	882	-	10 484	9 991	493	95.3	6 872	6 872
Consultants: Business and advisory services	24 392	(934)	-	23 458	22 083	1 375	94.1	23 086	23 086
Legal services	409	527	-	936	936	-	100.0	-	-
Contractors	228	29	-	257	227	30	88.3	954	862
Agency and support / outsourced services	1 853	(82)	-	1 771	1 771	-	100.0	100	99
Entertainment	194	(11)	-	183	94	89	51.4	166	121
Fleet services (including government motor transport)	920	145	-	1 065	1 065	-	100.0	960	960
Consumable supplies	360	(70)	-	290	250	40	86.2	294	277
Consumable: Stationery, printing and office supplies	1 286	(36)	-	1 250	1 065	185	85.2	1 978	1 813
Operating leases	1 490	(454)	-	1 036	1 036	-	100.0	519	519
Property payments	150	(105)	-	45	45	-	100.0	130	130
Transport provided: Departmental activity	12	-	-	12	7	5	58.3	9	9
Travel and subsistence	5 498	(32)	-	5 466	5 248	218	96.0	5 519	5 315
Training and development	2 043	(129)	-	1 914	1 056	858	55.2	1 287	1 287
Operating payments	1 647	(61)	-	1 586	1 341	245	84.6	1 689	1 523
Venues and facilities	2 138	56	-	2 194	1 943	251	88.6	1 465	1 348
Transfers and subsidies	81 533	-	-	81 533	79 876	1 657	98.0	69 408	69 287
Provinces and municipalities	39 101	-	-	39 101	37 576	1 525	96.1	38 311	38 191
Municipalities	39 101	-	-	39 101	37 576	1 525	96.1	38 311	38 191
Municipal bank accounts	39 101	-	-	39 101	37 576	1 525	96.1	38 311	38 191
Departmental agencies and accounts	37 669	-	-	37 669	37 669	-	100.0	26 869	26 869
Departmental agencies	37 669	-	-	37 669	37 669	-	100.0	26 869	26 869
Households	4 763	-	-	4 763	4 631	132	97.2	4 228	4 227
Social benefits	1 988	228	35	2 251	2 247	4	99.8	1 092	1 091
Other transfers to households	2 775	(228)	(35)	2 512	2 384	128	94.9	3 136	3 136
Payments for capital assets	5 158	309	-	5 467	5 467	-	100.0	4 219	4 219
Machinery and equipment	5 158	309	-	5 467	5 467	-	100.0	4 219	4 219
Transport equipment	1 190	80	-	1 270	1 270	-	100.0	1 310	1 310
Other machinery and equipment	3 968	229	-	4 197	4 197	-	100.0	2 909	2 909
Payment for financial assets	49	13	-	62	62	-	100.0	309	309
Total	338 009	-	-	338 009	328 765	9 244	97.3	306 833	303 106

**WESTERN CAPE PROVINCE
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VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2020**

Programme 1: ADMINISTRATION									
Sub programme	2019/20							2018/19	
	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	5 991	(187)	-	5 804	5 704	100	98.3	6 162	6 091
2. MANAGEMENT SERVICES	24 985	(122)	(35)	24 828	24 216	612	97.5	26 722	26 390
3. FINANCIAL MANAGEMENT	28 290	309	-	28 599	28 337	262	99.1	26 984	26 780
Total	59 266	-	(35)	59 231	58 257	974	98.4	59 868	59 261

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2020**

Economic classification	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	51 044	(322)	-	50 722	49 876	846	98.3	51 913	51 306
Compensation of employees	38 070	-	-	38 070	37 518	552	98.6	39 851	39 244
Salaries and wages	34 038	(29)	-	34 009	33 489	520	98.5	35 975	35 401
Social contributions	4 032	29	-	4 061	4 029	32	99.2	3 876	3 843
Goods and services	12 974	(322)	-	12 652	12 358	294	97.7	12 062	12 062
Administrative fees	3	-	-	3	3	-	100.0	3	3
Advertising	1 107	-	-	1 107	1 078	29	97.4	671	671
Minor assets	723	(163)	-	560	560	-	100.0	350	350
Audit costs: External	3 833	345	-	4 178	4 178	-	100.0	3 740	3 740
Bursaries: Employees	600	(154)	-	446	446	-	100.0	582	582
Catering: Departmental activities	137	(115)	-	22	22	-	100.0	180	180
Communication (G&S)	330	19	-	349	346	3	99.1	147	147
Computer services	1 322	(114)	-	1 208	1 208	-	100.0	1 632	1 632
Consultants: Business and advisory services	867	122	-	989	989	-	100.0	114	114
Legal services	-	4	-	4	4	-	100.0	-	-
Contractors	125	29	-	154	144	10	93.5	731	731
Agency and support / outsourced services	-	37	-	37	37	-	100.0	-	-
Entertainment	36	(7)	-	29	10	19	34.5	25	25
Fleet services (including government motor transport)	920	145	-	1 065	1 065	-	100.0	960	960
Consumable supplies	248	(71)	-	177	174	3	98.3	205	205
Consumable: Stationery, printing and office supplies	273	30	-	303	285	18	94.1	467	467
Operating leases	543	(244)	-	299	299	-	100.0	519	519
Property payments	-	-	-	-	-	-	-	130	130
Transport provided: Departmental activity	12	-	-	12	7	5	58.3	9	9
Travel and subsistence	965	(134)	-	831	812	19	97.7	1 101	1 101
Training and development	310	(129)	-	181	43	138	23.8	161	161
Operating payments	405	(41)	-	364	314	50	86.3	323	323
Venues and facilities	215	119	-	334	334	-	100.0	12	12
Transfers and subsidies	3 015	-	(35)	2 980	2 852	128	95.7	3 427	3 427
Departmental agencies and accounts	6	-	-	6	6	-	100.0	5	5
Departmental agencies	6	-	-	6	6	-	100.0	5	5
Households	3 009	-	(35)	2 974	2 846	128	95.7	3 422	3 422
Social benefits	234	228	-	462	462	-	100.0	286	286
Other transfers to households	2 775	(228)	(35)	2 512	2 384	128	94.9	3 136	3 136
Payments for capital assets	5 158	309	-	5 467	5 467	-	100.0	4 219	4 219
Machinery and equipment	5 158	309	-	5 467	5 467	-	100.0	4 219	4 219
Transport equipment	1 190	80	-	1 270	1 270	-	100.0	1 310	1 310
Other machinery and equipment	3 968	229	-	4 197	4 197	-	100.0	2 909	2 909
Payment for financial assets	49	13	-	62	62	-	100.0	309	309
Total	59 266	-	(35)	59 231	58 257	974	98.4	59 868	59 261

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**APPROPRIATION STATEMENT
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Subprogramme: 1.1: OFFICE OF THE MINISTER									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	5 908	(197)	-	5 711	5 611	100	98.2	6 162	6 091
Compensation of employees	5 386	-	-	5 386	5 337	49	99.1	5 528	5 457
Goods and services	522	(197)	-	325	274	51	84.3	634	634
Transfers and subsidies	83	10	-	93	93	-	100.0	-	-
Households	83	10	-	93	93	-	100.0	-	-
Total	5 991	(187)	-	5 804	5 704	100	98.3	6 162	6 091

Subprogramme: 1.2: MANAGEMENT SERVICES									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	22,109	(107)	-	22,002	21,518	484	97.8	23,475	23,143
Compensation of employees	18,185	-	-	18,185	17,944	241	98.7	20,685	20,353
Goods and services	3,924	(107)	-	3,817	3,574	243	93.6	2,790	2,790
Transfers and subsidies	2,876	(15)	(35)	2,826	2,698	128	95.5	3,247	3,247
Households	2,876	(15)	(35)	2,826	2,698	128	95.5	3,247	3,247
Total	24,985	(122)	(35)	24,828	24,216	612	97.5	26,722	26,390

Subprogramme: 1.3: FINANCIAL MANAGEMENT									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	23 027	(18)	-	23 009	22 747	262	98.9	22 276	22 072
Compensation of employees	14 499	-	-	14 499	14 237	262	98.2	13 638	13 434
Goods and services	8 528	(18)	-	8 510	8 510	-	100.0	8 638	8 638
Transfers and subsidies	56	5	-	61	61	-	100.0	180	180
Departmental agencies and accounts	6	-	-	6	6	-	100.0	5	5
Households	50	5	-	55	55	-	100.0	175	175
Payments for capital assets	5 158	309	-	5 467	5 467	-	100.0	4 219	4 219
Machinery and equipment	5 158	309	-	5 467	5 467	-	100.0	4 219	4 219
Payment for financial assets	49	13	-	62	62	-	100.0	309	309
Total	28 290	309	-	28 599	28 337	262	99.1	26 984	26 780

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Programme 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub programme	2019/20							2018/19	
	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. PROGRAMME SUPPORT	6 673	-	-	6 673	5 790	883	86.8	6 539	6 172
2. FISCAL POLICY	53 368	-	-	53 368	52 301	1 067	98.0	41 896	41 625
3. BUDGET MANAGEMENT	24 600	-	-	24 600	23 509	1 091	95.6	20 751	20 667
4. PUBLIC FINANCE	56 987	-	17	57 004	55 738	1 266	97.8	53 992	52 870
Total	141 628	-	17	141 645	137 338	4 307	97.0	123 178	121 334

Economic classification	2019/20							2018/19	
	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	90 440	-	-	90 440	86 133	4 307	95.2	84 622	82 778
Compensation of employees	74 406	-	-	74 406	72 364	2 042	97.3	70 770	69 565
Salaries and wages	65 467	-	-	65 467	63 645	1 822	97.2	62 241	61 172
Social contributions	8 939	-	-	8 939	8 719	220	97.5	8 529	8 393
Goods and services	16 034	-	-	16 034	13 769	2 265	85.9	13 852	13 213
Advertising	230	81	-	311	311	-	100.0	364	364
Audit costs: External	924	-	-	924	817	107	88.4	959	959
Catering: Departmental activities	220	-	-	220	201	19	91.4	260	260
Communication (G&S)	282	(23)	-	259	176	83	68.0	218	150
Computer services	500	44	-	544	542	2	99.6	-	-
Consultants: Business and advisory services	7 904	(221)	-	7 683	6 975	708	90.8	6 604	6 604
Legal services	309	97	-	406	406	-	100.0	-	-
Contractors	-	-	-	-	-	-	-	125	42
Agency and support / outsourced services	68	44	-	112	112	-	100.0	81	81
Entertainment	102	-	-	102	42	60	41.2	95	53
Consumable supplies	63	-	-	63	32	31	50.8	52	43
Consumable: Stationery, printing and office supplies	678	(46)	-	632	477	155	75.5	1 078	960
Travel and subsistence	2 338	21	-	2 359	2 166	193	91.8	2 229	2 041
Training and development	744	-	-	744	254	490	34.1	260	260
Operating payments	1 124	-	-	1 124	929	195	82.7	1 261	1 130
Venues and facilities	548	3	-	551	329	222	59.7	266	266
Transfers and subsidies	51 188	-	17	51 205	51 205	-	100.0	38 556	38 556
Provinces and municipalities	13 385	-	-	13 385	13 385	-	100.0	11 359	11 359
Municipalities	13 385	-	-	13 385	13 385	-	100.0	11 359	11 359
Municipal bank accounts	13 385	-	-	13 385	13 385	-	100.0	11 359	11 359
Departmental agencies and accounts	37 663	-	-	37 663	37 663	-	100.0	26 864	26 864
Departmental agencies	37 663	-	-	37 663	37 663	-	100.0	26 864	26 864
Households	140	-	17	157	157	-	100.0	333	333
Social benefits	140	-	17	157	157	-	100.0	333	333
Total	141 628	-	17	141 645	137 338	4 307	97.0	123 178	121 334

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Subprogramme: 2.1: PROGRAMME SUPPORT									
Economic classification	2019/20							2018/19	
	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	6 673	-	-	6 673	5 790	883	86.8	6 539	6 172
Compensation of employees	5 007	-	-	5 007	4 889	118	97.6	5 288	4 921
Goods and services	1 666	-	-	1 666	901	765	54.1	1 251	1 251
Total	6 673	-	-	6 673	5 790	883	86.8	6 539	6 172

Subprogramme: 2.2: FISCAL POLICY									
Economic classification	2019/20							2018/19	
	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	15 705	-	-	15 705	14 638	1 067	93.2	14 027	13 756
Compensation of employees	10 853	-	-	10 853	10 394	459	95.8	9 111	8 917
Goods and services	4 852	-	-	4 852	4 244	608	87.5	4 916	4 839
Transfers and subsidies	37 663	-	-	37 663	37 663	-	100.0	27 869	27 869
Provinces and municipalities	-	-	-	-	-	-	-	1 000	1 000
Departmental agencies and accounts	37 663	-	-	37 663	37 663	-	100.0	26 864	26 864
Households	-	-	-	-	-	-	-	5	5
Total	53 368	-	-	53 368	52 301	1 067	98.0	41 896	41 625

Subprogramme: 2.3: BUDGET MANAGEMENT									
Economic classification	2019/20							2018/19	
	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	21 120	-	-	21 120	20 029	1 091	94.8	18 811	18 727
Compensation of employees	16 475	-	-	16 475	15 949	526	96.8	15 335	15 335
Goods and services	4 645	-	-	4 645	4 080	565	87.8	3 476	3 392
Transfers and subsidies	3 480	-	-	3 480	3 480	-	100.0	1 940	1 940
Provinces and municipalities	3 480	-	-	3 480	3 480	-	100.0	1 940	1 940
Total	24 600	-	-	24 600	23 509	1 091	95.6	20 751	20 667

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Subprogramme: 2.4: PUBLIC FINANCE									
Economic classification	2019/20							2018/19	
	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	46 942	-	-	46 942	45 676	1 266	97.3	45 245	44 123
Compensation of employees	42 071	-	-	42 071	41 132	939	97.8	41 036	40 392
Goods and services	4 871	-	-	4 871	4 544	327	93.3	4 209	3 731
Transfers and subsidies	10 045	-	17	10 062	10 062	-	100.0	8 747	8 747
Provinces and municipalities	9 905	-	-	9 905	9 905	-	100.0	8 419	8 419
Households	140	-	17	157	157	-	100.0	328	328
Total	56 987	-	17	57 004	55 738	1 266	97.8	53 992	52 870

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Programme 3: ASSET MANAGEMENT									
Sub programme	2019/20							2018/19	
	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. PROGRAMME SUPPORT	3 533	-	-	3 533	3 022	511	85.5	2 676	2 676
2. SUPPLY CHAIN MANAGEMENT	33 875	415	18	34 308	34 191	117	99.7	24 865	24 624
3. SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS	29 806	(415)	-	29 391	28 180	1 211	95.9	29 138	28 768
Total	67 214	-	18	67 232	65 393	1 839	97.3	56 679	56 068

Economic classification	2019/20							2018/19	
	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	66 828	-	-	66 828	64 989	1 839	97.2	56 244	55 633
Compensation of employees	41 237	-	-	41 237	40 671	566	98.6	35 546	34 935
Salaries and wages	34 386	(30)	-	34 356	33 867	489	98.6	30 939	30 353
Social contributions	6 851	30	-	6 881	6 804	77	98.9	4 607	4 582
Goods and services	25 591	-	-	25 591	24 318	1 273	95.0	20 698	20 698
Catering: Departmental activities	70	-	-	70	39	31	55.7	56	56
Communication (G&S)	85	(12)	-	73	60	13	82.2	134	134
Computer services	7 763	952	-	8 715	8 236	479	94.5	5 218	5 218
Consultants: Business and advisory services	11 840	(871)	-	10 969	10 480	489	95.5	12 747	12 747
Legal services	100	426	-	526	526	-	100.0	-	-
Contractors	101	-	-	101	82	19	81.2	38	38
Agency and support / outsourced services	1 785	(163)	-	1 622	1 622	-	100.0	-	-
Entertainment	26	(1)	-	25	20	5	80.0	18	18
Consumable supplies	32	1	-	33	29	4	87.9	20	20
Consumable: Stationery, printing and office supplies	225	-	-	225	222	3	98.7	323	323
Operating leases	947	(210)	-	737	737	-	100.0	-	-
Property payments	150	(105)	-	45	45	-	100.0	-	-
Travel and subsistence	1 189	18	-	1 207	1 207	-	100.0	1 108	1 108
Training and development	412	-	-	412	211	201	51.2	339	339
Operating payments	33	(30)	-	3	3	-	100.0	3	3
Venues and facilities	833	(5)	-	828	799	29	96.5	694	694
Transfers and subsidies	386	-	18	404	404	-	100.0	435	435
Households	386	-	18	404	404	-	100.0	435	435
Social benefits	386	-	18	404	404	-	100.0	435	435
Total	67 214	-	18	67 232	65 393	1 839	97.3	56 679	56 068

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Subprogramme: 3.1: PROGRAMME SUPPORT									
	2019/20							2018/19	
	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	3 533	-	-	3 533	3 022	511	85.5	2 676	2 676
Compensation of employees	2 705	-	-	2 705	2 460	245	90.9	1 892	1 892
Goods and services	828	-	-	828	562	266	67.9	784	784
Total	3 533	-	-	3 533	3 022	511	85.5	2 676	2 676

Subprogramme: 3.2: SUPPLY CHAIN MANAGEMENT									
	2019/20							2018/19	
	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	33 875	359	-	34 234	34 117	117	99.7	24 789	24 548
Compensation of employees	17 809	-	-	17 809	17 692	117	99.3	13 517	13 276
Goods and services	16 066	359	-	16 425	16 425	-	100.0	11 272	11 272
Transfers and subsidies	-	56	18	74	74	-	100.0	76	76
Households	-	56	18	74	74	-	100.0	76	76
Total	33 875	415	18	34 308	34 191	117	99.7	24 865	24 624

Subprogramme: 3.3: SUPPORTING AND INTERLINKED FINANCIAL SYSTEMS									
	2019/20							2018/19	
	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	29 420	(359)	-	29 061	27 850	1 211	95.8	28 779	28 409
Compensation of employees	20 723	-	-	20 723	20 519	204	99.0	20 137	19 767
Goods and services	8 697	(359)	-	8 338	7 331	1 007	87.9	8 642	8 642
Transfers and subsidies	386	(56)	-	330	330	-	100.0	359	359
Households	386	(56)	-	330	330	-	100.0	359	359
Total	29 806	(415)	-	29 391	28 180	1 211	95.9	29 138	28 768

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Programme 4: FINANCIAL GOVERNANCE									
	2019/20							2018/19	
	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	8 875	10	-	8 885	8 822	63	99.3	9 710	9 388
2. ACCOUNTING SERVICES	32 207	(10)	-	32 197	30 409	1 788	94.4	31 499	31 306
3. CORPORATE GOVERNANCE	28 819	-	-	28 819	28 546	273	99.1	25 899	25 749
Total	69 901	-	-	69 901	67 777	2 124	97.0	67 108	66 443

	2019/20							2018/19	
	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	42 957	-	-	42 957	42 362	595	98.6	40 118	39 574
Compensation of employees	35 595	-	-	35 595	35 252	343	99.0	32 809	32 533
Salaries and wages	31 308	10	-	31 318	31 222	96	99.7	29 238	28 966
Social contributions	4 287	(10)	-	4 277	4 030	247	94.2	3 571	3 567
Goods and services	7 362	-	-	7 362	7 110	252	96.6	7 309	7 041
Audit costs: External	900	44	-	944	944	-	100.0	946	945
Catering: Departmental activities	200	(62)	-	138	138	-	100.0	195	175
Communication (G&S)	95	(7)	-	88	78	10	88.6	88	77
Computer services	17	-	-	17	5	12	29.4	22	22
Consultants: Business and advisory services	3 781	36	-	3 817	3 639	178	95.3	3 621	3 621
Contractors	2	-	-	2	1	1	50.0	60	51
Agency and support / outsourced services	-	-	-	-	-	-	-	19	18
Entertainment	30	(3)	-	27	22	5	81.5	28	25
Consumable supplies	17	-	-	17	15	2	88.2	17	9
Consumable: Stationery, printing and office supplies	110	(20)	-	90	81	9	90.0	110	63
Travel and subsistence	1 006	63	-	1 069	1 063	6	99.4	1 081	1 065
Training and development	577	-	-	577	548	29	95.0	527	527
Operating payments	85	10	-	95	95	-	100.0	102	67
Venues and facilities	542	(61)	-	481	481	-	100.0	493	376
Transfers and subsidies	26 944	-	-	26 944	25 415	1 529	94.3	26 990	26 869
Provinces and municipalities	25 716	-	-	25 716	24 191	1 525	94.1	26 952	26 832
Municipalities	25 716	-	-	25 716	24 191	1 525	94.1	26 952	26 832
Municipal bank accounts	25 716	-	-	25 716	24 191	1 525	94.1	26 952	26 832
Households	1 228	-	-	1 228	1 224	4	99.7	38	37
Social benefits	1 228	-	-	1 228	1 224	4	99.7	38	37
Total	69 901	-	-	69 901	67 777	2 124	97.0	67 108	66 443

**WESTERN CAPE PROVINCE
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**APPROPRIATION STATEMENT
for the year ended 31 March 2020**

Subprogramme: 4.1: PROGRAMME SUPPORT									
	2019/20							2018/19	
	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	8 875	10	-	8 885	8 822	63	99.3	9 693	9 371
Compensation of employees	5 899	10	-	5 909	5 909	-	100.0	6 630	6 470
Goods and services	2 976	-	-	2 976	2 913	63	97.9	3 063	2 901
Transfers and subsidies	-	-	-	-	-	-	-	17	17
Households	-	-	-	-	-	-	-	17	17
Total	8 875	10	-	8 885	8 822	63	99.3	9 710	9 388

Subprogramme: 4.2: ACCOUNTING SERVICES									
	2019/20							2018/19	
	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	20 058	(10)	-	20 048	19 789	259	98.7	19 574	19 381
Compensation of employees	17 919	(10)	-	17 909	17 656	253	98.6	16 652	16 536
Goods and services	2 139	-	-	2 139	2 133	6	99.7	2 922	2 845
Transfers and subsidies	12 149	-	-	12 149	10 620	1 529	87.4	11 925	11 925
Provinces and municipalities	10 921	-	-	10 921	9 396	1 525	86.0	11 925	11 925
Households	1 228	-	-	1 228	1 224	4	99.7	-	-
Total	32 207	(10)	-	32 197	30 409	1 788	94.4	31 499	31 306

Subprogramme: 4.3: CORPORATE GOVERNANCE									
	2019/20							2018/19	
	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	14 024	-	-	14 024	13 751	273	98.1	10 851	10 822
Compensation of employees	11 777	-	-	11 777	11 687	90	99.2	9 527	9 527
Goods and services	2 247	-	-	2 247	2 064	183	91.9	1 324	1 295
Transfers and subsidies	14 795	-	-	14 795	14 795	-	100.0	15 048	14 927
Provinces and municipalities	14 795	-	-	14 795	14 795	-	100.0	15 027	14 907
Households	-	-	-	-	-	-	-	21	20
Total	28 819	-	-	28 819	28 546	273	99.1	25 899	25 749

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2020**

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	59 231	58 257	974	1.64
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The underspending is mainly due to vacant posts that were not filled as planned, the appointment of fewer graduate interns than anticipated and planned training that could not take place in time.

Sustainable Resource Management	141 645	137 338	4 307	3.04
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The underspending is mainly due to vacant posts that were not filled as planned, officials who left the Department, procurement of research and advisory services not procured in time and less training taking place than planned.

Asset Management	67 232	65 393	1 839	2.74
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The underspending is mainly due to vacant posts that were not filled as planned as well as the late procurement of external computer services and research and advisory services.

Financial Governance	69 901	67 777	2 124	3.04
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The underspending is mainly due to vacant posts that were not filled as planned and officials who left the Department. In addition, transfer of funds to five (5) municipalities in respect of the Western Cape Financial Management Support Grant (WC FMSG) did not take place due to various reasons. See note 30 and Annexure 1A.

**WESTERN CAPE PROVINCE
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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2020**

4.2 Per economic classification

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Approp. %
Current expenditure				
Compensation of employees	189 308	185 805	3 503	1.85
Goods and services	61 639	57 555	4 084	6.63
Transfers and subsidies				
Provinces and municipalities	39 101	37 576	1 525	3.90
Departmental agencies and accounts	37 669	37 669	-	-
Households	4 763	4 631	132	2.77
Payments for capital assets				
Machinery and equipment	5 467	5 467	-	-
Payments for financial assets	62	62	-	-

The underspending on compensation of employees is mainly due to vacant posts that were not filled as planned, officials who left the Department and the appointment of fewer graduate interns than anticipated. The underspending on goods and services is mainly due to the late procurement of external computer services, and research and advisory services as well as less training than anticipated. The underspending on transfers and subsidies mainly due to transfer of funds to five (5) municipalities in respect of the Western Cape Financial Management Support Grant (WC FMSG) that did not take place due to various reasons. See Note 30 and Annexure 1A for the reasons.

**WESTERN CAPE PROVINCE
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**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2020**

	Note	2019/20 R'000	2018/19 R'000
REVENUE			
Annual appropriation	1	338 009	306 833
Departmental revenue	2	6 002	6 720
TOTAL REVENUE		344 011	313 553
EXPENDITURE			
Current expenditure			
Compensation of employees	3	185 805	176 277
Goods and services	4	57 555	53 014
Total current expenditure		243 360	229 291
Transfers and subsidies			
Transfers and subsidies	6	79 876	69 287
Total transfers and subsidies		79 876	69 287
Expenditure for capital assets			
Tangible assets	7	5 467	4 219
Total expenditure for capital assets		5 467	4 219
Payments for financial assets	5	62	309
TOTAL EXPENDITURE		328 765	303 106
SURPLUS FOR THE YEAR		15 246	10 447
Reconciliation of Net Surplus for the year			
Voted Funds		9 244	3 727
Departmental revenue	12	6 002	6 720
SURPLUS FOR THE YEAR		15 246	10 447

**WESTERN CAPE PROVINCE
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VOTE 3**

STATEMENT OF FINANCIAL POSITION
as at 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
ASSETS			
Current Assets		9 533	6 996
Cash and cash equivalents	8	9 261	6 715
Prepayments and advances	9	-	9
Receivables	10	272	272
Non-Current Assets		112	134
Receivables	10	112	134
TOTAL ASSETS		9 645	7 130
LIABILITIES			
Current Liabilities		9 538	7 054
Voted funds to be surrendered to the Revenue Fund	11	9 244	3 727
Departmental revenue to be surrendered to the Revenue Fund	12	201	3 240
Payables	13	93	87
TOTAL LIABILITIES		9 538	7 054
NET ASSETS		107	76
Represented by:			
Recoverable revenue		107	76
TOTAL		107	76

**WESTERN CAPE PROVINCE
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**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2020**

	Note	2019/20 R'000	2018/19 R'000
NET ASSETS			
Recoverable revenue			
Opening balance		76	55
Transfers		31	21
Debts recovered (included in departmental receipts)		(182)	(86)
Debts raised		213	107
Closing balance		107	76
TOTAL		107	76

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**CASH FLOW STATEMENT
for the year ended 31 March 2020**

	Note	2019/20 R'000	2018/19 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		343 995	313 504
Annual appropriated funds received	1.1	338 009	306 833
Departmental revenue received	2	5 982	6 670
Interest received	2.2	4	1
Net (increase)/decrease in working capital		15	(259)
Surrendered to Revenue Fund		(12 837)	(15 699)
Current payments		(243 360)	(229 291)
Payments for financial assets		(62)	(309)
Transfers and subsidies paid		(79 876)	(69 287)
Net cash flow available from operating activities	14	7 875	(1 341)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(5 467)	(4 219)
Proceeds from sale of capital assets	2.3	85	114
(Increase)/decrease in non-current receivables		22	(79)
Net cash flows from investing activities		(5 360)	(4 184)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		31	21
Net cash flows from financing activities		31	21
Net increase/ (decrease) in cash and cash equivalents		2 546	(5 504)
Cash and cash equivalents at beginning of period		6 715	12 219
Cash and cash equivalents at end of period		9 261	6 715

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2020**

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
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VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2020**

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
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2020**

7.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- 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.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and/penalties) is measured at amounts receivable from collecting agents.

Write-off are made according to the Department's debt write off policy.

8. Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

Salaries and wages are recognised in the statement of financial performance on the date of payment.

8.1.2 Social contributions

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

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.

8.2 Other expenditure

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.

8.3 Accrued and payables not recognised

Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.

Accrued expenditure payable is measured at cost.

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**ACCOUNTING POLICIES
for the year ended 31 March 2020**

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.

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.

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. 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.

10. 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.

11. 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.

**WESTERN CAPE PROVINCE
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**ACCOUNTING POLICIES
for the year ended 31 March 2020**

12. Investments

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

13. Financial assets

13.1 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 assets.

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.

13.2 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.

14. Payables

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

15. Capital Assets

15.1 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 accurately, 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 is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

**WESTERN CAPE PROVINCE
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**ACCOUNTING POLICIES
for the year ended 31 March 2020**

15.2 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 accurately, 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 existing asset when ready for use.

16. Provisions and Contingents

16.1 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.

16.2 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.

**WESTERN CAPE PROVINCE
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**ACCOUNTING POLICIES
for the year ended 31 March 2020**

16.3 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.

16.4 Capital commitments

Capital commitments are recorded at cost in the notes to the financial statements.

17. 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.

18. 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 for recovery.

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.

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**ACCOUNTING POLICIES
for the year ended 31 March 2020**

19. Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefore are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or 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.

20. 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.

21. 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.

22. Departures from the MCS requirements

The financial statement presents fairly the Department's primary and secondary information and complies with the standards.

23. Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

**WESTERN CAPE PROVINCE
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**ACCOUNTING POLICIES
for the year ended 31 March 2020**

24. Related party transactions

Related party transaction within the Minister/MEC's portfolio are recorded in the notes to the financial statement when the transaction is not at arm's length.

The number of individuals and the full compensation of key management personnel is recorded the notes to the financial statements.

25. Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee Benefits note.

**WESTERN CAPE PROVINCE
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

1. Appropriation**1.1 Annual Appropriation**

Programmes	2019/20			2018/19	
	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	59 231	59 231	-	59 868	59 868
SUSTAINABLE RESOURCE MANAGEMENT	141 645	141 645	-	123 178	123 178
ASSET MANAGEMENT	67 232	67 232	-	56 679	56 679
FINANCIAL GOVERNANCE	69 901	69 901	-	67 108	67 108
Total	338 009	338 009	-	306 833	306 833

	Note	2019/20 R'000	2018/19 R'000
2. Departmental Revenue			
Sales of goods and services other than capital assets	2.1	40	38
Interest, dividends and rent on land	2.2	4	1
Sales of capital assets	2.3	85	114
Transactions in financial assets and liabilities	2.4	5 942	6 632
Total revenue collected		6 071	6 785
Less: Own revenue included in appropriation	12	69	65
Departmental revenue collected		6 002	6 720

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department		37	35
Other sales		37	35
Sales of scrap, waste and other used current goods		3	3
Total		40	38

"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
for the year ended 31 March 2020**

	Note	2019/20 R'000	2018/19 R'000
2.2 Interest, dividends and rent on land	2		
Interest		4	1
Total		4	1
2.3 Sales of capital assets	2		
Tangible assets		85	114
Machinery and equipment	27	85	114
Total		85	114
2.4 Transactions in financial assets and liabilities	2		
Other Receipts including Recoverable Revenue		5 942	6 632
Total		5 942	6 632

Included in other receipts are surplus funds of R1 337 457 received from the Western Cape Gambling and Racing Board (WCGRB) as well as R4 369 000 received from municipalities as unspent funds.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

2.5 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 & Racing Board	668 378	668 378	-
Total	668 378	668 378	-

Cash received not recognised (not included in the main note) - 2018/19

Name of entity	Amount received R'000	Amount paid to Revenue Fund R'000	Balance R'000
Western Cape Gambling & Racing Board	628 292	628 292	-
Total	628 292	628 292	-

Provincial Treasury acts as a conduit for the Western Cape Gambling and Racing Board (WCGRB) and all revenue received from them was paid over to the Provincial Revenue Fund (PRF).

	Note	2019/20 R'000	2018/19 R'000
3. Compensation of employees			
3.1 Salaries and wages			
Basic salary		133 371	127 524
Performance award		978	1 498
Service Based		87	146
Compensative/circumstantial		2 356	1 487
Other non-pensionable allowances		25 431	25 237
Total		162 223	155 892
3.2 Social contributions			
Employer contributions			
Pension		17 410	14 987
Medical		6 143	5 372
Bargaining council		29	26
Total		23 582	20 385
Total compensation of employees		185 805	176 277
Average number of employees		264	259

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

	Note	2019/20 R'000	2018/19 R'000
4. Goods and services			
Administrative fees		3	3
Advertising		1 389	1 035
Minor assets	4.1	560	350
Bursaries (employees)		446	582
Catering		400	671
Communication		660	508
Computer services	4.2	9 991	6 872
Consultants: Business and advisory services		22 083	23 086
Legal services		936	-
Contractors		227	862
Agency and support / outsourced services		1 771	99
Entertainment		94	121
Audit cost – external	4.3	5 939	5 644
Fleet services		1 065	960
Consumables	4.4	1 315	2 090
Operating leases		1 036	519
Property payments	4.5	45	130
Transport provided as part of the departmental activities		7	9
Travel and subsistence	4.6	5 248	5 315
Venues and facilities		1 943	1 348
Training and development		1 056	1 287
Other operating expenditure	4.7	1 341	1 523
Total		57 555	53 014

Legal costs were incurred in respect of two (2) legal cases. The increase in agency and support/outsourced services is due to the appointment of a service provider to provide the necessary resource capacity for the supplier database management services.

4.1 Minor assets	4		
Tangible assets		560	350
Machinery and equipment		560	350
Total		560	350

Prior year's figure was restated due to assets being incorrectly classified as consumables.

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	Note	2019/20 R'000	2018/19 R'000
4.2 Computer services	4		
SITA computer services		1 199	1 308
External computer service providers		8 792	5 564
Total		9 991	6 872

The increase in external computer services providers is due to the payment for the extension of maintenance services of an E-Procurement Solution together with a Supplier Management Service of the Western Cape Supplier Database.

4.3 Audit cost – external	4		
Regularity audits		5 704	5 139
Computer audits		235	505
Total		5 939	5 644

4.4 Consumables	4		
Consumable supplies		250	277
Uniform and clothing		26	74
Household supplies		147	134
Building material and supplies		8	12
IT consumables		44	25
Other consumables		25	32
Stationery, printing and office supplies		1 065	1 813
Total		1 315	2 090

"Other consumables" consist of gifts and awards, medical kits and bags and accessories. Prior year's figure was restated due to minor assets incorrectly classified as consumables.

4.5 Property payments	4		
Property maintenance and repairs		-	130
Other		45	-
Total		45	130

"Other" refers to safeguarding and security service.

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	Note	2019/20 R'000	2018/19 R'000
4.6 Travel and subsistence	4		
Local		4 940	4 832
Foreign		308	483
Total		5 248	5 315
4.7 Other operating expenditure	4		
Professional bodies, membership and subscription fees		84	162
Resettlement costs		128	215
Other		1 129	1 146
Total		1 341	1 523
"Other" refers to courier/delivery and printing and publication services.			
5. Payments for financial assets			
Material losses through criminal conduct		5	156
Theft	5.3	5	156
Other material losses written off	5.1	24	153
Debts written off	5.2	33	-
Total		62	309
5.1 Other material losses written off	5		
Nature of losses			
Laptop damaged		-	23
Fruitless and wasteful - late cancellation of accommodation and excessive catering		1	6
- non attendance of training		2	12
- missed flights		5	-
- Telkom interest		1	-
Damages to hired vehicle		13	7
Missing library books		-	81
Government garage vehicle damages		2	24
Total		24	153

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	Note	2019/20 R'000	2018/19 R'000
5.2 Debts written off	5		
Nature of debts written off			
SARS Income Tax		33	-
Total		33	-
Total debt written off		33	-
An amount of R32 847 was written off in respect of income tax owed by South African Revenue Service (SARS) to Provincial Treasury for the period July 2003 - February 2010.			
5.3 Details of theft	5		
Nature of theft			
Stolen Laptops		-	154
External hard drive		-	2
Loss of Cartridges		5	-
Total		5	156
6. Transfers and Subsidies			
Provinces and municipalities	1A	37 576	38 191
Departmental agencies and accounts	1B	37 669	26 869
Households	1C	4 631	4 227
Total		79 876	69 287
7. Expenditure for capital assets			
Tangible assets		5 467	4 219
Machinery and equipment		5 467	4 219
Total		5 467	4 219
Prior year's figure was restated due to an asset with cost price of >R5 000 incorrectly classified as a minor asset instead of a capital asset.			

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7.1 Analysis of funds utilised to acquire capital assets - 2019/20

	Note	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	27	5 467	-	5 467
Machinery and equipment		5 467	-	5 467
Total		5 467	-	5 467

7.2 Analysis of funds utilised to acquire capital assets - 2018/19

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	4 219	-	4 219
Machinery and equipment	4 219	-	4 219
Total	4 219	-	4 219

Note	2019/20 R'000	2018/19 R'000
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7.3 Finance lease expenditure included in Expenditure for capital assets

Tangible assets		
Machinery and equipment	1 270	1 310
Total	1 270	1 310

8. Cash and cash equivalents

Consolidated Paymaster General Account	9 253	4 667
Cash on hand	8	8
Investments (Domestic)	-	2 040
Total	9 261	6 715

9. Prepayments and advances

Travel and subsistence	-	9
Total	-	9

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9.1 Prepayments (Expensed)

	Balance as at 1 April 2019 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 2020 R'000
Goods and services		-	-	1 637	1637
Total	-	-	-	1 637	1637

The prepayment was made in respect of rental for office accommodation. The payment was made in March 2020 for April 2020 rental. The Department also made a prepayment for a period of six (6) months to SAP South Africa for the maintenance of the E-Procurement

	Balance as at 1 April 2018	Less: Received in the current	Add/Less: Other	Add: Current Year prepayments	Amount as at 31 March 2019
Prepayments (Expensed)					
Capital assets	80	(80)	-	-	-
Total	80	(80)	-	-	-

10. Receivables

		2019/20			2018/19		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	10.1	169	-	169	77	-	77
Recoverable expenditure	10.2	24	-	24	49	33	82
Staff debt	10.3	46	7	53	124	-	124
Other receivables	10.4	33	105	138	22	101	123
Total		272	112	384	272	134	406

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	Note	2019/20 R'000	2018/19 R'000
10.1 Claims recoverable	10		
Private enterprises		169	77
Total		169	77
10.2 Recoverable expenditure (disallowance accounts)	10		
Disallowance: Damages and losses		24	49
Income Tax		-	33
Total		24	82
10.3 Staff debt	10		
Salary Related Debt		12	122
Laptops stolen/lost		3	-
GG Vehicles loss		-	2
Traffic fines		1	-
Bursary Debt		37	-
Total		53	124
10.4 Other receivables	10		
Ex Employees Salary: Related Debts		84	70
Bursary Debts		54	53
Total		138	123

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	Note	2019/20 R'000	2018/19 R'000
11. Voted Funds to be surrendered to the Revenue Fund			
Opening balance		3 727	10 449
Transfer from statement of financial performance		9 244	3 727
Paid during the year		(3 727)	(10 449)
Closing balance		9 244	3 727
12. Departmental revenue to be surrendered to the Revenue Fund			
Opening balance		3 240	1 705
Transfer from Statement of Financial Performance		6 002	6 720
Own revenue included in appropriation		69	65
Paid during the year		(9 110)	(5 250)
Closing balance		201	3 240
13. Payables – current			
Advances received	13.1	77	77
Clearing accounts	13.2	1	1
Other payables	13.3	15	9
Total		93	87
13.1 Advances received	13		
Other institutions	Annex 3	77	77
Total		77	77
"Advances received" refer to bursary monies Nedbank paid over to Provincial Treasury (PT), who administers it on their behalf.			
13.2 Clearing accounts	13		
ACB Recall Account		-	1
Disallowance Miscellaneous		1	-
Total		1	1
13.3 Other payables	13		
Income tax account		15	9
Total		15	9

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	Note	2019/20 R'000	2018/19 R'000
14. Net cash flow available from operating activities			
Net surplus/(deficit) as per Statement of Financial Performance		15 246	10 447
Add back non cash/cash movements not deemed operating activities		(7 371)	(11 867)
(Increase)/decrease in receivables		-	(183)
(Increase)/decrease in prepayments and advances		9	(9)
Increase/(decrease) in payables – current		6	(146)
Proceeds from sale of capital assets		(85)	(114)
Expenditure on capital assets		5 467	4 219
Surrenders to Revenue Fund		(12 837)	(15 699)
Own revenue included in appropriation		69	65
Net cash flow generated by operating activities		7 875	(1 420)
15. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		9 253	4 667
Cash on hand		8	8
Cash with commercial banks (Local)		-	2 040
Total		9 261	6 715

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	Note	2019/20 R'000	2018/19 R'000
16. Contingent liabilities and contingent assets			
16.1 Contingent liabilities			
 Liable to			
Intergovernmental payables (unconfirmed balances)	Annex 2	-	7
 Total		<u>-</u>	<u>7</u>

Although 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 and they are claiming that the total amount of R46 334 448 collected by the WCGRB in respect of free play credits (Customer loyalty points) that should not be included as part of the drop (Gambling taxable income) to be refunded or to reduce future gambling taxes, 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 is independent from the PRF and independent from the WCGRB, and consequently paragraph (a) of the definition is not met, and there is no present obligation, and consequently paragraph (b) in the contingent liability definition is not met.

16.2 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.

17. Capital Commitments

Machinery and Equipment	-	133
Total	<u>-</u>	<u>133</u>

The Modified Cash Standard has been revised in respect of the disclosure of commitments, which only includes commitments for capital expenditure. This is a change in disclosure from the previous reporting period, which included both capital and current commitments.

In the 2018/19 annual financial year, current and capital commitments amounted to R17 752 000, which consisted of capital commitments of R133 000 and current commitments of R17 619 000.

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18. Accruals and payables not recognised**18.1 Accruals**

	30 days	30+ days	2019/20 R'000 Total	2018/19 R'000 Total
Listed by economic classification				
Goods and services	1 372	1	1 373	469
Total	1 372	1	1 373	469

	2019/20 R'000	2018/19 R'000
Listed by programme level		
Administration	299	198
Sustainable Resource Management	35	139
Asset Management	959	13
Financial Governance	80	119
Total	1 373	469

	Note	2019/20 R'000	2018/19 R'000
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18.2 Payables not recognised

	30 days	30+ days	Total	Total
Listed by economic classification				
Goods and services	-	62	62	31
Total	-	62	62	31

	2019/20 R'000	2018/19 R'000
Listed by programme level		
Administration	5	2
Sustainable Resource Management	3	29
Asset Management	24	-
Financial Governance	30	-
Total	62	31

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	Note	2019/20 R'000	2018/19 R'000
19. Employee benefits			
Leave entitlement		5 080	4 451
Service bonus		4 362	4 016
Performance awards		1 041	940
Capped leave		3 965	4 825
Other		2 963	778
Total		17 411	15 010

"Other" includes the long service awards, salary related accruals and additional liability for 5 officials due to early retirement. At this stage the Department cannot reliably determine the long term portion of the long service awards for the staff.

20. Lease commitments

20.1 Operating leases

	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2019/20					
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
2018/19					
Not later than 1 year	-	-	-	197	197
Total lease commitments	-	-	-	197	197

Operating leases refer to the rental of print/copy/scan machines and the rental of office accommodation.

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20.2 Finance leases

	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2019/20					
Not later than 1 year	-	-	-	1 490	1 490
Later than 1 year and not later than 5 years	-	-	-	2 155	2 155
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	3 645	3 645
	Specialised military assets R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2018/19					
Not later than 1 year	-	-	-	1 300	1 300
Later than 1 year and not later than 5 years	-	-	-	2 976	2 976
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	4 276	4 276

Finance leases refer to the vehicles leased from Government Motor Transport.

	Note	2019/20 R'000	2018/19 R'000
21. Accrued departmental revenue			
Transactions in financial assets and liabilities		13 414	1 337
Total		13 414	1 337
21.1 Analysis of accrued departmental revenue			
Opening balance		1 337	3 536
Less: Amounts received		1 337	3 536
Add: Amounts recognised		13 414	1 337
Closing balance		13 414	1 337

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	Note	2019/20 R'000	2018/19 R'000
22. Irregular expenditure			
22.1 Reconciliation of irregular expenditure			
Opening balance		1 139	69
As restated		1 139	69
Add: Irregular expenditure - relating to current year	22.2	1 879	1 161
Less: Prior year amounts condoned	22.3	(1)	-
Less: Current year amounts condoned		-	(91)
Closing balance		3 017	1 139
Analysis of closing balance			
Current year		1 879	1 070
Prior years		1 138	69
Total		3 017	1 139

22.2 Details of irregular expenditure – current year

		2019/20
Incident	Disciplinary steps taken/criminal proceedings	
Non-compliance of SCM Treasury Regulation 16 A6.3 - Bid advertisement period	None	1 879
Total		1 879

22.3 Details of irregular expenditure condoned

		2019/20
Incident	Condoned by (relevant authority)	
Non-compliance with SCM procedures - Accommodation	Chief Financial Officer	1
Total		1

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	Note	2019/20 R'000	2018/19 R'000
23. Fruitless and wasteful expenditure			
23.1 Reconciliation of fruitless and wasteful expenditure			
Opening balance			
Fruitless and wasteful expenditure – relating to prior year		8	12
Fruitless and wasteful expenditure – relating to current year		9	6
Less: Amounts recoverable		(5)	(18)
Less: Amounts written off		(9)	-
Closing balance		3	-
23.2 Details of current and prior year fruitless and wasteful expenditure – added current year (under determination and investigation)			2019/20 R'000
Incident	Disciplinary steps taken/criminal proceedings		
Cancelled/Missed flights	Recovery of money from 2 officials		10
Telkom Interest	None		1
Non-attendance training	None		4
No shows - Accomodation and Shuttle	None		2
Total			17
23.3 Details of fruitless and wasteful expenditure recoverable			2019/20 R'000
Incident			
Missed flights/Change to flight ticket			5
Total			5
23.4 Details of fruitless and wasteful expenditure written off			2019/20 R'000
Incident			
Missed flight/Cancellation Fees			5
Telkom Interest			1
No show - Shuttle Service			1
Training - Non Attendance			2
Total			9

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24. 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
- Organisational 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 MEC of Finance was also responsible for the following departments and entities at 31 March 2020:

- Provincial Treasury
- Western Cape Gambling and Racing Board

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25. Key management personnel

	No. of Individuals	2019/20 R'000	2018/19 R'000
Political office bearers (provide detail below)	2	2 011	1 981
Officials:			
Management	13	14 337	11 577
Total		16 348	13 558

Management includes all officials from level 14 and above who have significant influence over the finance and operational policy decisions of the Department.

26. Non-adjusting events after reporting date

The Department has assessed the impact of the COVID-19 pandemic that resulted in a Country lockdown. No further reporting of information in the 2019/20 AFS is deemed material due to COVID-19.

27. Movable Tangible Capital Assets

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE
YEAR ENDED 31 MARCH 2020**

	Opening balance R'000	Value adjustments 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

Opening balance for Furniture and office equipment restated due to asset erroneously classified as minor asset in prior year.
Information on GG Vehicle Finance lease assets for the current and comparative years are disclosed in Annexure 4 to the AFS.

Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	2	20

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Additions**27.1 ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020**

	Cash R'000	Non-cash R'000	(Capital work- in-progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year R'000	Total R'000
MACHINERY AND EQUIPMENT	5 468	397	(1 270)	-	4 595
Transport assets	1 270	-	(1 270)	-	-
Computer equipment	4 049	66	-	-	4 115
Furniture and office equipment	28	255	-	-	283
Other machinery and equipment	121	76	-	-	197
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	5 468	397	(1 270)	-	4 595

An amount of R168 068 under Computer Equipment was not included on Logistical Information System (LOGIS) as at 31 March 2020.

Disposals**27.2 DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020**

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash received Actual R'000
MACHINERY AND EQUIPMENT	2 655	2 084	4 739	85
Computer equipment	2 563	1 785	4 348	85
Furniture and office equipment	92	148	240	-
Other machinery and equipment	-	151	151	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	2 655	2 084	4 739	85

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27.3 Movement for 2018/19

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE
YEAR ENDED 31 MARCH 2019**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	18 082	-	2 797	3 928	16 951
Computer equipment	14 428	-	894	3 802	11 520
Furniture and office equipment	2 172	-	853	46	2 979
Other machinery and equipment	1 482	-	1 050	80	2 452
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	18 028	-	2 797	3 928	16 951

27.3.1 Prior period errors

	2018/19 R'000
Prior period error	
Nature of prior period error	
Relating to 2018/19	5
Asset erroneously disclosed as a minor	5
Total	5

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27.4 Minor assets**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	5	-	6 019	-	6 024
Value adjustments	-	-	-	-	-	-
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

Minor Assets**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	5	-	5 973	-	5 978
Additions	-	-	-	350	-	350
Disposals	-	-	-	304	-	304
TOTAL MINOR ASSETS	-	5	-	6 019	-	6 024

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	1	-	4 326	-	4 327
TOTAL NUMBER OF MINOR ASSETS	-	1	-	4 326	-	4 327

Closing balance was adjusted due to asset erroneously disclosed as minor instead of major asset, as well as consumables restated to minor assets.

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27.4.1 Prior period error

**2018/19
R'000**

Nature of prior period error

Relating to 2018/19

9

Asset erroneously disclosed as minor instead of major asset.

(5)

Minor asset erroneously classified as consumables

14

Total

9

27.5 Movable assets written off**MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2020**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	44	-	44
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	44	-	44

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2019

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off	-	-	-	259	-	259
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	259	-	259

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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28. Intangible Capital Assets**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020**

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
SOFTWARE	98	-	-	-	98
TOTAL INTANGIBLE CAPITAL ASSETS	98	-	-	-	98

28.1 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing balance R'000
SOFTWARE	98	-	-	-	98
TOTAL INTANGIBLE CAPITAL ASSETS	98	-	-	-	98

	Note	2019/20 R'000	2018/19 R'000
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29. Prior period errors**29.1 Correction of prior period errors****Expenditure**

Consumables	4.4	2 104	(14)	2090
Minor Assets	4.1	341	9	350
Net effect		2 445	(5)	2440

Amount erroneously classified as consumables instead of minor asset.
--

Assets

Capital Asset	7	4 214	5	4 219
Net effect		4 214	5	4 219

Error is due to an asset with a cost price of >R5 000 classified as a minor asset instead of a capital asset.

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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	2019/20						2018/19	
	GRANT ALLOCATION				TRANSFER		Division of Revenue Act	Actual Transfer
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
BEAUFORT WEST	710	-	1 625	2 335	2 335	-	690	2 860
BERGRIVIER	710	-	-	710	710	-	690	690
BITOU	710	-	-	710	710	-	690	690
BREEDE VALLEY	660	-	800	1 460	1 460	-	640	1 640
CAPE AGULHAS	710	-	1 070	1 780	1 780	-	690	864
CAPE WINELANDS DISTRICT	660	-	-	660	660	-	840	840
CEDERBERG	860	-	430	1 290	960	330	840	1 340
CENTRAL KAROO DISTRICT	659	-	525	1 184	1 184	-	640	1 983
CITY OF CAPE TOWN	610	-	-	610	610	-	590	590
DRAKENSTEIN	635	-	240	875	620	255	615	615
EDEN DISTRICT	659	-	2 861	3 520	3 520	-	640	2 090
GEORGE	635	-	500	1 135	1 135	-	615	1 115
HESSEQUA	710	-	-	710	710	-	690	990
KANNALAND	710	-	4 821	5 531	5 531	-	690	2 090
KNYSNA	943	-	500	1 443	1 443	-	1 209	2 059
LAINGSBURG	710	-	1 125	1 835	1 505	330	690	2 860
LANGEBERG	709	-	-	709	709	-	690	690
MATZIKAMA	710	-	-	710	710	-	690	690
MOSSEL BAY	660	-	-	660	660	-	640	1 640
OUDTSHOORN	1 160	-	692	1 852	1 852	-	1 140	1 840
OVERBERG	660	-	650	1 310	1 310	-	640	1 040
OVERSTRAND	660	-	-	660	380	280	640	640
PRINCE ALBERT	710	-	1 005	1 715	1 715	-	690	2 200
SALDANHA BAY	660	-	-	660	660	-	1 140	1 140
STELLENBOSCH	635	-	-	635	635	-	615	615
SWARTLAND	709	-	-	709	709	-	790	790
SWELLENDAM	709	-	-	709	709	-	690	570
THEEWATERSKLOOF	710	-	704	1 414	1 084	330	690	1 690
WITZENBERG	710	-	-	710	710	-	690	690
WEST COAST	660	-	200	860	860	-	640	640
UNALLOCATED	20 927	-	(20 927)	-	-	-	16 467	-
	42 280		(3 179)	39 101	37 576	1 525	38 311	38 191

The underspending of R1 525 000 relates to the Western Cape Financial Management Support Grant. Due to non-adherence to MOA conditions of the previous year's grant, Laingsburg municipality was not eligible for the current year's grant. The signed MOA's were not received from Drakenstein, Overstrand and Theewaterskloof municipalities, which is a requirement for the payment of the grants. Cederberg Municipality did not refund the unspent funds of the previous year and therefore, the gazetted amount was not transferred.

**WESTERN CAPE PROVINCE
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

	GRANT ALLOCATION				TRANSFER			SPENT			2018/19	
	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	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	710	-	1 625	2 335	2 335	-	-	2 335	330	-	690	2860
BERGRIVIER	710	-	-	710	710	-	-	710	69	-	690	690
BITOU	710	-	-	710	710	-	-	710	-	-	690	690
BREEDE VALLEY	660	-	800	1 460	1 460	-	-	1 460	257	-	640	1640
CAPE AGULHAS	710	-	1 070	1 780	1 780	-	-	1 780	-	-	690	864
CAPE WINELANDS DISTRICT	660	-	-	660	660	-	-	660	188	-	840	840
CEDERBERG	860	-	430	1 290	960	330	-	960	-	-	840	1340
CENTRAL KAROO DISTRICT	659	-	525	1 184	1 184	-	-	1 184	244	-	640	1983
CITY OF CAPE TOWN	610	-	-	610	610	-	-	610	230	-	590	590
DRAKENSTEIN	635	-	240	875	620	255	-	620	-	-	615	615
GARDEN ROUTE DISTRICT	659	-	2 861	3 520	3 520	-	-	3 520	-	-	640	2090
GEORGE	635	-	500	1 135	1 135	-	-	1 135	-	-	615	1115
HESSEQUA	710	-	-	710	710	-	-	710	-	-	690	990
KANNALAND	710	-	4 821	5 531	5 531	-	-	5 531	-	-	690	2090
KNYSNA	943	-	500	1 443	1 443	-	-	1 443	-	-	1 209	2059
LAINGSBURG	710	-	1 125	1 835	1 505	330	-	1 505	-	-	690	2860
LANGEBERG	709	-	-	709	709	-	-	709	-	-	690	690
MATZIKAMA	710	-	-	710	710	-	-	710	-	-	690	690
MOSEL BAY	660	-	-	660	660	-	-	660	229	-	640	1640
ODTSHOORN	1 160	-	692	1 852	1 852	-	-	1 852	296	-	1 140	1840
OVERBERG DISTRICT	660	-	650	1 310	1 310	-	-	1 310	-	-	640	1040
OVERSTRAND	660	-	-	660	380	280	-	380	-	-	640	640
PRINCE ALBERT	710	-	1 005	1 715	1 715	-	-	1 715	368	-	690	2200
SALDANHA BAY	660	-	-	660	660	-	-	660	215	-	1 140	1140
STELLENBOSCH	635	-	-	635	635	-	-	635	6	-	615	615
SWARTLAND	709	-	-	709	709	-	-	709	280	-	790	790
SWELLEDAM	709	-	-	709	709	-	-	709	45	-	690	570
THEEWATERSKLOOF	710	-	704	1 414	1 084	330	-	1 084	-	-	690	1690
WITZENBERG	710	-	-	710	710	-	-	710	-	-	690	690
WEST COAST DISTRICT	660	-	200	860	860	-	-	860	262	-	640	640
UNALLOCATED	20 927	-	(20 927)	-	-	-	-	-	-	-	16 467	-
Total	42 280	-	(3 179)	39 101	37 576	1 525	-	37 576	3 019	-	38 311	38 191

The underspending of R1 525 000 relates to the Western Cape Financial Management Support Grant. Due to non-adherence to MOA conditions of the previous year's grant, Laingsburg municipality was not eligible for the current year's grant. The signed MOA's were not received from Drakenstein, Overstrand and Theewaterskloof municipalities, which is a requirement for the payment of the grants. Cederberg Municipality did not refund the unspent funds of the previous year and therefore, the gazetted amount was not transferred.

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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		2018/19
	Adjusted appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds %	Final Appo- prietion R'000
Western Cape Gambling and Racing Board	37 663	-	-	37 663	37 663	100%	26 864
SABC TV licences	6	-	-	6	6	100%	5
Total	37 669	-	-	37 669	37 669		26 869

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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**ANNEXURE 1C
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	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
Transfers							
Leave Gratuity	1 988	-	235	2 223	2 223	100	1 092
Bursaries to non-employees	2 563	-	(349)	2 214	2 082	94	2 940
Injury on duty	-	-	24	24	24	100	-
Schools Essay writing	207	-	90	297	297	100	186
Cash donation to deceased official's family	5	-	-	5	5	100	10
Total	4 763	-	-	4 763	4 631		4 228

The Department paid out six (6) officials' leave gratuity during the 2019/20 financial year.

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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 2019/20*	
	31/03/2020 R'000	31/03/2019 R'000	31/03/2020 R'000	31/03/2019 R'000	31/03/2020 R'000	31/03/2019 R'000	Payment date up to six (6) working days before year end	Amount R'000
GOVERNMENT ENTITY								
DEPARTMENTS								
Current								
Department of Premier	-	-	-	7	-	7	-	-
Subtotal	-	-	-	7	-	7	-	-
Non-current								
Total Departments	-	-	-	7	-	7		-
TOTAL INTERGOVERNMENTAL PAYABLES	-	-	-	7	-	7		-

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**ANNEXURE 3A
INTER-ENTITY ADVANCES RECEIVED (Note 13)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2020 R'000	31/03/2019 R'000	31/03/2020 R'000	31/03/2019 R'000	31/03/2020 R'000	31/03/2019 R'000
OTHER INSTITUTIONS						
Current						
Nedbank - bursary monies for students	-	-	77	77	77	77
Subtotal	-	-	77	77	77	77
TOTAL	-	-	77	77	77	77

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ANNEXURE 4**GG VEHICLE LEASE DISCLOSURE 2019/20****Movable Tangible Current Assets****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

TRANSPORT ASSETS AS PER FINANCE LEASE REGISTER YEAR ENDED 31 MARCH 2019

	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	3 180	-	1 693	(991)	3 882

As at 31 March 2020, the Department used 21 (2019: 21) motor vehicles which were under a financing arrangement unique to the Western Cape and this annexure enhance the minimum requirement in terms of the Modified Cash Standard.