



Western Cape  
Government  
**FOR YOU**



Provincial Treasury

# Annual Report

2023/24



**Western Cape Government  
Provincial Treasury**

**Annual Report**

**2023/24**

Provincial Treasury

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# PROVINCIAL TREASURY

## Annual Report

2023/24

**Ms D Baartman**

**Minister of Finance**

I have the honour of submitting the Annual Report of Provincial Treasury for the period 1 April 2023 to 31 March 2024.



**JULINDA GANTANA**  
**ACCOUNTING OFFICER**

**DATE:** 30 August 2024



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**GENERAL  
INFORMATION  
PART A**



# PART A: GENERAL INFORMATION

## 1. DEPARTMENTAL GENERAL INFORMATION

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## 2. LIST OF ABBREVIATIONS/ACRONYMS

4IR	Fourth Industrial Revolution
A	African
ACFS	Annual Consolidated Financial Statements
ACG (CS)	Associate of Chartered Governance Institute (Chartered Secretary)
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
AI	Artificial Intelligence
AIDS	Acquired Immunodeficiency Syndrome
AIL	Authentic Informal Leader
AM	Asset Management
AO	Accounting Officer
AOS	Accounting Officer System
APT	Automated Procurement Planning Toolkit
APP	Annual Performance Plan
ATR	Application Transformation Readiness
AWA	Alternative Working Arrangement
BAS	Basic Accounting System
B-BBEE	Broad-Based Black Economic Empowerment
BCM	Business Commerce and Management
BCom	Bachelor of Commerce
BCompt	Baccalaureus Computationis
BEE	Black Economic Empowerment
BI	Business Intelligence
BIDM	Business Information and Data Management
BMC	Baseboard Management Controller
BMI	Body Mass Index
BProc	Baccalaureus Procurationis
BPR	Business Process Re-engineering
C	Coloured
CA	Chartered Accountant
CA (SA)	Chartered Accountant (South Africa)
CAA	Chartered Accountants Academy
CAE	Chief Audit Executive
CD	Chief Director
CDP	Career Development Plan
CeI	Centre for e-Innovation
CFO	Chief Financial Officer

CGRO	Corporate Governance Review and Outlook
CKD	Central Karoo District
CoCT	City of Cape Town
CoE	Compensation of Employees
COVID-19	Coronavirus Disease 2019
CPM	Cost Per Mille
CRO	Chief Risk Officer
CSC	Corporate Services Centre
CSD	Central Supplier Database
CTA	Certificate in the Theory of Accounting
CWC	Condonation Working Committee
DCAS	Department of Cultural Affairs and Sport
DDG	Deputy Director-General
DEDAT	Department of Economic Development and Tourism
DEA&DP	Department of Environmental Affairs and Development Planning
DERM	Directorate Enterprise Risk Management
DHS	Department of Human Settlements
DLG	Department of Local Government
DoA	Department of Agriculture
DoCS	Department of Community Safety
DoH&W	Department of Health and Wellness
DoRA	Division of Revenue Act (annual)
DotP	Department of the Premier
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DSD	Department of Social Development
dtic	Department of Trade and Industry and Competition
EE	Employment Equity
EHW	Employee Health and Wellness
EHWP	Employee Health and Wellness Programme
ELS	Evergreen Legacy System
ePS	Electronic Procurement Solution
ERM	Enterprise Risk Management
ERMCO	Enterprise Risk Management Committee
ERMP	Enterprise Risk Management Policy
ERMS	Enterprise Risk Management Strategy
EPRE	Estimates of Provincial Revenue and Expenditure
FFSS	Future Fit Skills Strategy
FMCM	Financial Management and Capability Maturity Model

FRP	Financial Recovery Plan
FY	Financial Year
GG	Government Garage
GMT	Government Motor Transport
GPSSBC	General Public Service Sector Bargaining Council
GRAP	Generally Recognised Accounting Practice
GTAC	Government Technical Advisory Centre
GTAS	Greater Translogic Advisory Services
HCT	HIV & AIDS Counselling and Testing
HDIs	Historically Disadvantaged Individuals
HIRA	Hazard Identification and Risk Assessment
HIV	Human Immunodeficiency Virus
HoD	Head of Department
HR	Human Resources
HRDC	Human Resource Development Committee
I	Indian
IA	Internal Audit
ICT	Information and Communication Technology
IDP	Integrated Development Plan
IDMS	Infrastructure Delivery Management System
IFMS	Integrated Financial Management System
IFS	Integrated Financial Systems
IGR	Intergovernmental Relations
IIA	Institute for Internal Auditors
IRMSA	Institute of Risk Management South Africa
IT	Information Technology
IYM	In-year Monitoring
JDMA	Joint District and Metropolitan Approach
KPI	Key Performance Indicator
LCD	Liquid Crystal Display
LED	Local Economic Development
LG	Local Government
LGBO	Local Government Budget Office
LGf	Local Government Finance
LG MTEC	Local Government Medium Term Expenditure Committee
LG SCM	Local Government Supply Chain Management
LOGIS	Logistical Information System
LRA	Labour Relations Act, 1995 (Act 6 of 1995)
Ltd	Limited

MAF	Municipal Accounting Forum
MBA	Master of Business Administration
MBRR	Municipal Budget and Reporting Regulations
MCS	Modified Cash Standard
M&E	Monitoring and Evaluation
MEC	Member of the Executive Council
MERO	Municipal Economic Review and Outlook
MFMA	Municipal Finance Management Act, 2003 (Act 56 of 2003)
MIT	Municipal Intelligence Team
MoA	Memorandum of Agreement
MS	Microsoft
MSA	Local Government Municipal Systems Act, 2000 (Act 32 of 2000)
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
MTP	Master Tax Practitioner
N/A	Not Applicable
ND	National Diploma
NDP	National Development Plan
NT	National Treasury
NTI	National Treasury Instruction
NTR	National Treasury Regulation
OAG	Office of the Accountant-General
OAPMII	Overview of the Adjusted Provincial and Municipal Infrastructure Investment
OHAS	Occupational Health and Safety
OPMII	Overview of Provincial and Municipal Infrastructure Investment
OPRE	Overview of the Provincial Revenue and Expenditure
PAC	Public Accounts Committee
PAY	Premier's Advancement of Youth
PCC	Procurement Client Centre
PDIA	Problem Driven Iterative Adaptation
PDO	Predetermined Objectives
PDR	Procurement disclosure report
PERMIS	Performance Management Information System
PERMPS	Provincial Enterprise Risk Management Policy and Strategy
PERO	Provincial Economic Review and Outlook
PERSAL	Personnel and Salary Administration System
PES	Provincial Equitable Share
PFMA	Public Finance Management Act, 1999 (Act 1 of 1999)

PFS	Provincial Forensic Services
PG	Provincial Government
PGBO	Provincial Government Budget Office
PGDA	Post Graduate Diploma in Accounting
PG MTEC	Provincial Government Medium Term Expenditure Committee
PG SCM	Provincial Government Supply Chain Management
PILIR	Policy on Incapacity Leave and Ill-Health Retirement
PPF	Project Preparation Facility
PPO	Public Procurement Office
PPPFA	Preferential Procurement Policy Framework Act
PPPFR	Preferential Procurement Policy Framework Regulations
PPP	Public Private Partnership
PPR	Procurement Policy and Regulations
PRF	Provincial Revenue Fund
PSC	Public Service Commission
PSCBC	Public Service Commission Bargaining Council
PSP	Provincial Strategic Plan
PSR	Public Service Regulations
PSRMF	Public Service Risk Management Framework
PT	Provincial Treasury
PTI	Provincial Treasury Instruction
Pty	Proprietary
PwC	PricewaterhouseCoopers Incorporated
PwD	Persons with Disabilities
QAR	Quality Assurance Review
QPR	Quarterly Performance Report
RA (SA)	Designation of the Independent Regulatory Board of Auditors
RBM&E	Results-based Monitoring and Evaluation
RFI	Request for Information
RFQ	Request for Quotation
RMMC	Revenue Management Master Class
SA	South Africa
SABC	South African Broadcasting Corporation
SAICA	South African Institute of Chartered Accountants
SALGA	South African Local Government Association
SAPS	South African Police Service
SARS	South African Revenue Service
SCA	Supreme Court of Appeal
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDA	Service Delivery Agreement

SDF	Spatial Development Framework
SDIP	Service Delivery Improvement Plan
SEB	Supplier Evidence Bank
SEO	Strategic Execution Office
SEP	Socio-economic Profile
SHERQ	Safety, Health, Environment, Risk and Quality
SIFS	Supporting and Interlinked Financial Systems
SIME	Strategic Integrated Municipal Engagement
SITA	State Information Technology Agency
SMS	Senior Management Service
SOP	Standard Operating Procedure
SP	Strategic Plan
SPLUMA	Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013)
STEERCOM	Steering Committee
STI	Sexually Transmitted Infection
Stratecon	Strategic Economic Solution
STS	Standard Transfer Specification
TB	Tuberculosis
TCF	Technical Committee on Finance
TID	Token Identifier
TIME	Technical Integrated Municipal Engagements
ToR	Terms of Reference
TMC	Top Management Committee
U-AMP	User immovable Asset Management Plan
UAM	User Account Management
UIF&W	Unauthorised, irregular, fruitless and wasteful
VAT	Value-Added Tax
W	White
WC	Western Cape
WCED	Western Cape Education Department
WCG	Western Cape Government
WC FMCG	Western Cape Financial Management Capability Grant
WC FMCBG	Western Cape Financial Management Capacity Building Grant
WCGRB	Western Cape Gambling and Racing Board
WCLA	Western Cape Liquor Authority
WCPP	Western Cape Provincial Parliament
WCSD	Western Cape Supplier Database
WCSEB	Western Cape Supplier Evidence Bank
WC-IDMS	The Western Cape Infrastructure Delivery Management System
WESGRO	The Western Cape Tourism, Trade and Investment Promotion Agency
X	Twitter

### 3. FOREWORD BY THE MINISTER

As we embark upon another year of service to the people of the Western Cape (WC), I am proud to present the Annual Report for the 2023/24 financial year. This report encapsulates the dedication and commitment of the Provincial Treasury team in navigating the complex and challenging economic landscape we have faced.

The past year has been marked by fiscal discipline, strategic planning, and a relentless pursuit of good governance. We have continued to build upon our record of financial prudence, ensuring that every rand spent delivers maximum impact for our residents. This has not been an easy task, as we have had to do more with less, but our team has risen to the challenge with resilience and innovation.

I would like to extend my gratitude to the entire Provincial Treasury team, led by the Accounting Officer, Julinda Gantana, for their unwavering commitment to transparency, accountability, and the highest standards of financial management. Your efforts have been instrumental in securing our 11<sup>th</sup> consecutive unqualified audit, a testament to our team's professionalism and the robustness of our financial governance systems.

The strategic focus of the Department has been to support the Western Cape Government's (WCG) vision for growth and development, while also ensuring that our municipalities have the financial stability and guidance that they need to deliver essential services to their communities. We have worked tirelessly to strengthen our supply chain management (SCM) practices, enhance our infrastructure investment strategies, and improve our revenue collection and management.

Looking ahead, we will continue to prioritise the implementation of the Public Finance Management Act (PFMA) and the Municipal Finance Management Act (MFMA), with a keen focus on reducing unauthorised, irregular, fruitless, and wasteful expenditure. We will also deepen our integration with key partners and enhance our support for municipalities, particularly those that are financially vulnerable.

I am confident that the Provincial Treasury will remain a reliable and enabling partner in driving service delivery and contributing to the prosperity of the WC. As we move forward, let us remain steadfast in our commitment to the Batho Pele principles, serving our people with dignity and respect.

I invite you to join me in celebrating the achievements of the past year and to renew our commitment to the future of our Province.



**Ms Deidré Baartman**  
**Minister of Finance**

A handwritten signature in black ink, appearing to read 'D Baartman', written in a cursive style.

**Ms D Baartman**  
**Minister of Finance**

**Date:** 30 August 2024

## 4. REPORT OF THE ACCOUNTING OFFICER

### Overview of operations

The 2023/24 financial year was an extremely challenging environment, both from an economic and resourcing point of view. The Provincial Treasury played a critical role, together with its partners to navigate a rapidly changing, uncertain, complex and at times, ambiguous environment, requiring a relentless focus on purpose, soliciting feedback to continuously refine our plans, clarity of tactic and remaining agile in order to meet our goals. This was an opportunity for government to prioritise doing more with less and continue to innovate in the best interests of our residents. As Provincial Treasury takes the leading role as an enabler and reliable partner in ensuring financial governance within the WCG, Provincial Treasury advocated prudent fiscal management and transparency in an ever changing economic and fiscal environment to remain resilient and forward-looking.



**Julinda Gantana**  
Accounting Officer  
Provincial Treasury

The Western Cape continues to obtain excellent audit outcomes. However, maintaining these outcomes is challenging in an environment with a rapid pace of changing legislation and regulations. The Provincial Treasury continues to support municipalities, departments and entities to navigate the changing environment.

### Overview of the results and challenges for the Department

The departmental strategic priorities have remained consistent, serving as pivotal drivers for the Provincial Strategic Plan (PSP) and the Western Cape Recovery Plan. These priorities are instrumental in promoting provincial recovery, fostering growth, and facilitating development.

Our journey toward enhanced financial governance was evident through various transformative initiatives, amongst others, retaining its 11<sup>th</sup> consecutive unqualified audit with no findings.

### Integrated Provincial Governance (Governance Transformation)

Provincial Treasury focused on the value creation from good governance, making sure that the organization become innovative in its processes, systems, tools and people, whilst maintaining a culture of good governance.

The 2023/24 financial year saw an unprecedented in-year fiscal risk as the Province only received partial funding for the 2023 wage agreement, together with fiscal consolidation in the form of reductions on both the equitable share as well as conditional grant allocations. To achieve in-year sustainability, concerted effort was made to keep all role-players in the Province abreast of developments and to collectively work towards cost saving strategies. Particularly, attention was placed on the management of Compensation of Employees (CoE) and the realignment of projects and programmes to contain in-year expenditure. The Department also engaged in economic, policy and budget related research and analysis which provided critical insights into economic and socio-economic trends resulting in informed decision making in policy formation and budget allocations that are in line with the strategic priorities outlined in the Western Cape Recovery Plan, the 2019 – 2024 PSP and other applicable policies.

Various research projects were embarked on with an aim to enhance existing and alternative revenue sources for the Province of which the commencement of the Fiscal Futures project is noteworthy. The project aims to develop a fiscal planning model for the WCG to enable the provincial fiscal strategy to anticipate and respond dynamically to a changing fiscal context. Further research is also being commissioned, which will result in the development of a draft Green and White Paper, which will lay the foundation for the drafting of new gambling legislation.

In the 2023/24 financial year, the Department also produced a guideline to assist accounting officers and accounting authorities with the management of public entities. This has then been shared with the National Treasury (NT) to ensure consistency throughout the Country in dealing with certain types of state-owned enterprises.

In support of the creation of an enabling environment Provincial Treasury also strives to enable departments and entities to leverage their strengths and record of good governance to promote the realization of policy priority areas. Provincial Treasury coordinates several intergovernmental structures that build the capacity of provincial finance such as the quarterly Chief Financial Officers (CFO) Forums, Management Accounting forum, Financial Accounting Forum, Public Entity CFO forum, Budget and in-year monitoring (IYM) training and Medium-Term Expenditure Committees. In addition, the socio-economic publication, namely, the Provincial Economic Review and Outlook (PERO) and the Procurement Disclosure Report (PDR), supports data-driven and evidence-based planning.

### **Effective Local Governance**

Local government finances over the past few years have been dominated by the impact of the pandemic as well as load-shedding. This double blow, in addition to sluggish economic growth put municipalities under tremendous financial pressure however Western Cape (WC) municipalities have broadly done well in coping with these shocks, demonstrating the value of establishing a sound governance bedrock. Several vulnerable municipalities, however, could not make it through these shocks without slipping into unfunded budgets and in some cases financial crisis. These problems were compounded by political and administrative instability in these municipalities.

Provincial Treasury has worked hard to be a reliable partner in assisting municipalities, aiming firstly to prevent financial challenges developing into crises, but also not hesitating to intervene where a financial crisis does develop. In municipalities with financial crisis, the Provincial Treasury intervenes in terms of section 139(5) of the Constitution. The Provincial Cabinet placed Beaufort West Municipality under an intervention in October 2021 (with a Financial Recovery Plan (FRP) prepared by National Treasury's Municipal Financial Recovery Service and implemented from March 2022). The Provincial Cabinet decided to intervene in Kannaland Municipality in December 2023 and a Financial Recovery Plan is being prepared by the Municipal Financial Recovery Service.

The 2023/24 financial year saw the announcement of an opportunity for municipalities with arrears to Eskom to have these written off through the Municipal Debt Relief Programme. This provides a path for affected municipalities to accelerate their turnaround. Provincial Treasury assisted the four (4) eligible municipalities in the Province to apply and qualify to form part of the programme. Should these municipalities remain compliant with the conditions set over the three (3) years of the programme, they stand to benefit from debt being written off as well as the fact that they will cease to pay interest charged on the debt.

In support of the creation of an enabling environment, Provincial Treasury coordinates several intergovernmental structures that build the capacity of municipal finance officials and strengthen cooperation between municipalities and between spheres of government such as the quarterly Chief Financial Officers (CFO) Forums, Municipal Accountants Forums, annual Revenue Management Master Class (RMMC), Budget and IYM training, Strategic Integrated Municipal Engagements (SIME) and Technical Integrated Municipal Engagements (TIME). In addition, the two (2) socio-economic publications, namely, the Municipal Economic Review and Outlook (MERO) and the Socio-Economic Profiles, which promotes data-driven and evidence-based planning, was strengthened by including new geographical tax data. This enhanced the spatial granularity of the MERO report which included trends in the real estate market, information on social grants, migration and urbanisation.

### **Strategic Supply Chain Management**

Strategic supply chain management (SCM) has been a cornerstone of our Province's strategy and Provincial Treasury's focused mandate, facilitating efficient resource allocation in a transparent manner. Over the 2022/23 and 2023/24 financial years, it has emerged as a strategic priority lever for the Provincial Treasury (PT). Aligned with this objective, Provincial Treasury Instructions (PTIs) for SCM alongside its blueprint Accounting Officer's System (AOS) for the Province, forms the bedrock of its governance model. These are complemented by Support Programmes for departments and suppliers together with tailored assistance provided through its Procurement Client Centre (PCC).

Our technology infrastructure for SCM plays a vital role, encompassing the procurement planning toolkit, e-Procurement Solution (ePS) for quotations and Supplier Evidence Bank offering essential Information and Communication Technology (ICT) application support. These tools furnish crucial data and information sets, facilitating the alignment of non-financial performance of provincial departments to financial performance and enables the production of comprehensive performance reporting, leveraging business intelligence capabilities such as the SCM Insight Reports, Procurement Disclosure Reporting, Client Support Reports and the Strategic Sourcing Intervention Reporting.

This approach not only empowers provincial departments to make informed decisions but also enhances value-for-money by optimising fund allocation across diverse initiatives. The fortified procurement framework ensures meticulous scrutiny of each investment, aligning with our vision of prudent resource utilisation.

Similarly, for Local Government Supply Chain Management (LG SCM), in the 2022/23 and 2023/24 financial years, the SCM Repositioning Strategy shifted procurement focus from compliance to performance. This involved analysing municipal procurement spend collaboratively to enhance citizen-centric services and maximise value for money.

Supporting the provincial Growth for Jobs strategy, the interventions targeted Priority Focus Area 6: Connecting through infrastructure and digitalisation, by addressing challenges within the Municipal Finance Management Act (MFMA) and Public Finance Management Act (PFMA). Initiatives included:

- Engaging municipal clients and external stakeholders to tackle SCM challenges related to legislative reform;
- Providing SCM support programmes for municipalities, entities, and suppliers; and
- Implementing the Asset Management Governance and Capacity Building project to enhance asset management maturity and capacity within municipalities.

Access to credible data is facilitated through municipal SCM Performance Insight Reports, aiding decision-making at the district level. Procurement planning assessments guide municipalities in aligning procurement plans with municipal integrated development plans (IDPs) and budgets, identifying commodities to address at district and local levels.

Supporting and Interlinked Financial Systems (SIFS) drove innovation in financial systems, offering comprehensive support and training to provincial systems users, for the Basic Accounting System (BAS), Personnel and Salary Administration System (PERSAL) and Logistical Information System (LOGIS). Quarterly gap analyses are conducted, aligning the user profiles outlined in System Circular No. 1 of 2010. Automated training gaps for BAS improved data quality significantly.

Regular client feedback via perception surveys, informs initiatives to enhance training objectives. Bespoke workshops address operational challenges experienced by users on specific functionality needs. The Baseboard Management Controller (BMC) Remedy system replaced manual email logging, streamlining processes and enhancing efficiencies in handling service requests. This web-based system enables real-time call tracking and ticketing.

Partnerships with the WCG Centre for e-Innovation and Microsoft technical engineers bolster technical efforts, focusing on PT Data Warehouse and Legacy Systems modernisation. This initiative enhances dataset access and reporting capabilities, emphasising data literacy, engagement, and evidence-based decision-making for economic growth.

### **Efficient Infrastructure Investment**

Infrastructure investment is a significant contributor to stimulating the economy and ensuring that the basic needs of residents are met. Provincial Treasury's focus during the 2023/24 financial year was to support departments in the delivery of infrastructure to institutionalise the Infrastructure Delivery Management System (IDMS) through the Framework for Infrastructure Delivery and Procurement Management, as we move the infrastructure investment approach from policy and strategy to delivery.

The period under review saw the successful application of infrastructure funding for the school build programme from the Budget Facility for Infrastructure at the National Treasury.

### **Overview of the Department's financial results**

Table 1 below depicts, total departmental receipts amounted to R17.857 million, resulting in an overcollection of R17.773 million. This overcollection was largely for *Financial transactions in assets and liabilities* (R17.644 million). It is mainly as a result of the surrender of the previous year's surplus from the Western Cape Gambling and Racing Board (WCGRB) and the recovery of previous years' unspent provincial conditional grants paid to municipalities.

The *sale of capital assets* also amounted to R83 000. It mainly relates to the disposal of information communication technology (ICT) equipment that have become redundant, obsolete, impaired and reached it's useful life.

**Table 1 Departmental receipts**

Departmental receipts	2023/24			2022/23		
	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	18	43	(25)	17	40	(23)
Transfers received	1	-	1	1	-	1
Interest, dividends and rent on land	1	23	(22)	1	4	(3)
Sale of capital assets	-	83	(83)	-	159	(159)
Financial transactions in assets and liabilities	64	17 708	(17 644)	61	3 327	(3 266)
<b>Total</b>	<b>84</b>	<b>17 857</b>	<b>(17 773)</b>	<b>80</b>	<b>3 530</b>	<b>(3 450)</b>

At the end of the 2023/24 financial year, the Department spent R310.800 million of the Adjusted Appropriation of R316.436 million resulting in a net underspending of R5.636 million or 1.8 per cent of the overall appropriation, as depicted in Table 2 below.

**Table 2 Programme expenditure**

Programme Name	2023/24			2022/23		
	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	57 837	57 340	497	60 988	60 976	12
Sustainable Resource Management	126 114	123 013	3 101	127 993	127 431	562
Asset Management	80 932	79 586	1 346	78 603	77 561	1 042
Financial Governance	51 553	50 861	692	51 236	51 082	154
<b>Total</b>	<b>316 436</b>	<b>310 800</b>	<b>5 636</b>	<b>318 820</b>	<b>317 050</b>	<b>1 770</b>

### Reasons for under expenditure

The underspending mainly relates to Goods and Services, and as a result of:

- Late receipt of inter-departmental claims related to computer services and legal fees;
- Delays in the economic analysis of the potential imposition of taxes/charges under the proposed new legislative scheme for casinos due to slow responses to request for information; and
- Delay in the establishment of a panel of experts' database to provide technical evaluation of project funding proposals, in order to build a credible pipeline due to insufficient bids per sector received. The tender process followed was cancelled due to non-compliance.

### Virement/Roll-overs

The Minister of Finance and Economic Opportunities, as the Executive Authority, on 10 April 2024, approved a provisional virement. The following virements were applied between the programmes and the details of the shifts below can be found on the Appropriation Statement (refer to pages 165 to 169).

- R145 000 was shifted from Programme 2: Sustainable Resource Management to Programme 1: Administration to accommodate for the legal fees and interdepartmental claims related to the Strategic Execution Office (SEO) and Business Process Re-engineering (BPR) projects.
- R58 000 was shifted from Programme 4: Financial Governance to Programme 1: Administration to accommodate for the leave gratuity of officials that left the service of the Department.
- R29 000 was shifted from Programme 4: Financial Governance to Programme 3: Asset Management to accommodate for the leave gratuity of an official that left the service of the Department.

The Department requested that the Provincial Treasury approve the roll-over of the following 2023/24 unspent funds to the 2024/25 financial year:

- R134 297 for the procurement of office furniture for the culture rebrand. The appointed service provider could not fulfil the full order before the end of the financial year.
- R230 000 for the economic analysis of the potential imposition of taxes/charges under the proposed new legislative scheme for casinos project. Due to slow responses to request for information, the deliverables will carry over into the 2024/25 financial year.
- R66 889 for legal fees for an intergovernmental dispute related to the 2023 public service wage agreement. Legal consultation took place in the 2023/24 financial year regarding the Western Cape Government (WCG) versus National Treasury and the Public Service Co-Ordinating Bargaining Council (PSCBC) matter, however, had not been invoiced timeously.

### Unauthorised, fruitless, and wasteful expenditure

There was no unauthorised expenditure during the reporting period. Fruitless and wasteful expenditure amounted to R5 848. The reasons, amounts and steps taken pertaining to fruitless and wasteful expenditure are recorded in Part E – PFMA Compliance Report of the Annual Report.

### Strategic focus over the short- to medium term period

Over the short to medium term, the Department is looking at the implementation of the revisions to the PFMA and the MFMA. Unauthorised, Irregular, and Fruitless and Wasteful (UIF&W) expenditure will be a continued focus to stem the tide on the levels of perceived corruption in both the PFMA and MFMA space.

The principal areas of strategic focus over the medium to long-term include:

**Integrated Provincial Governance:** The WCG's good governance agenda over the medium term will critically focus on leveraging the WCG governance system to enable growth within the Province, i.e. Governing for Growth. Purchasing and procurement in the province must enable progress on the provincial priorities of jobs, safety, and wellbeing.

Provincial Treasury will continue to focus on its role as an enabler and reliable partner through strengthening the fiscal policy approach to give effect to the Western Cape Fiscal Strategy and Budget Policy. This includes fiscal consolidation, fiscal discipline, and sustainability in response to the need for resilient growth and taking a citizen-centric approach through integrated policy, planning, budgeting and implementation.

We will also continue to drive the departments in getting closer to accrual accounting, but until such time, we will ensure that the departments and public entities implement their applicable accounting and reporting frameworks.

We will also be driving Corporate Governance Review and Outlook (CGRO) amongst the public entities; this is a measurement of an entities progress in financial management applying the Canadian Financial Management and Capability Maturity Model (FMCMM) – financial management capability maturity model, where currently the Province is at a comfortable level 3 but needs to progressively achieve a level 6 – an optimised institution.

**Effective Local Governance:** In the period ahead, the Provincial Treasury's Effective Local Governance Strategy continues to rest on two (2) pillars: Sustainability and Growth. Provincial Treasury aims to be a reliable partner in guiding municipalities with financial challenges to achieve and maintain financial sustainability and to enable those municipalities that have achieved sustainability to use that to develop and grow.

The Provincial Treasury will closely monitor the financial performance of all municipalities, using our monthly dashboard to identify at risk municipalities. We will respond to financially vulnerable and distressed municipalities and provide guidance and oversight for their financial recovery. Monitoring the financial health of municipalities and responding to the needs of vulnerable municipalities will continue to form the core of our work, in line with the responsibilities assigned to Provincial Treasury in the MFMA.

Provincial Treasury also seeks to enable municipalities that have established a solid base of good governance and financial sustainability to build on this foundation and deliver growth and development for their communities. This includes policy support, capacity building and advice through governance and budget assessments and advice. Over the next five (5) years, we seek to develop our capacity to improve the advice provided in this role.

The focus over the short-term will be to drive integrated planning and budgeting through the Province's Joint District and Metro Approach (JDMA). Provincial Treasury will increasingly shift focus to enabling growth in municipalities through the Department's products, such as the MERO, which provides insightful economic analysis to guide the repositioning of municipalities' spending so that it supports local economic development and growth. The strategy will include some shorter-term actions in terms of how Provincial Treasury engages around the MERO, the budget process as well as the functional and fiscal realignment on functions to reduce frictions with the Province. Over time, the strategy is to embed longer-term financial planning that can effectively support borrowing

programmes by municipalities and get them to optimise revenue and expenditure, not just from an administrative point of view but from a strategy point of view, and to start innovating in terms of how municipalities manage their finances. Underpinning this in the local governance environment is making sure that Provincial Treasury's reporting systems deliver real information at the right time and of the right quality.

The Provincial Treasury collaborates closely with other provincial departments, and we seek to deepen and improve integration with our key partners in the Department of Local Government (DLG) and the Department of Environmental Affairs and Development Planning (DEA&DP).

**Strategic Supply Chain Management:** Looking ahead, our strategic focus over the short-to medium-term centres on the strengthening of SCM practices. Emphasising people, systems, technology, and value for money. Our SCM reform strategy (SCM repositioning), spearheaded by Provincial Treasury, prioritises governance, technology integration, strategic procurement methodologies and capacity building. This is aimed at enhancing financial capability maturity and performance across provincial supply chains.

Our efforts include enhancing our in-house ePS, Western Cape Supplier Evidence Bank (SEB) and Procurement Planning Toolkit to improve Information Technology (IT) platforms and user interactions. At the PCC, we continue to enhance supplier and client engagement while addressing procurement queries and complaints promptly and responsibly.

Furthermore, our strategic sourcing commodity approach integrates the Problem Driven Iterative Adaptation (PDIA) methodology, encouraging departments to innovate and foster a culture of problem solving and delivery through the commodities they purchase. This collaborative approach fosters strengthened partnerships with SCM heads in the Province focusing on addressing challenges such as overregulation, capacity building and technology integration.

For LG SCM, the short-to-medium term strategic focus will include:

- Prioritising infrastructure delivery by integrating procurement planning with the municipal budget cycle;
- Harnessing supply chain technology for SCM Insight Performance Reporting, Enterprise Asset Management system readiness, and implementing the National Treasury's Central Supplier Database Request for Quotation (RFQ) system in Western Cape municipalities;
- Maintaining a dedicated SCM support programme to ensure good governance and build capacity, including policy reviews, diagnostic assessments, supplier development, and SCM eLearning; and
- Fulfilling Provincial Treasury's legislative mandates by conducting stakeholder engagements to support municipalities, entities, and suppliers, fostering reliable partnerships for effective service delivery through SCM.

In summary, our strategic approach to SCM for both spheres not only optimises resource utilisation but also fosters innovation and collaboration, ensuring the efficient and transparent allocation of resources in line with our Province's objectives.

The Evergreen Legacy Systems (ELS) Strategy focuses on short- and medium-term incremental improvements to the legacy systems, integrating modern data technologies to support WCG's digital transformation objectives. This aligns with the goal of creating a digitally accessible Provincial Treasury, with the WCG taking the lead to manage an Integrated Financial Management Platform.

The ELS strategy employs a dual approach: establishing a PT Data Warehouse and adopting Application Transformation Readiness (ATR), to rationalise WCG investment in financial systems related applications. This approach aims to scale innovations, automation and digital initiatives across departments, benefitting the entire WCG. The PT Data Warehouse, pivotal to governance transformation and integrated service delivery, adopts a data-driven approach by consolidating data from legacy systems into a cloud-based repository in line with Provincial Treasury's e-Vision and ICT plan.

**Efficient Infrastructure Investment:** over the next 3-, 5- and 10- year periods, Provincial Treasury is working towards stabilising and expanding infrastructure investment in the Province as a potential of total provincial expenditure as well as a percentage of economic output in the Province. By supporting a robust investment pipeline, supporting funding for project preparation support and investigating alternative funding mechanisms, Provincial Treasury strives to maximise the impact of infrastructure development. The Guidelines of the Project Preparation Facility (PPF) proposes, inter alia, consideration for the expansion of funding for project preparation support. Provincial Treasury will also start looking at leveraging improvements in infrastructure value for money, both in terms of the local content that is threatening to erode value for money by making potentially deleterious trade-offs, as well as looking at systems of construction procurement and alternatives within the framework of existing regulations.

### Public Private Partnerships

Provincial Treasury performs an oversight role throughout the Public Private Partnership (PPP) Project Cycle, assessing factors such as affordability, value for money, and risk transfer during project development. Additionally, Provincial Treasury monitors Closed PPP Deals that are in implementation, of which the Province currently has two (2). Provincial Treasury's oversight role in PPPs is underpinned by the Public Finance Management Act (PFMA) and Treasury Regulation 16. It is important to note that Provincial Treasury itself is not directly engaged in any PPPs.

**Registered Provincial PPP Closed Deals and potential PPP projects are listed in the table below**

Closed PPP Deals				
Project name	Description	Department	Start date	End date
Chapman's Peak Drive Toll Road	Design, construct, finance, operate and maintenance of Chapman's Peak Drive	Department of Infrastructure	21 May 2003	21 May 2033
CapeNature: De Hoop Nature Reserve*	The De Hoop Nature Reserve PPP project entails the upgrading of existing tourism facilities, the creation of new products and the provision of activities for tourism	Department of Environmental Affairs and Development Planning (DEA&DP): implemented by CapeNature	02 December 2009	30 year long-term contracts (with the option of renewal for another 15 years)

Potential PPP Project		
Project name	Department	PPP Project Cycle Phase
Tygerberg Hospital Redevelopment	Department of Health and Wellness (DoHW)	Procurement Phase
Caledon Office Block	Department of Infrastructure (DoI)	Feasibility Phase
Kogelberg Nature Reserve	CapeNature	Inception Phase
Limietberg Nature Reserve	CapeNature	Inception Phase
Walker Bay Nature Reserve	CapeNature	Inception Phase
Eikestad Parking Development Project	Stellenbosch Municipality	Feasibility Phase

Note: The De Hoop PPP makes provision for additional concessionaires.

### Discontinued activities/activities to be discontinued

No activities were discontinued during the 2023/24 financial year.

### New or proposed key activities

SIFS plans to draft an Integrated Financial Systems (IFS) policy framework, to address challenges stemming from National Treasury's delayed implementation of the Integrated Financial Management Systems (IFMS). This policy framework will also respond to the increasing need for enhancements to financial systems across provincial department alongside streamlining application development, bolstering financial risk management, and fostering sound financial governance. The policy's integrated approach further seeks to improve efficiency, transparency, and accountability in financial operations, while mitigating risks, promoting sustainable governance practices and avoiding fruitless and wasteful expenditure.

On the local government side, VAT and grant funding will be a major focus in the 2024/25 financial year to ensure that we are fully compliant with the laws and regulations governing tax administration in the municipal sphere.

Once we have the CGRO results of all departments and entities, the idea is to ensure consistency of financial manuals within all departments and entities that are consistent with national and provincial regulations. The rule of law is paramount to how we run the Province, and this particular activity will require refinement.

## **Supply Chain Management**

### ***Unsolicited bids***

No unsolicited bids were received during the period under review.

### ***Challenges within Supply Chain Management***

The procurement of goods and services is centralised under the Sub-directorate: SCM within the Office of the CFO is instrumental in ensuring adherence to the SCM legislative framework throughout the procurement processes of the Department.

During the 2023/24 financial year, the SCM unit faced tremendous pressure due to capacity constraints. The approved unit structure consists of fifteen (15) posts of which only eight (8) are active. Currently, three (3) posts were identified as critical and approved for the recruitment and selection process based on available funding and three (3) are still unfunded. In order to still meet operational requirements, the unit needed to reassign critical deliverables amongst existing officials and work longer hours which impacted staff wellbeing. In order to respond temporarily to the situation, two (2) interns were appointed for a period of one (1) year to bring some relief.

### ***Irregular expenditure***

Notwithstanding the aforementioned challenges, the SCM unit has doubled down on its efforts within its existing framework to uphold and achieve good governance and compliance standards, thus forestalling any potential irregular or fruitless expenditure. The focus of SCM functions remain centered on streamlining procurement processes, fostering improved client relationships, enhancing performance management and monitoring mechanisms, and consolidating governance and compliance measures.

All instances of possible irregular expenditure, whether identified internally or reported to the Internal Control unit, undergo thorough investigation to ascertain accountability and responsibility. Further elaboration on irregular expenditure can be found in Note 21: Unauthorised, Irregular, and Fruitless and Wasteful Expenditure, contained within the AFS, as well as in Part E - PFMA Compliance Report of the Annual Report.

### ***Gifts and donations received in kind from non-related parties***

The gift register maintained by the Financial Management Directorate indicates that an official received gifts to the value of R620 in the reporting period.

### ***Exemptions and deviations received from the National Treasury***

None.

### ***Events after the reporting date***

None.

## Conclusion

We continually strive to do more but remaining mindful of our staff's mental wellness and providing an environment where our staff can always feel that they are serving the public in the manner that Batho Pele envisioned. I therefore wish to express my sincere appreciation to the entire #TeamFinance for their unrelenting support on this journey of being an enabler and reliable partner with emphasis on financial governance as a bedrock for growth. Without their hard work and dedication, this performance would not have been possible, alongside the enabling leadership provided by our Executive Authority.

As we move forward, Provincial Treasury remains committed to playing a pivotal role as a dependable and pro-active partner in driving service delivery and contributing to the prosperity of the Western Cape.

## Approval and sign off



**Julinda Gantana**  
**Accounting Officer**  
**Provincial Treasury**  
**Date:** 30 August 2024

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

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

- All information and amounts disclosed throughout the Annual Report are consistent.
- The Annual Report is complete, accurate, and is free from any omissions.
- The Annual Report has been prepared in accordance with the guidelines on annual reports issued by NT.
- The AFS (Part F) has been prepared in accordance with the Modified Cash Standard and the relevant frameworks and guidelines issued by the NT.
- The Accounting Officer (AO) is responsible for the preparation of the AFS 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 AFS.
- The external auditors are engaged to express an independent opinion on the AFS.

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information, and the financial affairs of the Provincial Treasury for the financial year ended 31 March 2024.



**Julinda Gantana**  
**Accounting Officer**  
**Provincial Treasury**  
**Date:** 30 August 2024

## 6. STRATEGIC OVERVIEW

### 6.1 Vision

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

### 6.2 Mission

- Promotion of cohesion and citizen centricity.
- Building capacity in the public sector by being adaptive, innovative and supportive.
- Integrated management and partnerships that enable the delivery of quality services in a sustainable manner.

### 6.3 Values

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

**These values are our guiding principles for what we stand for and believe in.**



## 7. LEGISLATIVE AND OTHER MANDATES

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

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

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

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

### ● **Annual Division of Revenue Act (DoRA)**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This Act regulates the intergovernmental process that must be followed by provinces in the exercise of their power in terms of Section 228 of the Constitution to impose taxes, levies and duties, and flat-rate surcharges on the tax bases of any tax, levy or duty imposed by national legislation; and provides for related matters.

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

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

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

This Act provides a framework for spatial planning and land use management in the Republic; specifies the relationship between the spatial planning and the land use management system, and other kinds of planning; provides for the inclusive, developmental, equitable, and efficient spatial planning at the different spheres of government; provides a framework for the monitoring, coordination, and review of the spatial planning and land-use management system; provides a framework for policies, principles, norms and standards for spatial development planning, and land-use management; addresses past spatial and regulatory imbalances; promotes greater consistency and uniformity in the application procedures of, and decision-making by authorities

responsible for land use decisions and development applications; provides for the establishment, functions, and operations of municipal planning tribunals; provides for the facilitation and enforcement of land-use and development measures; and provides for related matters.

- **Annual Western Cape Appropriation Act**

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

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

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

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

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

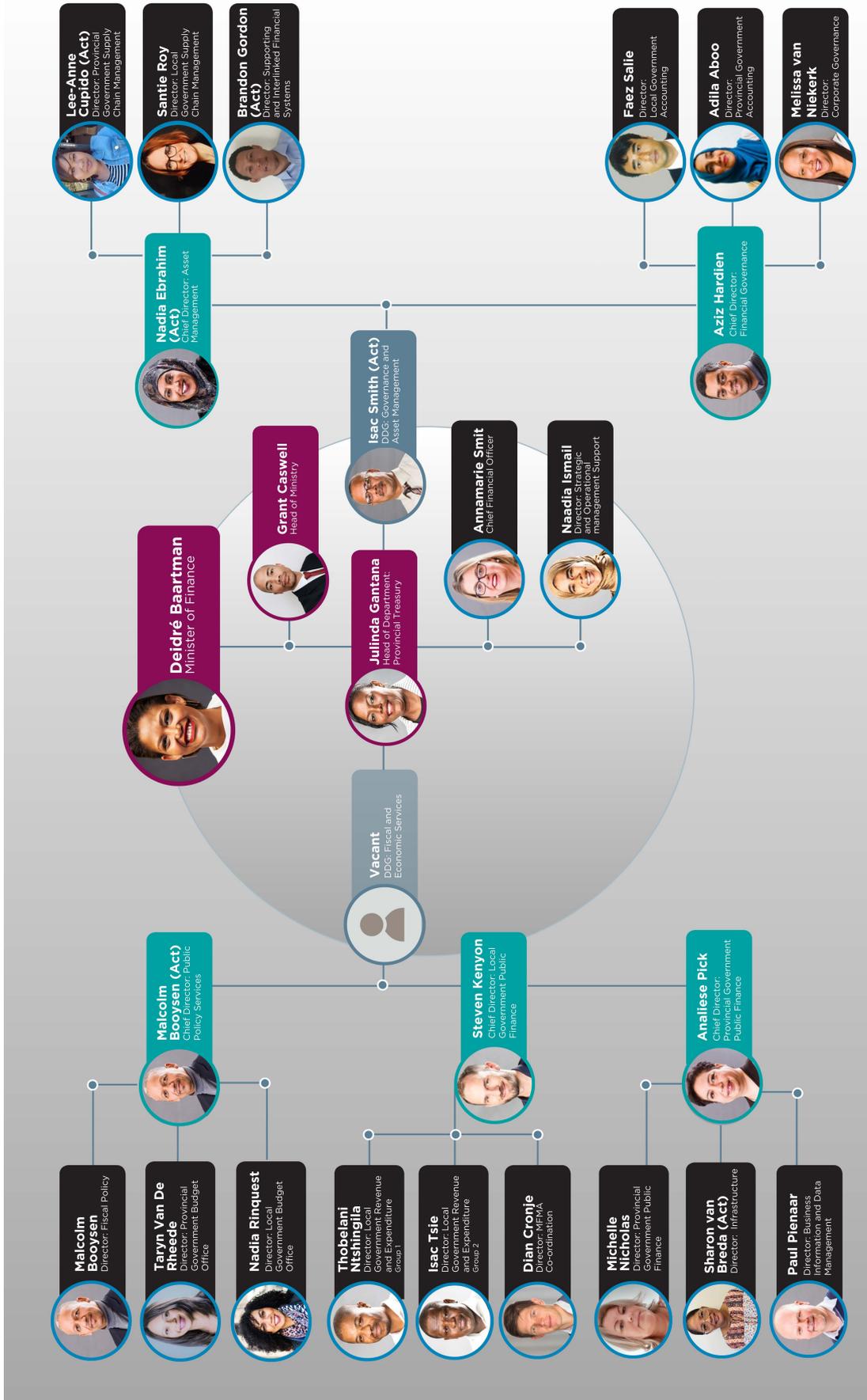
- **Western Cape Gambling and Racing Act, 1996 (Act 4 of 1996) as amended**

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

- **Promotion of Administrative Justice Act, 2000 (Act 3 of 2000) (PAJA)**

This Act ensures that everyone has the right to lawful, reasonable and procedurally fair administrative action. It does so by instructing how administrative powers allocated to administrators must be exercised.

## 8. ORGANISATIONAL STRUCTURE



**Organogram**  
As at 30 August 2024

## 9. ENTITIES REPORTING TO THE MINISTER

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





**PERFORMANCE  
INFORMATION**

**PART B**



## PART B: PERFORMANCE INFORMATION

### 1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives (PDO) 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 page 156 of the Report of the Auditor-General, published as Part F: Financial Information.

### 2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

#### 2.1 Service delivery environment

The PT has encountered a range of successes and challenges in its governance, SCM, and oversight of provincial finances. The successes include a focus on governance for the residents service delivery and economic growth, achieving 100 per cent unqualified audits for all departments and entities, and the establishment of the Provincial Budget and Governance Forum. However, the Department has faced challenges such as diminishing specialised skill sets, delayed information affecting planning and service delivery, and significant interconnected risks and challenges in the SCM landscape.

The PT has also made strides in procurement oversight, transparency, and regulatory reforms, including the publication of Procurement Disclosure Reports (PDR), the development of an in-house e-PS, and the introduction of regulatory reforms for startups. However, challenges persist in interpretation and implementation of the legislative framework, infrastructure planning and delivery, and the tension between compliance and service delivery.

The environment in which PT operates is characterised by the need for careful consideration and collaboration in addressing interconnected risks and challenges. The Department has also emphasised the importance of a value-driven approach in SCM, focusing on strategic procurement that emphasises value for money and redress.

Additionally, PT has identified proposed focus areas for the next administration, including the review of performance evaluation systems, conditional grants, the need to strengthen alignment between planning and budgetary processes, and to respond proactively to governance and performance challenges.

## 2.2 Service Delivery Improvement Plan (SDIP)

### Main services and standards

Main Services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
<b>Key Service 1:</b> <b>External Bursary Programme – Improving the administration of the Bursary Programme</b>	The citizen, youth (aged 18 - 35).	1 external bursary campaign facilitated annually.	2 Bursary campaigns facilitated over the 2- year period.	1 bursary campaign successfully facilitated in the 2023/24 financial year.

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

Current/actual arrangements	Desired arrangements	Actual achievements
<b>Professional Standards</b> 100% professionalism and dignified treatment.	100% completion of Ethics in the Public Sector Course completed.	<b>100%</b> completion of Ethics in the Public Sector Course were completed. <b>Note:</b> The desired arrangements were met.
1 Bursary Service Charter developed per annum.	2 signed Bursary Service Charters over 2 years.	<b>1</b> service charter for the service: Bursaries was signed and approved for the 2023/24 financial year.
<b>Working Environment Standards</b> 1 centralised bursary system implemented over two (2) year period.	1 centralised bursary system implemented over two 2-year period.	<b>0</b> centralised bursary system implemented. <b>Note:</b> The desired arrangements were not met as not all system functionality was built. The implementation progress to date is as follow: The system functionalities that were built in the 2023/24 reporting period: <ul style="list-style-type: none"> <li>● Bursary Awareness</li> <li>● Applications Management</li> <li>● Adjudication Management</li> <li>● 40% of Bursary Administration</li> </ul> Further development will be made in the 2024/25 financial year. These will focus on the following functionalities: <ul style="list-style-type: none"> <li>● Bursary Administration</li> <li>● Contract Management</li> <li>● Financial Management</li> </ul>

Current/actual arrangements	Desired arrangements	Actual achievements
		<p>While the standard focuses on the developing the system over the 2-year project cycle.</p>
<p><b>Access Standards</b></p> <p>2 consultations at central access point that are easily reachable such as schools, universities and district offices.</p>	<p>4 consultations for the two (2) year period.</p>	<p><b>1</b> consultation implemented for year 1. The Bursary Team attended Business Commerce and Management (BCM) forum with the Western Cape Education Department (WCED) on bursary opportunities on 16 September 2023.</p> <p><b>Note:</b></p> <ul style="list-style-type: none"> <li>● Consultation focused on media presence for targeted audience. Update on PT website with new and relevant information on the bursary opportunities.</li> <li>● 3 consultations to be implemented in year 2.</li> </ul>
<p><b>Information Standards</b></p> <p>External Bursary advert advocated on 5 social media platforms.</p>	<p>External Bursary Advert advocated on 10 social media platforms (including external platforms).</p>	<p>The Bursary Advert was published on <b>5</b> social media platforms, including: PT website, Facebook, Google, LinkedIn, and X.</p> <p><b>Note:</b> The following were achieved:</p> <ul style="list-style-type: none"> <li>● Platforms included: Facebook, Google, LinkedIn, and X, PT Website.</li> <li>● Campaign performed extremely well on Facebook delivery the most value added.</li> <li>● The total amount of added value impressions delivered was 4 409 031 due to the Cost Per Mille (CPM) coming in at a much more effective rate than the benchmark Key Performance Indicator (KPI).</li> <li>● The total number of leads/feeds to PT website during the time of application being open amounted to 8828 users to the Bursary landing page during the application period: 31 July 2023 – 29 September 2023.</li> </ul>

Current/actual arrangements	Desired arrangements	Actual achievements
<p><b>Redress Standards</b></p> <p>0% of Complainants will receive an automated response acknowledging receipt of them complain/enquiry.</p> <p>Complaints will be investigated and responded to within 72 hours.</p>	<p>80% of all complaints and enquiries resolved within 72 hours.</p>	<p><b>80%</b> of all complaints and enquiries resolved within 72 hours.</p>
<p><b>Consultation Standards</b></p> <p>Quarterly consultation with stakeholders.</p>	<p>8 quarterly consultations with stakeholders over the 2-year period.</p>	<p><b>4</b> quarterly consultations with stakeholders over the 2-year period for year 1.</p> <p><b>Note:</b> A total of 5 engagements were held with stakeholders, these were:</p> <ul style="list-style-type: none"> <li>● Human Resources Development Committee (HRDC): held on 14 August 2023 HRDC approved the bursary criteria for advertisement.</li> <li>● HRDC met to deliberate and award bursaries on 30 November 2023.</li> <li>● HRDC round robin request: 3 sets of requests were circulated to HRDC.</li> <li>● Nedbank Foundation: Meeting held to discuss the competition Memorandum of Agreement (MoA) on 16 August 2023</li> <li>● MoA engagement with Nedbank Foundation on 08 February 2024.</li> <li>● Western Cape Education Department: Attended Business Commerce and Management (BCM) forum with WCED on bursary opportunities on 16 September 2023.</li> </ul>
<p>1 survey conducted annually.</p>	<p>2 annual surveys and/or questionnaires over the 2-year period.</p>	<p><b>0</b> annual surveys and/or questionnaires conducted for year 1.</p> <p><b>Note:</b> It has been concluded that sending out another survey without effectively addressing the findings from the previous one would not yield significant impact or actionable insights. Proactive steps were identified to achieve this in the next reporting period.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p><b>Openness &amp; Transparency Standards</b></p> <p>0 Publication of 4 relevant policy documentation related to the External Bursary on the Departments website.</p>	<p>5 Publications of relevant policy documents related to the external bursary programme.</p>	<p>0 publications of relevant policy documents related to the external bursary programme were developed for year 1.</p> <p><b>Note:</b> No policies were published onto the PT Website.</p> <ul style="list-style-type: none"> <li>● Policy reviews were conducted by the Department during the 2023/24 financial year, following the implementation of new and amended policy directives such as the WCG Policy of Developmental Programmes signed in 2022/23 and the amendment of the Public Service Regulation, including the Department of Public Service and Administration (DPSA) Directive on the Employment of Persons into Developmental Programmes.</li> <li>● These policy changes have significant implications for the respective programs, and as such, it is intended to publish them on the Departmental website once adopted and signed. However, the Department recognised that uploading existing policies first and then adding the new ones later could lead to confusion among the public.</li> <li>● Therefore, the Department made the decision to hold back on uploading any publications until all relevant policies could be uploaded together. This approach aims to ensure clarity and coherence for our stakeholders.</li> </ul>
<p><b>Service Standards</b></p> <p>Service Schedule in place, containing 100% set Service Standards for the Department/programme.</p>	<p>Service Schedule in place, containing 100% set Service Standards for the Department/programme.</p>	<p><b>100%</b> service standards were maintained during the 2023/24 project cycle.</p>

Current/actual arrangements	Desired arrangements	Actual achievements
<p><b>Value for Moday</b></p> <p>100% of bursary budget utilised to effect bursary payments (tuition, registrations costs &amp; textbook costs).</p>	<p>100% of bursary budget utilised to effect bursary payments (tuition, registrations costs &amp; textbook costs).</p>	<p><b>100%</b> bursary utilisation or the 2023/24 financial year. Tuition fees paid within prescribed timeframes set out by universities.</p>

### Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
<p><b>Service: External bursary campaign facilitated annually</b></p> <p>External Bursary advert advocated on 5 social media platforms:</p> <ul style="list-style-type: none"> <li>● PT website</li> <li>● Facebook</li> <li>● Google</li> <li>● LinkedIn</li> <li>● X</li> </ul>	<p>External Bursary Advert advocated on 5 social media platforms:</p> <ul style="list-style-type: none"> <li>● PT website</li> <li>● Facebook</li> <li>● Google</li> <li>● LinkedIn</li> <li>● X</li> </ul>	<p>External Bursary Advert advocated on <b>5</b> social media platforms:</p> <ul style="list-style-type: none"> <li>● PT website</li> <li>● Facebook</li> <li>● Google</li> <li>● LinkedIn</li> <li>● X</li> </ul> <p><b>Note:</b> The following were achieved:</p> <ul style="list-style-type: none"> <li>● The total number of platforms used for advertisement of the bursary opportunity was on 5 platforms namely, Facebook, Google, LinkedIn, X, and PT Website.</li> <li>● The total number of leads/feeds to PT website amounted to 8 828 users to the Bursary landing page during the application period: 31 July 2023 – 29 September 2023.</li> </ul>
<p>Information of bursary applicants stored on PT Bursary System.</p>	<p>All application supporting documentation is centralised on the PT Bursary system.</p>	<p>All supporting documentation required from applicants are stored on a centralised file location on PT Bursary system.</p> <p><b>Note:</b> The following were achieved:</p> <ul style="list-style-type: none"> <li>● Accessibility to supporting documents streamlines the application process.</li> <li>● Having supporting documents readily available promotes transparency in the selection process.</li> </ul>
<p>Bursary files are stored on MyContent for record keeping.</p>	<p>All bursar folder (current and new) is accurately migrated to the PT Bursary system to improve bursary administrative management processing.</p>	<p>All bursar folders (current and new) are accurately migrated to the PT Bursary system to improve bursary administrative management processing.</p>

Current/actual information tools	Desired information tools	Actual achievements
		<p><b>Note:</b> The following were achieved:</p> <ul style="list-style-type: none"> <li>Files are stored at a centralised repository location, MyContent to maintain consistency in record-keeping practices.</li> <li>All bursary files have been updated following registration of the 2024 academic year.</li> <li>All new bursary files have been created and updated timeously.</li> </ul>

### Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
<p><b>Service: External bursary campaign facilitated annually</b></p> <p>50% of complainants will receive an automated response acknowledging receipt of their complain/enquiry.</p>	<p>80% of complainants will receive an automated response acknowledging receipt of their complaints/enquiries.</p>	<p><b>80%</b> of Complainants received an automated response acknowledging receipt of their complaints/enquiries.</p> <p><b>Note:</b> the following were achieved:</p> <ul style="list-style-type: none"> <li>A dedicated email was created to attend to all bursary enquires received from the public namely, <a href="mailto:PT.Bursaries@westerncape.gov.za">PT.Bursaries@westerncape.gov.za</a>.</li> <li>All enquiry emails received will receive an automated email acknowledging their email.</li> <li>PT Bursary team regularly check emails and attends to enquiries.</li> </ul>
<p>Complaints will be investigated and responded to within 72 hours.</p>	<p>80% of complaints will be investigated and responded to within 72 hours.</p>	<p><b>80%</b> of Complaints were investigated and responded to within 72 hours.</p> <p><b>Note:</b> A total of 25 emails were received and attended to within the standard 72 hours.</p>

### 2.3 Organisational environment

PT operated in a challenging organisational environment during the 2023/24 financial year, marked by both internal changes and external pressures. The resignation of the Head Official necessitated a smooth transition to ensure the continuity of the Department's operations. The acting appointment and subsequent formal appointment of the new Head Official helped maintain stability during this period of change.

However, the Department had to face ongoing fiscal constraints, with the Provincial Equitable Share (PES) and conditional grants allocations declining in real terms despite increasing expenditure pressures. To navigate these challenges, PT focused on enhancing service delivery through the use of technology and innovative models, while prioritising staff wellbeing and maintaining a motivated

workforce. Despite the obstacles, the Department remained committed to its mandate of promoting economic growth, ensuring sound financial management, and supporting municipalities in the WC.

### **Changes in Management**

The tenure of the previous Head Official, December 2019 to September 2023, was marked by a commitment to effective leadership and collaboration. The objective was to foster a culture of teamwork and innovation within the Department, drawing on his extensive experience and understanding of the importance of people in shaping the public sector hence the continued focus on a smooth transition to ensure the continuity of the Department's operations.

The reliance on the dedicated staff members during this transition period cannot be overstated. Their commitment to their work and their ability to adapt to changing circumstances ensured that PT continued to fulfill its mandate effectively.

### **Culture**

PT has made significant strides in transitioning to a new Way of Work, aligned with the WCG citizen-centric culture. This transformation is underscored by the implementation of the Value-Based Leadership Programme and the development of Citizen-Centric Culture modules. These initiatives demonstrate PT's commitment to fostering a work environment that reflects the values and goals of the WCG. To gauge employee engagement and refine internal culture, PT participated in the Top Employer Measurement survey. This, together with the Barret Values Survey, is a strategic initiative by PT to enhance its departmental culture by actively seeking employee feedback to understand their needs and concerns. This approach identifies strengths and areas for improvement, promoting inclusivity and diversity by addressing gaps and implementing supportive programs. The insights gained assist in refining leadership and management practices, creating a more positive, inclusive, and engaging work environment that supports employee well-being and drives overall departmental success.

### **Diversity and inclusion**

In its commitment to diversity and inclusion, PT has taken proactive measures to address workforce equity and inclusivity. PT has identified the importance of language inclusivity and disability awareness, proposing initiatives such as language support programs and mandatory online training to enhance sensitivity towards disabilities and personal biases. These initiatives underscore PT's commitment to fostering a diverse and inclusive work environment where every employee feels valued and respected.

### **Talent management**

PT places a strong emphasis on talent management, particularly focusing on workforce and youth development. Demonstrating this commitment, PT has surpassed the DPSA target for appointing interns, achieving 12.9 per cent against the required 5 per cent. Furthermore, the successful pilot of the reconfigured Provincial Training Institute into a provincial learning and innovation center illustrates PT's strategic investment in talent development. These efforts are aimed at building a robust

talent pipeline, offering ample opportunities for skill development and career advancement, ensuring that PT remains competitive and capable in its workforce capabilities.

### **Wellbeing/Health and Safety**

Employee well-being and health are top priorities for PT, as evidenced by the implementation of various health and wellness interventions. Programs addressing stress and self-management, mental health awareness, and substance abuse management have been rolled out for both leaders and employees. PT has shown a steadfast commitment to supporting the physical and mental well-being of its employees. These initiatives are critical in creating a safe, supportive, and healthy work environment, reflecting PT's holistic approach to employee welfare.

### **Acting with integrity**

Acting with integrity is a cornerstone of PT's operations. The Department emphasises the importance of ethics, values, and maintaining robust employee and labour relations. Through the transition to a new Way of Work/WCG citizen-centric culture project, PT reinforces the values and principles guiding employee behavior. The Department has also identified the need to strengthen employment equity principles and has established regular reporting and accountability mechanisms to monitor progress and ensure compliance. These initiatives reflect PT's dedication to upholding ethical standards and promoting a culture of integrity, accountability, and transparency within the organisation.

## **2.4 Key policy developments and legislative changes**

The replacement Preferential Procurement Regulations (PPR), 2022 was officially gazetted on 4 November 2022 with an implementation date of 16 January 2023. These Regulations were developed as required by Section 217(3) of the Constitution and Section 5(1) of the Preferential Procurement Policy Framework Act (No. 5 of 2000), and subsequent to the Constitutional Court judgment of February 2022 which declared the 2017 Preferential Procurement Regulations invalid. NT subsequently published the implementation guide: Preferential Procurement Regulations, 2022 on the NT website on 27 October 2023. To ensure stability was maintained in the procurement environment, Provincial Treasury Circular No. 1 of 2023 was issued to accounting officers and accounting authorities to communicate the interim arrangements as agreed to by Provincial Cabinet for the Western Cape Government as it pertains to implementation of the PPR, 2022.

NT is currently underway with a SCM reform process. Central to this initiative, is the review of the Public Procurement Bill. Over time, there have been multiple iterations of the Bill. The WCG has submitted detailed feedback on the Public Procurement Bill, 2023 [B18B-2023] to the National Counsel of Provinces and the Select Committee on Finances.

The WCG expressed its lack of support for the Bill in its current form, citing various concerns:

- **Constitutional Compliance:** The WCG emphasised the importance of aligning the Bill with constitutional standards, particularly in ensuring transparency, competitiveness, and cost-effectiveness while maintaining fairness and equity.
- **Centralisation Concerns:** The proposed centralisation of authority into a national Public Procurement Office (PPO) raised questions about its constitutional, policy, and legal basis, with concerns about its effectiveness in reducing corruption and potential unintended consequences.

- **Transparency and Oversight:** Criticisms were raised regarding the Bill's inadequacy in enhancing transparency and public oversight in public sector supply chains, limiting opportunities for public scrutiny.
- **Financial Framework Alignment:** Concerns were raised about potential disconnection between procurement processes and the financial regime, highlighting the need for synergy between procurement procedures and financial regulations.
- **Scope and Fragmentation:** The broadened scope of procurement regulation was seen as counterproductive to simplification efforts, potentially disassociating public procurement from financial management and broader service delivery systems.
- **Investment and Local Content:** Provisions related to local content should not lead to delays and cost escalation in infrastructure projects, necessitating explicit prohibitions against such unintended consequences.
- **E-Procurement and IFMS:** While supporting the adoption of e-procurement and IFMS, attention was drawn to crucial matters like development and implementation planning, change management, and managing sub-national engagements.
- **Dispute Resolution Complexity:** Concerns were raised about the proposed dispute resolution process being administratively complex and impractical, potentially compromising accountability and judicial powers.
- **Preferential Procurement Framework:** Questions arose regarding the extension of the Bill beyond the necessary framework for preferential procurement, potentially contradicting court rulings on procuring entities' autonomy.
- **Sub-National Government Reform:** Limiting scope for ongoing reform and modernisation efforts at the sub-national government level was seen as hindering progress in provinces and municipalities.
- **Effective Implementation and Change Management:** If enacted, effective implementation and change management strategies, including resource allocation, systems and infrastructure, cost analysis, and monitoring and evaluation, were deemed essential.

The Public Procurement Act, 2024 (Act No. 28 of 2024) was assented to by the President on 23 July 2024. Given the direct and material impact that many of the constitutional concerns have on provinces and local government, WCG addressed two (2) letters to the State President to reconsider and delay bringing the Act into operation until such time as provinces and municipalities have been properly and meaningfully consulted and their concerns regarding the constitutionality of the Act resolved. The Western Cape Nineteenth Amendment Gambling and Racing Act, 2021 (the Nineteenth Amendment Act) was repealed on 19 January 2024 through the Western Cape Nineteenth Amendment Act Repeal Act, 2023. The Nineteenth Amendment Act was found to be incompatible with the developments in the gambling and racing industries, and the lessons learnt from the Coronavirus Disease 2019 (COVID-19) pandemic.

### **Amendment to the procurement thresholds emanating from municipal SCM Regulations, 2023**

The Minister of Finance has, acting with concurrence of the Minister of Cooperative Governance and Traditional Affairs, in terms of section 168(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003), made amendments to the Regulations published under General Notice No. 868 of 30 May 2005, as amended by Government Notice No. R.31 of 20 January 2017, regarding SCM.

Following the Gazetted regulations, this necessitated an immediate amendment to municipalities and entities' SCM policies to be adopted by their Councils before 31 March 2024. The following procurement thresholds were affected:

- Deletion of the definition of "written or verbal quotations" – where only written price quotations would persist in the amended regulations; and
- Formal written price quotations for procurement of a transaction value over:
  - (i) R2 000 up to R300 000 (VAT included), in the case of a local municipality;
  - (ii) R2 000 up to R200 000 (VAT included), in the case of a district municipality; and
  - (iii) R2 000 up to R750 000 (VAT included), in the case of a metropolitan municipality.

Where, in all cases, the previously Gazetted minimum threshold for written price quotations was R10 000.

- A competitive bidding process for:
  - (i) procurement above a transaction value of R300 000 (VAT included), in the case of a local municipality;
  - (ii) procurement above a transaction value of R200 000 (VAT included), in the case of a district municipality; and
  - (iii) procurement above a transaction value of R750 000 (VAT included), in the case of a metropolitan municipality.

Where the commencement threshold for competitive bidding was previously R200 000 for all municipalities.

The PT developed a guiding document for municipalities and entities to utilise as a best practice in the absence of support from the NT. The municipalities' SCM policies have been reviewed to ensure the necessary amendments have been implemented. Consultation has also taken place with the AGSA to gain clarity regarding the audit approach for the period 14 December 2023 – 31 March 2024.

### 3. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOME

#### 3.1 Progress towards the achievement of the departmental impact

##### Impact Statement

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

In 2023/24, PT progressed towards its impact statement of "Sustainable financial governance and service delivery that optimally responds to residents needs" by completing Phase 4 of the Departmental Evaluation System (DES). This phase involved the first in-house evaluation of the external bursary programme, which aimed to address critical financial skills and equity issues. The evaluation confirmed the programme's success in reaching its target beneficiaries, including Previously Disadvantaged Individuals, and highlighted areas for improvement such as enhanced administration and increased participation from low-income communities.

Simultaneously, the SEO and ICT governance work ensured the timely and accurate delivery of key reports and adherence to governance standards, with effective project administration and coordination. Their efforts in change management and stakeholder engagement enhanced operational efficiency and transparency, contributing to improved financial and corporate governance.

In terms of communication and culture, PT successfully engaged the public through a variety of digital communication campaigns. The Essay Writing competition and Budget Day promotions, which utilised free online platforms and targeted social media advertisements, effectively increased outreach and public awareness of key financial policies. These efforts fostered a culture of transparency and responsiveness, aligning with PT's commitment to sustainable financial governance and service delivery that meets residents' needs.

The Fiscal and Economic Services Branch enhanced integrated planning, budgeting, and implementation, contributing to sustainable management of provincial and municipal fiscal resources. Regular bilateral discussions with key departments ensured seamless integration, while financial and non-financial performance reporting was refined over the past five (5) years.

The Expenditure Review Capacity Building Initiative, in collaboration with the Government Technical Advisory Centre (GTAC), provided insights into optimising compensation and administrative expenditures, and analysing HIV/AIDS and tuberculosis (TB) expenditures. Additionally, the 2023 SIME process aligned municipal budgets with integrated service delivery, and the timely allocation of the WC Financial Management Capability Grant (WC FMCG) improved municipal budget responsiveness.

PT's initiatives, including revenue enhancement and long-term financial planning support, reinforced municipalities' financial stability. The establishment of Municipal Intelligence Team (MIT) structures fostered comprehensive understanding and advocacy for municipal needs. Platforms like the CFO Forum facilitated knowledge exchange and collaboration on fiscal governance challenges, ensuring that PT's efforts promoted inclusive, efficient, and responsive financial management at all government levels.

Amidst external challenges and resource constraints, PT continued to promote sound financial governance in provincial and local government. This commitment facilitated effective resource mobilisation, prudent fiscal management, and resource optimisation. By enabling efficient resource use, effective financial oversight, and enhancing officials' capabilities, PT ensured resilience, adaptability, and innovation. Throughout, PT maintained its integrated, outcome-based approach to sound financial management.

The Governance and Asset Management Branch spearheaded and provided guidance for the improvement of financial governance practices, resulting in enhanced resource mobilisation, efficient allocation of resources, sound fiscal management, and economical resource utilisation. These efforts contributed to optimising overall performance, ultimately leading to improved service delivery and the creation of public value. Additionally, the Branch identified financial governance best-practices that have the potential to be shared throughout the public sector.

The WCG's SCM Strategy, formulated through an extensive diagnostic process, found support in Provincial Treasury Instructions and was reinforced by the pro-forma Accounting Officer's System (AOS) for the Province. This strategic framework adeptly addressed service delivery needs by meeting strict governance requirements while also providing flexibility, responsiveness, and collaborative opportunities crucial for prompt and informed procurement decisions. This methodology guaranteed both flexibility and transparency in procurement processes, nurturing productive partnerships and upholding rigorous due diligence standards.

PT's technology infrastructure for SCM is crucial, featuring a procurement planning toolkit, ePS for quotations and SEB (a repository for governance documents). These tools enhance planning efficiencies, consolidate procurement information, and streamline processes for lower spending thresholds. They also provide crucial data that aligns non-financial performance of provincial departments with financial performance.

The use of business intelligence tools enabled the creation of comprehensive performance analyses and reports, such as SCM Performance Insights, Procurement Disclosure, Client Support and Strategic Sourcing Intervention reports. These tools enhance decision-making and transparency within the procurement ecosystem offering valuable information to clients and the public. This approach allows us to maintain a strong focus good governance, transparency, and accountability in procurement while assessing progress towards achieving value for money in purchasing.

The automated procurement planning toolkit has significantly improved and synergising in procurement planning and budgeting across the Province. This tool not only enhances procurement planning but also provides valuable insights into upcoming tender opportunities throughout the financial year, facilitating the publication of these opportunities on the WCG website. Additionally, the toolkit data capabilities support various initiatives and interventions, addressing gaps in procurement planning, examining cost efficiencies, and exploring potential value for money in procurement processes. It emphasises a commodity-based approach to procurement planning and delivery, driving the value for money agenda.

The PCC plays an indispensable role in guiding and supporting to businesses, minimising bureaucratic barriers and offering registration support and guidance to potential suppliers. Its current offerings include registration and maintenance of supplier profiles, and the management of essential governance documents on the WCSEB. Through an integrated helpdesk, the PCC provides a spectrum of services to enhance the ease of conducting business with government. This includes

procurement support and assistance to provincial departments, entities, municipalities and suppliers. The helpdesk helps navigate tender processes effectively and assists suppliers in accurately registering and maintaining profiles on the NT's Central Supplier Database (CSD) and the Provincial Treasury's WCSEB. Additionally, the PCC supports the use of the for ePS.

Shifting toward a value-centric procurement system involves strategic procurement, governance enhancements, capacity development, and technology investments. Our strategic sourcing approach incorporating the PDIA methodology, urges departments to innovate and cultivate a problem-solving culture through the commodities they procure. This strategy maximises resource efficiency, encourages innovation and collaboration and ensures the efficient and transparent allocation of resources aligned with our Province's objectives. ICT initiatives, such as bolstering e-Procurement capabilities and establishing a data warehouse, aim to optimise resources and facilitate informed decision-making.

PT remains dedicated to enhancing the data integrity of legacy financial systems and implementing robust system security measures in anticipation of the forthcoming implementation of the IFMS by the NT. A primary objective continues to be the modernisation of the financial management system's capacity to better cater to user requirements and elevate the overall user experience.

PT also underwent a data maturity assessment to establish a baseline and implement measures to enhance data governance and utilisation, aiming to excel in our oversight mandate.

In the municipal context, hands-on support was extended, yielding positive outcomes such as improved financial statements and performance reports, along with advancements in the FMCMM process. Coordinating the TIME initiative allowed PT to strengthen municipal governance by emphasising financial maturity criteria across various domains. Commitments arising from TIME were monitored monthly, ensuring ongoing progress and dedicated attention to transversal issues raised by the local government sector.

Comprehensive socio-economic intelligence in the form of the 2023/24 MERO and Socio-economic Profiles for Local Government (SEP-LG) was developed and shared with all 30 municipalities within the Province in November 2023. The availability of relevant, up-to-date and economic intelligence is crucial for effective planning and budgeting in the local government sphere.

The process of budget assessments within the SIME framework played a crucial role in guiding strategic decision-making for allocating limited resources effectively. Continuous monitoring of budget implementation took place monthly throughout the year, complemented by advisory and intervention assistance whenever necessary.

Regarding the supervision of financial reporting, the MFMA and PFMA units consistently offered strong support to stakeholders through workshops and ongoing interactions. These commitments significantly contributed to the enhancement of financial governance across the entire Province.

### 3.2 Progress towards the achievement of the departmental outcomes

#### Programme 1 – Administration

Outcome 1	Financial and Corporate governance improved
Progress	<p><b>1.1 Level of results-based monitoring and evaluation (RBM&amp;E) maturity attained</b></p> <p>PT has made significant progress in its RBM&amp;E maturity, with improvements in leadership, capacity building, and the establishment of a robust framework for monitoring and evaluation. The in-house evaluation conducted has played a crucial role in this progress, enabling the Department to identify and address gaps, streamline processes, and foster a culture of continuous improvement and self-assessment. This evaluation has also empowered staff to upskill themselves and take ownership of the RBM&amp;E processes, reducing reliance on external service providers.</p> <p>These RBM&amp;E maturity improvements bolster financial and corporate governance by enhancing accountability, transparency and informed decision-making with PT. The in-house evaluation process and improved data integration ensure better resource management and more effective policy implementation.</p> <p><b>1.2 Communication plan for media engagements, stakeholder liaison as well as internal staff implemented annually</b></p> <p>The execution of PT's communication plan has been instrumental in advancing financial and corporate governance. By skilfully navigating a restricted budget and maximising the use of free and paid communication channels, the Department has effectively communicated its financial activities and policies to the public. The promotion of the Essay Writing competition and the PT Bursaries campaign has not only raised awareness but also encouraged community engagement, underpinning the Department's commitment to financial literacy and education.</p> <p>Moreover, the communication of the Medium-Term Budget Policy Statement (MTBPS) and the roles of PERO and MERO has ensured that the public is informed about the Department's financial priorities and governance structures, thereby fostering transparency and accountability. The highlight of these efforts, the Budget Day campaign, reached a broad audience through a multi-platform strategy, enhancing public interest and understanding of the budget process.</p> <p>The communication plan's implementation has played a pivotal role in upholding the principles of good governance by promoting transparency, engaging stakeholders, and ensuring informed public participation in financial matters.</p> <p><b>1.3 Number of phases of the Culture Journey successfully implemented</b></p> <p>PT's commitment to improving workplace culture has significantly enhanced financial and corporate governance within the department. By fostering a positive, inclusive, and engaging work environment through initiatives like the Value-Based Leadership Programme and the Citizen-Centric Culture modules, PT ensures that employees are more aligned with organisational values and goals.</p> <p>This alignment, bolstered by active employee engagement through surveys and feedback mechanisms, creates a foundation of accountability and transparency. Moreover, initiatives promoting diversity, inclusion, talent management, well-being, and integrity contribute to a supportive workplace, ultimately leading to more effective policy implementation, better resource management, and overall departmental success.</p> <p><b>1.4 Number of material financial management audit findings</b></p> <p>The continuous review and strengthening of systems, processes, and controls improved financial governance and led to the achievement of the 11<sup>th</sup> consecutive unqualified audit with no findings (clean audit opinion).</p>

## Programme 2 – Sustainable Resource Management

<p><b>Outcome 2</b></p>	<p>Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources.</p>
<p><b>Progress</b></p>	<p><b>2.1 Degree of integrated planning, budgeting, and implementation</b></p> <p>Throughout 2023/24, Programme 2: Sustainable Resource Management made significant strides in enhancing integrated planning, budgeting, and implementation. This was accomplished through a series of new initiatives as well as the reinforcement of existing ones. The Programme played an active role in contributing to transversal initiatives focused on integrated service delivery, aligning with the Province's enabling priorities of Innovation, Culture, and Governance, and its Integrated Service Delivery processes.</p> <p>The Programme engaged in regular bilateral discussions at the Head of Department (HoD) level with key departments such as Department of Health and Wellness (DoH&amp;W), Western Cape Education Department (WCED), and the Refresh departments, which include the Department of Mobility (DoM), Department of Infrastructure (DoI) and the Department of Human Settlements (DHS). These engagements were aimed at ensuring seamless integrated planning, budgeting, and implementation.</p> <p>Significant progress was made in integrating financial and non-financial performance reporting over the past five (5) years in partnership with the Department of the Premier (DoTP), continually moving towards refining and consolidating performance data for the Province.</p> <p>In collaboration with the Government Technical Advisory Centre (GTAC), the WCPT initiated an Expenditure Review Capacity Building Initiative in 2021/22, which involved completing reviews and providing training for officials over a three (3) year period.</p> <p>During the course of 2023/24, the Programme conducted expenditure reviews, with a focus on:</p> <ul style="list-style-type: none"> <li>● A comparative analysis of CoE expenditure between the Western Cape and other provinces, aiming to optimise CoE management strategies to support fiscal consolidation.</li> <li>● An evaluation of Administration expenditure within departments to determine appropriate spending levels and potential for reallocation of funds to service delivery programs.</li> <li>● An analysis of HIV/AIDS and TB expenditure in collaboration with the DoH&amp;W to assess the fiscal envelope and expenditure of related programs in the WC.</li> </ul> <p>The completed expenditure reviews have provided insights into understanding the availability of data or what kind of data must be generated for policy choices in the provincial budget and to make proposals on possible savings. The short-term goal is the monitoring of implementation of findings of completed expenditure reviews, given that most findings have not been adopted by the relevant departments.</p> <p>In terms of local government budgeting, the 2023 SIME process further aligned to the integrated service delivery approach. The 2023 SIME conducted an evaluation of municipal budgets, IDPS and Spatial Development Framework (SDFs) to achieve cohesive planning and budgeting. Additionally, PT extended aid to municipalities grappling with financial challenges by offering support in devising budget funding strategies and intervening as and when required in terms of the Constitution and the MFMA.</p>

<p><b>Outcome 2 - continue</b></p>	<p>Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources.</p>
<p><b>Progress - continue</b></p>	<p>PT provides research, advice and analysis on the regional and local economy to the 30 municipalities in the Province. The concluded research and analysis resulted in the annual publication of the MERO and release of SEPs in November 2023. The MERO supports informed planning and budgeting in the five (5) district specific publications and one (1) metro. Annual budgets of municipalities were assessed, and recommendations provided to municipalities to improve the responsiveness of budgets to address socio-economic and policy objectives. Continuous monitoring of the implementation of municipal budgets through the Service Delivery and Budget Implementation Plans (SDBIP) are conducted quarterly to enhance PTs monitoring and oversight mandate in local government.</p> <p>Following on the success of the grant review process in 2022/23, the timing of WC Financial Management Capability Grant (WC FMCG) allocations was changed in 2023/24 to better align with the municipal planning cycle. In the past, an earmarked allocation for WC FMCG funding was made as part of the main provincial budget in March of each year. Municipal specific allocations were then made in November following a call for proposals. The ensuing administrative process meant that municipalities only received funding in February of the following year, more than halfway through the municipal financial year which left them with little time to fully spend the contributions. To address this situation and to improve general allocative efficiencies, PT decided to initiate the new 2023/24 allocation process towards the end of 2022. Municipal-specific allocations was therefore made as part of the 2023 Western Cape Main Budget in March, as opposed to November (which was the case for the 2022/23 allocations).</p> <p>During the latter part of 2022, all municipalities received an official request to consider the grant allocation criteria outlined in the Grant Framework. They were also asked to submit proposals for financial management projects that could be funded by the grant. The identification of targeted support areas was informed by various in-year financial performance monitoring (IYM) processes, as well as engagements such as the SIME and TIME.</p> <p>By initiating the process earlier, municipalities were informed of their 2023/24 allocations before the start of the municipal financial year. Municipalities could therefore budget for the allocations and PT was able to transfer the funds by the start of the 2023/24 municipal financial year i.e. municipalities therefore had a full year to spend the allocation thereby directly reducing the number of roll-over requests.</p> <p>A specific area supported through 2023/24 WC FMCG allocations were revenue enhancement initiatives (George, Bitou, Cederberg) to strengthen the municipal revenue base thereby reducing the reliance on external funding sources such as grants and transfers to support service delivery. Revenue enhancement initiatives provide municipalities with greater flexibility in resource allocation, allowing them to allocate funds strategically based on community needs, long-term objectives, and key priorities. Such additional resources can strategically be leveraged through integrated planning and budgeting processes to address critical infrastructure gaps, improve service delivery, and support economic development initiatives.</p> <p>The WC FMCG was also used to support research towards the development of long-term financial plans (Saldanha Bay Municipality). A municipal long-term financial plan serves as a critical link between integrated planning and budgeting processes by providing a comprehensive framework for aligning financial resources with strategic priorities, goals and objectives.</p>

<b>Outcome 2 - continue</b>	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources.
<b>Progress - continue</b>	<p>The WC FMCG also addresses the need for human capacity building support, which was a key focus of the former WC Financial Management Capacity Building Grant (WC FMCBG). Municipal-specific allocations for the External Bursary Programme were determined following an assessment of financial and non-financial performance in relation to previous bursary allocations.</p> <p>To improve our internal integration, and better respond to the holistic needs of municipalities, PT has introduced integrated work teams known as Municipal Intelligence Team (MIT) structures. These MIT structures assign economists and analysts to specific districts. Regular meetings are held within each district's MIT structure, facilitating the exchange of tacit and explicit knowledge and information. This sharing enhances the comprehension of municipal developments within a district and allows team members to receive input and perspectives from one another, thereby strengthening their work in their respective disciplines and functional areas.</p> <p>PT plays a critical role in advocating for the rights, concerns and priorities of municipalities across various inter-governmental structures. By leveraging our expertise, resources, and influence, PT wishes to advance policies and initiatives that support local government autonomy, stability, sustainability, and development (focusing on growth). By adopting a proactive and collaborative approach towards advocacy, PT wants to ensure that municipalities receive the support and resources they need to fulfil their mandate as it relates to financial management and governance.</p> <p>In 2023/24, PT continued to make its presence felt in the municipal space by organising dedicated collaboration platforms such as the CFO Forum, the Provincial Budget and Governance Forum, the Municipal Accountants Forum (MAF) as well as the RMMC.</p> <p>The CFO Forum, which was held four (4) times in 2023/24, serves as a pivotal platform where PT can collaborate with key stakeholders, including NT, AGSA, the DLG, and the South African Local Government Association (SALGA), to engage senior municipal officials in meaningful dialogues pertaining to pertinent financial management and governance matters within the local government domain. These engagement opportunities enabled comprehensive discussions on the prevailing socio-economic landscape and emerging policy dynamics that influenced municipalities. Attendees benefited from the exchange of best practices, ideas, and insights, fostering the enrichment of both tacit and explicit knowledge and experience.</p> <p>A noteworthy highlight of the CFO Forums in 2023/24 was the establishment of a dedicated sub-committee on fiscal futures to deliberate the key driving factors that contribute towards local government fiscal uncertainty and to explore innovative solutions to such challenges. The CFO Forum also engaged on a wide range of topics affecting municipal finances and reporting, including the Municipal Financial Sustainability Index (MFSI) and the token identifier (TID) Standard Transfer Specification (STS) prepaid meter reset process.</p> <p>PT further hosted an instructional workshop relating to revenue optimisation in September 2023. This session (RMMC) provided municipalities with an opportunity to exchange practical ideas on how they can improve their revenue collection strategies and systems and identify measures to protect and maximise revenue potential. The RMMC specifically gave delegates a solid understanding of solutions to challenges being experienced in raising revenue and implementing sustainable measures to maximise revenue.</p>

<b>Outcome 2 - continue</b>	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources.
<b>Progress - continue</b>	<p>Externally, PT attended, and participated in, the Technical Committee on Finance (TCF) where the heads of all provincial treasuries and NT considers the overall state of public finance and makes practical recommendations to higher structures such as the Budget Council and the Budget Forum. Key issues that stood out at the TCF discussions in 2023/24 included the introduction of the municipal debt relief initiative as well as a dedicated focus on the growing number of vulnerable municipalities. On a more operational level, PT also attended the MFMA Joint Coordinators Forum to monitor progress and provide report back on the extent to which municipalities in the Province are adhering to the prescripts of the MFMA.</p> <p>Overall, PT endeavours to promote the interests of local government across three (3) distinct intergovernmental relations (IGR) dimensions. Politically, it represents the interests of municipal finances within the broader provincial government, ensuring that municipal fiscal priorities are recognised and addressed in policy discussions and decision-making processes at platforms such as the Premier's Coordinating Council and the Provincial Budget and Governance Forum. Regular updates on municipal performance are also provided to the Provincial Executive. In turn, PT engages municipal leadership at the executive level at the Municipal Managers Forums and District Coordinating Forums to provide feedback on the support and capacity-building initiatives provided to municipalities. Moreover, on a technical level, PT engages in collaborative forums and working groups (CFO Forums, RMMC, etc.) with municipalities to address shared challenges and explore opportunities for innovation and improvement in fiscal governance. Through these concerted efforts, PT attempts to foster a constructive and cooperative environment that promotes the overall development of municipalities.</p>

**Programme 3 - Asset Management**

<b>Outcome 3</b>	Effective management and oversight of financial systems, supply chain, and movable asset management governance within the provincial and municipal spheres.
<b>Progress</b>	<p><b>3.1 Sustainable Governance Systems within the SCM function in municipalities embedded</b></p> <p>Accumulative over the five (5) years the Directorate: LG: SCM successfully:</p> <ul style="list-style-type: none"> <li>● Instituted Governance Workstreams to assist municipalities with key SCM Governance challenges;</li> <li>● Conducted SCM policy review and SCM diagnostic assessments at vulnerable municipalities;</li> <li>● Provided various SCM training and development programmes that benefitted municipalities, entities and suppliers; and</li> <li>● Finalised the Asset Management Governance and Capacity Building Project for the Garden Route and Central Karoo Districts.</li> </ul>

Outcome 3 - continue	Effective management and oversight of financial systems, supply chain, and movable asset management governance within the provincial and municipal spheres.
Progress - continue	<p><b>3.2 Strategies in place that addresses the gaps/needs of provincial departments, municipalities and the supplier base that conducts business with government for continuous improvement</b></p> <p>Efforts to enhance capacity and drive continuous improvement are guided by targeted strategies that address gaps within provincial departments, municipalities, and the supplier base engaged in government activities. These strategies aim to strengthen capabilities in various dimensions:</p> <ul style="list-style-type: none"> <li>● <b>Enhancing SCM Governance:</b> A robust framework has been established to efficiently manage supply chain activities. This framework ensures streamlined processes, proficient risk management, and alignment with overarching organisational objectives, thereby ensuring transparent and efficient operations</li> <li>● <b>Advancing SCM Technology:</b> Through adoption of cutting-edge technology, the SCM landscape has undergone modernisation, leveraging automation and data-driven insights. This transformation not only accelerates processes but also enhances accuracy, providing a dependable foundation for informed decision-making.</li> <li>● <b>Developing SCM Skills:</b> Recognising the significance of human capital, efforts are concentrated on empowering the workforce. Comprehensive training programs, skill development initiatives, and mentorship opportunities are incorporated to cultivate a proficient and skilled workforce.</li> <li>● <b>Enriching Strategic Procurement:</b> A holistic approach to procurement involves collaborative partnerships and innovative methods. This involves engaging suppliers and stakeholders in joint endeavours, cultivating a dynamic ecosystem that align with socio-economic goals.</li> </ul> <p><b>3.3 Procurement initiatives in place that are leveraged to meet socio-economic benefits and the needs of the citizen through departments and municipal districts</b></p> <p>The procurement landscape strategically aligns with broader socio-economic goals and citizen needs through the following initiatives:</p> <ul style="list-style-type: none"> <li>● <b>Enhancing Demand Planning:</b> Special emphasis is placed on strengthening demand forecasting and management. An automated procurement planning toolkit is maintained to ensure seamless alignment between procurement and budgeting processes.</li> <li>● <b>Strengthening Analysis:</b> Effective management of security framework contracts and meticulous clean-up of procurement systems and the supplier evidence databases are conducted. This improves procurement analysis capabilities, resulting in precise insights for informed decision-making.</li> <li>● <b>Integrating Business Intelligence:</b> Business intelligence capabilities are integrated to produce essential reports such as SCM Insight Reports, Client Support Reports, Procurement Disclosure Reports and Strategic Sourcing Intervention reports. These reports empower informed decision-making, transparency, and operational excellence.</li> </ul> <p>In essence, these strategic initiatives and proactive measures collectively contribute to capacity enhancement, collaboration, and ongoing improvements in the procurement ecosystem. The outcome aligns with broader socio-economic goals, ensuring efficiency and effectiveness.</p>

<p><b>Outcome 3 - continue</b></p>	<p>Effective management and oversight of financial systems, supply chain, and movable asset management governance within the provincial and municipal spheres.</p>
<p><b>Progress - continue</b></p>	<p><b>3.4 Votes supported with embedding Good Governance principles in respect of transversally managed financial systems</b></p> <p>SIFS supported all thirteen (13) votes for the 2023/24 financial year and maintain its commitment to innovate and enhance financial systems. This objective was achieved by providing extensive support, assistance, and training on financial systems to all provincial systems users.</p> <p>Maintaining its commitment, SIFS primary focus is to ensure data integrity by strengthening controls and security measures on its financial systems. This approach aims to improve the quality and credibility of information and advancing financial systems reporting.</p> <p><b>3.5 Votes supported through the modernising and transforming of the transversally managed financial systems in keeping with the evolving needs of the Province</b></p> <p>The financial systems are the central and principal repositories for collecting data concerning expenditure trends and the overall management of movable assets within all thirteen (13) provincial departments. The PT Data Warehouse Project is crucial for data consolidation and reporting capabilities, as well as enhancing data literacy and evidence-based decision-making.</p> <p>In pursuit of these goals, a long-term contract with a service provider was terminated, resulting in PT personnel creating relevant PERSAL reports for departments. This necessitated the investment in several staff members completing a variety of courses to improve their ability and skill in using data as a strategic asset for the benefit of PT.</p>

**Programme 4 – Financial Governance**

<p><b>Outcome 4</b></p>	<p>Governance transformation in departments, entities and municipalities to improve the state of governance</p>
<p><b>Progress</b></p>	<p><b>4.1 Performance improvement measured by strengthened governance and accountability in provincial and municipal government.</b></p> <p>The Programme has made significant strides to ensure the sustainability of the good governance agenda over the long term. The focus goes beyond mere compliance; instead, PT continually challenges itself to achieve exceptional performance by setting higher standards, aiming for governance that directly benefits service delivery.</p> <p>Concerning financial statements, material misstatements have been successfully minimised, primarily attributed to the widespread implementation of consistency workshops across both municipal and provincial spheres. The Programme has also shared its experiences and opened up these workshops to colleagues outside of the WC to drive consistency throughout the Country. These activities are especially noticed in the national forums attended, to slowly, but surely drive consistency, stability and sustainability in the system.</p> <p>The Programme developed a comprehensive guideline for managing government public entities and enlisted external assistance to conduct an extensive analysis of public entities in the WC. This guideline outlined the key responsibilities of multiple stakeholders, with the aim of ensuring effective governance of public entities, thus contributing to well-managed government operations. The intention is to share this information with our national counterparts, aiding their efforts in establishing a national benchmark or set of guidelines.</p>

<b>Outcome 4 - continue</b>	Governance transformation in departments, entities and municipalities to improve the state of governance
<b>Progress - continue</b>	<p>Adapting to the ever-evolving environment, PT intensified interactions within the PFMA and MFMA realms. The hybrid approach, incorporating both in-person engagements and Microsoft Teams, facilitated enhanced support to stakeholders. Aligned with the mission, PT actively encouraged reporting institutions to provide readers with accurate and unbiased depictions of the events they address and report on.</p> <p>Additionally, a corporate culture transformation initiative has been launched to align practices more closely with the overarching vision of PT and to better serve customers.</p>

## 4. PERFORMANCE INFORMATION BY PROGRAMME

### 4.1 Programme 1: Administration

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

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

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

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

- Financial and Corporate governance improved.

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

#### Strategic Operational Management Support (SOMS)

Phase 4 of the Departmental Evaluation System (DES), completed in 2023/24, marked an important step for PT by conducting its first in-house evaluation. This evaluation focused on the external bursary programme, which aims to address shortages of critical financial skills and equity issues in the public sector. The evaluation assessed if the programme effectively reached its intended beneficiaries and provided ongoing support. It involved workshops with stakeholders to prioritise evaluation questions, conducting the formal evaluation process, and sharing findings and recommendations.

The evaluation used both qualitative and quantitative methods, including document analysis, interviews with programme implementers, and surveys with beneficiaries. The findings showed that the bursary programme successfully reached its target group, particularly Previously Disadvantaged Individuals, and offered them continuous support. The evaluation also identified areas for improvement, such as developing an electronic management system for better administration and increasing participation from low-income communities. Overall, Phase 4 demonstrated PT's commitment to improving its programmes through thorough evaluation and informed decision-making.

During the past year, PT successfully engaged with the public through various communication campaigns despite facing financial limitations. The Essay Writing competition was promoted using free online platforms, with plans to expand its reach in the future. The PT Bursaries campaign attracted a substantial number of applicants through targeted social media ads, demonstrating the effectiveness of digital outreach. Additionally, PT utilised its website, social media, and press releases to inform the public about significant financial policies such as the MTBPS and the roles of PERO and MERO. The highlight of the efforts was the Budget Day campaign, which employed a multi-platform strategy including paid social media and radio advertisements to ensure broad visibility and public interest in the financial decisions that affect everyone.

The SEO and ICT governance work, through effective project administration and coordination of ICT processes, ensured the timely and accurate delivery of key reports and adherence to governance standards. The efforts in change management and stakeholder engagement supported improved operational efficiency and transparency. These outcomes collectively advanced the Department's financial and corporate governance objectives, reinforcing its commitment to high standards of accountability and performance.

### Financial Management

For the 2023/24 fiscal year, PT attained an unqualified audit report, without findings (a clean audit). This demonstrates that the Department has a strong internal control environment to ensure good governance. Further, this accomplishment was facilitated by the ongoing monitoring of real expenditures vis-à-vis the budget, adherence to financial and supply chain management norms, and timely recognition of potential risks and critical areas warranting attention. These measures played a pivotal role in ensuring the accuracy of financial and non-financial reports and adherence to relevant legislation, ultimately leading to the attainment of this commendable outcome.

The consistent achievement of clean audits and a proactive approach to diversity, inclusion, and talent management reflect Programme 1- Administration's commitment to improving financial governance and service delivery.

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

PROGRAMME 1: ADMINISTRATION									
Sub-programme 1.2: Management Services									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
1.2.1.1	Financial and Corporate Governance Improved	Monitoring and evaluation system	Number of phases of a monitoring and evaluation system implemented	Phase 2	Phase 3	Phase 4	Phase 4	None	None
1.2.1.2		Strategy Execution Office Services Rendered	Number of strategy execution office engagements held	Revised Output Indicator	Revised Output Indicator	12	12	None	None
1.2.1.3			Number of ICT Status Reports	New Output Indicator	New Output Indicator	4	4	None	None

PROGRAMME 1: ADMINISTRATION									
Sub-programme 1.2: Management Services									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
1.2.1.4	Financial and Corporate Governance Improved	Communication (plan) implementation report	Percentage of communication campaigns implemented	50%*	83%**	75%	88%***	None	Through a thorough risk assessment process, several potential challenges were identified, including campaign cancellations, budget constraints, resource limitations, and potential delays in campaign launch dates. These risks, coupled with insights gained from previous experiences, were carefully considered during the goal-setting phase to establish a realistic target. Given the dynamic nature of media campaigns, the team set a target of achieving 75%. This goal was derived from a comprehensive analysis of historical performance and the identified risks. It represented a challenging yet feasible objective considering the potential obstacles. Despite the cautious approach to goal setting, the team remained flexible and receptive to adjustments throughout the campaign execution phase. They acknowledged the possibility of unforeseen circumstances arising, necessitating prompt modifications to strategies and tactics. As the campaigns progressed, the team seized opportunities to implement minor yet significant adjustments, ultimately leading to the overachievement of the target indicator.

PROGRAMME 1: ADMINISTRATION									
Sub-programme 1.2: Management Services									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
1.2.1.5	Financial and Corporate Governance Improved	Implementation of the Talent Management Strategy	Number of talent management initiatives implemented	Revised Output Indicator	Revised Output Indicator	4	4	None	None
1.2.1.6			Number of bursaries awarded	New Output Indicator	26	32	39	7	In the second quarter, WCG-Nedbank Essay Writing Competition awarded 14 bursaries during the adjudication process. Furthermore, in the third quarter, the total bursaries were a combined allocation for the External (8) and Internal (17) that was awarded.

- \* Method of calculation 2021/22  
 Numerator: Number of activities in the plan implemented (2)  
 Denominator: Number of planned activities for the year (4)
- \*\* Method of calculation 2022/23  
 Numerator: Number of activities in the plan implemented (5)  
 Denominator: Number of planned activities for the year (6)
- \*\*\* Method of calculation 2023/24  
 Numerator: Number of activities in the plan implemented (7)  
 Denominator: Number of planned activities for the year (8)

### Strategy to overcome areas of under performance

There were no areas of underperformance.

### Changes to planned targets

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

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

PROGRAMME 1: ADMINISTRATION									
Sub-programme 1.3: Financial Management									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
1.3.1.1	Financial and Corporate Governance Improved	Monitoring of expenditure against the budget	Number of In-Year Monitoring (IYM) Reports	12	12	12	12	None	None
1.3.1.2		Complete and proper records of financial affairs in accordance with prescribed norms and standards	Number of reports on compliance with minimum financial management performance indicators	12	12	12	12	None	None

PROGRAMME 1: ADMINISTRATION									
Sub-programme 1.3: Financial Management									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
1.3.1.3	Financial and Corporate Governance Improved	Compliance with SCM norms and standards	Number of SCM reports on compliance with norms and standards	12	12	12	12	None	None
1.3.1.4		Maintained an accurate asset register	Number of stock-take and asset verification reports	2	2	2	2	None	None
1.3.1.5		Identification of risks and key areas of concern regarding preparation of financial and non-financial reports and compliance with applicable legislation	Number of Status of Records Review reports	4	4	4	4	None	None
1.3.1.6		Integrated governance engagements with programmes	Number of integrated governance engagements	New Output Indicator	New Output Indicator	12	12	None	None
1.3.1.7		Departmental financial norms and standards Reviewed	Number of internal norms and standards reviewed	New Output Indicator	New Output Indicator	4	4	None	None

### Strategy to overcome areas of underperformance

There were no areas of underperformance.

### Changes to planned targets

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

### Sub-programme expenditure

Sub-programme name	2023/24			2022/23		
	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	7 582	7 526	56	7 040	7 036	4
1.2 Management Services	22 834	22 530	304	22 768	22 763	5
1.3 Financial Management	27 421	27 284	137	31 180	31 177	3
<b>Total</b>	<b>57 837</b>	<b>57 340</b>	<b>497</b>	<b>60 988</b>	<b>60 976</b>	<b>12</b>

## 4.2 Programme 2: Sustainable Resource Management

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

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

- Sub-programme 2.1: Programme Support

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

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

- To provide management and administrative support to Programme 2: Sustainable Resource Management;
- To conduct research, analyse and advise on the policy, strategy and 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 a client interface, data collating, data and information management and records management service to the PT.

The primary focus of the Programme during the year under review encompassed integrated planning, budgeting, and implementation for the sustainable management of provincial and municipal fiscal resources. Despite the substantial challenges presented by intensified loadshedding, the energy crisis, in-year fiscal consolidation and the unfunded wage agreement, this objective was successfully attained. On the provincial level, adjustments were made to the provincial budget strategy to encompass an immediate response, a short-term response, and a medium-term response to address the energy crisis. Within local government, significantly heightened financial oversight was imperative due to the energy crisis' impact on the principal municipal revenue source, coupled with the necessity for extra spending to maintain essential services like pump stations.

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

### Fiscal Policy

The Directorate successfully achieved all its performance targets in terms of the number of research reports, revenue and cash management reports, reports on the performance of the WCGRB, assessment of revenue retention request by departments and compilation of a regulatory impact assessment for the gambling industry. The Western Cape Nineteenth Gambling and Racing Amendment Act, 2021 was repealed on 19 January 2024. More details in this regard can be found under section 2.4 dealing with key policy developments and legislative changes.

The Provincial Government Cash Management unit, under PT, played a pivotal role in ensuring that Votes were sufficiently cash funded through out the financial year and securing a clean audit status for the Provincial Revenue Fund (PRF) account, as recognised by the AGSA. Moreover, the Cash Management unit provided vital assistance to the newly established Departments of Infrastructure and Mobility as part of the Refresh Project, facilitating a smooth transition to their respective new bank details with effect from 1 April 2023. Similarly, the Local Government Cash Management unit extended support to municipalities to enhance their cash management capabilities and sustain effective service delivery.

In terms of Fiscal Policy, PT conducted various research into enhancing existing and alternative revenue sources for the Province and municipalities. Enhancing existing revenue sources and researching alternative revenue sources has become critical in view of the depressed economic situation and dire fiscal position which put the Province and municipalities fiscal positions at risk.

### Provincial Government Budget Office (PGBO)

PGBO engaged in active research focusing on economics, policy, and budget matters, shaping provincial budget policies, which guided recommendations for budget allocations aligned with the strategic priorities of the WCG. In September 2023, the 2023 PERO was published, which extensively analysed global, national, and provincial economies, while assessing the impact of government policies. The PERO serves as a data-driven, evidence-based report, providing crucial insights to inform future policy, planning, and budgeting of the WCG. In November 2023, the Western Cape Medium Term Budget Policy Statement (MTBPS) outlined the fiscal response to the uncertain economic and fiscal environment, as well as an overview of the 2024 Medium Term Expenditure Framework (MTEF) spending plans. The MTBPS provided the economic, fiscal and policy context that underpinned the formulation of the provincial budget.

On 14 March 2024, the Overview of Provincial Revenue and Expenditure (OPRE) was presented in the Provincial Legislature. The OPRE offered a concise overview of the core components of the 2024 WCG Budget, including the economic perspective, the provincial fiscal strategy, and the government's budget policy priorities. The budget priorities are aimed at fostering a growing economy and promoting safety and wellbeing over the medium term. Despite global concerns and national economic challenges, the WCG formulated a budget to address mounting service delivery demands within a constrained fiscal environment, while mitigating domestic risks such as the energy crisis and water-supply shortages.

PT organised Innovation Seminars, providing fresh insights into topical policy themes and identifying avenues for enhancing service delivery and optimising resource allocation. The selection of seminar topics was guided by budget policy priorities and provincial risks identified during the budget process. By convening experts from government, the private sector, civil society, and academia, these seminars facilitated the sharing of best practices and informed decision-making within the WCG.

## **Local Government Budget Office (LGBO)**

### ***2023 Strategic Integrated Municipal Budgeting Engagement (SIME) Process***

The annual SIME process is coordinated by the LGBO annually. This process is aligned with sections 22 and 23 of the MFMA and Chapter 5 of the Local Government: Municipal Systems Act (MSA). These regulations require the Provincial Government to provide its views and comments on draft budgets, IDPs, SDFs, and other budget-related policies and documentation, which municipal councils consider when presenting these documents for approval.

The municipal budgets and associated materials were evaluated to ensure conformance with legislative guidelines and their viability in terms of responsiveness, credibility, and sustainability. The SIME process provided municipalities an opportunity to incorporate the WCG remarks and suggestions on draft budgets, IDPs, and SDFs before these were officially adopted by their respective councils. This adoption typically took place between the end of May and the end of June each year, aligning with sections 16(1) and 24 of the MFMA and section 25 of the MSA.

After conducting a comprehensive assessment, inputs from various sector departments and PT were consolidated into integrated assessment reports. These reports were then distributed to the respective municipalities for consideration ahead of engagements. The 2023 SIME processes took place through in-person interactions with each municipality, occurring between 24 April and 17 May 2023.

In the 2023 SIMEs, PT adopted a more strategic approach in its interactions with municipalities which allowed for greater discussion and provided municipalities to present their top five (5) strategic focus areas/priorities to the WCG delegation. These priorities were integrated into the provincial budget process, to improved co-planning and co-budgeting across spheres of government. The engagements also included a site visit component, where specific municipalities had the opportunity to showcase infrastructure projects to the WCG delegation.

Furthermore, the WCG participated in NT Benchmarking engagements alongside the two (2) non-delegated municipalities in the Western Cape, namely the City of Cape Town (CoCT) and George Municipality.

### ***2023/24 Municipal Economic Review and Outlook***

The MERO is an annual socio-economic research publication produced by PT since 2012. Alongside its counterpart, the PERO, the MERO played a pivotal role in shaping the WCG evidence-based approach to integrated planning and budgeting. It achieved this by guiding the equitable, fair, and sustainable distribution of financial resources.

The MERO's content began with a comprehensive analysis of macro-economic performance, future growth projections, and labor market trends at the district level. It subsequently delved into a more detailed regional economic analysis, examining sectoral growth trends, skills development, and employment patterns for each of the Western Cape's municipal areas. The MERO functioned as a planning and budgeting tool for both the public and private sectors. It offered support to private sector endeavors by highlighting investment potential and competitive advantages for each local municipal area. For instance, it explored specialised sectors and whether regions were net importers, self-sufficient, or exporters of their surpluses. Importantly, the MERO sought to incorporate the influence of external factors on the anticipated future growth of local economies, including sectoral forecasting.

In the year under review, the MERO was presented alongside the WCG's Medium Term Budget Policy Statement (MTBPS) on 23 November 2023. This joint presentation allowed for an overview of the medium-term economic growth prospects at the local government level, while also reflecting on how the WCG's fiscal policy proposals addressed this reality.

In support of the JDMA, the 2023/24 MERO was disaggregated into district-specific publications. This approach offered a focused understanding of challenges faced by district structures, while simultaneously recognising the unique development potential of each district. These new district-specific publications fostered co-planning, co-budgeting, and co-implementation efforts, empowering decision-makers in shaping strategic policy responses for a swift and sustainable economic recovery.

Innovations introduced in the 2023/24 MERO included the Spatial Tax Employment Data at subsector and town level. Several new indicators including the number of grant recipients, teenage pregnancy data, malnutrition data, food poverty levels, literacy levels by race, grade 3, 6, & 9 language and mathematics pass rate as well as the grade 12 bachelors pass rate. Lastly the most recent Census 2022 data was used to provide the most up-to date information.

Overall, the 2023/24 MERO elevated the quality of the Department's socio-economic intelligence publications. This was achieved through value-added content and a well-organised presentation of information. The publication was warmly received by various municipal stakeholders who extensively utilised the data and infographics in their planning endeavours for the 2024/25 budget and the IDP cycle.

### **2023 Socio-economic Profiles - Local Government (SEP-LG)**

While the PERO and the MERO provided a comprehensive analysis and outlook of past and projected economic developments influencing the national, provincial, and local government levels, the SEP-LG focused specifically on the factors impacting local economies within the Western Cape.

By aggregating a diverse range of socio-economic datasets from various government sector departments in the Western Cape and private service providers, the SEP-LG publication served as a credible research tool. The data was presented in booklet format, avoiding lengthy narratives and instead utilising infographics to visually convey information in an appealing manner. This graphical representation of intricate economic data through infographics facilitated a more meaningful interpretation of patterns and trends for both internal and external stakeholders.

A unique SEP-LG publication was tailored for each of the 30 municipalities in the Western Cape, encompassing both district municipalities and the City of Cape Town. Similarly, to the MERO, the infographics featured in the 2023 SEP-LG publications were extensively integrated into the IDPs of the respective municipalities.

The SEPs garnered significant esteem and were widely utilised by municipalities across the Western Cape, underscoring their value in aiding local governments' decision-making processes.

### **Quarterly Municipal Performance Assessments**

In accordance with Section 52 (d) of the MFMA, the Mayor of each municipality was required to submit a report to the council within 30 days after the conclusion of each quarter, detailing the budget implementation and financial status of the Municipality. Furthermore, Section 31(1)(c) of the Municipal Budget and Reporting Regulations (MBRR) mandated the submission of these reports to the National Treasury and the relevant provincial treasury within five (5) days of their presentation to the council. These reports primarily assessed the extent to which municipalities achieved the indicators and targets specified in their approved SDBIP, aligned with their annual budget.

LGBO regarded these performance assessment reports as integral to its oversight mandate, aiming to monitor the execution of municipal budgets. Additionally, LGBO ensured adherence to guiding legislation and regulations, particularly concerning content and structure. The recommendations and findings provided practical guidance to municipalities for enhancing non-financial performance in the subsequent quarter. Importantly, LGBO's recommendations positively influenced PDO-related audit outcomes, contributing to overall enhancement.

During the second quarter of the year, as in every year, municipal performance reporting was governed by Section 72 of the MFMA, addressing the mid-year (6-month) performance assessment. This evaluation was a collaborative effort among various units within PT and was integrated into the broader TIME process. TIME, a technical initiative, aimed to inculcate good governance practices, address persistent governance challenges and emerging risks, and promote optimal municipal performance.

### **Annual Report Assessments**

Every municipality and entity were required by Section 121(1) of the MFMA to prepare an annual report for each fiscal year. It was mandated that this annual report be brought to the Council no later than seven (7) months after the fiscal year ended. The Council was then required to consider the opinions of the surrounding community, the NT, the relevant PT, and any municipalities or provincial or national government entities that have submitted comments on the Annual Report. As required, PT carefully reviewed the annual report that was submitted and then provided the relevant municipalities with constructive feedback.

### **Service Delivery and Budget Implementation Plans (SDBIP)**

Section 53(1)(c)(ii) of the MFMA mandates that the mayor of each municipality provides annual approval of a comprehensive plan aimed at executing the Municipality's service delivery and its annual budget. The specific format and essential elements of this the SDBIP, is outlined in the MFMA as well as MFMA Circular No. 13 of 2005. PT undertook an annual assessment of the approved SDBIPs to ensure alignment with the MFMA and its associated guiding regulations. In the context of the

2023/24 financial year, a comprehensive feedback report detailing the evaluation findings was officially shared with each municipality.

### **Local Government Finance (LGF) and Municipal Finance Management Act (MFMA) Co-ordination**

Local Government Public Finance continued to effectively oversee and coordinate the implementation of the MFMA within both PT and municipalities. Implementation of the MFMA was facilitated through the coordination of IGR between municipalities, provincial and national departments, and associated stakeholders. The Unit's responsibilities encompassed vigilant monitoring, comprehensive support, and timely intervention in the realm of MFMA implementation, and budget execution.

The tabled budgets of all 30 municipalities in the Province were assessed and advice provided to municipalities. This assisted municipalities to make changes in their adopted budget, including one (1) municipality that moved from an unfunded tabled budget to a funded adopted budget. Adopted budgets were also assessed and five (5) municipalities were found to have adopted unfunded budgets. PT assisted these municipalities to craft Budget Funding Plans, and in one case to implement an approved FRP.

The unit monitors municipal spending monthly, providing feedback on performance and reporting challenges to municipalities. The unit also identifies municipalities at risk of financial problems. This led to the PT identifying that Kannaland Municipality met the definition of financial crisis in section 140 of the MFMA and required a mandatory intervention. Following an extensive consultation process, the Provincial Cabinet decided to intervene in the Municipality in terms of section 139(5) of the Constitution on 13 December 2023. NT's Financial Recovery Service was then formally requested to prepare a FRP for the Municipality.

Municipalities face a major potential service delivery and revenue disruption when prepaid meters stop being able to upload new credits in November 2024. Fortunately, there is a solution that prepaid meters can be "rolled-over" to continue working. PT has worked to communicate the importance of this, and provide guidance where needed to municipalities. As a result, by the end of the 2023/24 provincial financial year, municipalities in the Province had already rolled over 83.7 per cent of prepaid meters, well ahead of the November 2024 deadline.

### **Provincial Government Finance**

Throughout the 2023/24 financial year, a total of two (2) distinct budgets were presented. The 2023 Adjustments Budget, largely dealt with the partially funded 2023 wage agreement, where NT signaled early in the financial year that the wage agreement will have to be largely absorbed within the baseline of provinces, which placed significant pressure on the resources of the WCG. This led to further measures being implemented to achieve efficiency of spend and strengthen CoE management. An intergovernmental dispute was declared with NT, and an agreement reached on the future management of wage agreements in order to manage the impact on provinces.

The Estimates of Provincial Revenue and Expenditure (EPRE) 2024 was tabled in March 2024 and the 2024 budget focused on reprioritisation towards absorbing the cost of the wage agreement and fiscal consolidation, the sustainability of the Departments of Health and Wellness, Education and Social Development, infrastructure maintenance and flood response in the Province and recognising the emerging need to address climate change in future, amongst other.

## Infrastructure

Infrastructure continued to serve as a crucial facilitator of services and facilities essential for economic growth and sustainability while departments had to find a balance to respond to fiscal consolidation simultaneously. Thus, prioritising infrastructure plans, implementation, and investments remained a central focus throughout the financial year. Expenditures were meticulously monitored against allocated budgets in the relevant departments to ensure alignment with the priority of infrastructure as a driver of progress.

The Adjusted Budget process for 2023/24 culminated in the publication of the "Overview of Adjusted Provincial and Municipal Infrastructure Investment (OAPMII) 2023" which provided an updated and comprehensive view of provincial infrastructure delivery strategies and spending priorities across the various municipal districts in the WC. This publication reinforced transparency and underscored the commitment to effective infrastructure planning.

Moreover, the Main Budget process for 2024/25 resulted in the presentation of the "OPMII 2024" publication on 7 March 2024. This strategic document offered an encompassing overview of infrastructure investments undertaken by both the Provincial Government and municipalities within the WC. It provided insights into planned projects for execution in 2024/25, aligned with the allocated budget. This publication highlighted the Province's dedication to coordinated and forward-looking infrastructure development, emphasising growth and sustainable progress.

## Business Information and Data Management

Business Information and Data Management (BIDM) played a vital role in overseeing information, particularly budgetary data, by collecting and distributing information to PT officials. To bolster this effort, a centralised repository was maintained, housing verified data that significantly contributed to informed decision-making and facilitated the presentation of credible publications in the Provincial Legislature. The BIDM team effectively fulfilled their duties related to client engagement, technical editing of publications, data compilation, data and information management, as well as records management and registry services for PT, ensuring smooth operations and accuracy in information handling.

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

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub-programme 2.2: Fiscal Policy									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
2.2.1.1	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	Research reports on the Provincial and Local Government Fiscal System	Number of research reports on the Provincial and Local Government Fiscal System	4	4	4	4	None	None
2.2.1.2		Revenue reports	Number of Provincial revenue management reports	4	4	4	4	None	None
2.2.1.3		Local Government Cash Management reports	Number of Local Government Cash Management reports	4	4	4	4	None	None
2.2.1.4		Provincial Government Cash Management reports	Number of Provincial Government Cash Management reports	4	4	4	4	None	None
2.2.1.5		Reports on the performance of the WCGRB	Number of reports on the performance of the WCGRB	4	4	4	4	None	None
2.2.1.6		Assessment report on the retention of own revenue as submitted by departments	Revenue retention requests by departments assessed	New Output Indicator	New Output Indicator	1	1	None	None
2.2.1.7		Gambling Policy Reviewed	Gambling regulatory impact assessment	New Output Indicator	New Output Indicator	1	1	None	None

### Strategy to overcome areas of under performance

There were no areas of underperformance.

### Changes to planned targets

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

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub-programme 2.3: Budget Management									
Element: Provincial Government Budget Office									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
2.3.1.1	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	Provincial budget policy assessment reports	Number of provincial budget policy assessment reports	28	28	28	28	None	None
2.3.1.2		Provincial budget and economic publications	Number of Provincial Budget and Economic Publications	3	3	3	3	None	None

**Strategy to overcome areas of under performance**

There were no areas of underperformance.

**Changes to planned targets**

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

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub-programme 2.3: Budget Management									
Element: Local Government Budget Office									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
2.3.2.1	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	Integrated municipal budget policy assessment reports	Number of integrated municipal budget policy assessment reports	29	30	30	30	None	None
2.3.2.2		Quarterly performance reports received, assessed	Percentage of quarterly performance reports received, assessed	100%*	100%**	100%	100%***	None	None

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub-programme 2.3: Budget Management									
Element: Local Government Budget Office									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
2.3.2.3	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	Socio-economic intelligence publications	Development of the Municipal Economic Review and Outlook	December 2021	November 2022	September 2023	November 2023	1 month	The reason for the delay in tabling the MERO are two-fold. Firstly, the November tabling date is better aligned with the municipal planning and budget cycle. Additionally, all the critical data needed to innovate and improve the quality of the MERO was not available early in the year. This caused delays in the finalising of the product.
2.3.2.4			Number of Socio-Economic Profiles (SEP-LGs) developed	New output indicator	30	30	30	None	None

- \* Method of calculation 2021/22  
 Numerator: Number of quarterly performance reports assessed (117)  
 Denominator: Number of quarterly performance reports received (117)
- \*\* Method of calculation 2022/23  
 Numerator: Number of quarterly performance reports assessed (120)  
 Denominator: Number of quarterly performance reports received (120)
- \*\*\* Method of calculation 2023/24  
 Numerator: Number of quarterly performance reports assessed (120)  
 Denominator: Number of quarterly performance reports received (120)

**Strategy to overcome areas of under performance**

The target for the next financial year was set to end November as historical performance indicates that the end November date is ideal to deliver a quality product.

**Changes to planned targets**

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

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub-programme 2.4: Public Finance									
Element: Provincial Government Finance									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
2.4.1.1	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	Provincial budget assessment reports	Number of provincial budget assessment reports	28	28	28	28	None	None
2.4.1.2		Expenditure reviews	Number of expenditure reviews	1	4	3	3	None	None

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub-programme 2.4: Public Finance									
Element: Provincial Government Finance									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
2.4.1.3	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	Quarterly reports on the implementation of the budget	Number of quarterly reports on the implementation of the budget	4	4	4	4	None	None
2.4.1.4		Provincial budget publications	Number of provincial budget publications	3	3	2	2	None	None

**Strategy to overcome areas of under performance**

There were no areas of underperformance.

**Changes to planned targets**

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

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub-programme 2.4: Public Finance									
Element: Local Government Finance (Group 1,2 and MFMA Coordination)									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
2.4.2.1	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	IYM assessment on the sustainable implementation of the municipal budget	Percentage of monthly IYM reports, submitted as per S71 of the MFMA, on the implementation of the municipal budget received, assessed	Revised Output Indicator	100%*	100%	100%**	None	None
2.4.2.2			Number of monthly consolidated IYM assessment reports	12	12	12	12	None	None
2.4.2.3			Number of quarterly publications on the state of municipal budgets	4	4	4	4	None	None
2.4.2.4			Assessment of municipal budgets and mid-year reports for sustainability and credibility	Number of reports on budget sustainability and credibility inputted to municipal budget assessment reports	59	60	60	60	None

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub-programme 2.4: Public Finance									
Element: Local Government Finance (Group 1,2 and MFMA Coordination)									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
2.4.2.5	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	Reports on MFMA implementation	Number of reports on MFMA implementation	4	5	4	2	2	PT can only report if a submission is requested by NT. The introduction of the municipal e-Monitoring System in quarter 4 meant that no submissions were requested for part of the period under review.
2.4.2.6		Forums to strengthen intergovernmental cooperation and information sharing	Number of CFO forums	4	4	4	4	None	None
2.4.2.7		Supporting the development of Budget Funding Plans for municipalities adopting unfunded budgets	Percentage of municipalities with unfunded budgets supported to develop Budget Funding Plans	Revised Output Indicator	Revised Output Indicator	80%	100%*	20%	Overperformance - All municipalities with unfunded budgets were assisted to adopt Budget Funding Plans or to implement a Financial Recovery Plan

2.4.2.1. Percentage of monthly IYM assessment reports on the implementation of the municipal budget for municipalities that submit as per s71 of the MFMA

\* Method of calculation 2022/23

Numerator: Number of IYM submissions assessed (359)

Denominator: Number of IYM submissions received from municipalities (359)

\*\* Method of calculation 2023/24

Numerator: Number of IYM submissions assessed (360)

Denominator: Number of IYM submissions received from municipalities (360)

2.4.2.7. Percentage of municipalities with unfunded budgets supported to develop Budget Funding Plans

\* Method of calculation 2023/24

Numerator: Number of municipalities assisted to adopt Budget Funding Plans and/or implement a Financial Recovery Plan (5)

Denominator: Number of municipalities with unfunded budgets (5)

### Strategy to overcome areas of under performance

NT is piloting a new electronic MFMA reporting system which means that the conventional way of reporting for indicator 2.4.2.5 (requests for PTs to complete an Ms Excel workbook each quarter) was no longer applicable towards the end of the financial year.

### Changes to planned targets

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

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub-programme 2.4: Public Finance									
Element: Infrastructure									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
2.4.3.1	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	Immovable asset management plans assessed	Number of Immovable asset management plans assessed	32	32	32	32	None	None
2.4.3.2		Quarterly reports on the implementation of infrastructure budgets to Cabinet	Number of quarterly reports on the implementation of infrastructure budgets to Cabinet	4	4	4	4	None	None
2.4.3.3		Provincial budget publications	Number of provincial budget publications	2	2	2	2	None	None
2.4.3.4		Project Preparation Facility (PPF) Assessment Reports	Percentage of PPF applications received, assessed	New Output Indicator	New Output Indicator	80%	0%*	80%	This indicator was mistakenly captured as achieved in the 4 <sup>th</sup> quarter, as no departmental PPF applications was received for the financial year under review due to a constrained fiscus and budget limitations.
2.4.3.5		Infrastructure Delivery Management System (IDMS) Implemented through the assessed SDAs	Percentage of Service Delivery Agreements (SDA) received, assessed	New Output Indicator	New Output Indicator	100%	100%*	None	None

2.4.3.4. Percentage of PPF applications received, assessed

\* Method of calculation 2023/24

Numerator: Number of PPF applications received (0)

Denominator: Number of PPF applications assessed (0)

2.4.3.5. Percentage of Service Delivery Agreements (SDA) received, assessed

\* Method of calculation 2023/24

Numerator: Number of Service Delivery Agreements (SDAs) received (1)

Denominator: Number of Service Delivery Agreements (SDAs) assessed (1)

### Strategy to overcome areas of under performance

This output indicator (2.4.3.4) is third party related, it is dependent on whether departments and entities have project preparation support requirements to be submitted for assessment. Where the need does not exist, no applications will be received for assessment hence the Directorate has no control over the outcome of this indicator. Budget limitations remain prevalent, and as such this output is not continuing into the next financial year.

### Changes to planned targets

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

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub-programme 2.4: Public Finance									
Element: Business Information and Data Management									
No.	Outcome	Output	Output indicators	Audited actual performance 2021/22	Audited actual performance 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation from planned target to Actual achievement 2023/24	Reasons for deviations
2.4.4.1	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	Datasets managed	Number of datasets managed	4	4	4	4	None	None
2.4.4.2		Budget process plans managed	Number of budget process plans managed	3	3	3	3	None	None

### Strategy to overcome areas of under performance

There were no areas of underperformance.

### Changes to planned targets

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

### Sub-programme expenditure

Sub-programme name	2023/24			2022/23		
	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	6 683	6 610	73	7 273	7 268	5
2.2 Fiscal Policy	41 166	40 932	234	43 194	43 111	83
2.3 Budget Management	18 498	18 402	96	19 142	19 134	8
2.4 Public Finance	59 767	57 069	2 698	58 384	57 918	466
<b>Total</b>	<b>126 114</b>	<b>123 013</b>	<b>3 101</b>	<b>127 993</b>	<b>127 431</b>	<b>562</b>

## 4.3 Programme 3: Asset Management

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

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

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

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

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

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

### Supply Chain Management

Navigation of the intricate landscape of national government policies and supply chain regulations, including the recently enacted Preferential Procurement Regulations, 2022, posed notable challenges for PT. Despite these obstacles, PT remained resolute in upholding its good governance principles, securing the Province's success in maintaining strong audit outcomes in SCM. Additionally, the PT has prioritised safeguarding the integrity of service delivery and sustainable governance standards. This commitment has led to the issuance of a several Treasury Circulars, aimed at providing crucial support, ensuring stability, and adeptly managing the evolving landscape.

Aligned with its PFMA Section 18 mandate to oversee financial management within procurement processes across the Province, and drive, modernisation, and repositioning of SCM, PT achieved the following:

- Implemented support for departments, municipalities, and suppliers.
- Regularly reviewed client support performance, through quarterly Client Support Performance Reports.
- Produced 53 SCM Insight performance reports for departments and compiled Quarterly Procurement Disclosure reporting to ensure both transparency and accountability.
- Produced quarterly strategic sourcing intervention reports to reflect on opportunities for value for money purchasing.
- Maintained a robust governance platform for supply chain management with a revised blueprint accounting officers' system, ensuring standardisation and customisation.
- Stayed agile by incorporating new and provincially adapted requirements through the issuance of pertinent circulars
- Strengthened procurement planning with the automated procurement planning toolkit for all 13 provincial departments.
- Managed the transversal security framework contract and conducted commodity focused analyses.
- Managed and provided user support for the in-house eProcurement Solution, managing 37 procurement events collectively from 1 April 2023 to 31 March 2024.
- Addressed 12 732 supplier queries, inclusive of 1 090 walk-ins by suppliers at the PCC.
- Attended, via the SCM helpdesk 196 queries provided to departments and public entities, 142 supplier queries.
- Four (4) quarterly SCM forums held to build capacity and support departments and public entities with five (5) Training interventions held for departments.

- Implemented a PDIA approach to procurement, supported by sub-workgroups headed by SCM heads in the Province who are tasked with discovering entry points to problem solving and ensuring value for money and efficient procurement activities that lead to responsive service delivery through the provinces procurement initiatives.

In fulfilment of PT's mandate as outlined in Section 5 (3) of the MFMA, which aims to guide and assist support municipalities and entities in enhancing their capacity for efficient, effective, and transparent financial management, and to provide support and training on the regulatory framework governing SCM, the following accomplishments have been realised:

- Facilitated SCM Forum meetings to address various pertinent issues, including transformation within SCM, policy development, establishment of best practices and standards for service delivery. These efforts fostered stronger intergovernmental relations between PT and municipalities.
- Addressed and resolved 456 queries related to SCM and the CSD, along with 11 complaints, during the financial year, offering invaluable support to municipalities, entities, and suppliers.
- Implemented comprehensive SCM support programmes targeting municipalities, municipal entities, and suppliers, aiding in their understanding and implementation of SCM practices.
- Executed eight (8) SCM training and development programs in collaboration with the NT and the Construction Industry Development Board (CIDB), benefiting municipalities and entities.
- Participated in ten (10) Supplier Open Days across the five (5) municipal districts facilitating CSD registrations for suppliers and streamlining their engagement with government procurement processes.
- Established the SCM Governance Workstream, involving SCM managers and District CFOs, to address SCM policy development and key challenges, contributing significantly to the development of Procurement Policy and Regulation (PPR) policies and ensuring consistency and coherence across municipalities and municipal entities.
- Provided hands-on support to 20 municipalities during the audit, helping them navigate interpretation challenges concerning the Preferential Procurement Regulations, 2022, through consultations with key stakeholders.
- Hosted the 10<sup>th</sup> Annual Smart Procurement Conference, themed 'Procurement for a Better Tomorrow: Strategic Procurement and Partnerships – Driving Delivery and Change,' in partnership with the West Coast District, focused on strategic procurement and partnerships, featured a supplier open day.
- Hosted a SCM-Local Economic Development (LED) Indaba, in the West Coast District, guiding municipalities, departments, and suppliers on leveraging procurement for economic growth.
- Completed ten (10) municipal procurement planning assessments and addressed governance challenges in five municipal districts via SCM District Performance Insight Reporting for five (5) municipal districts.
- Our strategic sourcing interventions aimed to optimise procurement efficiencies.

- Facilitated the rollout of the Asset Management Governance and Training Project in Garden Route and Central Karoo District municipalities and provided support to Knysna and Kannaland municipalities; and Beaufort West Municipality through the FRP.
- Transitioning towards a value-driven approach in SCM, in alignment to the Growth for Jobs Strategy, the unit is moving beyond mere compliance to strategic procurement underway to reposition the municipal procurement system for tangible results.

### **Supporting and Interlinked Financial Systems (SIFS)**

SIFS maintains its core objective of managing the transversal financial systems of the WCG, ensuring the highest quality financial data and providing credible information to all client departments. SIFS is committed enhancing financial system management in the Province by:

- Maintaining effective user account management to enhance systems security of the systems;
- Developing integrated training to promote correct and optimal systems usage;
- Implementing measures to improve data validity and reliability; and
- Providing credible and detailed system data analysis for all WCG departments.

Effective User Account Management (UAM) is essential for the PT oversight and efficient system utilisation by all provincial departments. The implementation of IT service management toolkit (BMC Remedy) at the DoH&W, LOGIS Stores as well as all provincial departments who utilise the PERSAL aims to streamline and centralise the system queries, enhancing service delivery and user satisfaction.

Training delivered through various platforms, including conventional classroom, virtual environments and eLearning (Moodle), ensures widespread access and attainment of training objectives across all provincial departments for BAS, LOGIS and PERSAL systems. Additionally, SIFS developed and implemented a semi-automated training GAPS tool, to identify training needs for the BAS users within departments.

Innovation efforts include providing legacy systems reporting and data using PERSAL-Share (PERSAL and LOGIS reports) and KITSO (BAS reports, crucial for departmental monitoring and reducing reporting burdens). Exploring the use of the Microsoft platform, SIFS aims to automate manual reporting processes associated with legacy reports, laying a foundation for the PT Data Warehouse through collaboration with Cel and Microsoft technical engineers.

SIFS has developed a proof-of-concept and secured essential technical skills and resources, including Microsoft Azure licenses and subscriptions, to enhance, develop, and maintain the ePS. Leveraging Microsoft Azure and the Power Platform, SIFS aims to migrate traditional data and legacy system reports, seamlessly in preparation for an integrated financial management systems approach.

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

PROGRAMME 3: ASSET MANAGEMENT									
Sub-programme 3.2: Supply Chain Management - Provincial and Local Government									
No.	Outcome	Output	Output Indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
3.2.1.1	Effective management and oversight of financial systems, supply chain and movable asset management governance within the provincial and municipal spheres	Municipal Districts assisted with standardised SCM and Asset Management Business practices to continuously improve SCM and AM maturity	Number of municipal districts assisted with SCM and AM Governance	Revised Output Indicator	Revised Output Indicator	5	5	None	None
3.2.1.2		Municipal districts assisted with SCM System Insight reports by providing procurement information	Number of Municipal Districts Insight Reports	Revised Output Indicator	Revised Output Indicator	5	5	None	None
3.2.1.3		Annually defined support programmes for departments, municipal districts and suppliers to provide support and build capacity	Number of support programmes implemented	Revised Output Indicator	Revised Output Indicator	3	3	None	None
3.2.1.4		Assessment of operational client support function	Number of reports reflecting client support Performance	3	4	4	4	None	None
3.2.1.5		Procurement Disclosure Reports reflecting provincial procurement performance	Number of Procurement Disclosure Reports	4	4	4	4	None	None
3.2.1.6		Focused strategic sourcing initiatives for value for money purchasing in the province	Number of strategic sourcing interventions	Revised Output Indicator	2	4	4	None	None
3.2.1.7		Provincial SCM system insight reports providing procurement performance information to departments	Number of SCM system insight reports produced	53	53	53	53	None	None
3.2.1.8		Municipal procurement plans assessed to strengthen procurement strategies	Number of procurement planning reports assessed	10	10	10	10	None	None
3.2.1.9		Municipal districts assisted with a commodity strategy to assist with strategic planning processes	Number of districts assisted with strategic sourcing initiatives	New Output Indicator	New Output Indicator	1	1	None	None

### Strategy to overcome areas of under performance

There were no areas of underperformance.

### Changes to planned targets

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

PROGRAMME 3: ASSET MANAGEMENT									
Sub-programme 3.3: Supporting and Interlinked Financial Systems									
No.	Outcome	Output	Output Indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
3.3.1.1	Effective management and oversight of financial systems, supply chain and movable asset management governance within the provincial and municipal spheres	Provincial financial systems supported and maintained	Number of votes assisted with system support	13	13	13	13	None	None
3.3.1.2		Capacitated and trained system users	Number of votes assisted with end user training	13	13	13	13	None	None
3.3.1.3		Evergreen Legacy Systems implemented	Number of system modules implemented	5	5	5	5	None	None
3.3.1.4		Consolidated reporting provided from financial systems	Number of votes assisted with financial reporting	13	13	13	13	None	None

### Strategy to overcome areas of under performance

There were no areas of underperformance.

### Changes to planned targets

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

### Linking performance with budgets

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

### Sub-programme expenditure

Sub-programme Name	2023/24			2022/23		
	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	5 568	5 369	199	4 584	4 580	4
3.2 Supply Chain Management	37 357	36 945	412	41 207	40 171	1 036
3.3 Supporting and Interlinked Financial Systems	38 007	37 272	735	32 812	32 810	2
<b>Total</b>	<b>80 932</b>	<b>79 586</b>	<b>1 346</b>	<b>78 603</b>	<b>77 561</b>	<b>1 042</b>

#### 4.4 Programme 4: Financial Governance

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

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

- Sub-programme 4.1: Programme Support
- Sub-programme 4.2: Accounting Services
- Sub-programme 4.3: Corporate Governance
- The following were the outcomes for the financial year under review:

Governance transformation in departments, entities, and municipalities improved.

#### **Outcomes, outputs, output indicators, targets, and actual achievements**

##### **Accounting Services**

Accurate financial statements in the public sector serves several crucial purposes including ensuring accountability and transparency: Public sector institutions are entrusted with taxpayer money and therefore are accountable to the public. Financial statements must be transparent about how funds were allocated and spent, allowing residents to have a full view of the performance of the departments, municipalities and their related entities thus building stakeholder confidence. When stakeholders have access to reliable financial statements and annual reports, they are enabled to assess the financial health and performance of institutions which is essential for maintaining trust and credibility. PT continued to uphold a high standard of the accountability cycle, a practice that was consistently maintained throughout the financial year ending on 31 March 2024.

PT's support to the Province in achieving and sustaining good audit outcomes in the Country was cemented by the recognition from the AGSA as the top-performing Province for audit outcomes across both local and provincial government spheres.

During the 2022/23 provincial audit cycle, all 14 departments achieved unqualified audit opinions, with only two (2) having findings in other matters. All 11 public entities had unqualified audit opinions with one (1) entity having findings in other matters.

The municipal audits for the 2022/23 period were largely concluded by the end of May 2024. Western Cape has once again upheld the bar for the best audit outcomes in the municipal space, where 26 of 30 municipalities achieved unqualified audits. Building upon the positive audit outcomes of the previous year, enhancements were made within the municipal portfolio. Twenty (20) municipalities achieved clean audits, six (6) municipalities attained "unqualified audit with other matters" results, and four (4) municipalities faced adverse audit outcomes.

The consistent achievement of success in the WC can be attributed to various factors, including:

- The establishment of institutional controls that led to a decrease in irregular expenditure.
- Accounting officers, accounting authorities and municipal managers holding senior management responsible for improving vital performance reporting practices.

- Leadership vigilance and responsibility for commitments, in collaboration with oversight committees, to elevate and sustain audit outcomes.
- During the 2023/2024 financial year, the programme issued its first edition of the PFMA Financial Governance Insight Report. The report is a tool to set the benchmark across the WCG, with the aim of empowering all of those working in and influencing governance. It shows where more attention is needed and equally draws attention to pockets of progress which can potentially be scaled across the Province- demonstrating the art of working together as a powerful tool in governance.
- The MFMA consistency workshop, a flagship governance engagement has once again drawn attention to colleagues beyond the WC, to consider which of these learnings can be carried out in other provinces and nationally.

Annually, PT executes an analysis on all the final management reports that have been issued to auditees. The objective of the analysis is to identify significant underlying factors contributing to recurring and transversal findings, as well as findings that could potentially influence future audit outcomes. The afore-mentioned outcomes are shared with departments, public entities and municipalities during the various forums and workshops, and through the PFMA Financial Governance Insight Report. As mentioned, PT facilitated the positive audit outcomes across all PFMA sphere of government, and following are some additional means by which it is achieved:

- Successfully hosting PFMA CFO Forum meetings, financial accounting forums, MFMA CFO forums and internal control forums. These platforms not only prepared institutions for regulatory audits but also advocated good governance.
- Hosting Chief Risk Officer (CRO) and Chief Audit Executive (CAE) forums and collaborating with the Institute of Internal Auditors to enhance governance. These forums served as a platform for discussing and guiding on key cross-cutting challenges and risks in the municipal assurance landscape, facilitating the exchange of best practices. Attendees greatly appreciated the support provided through dedication and cooperation.
- PT continued to play a pivotal role in resolving intergovernmental issues, particularly in cases of disputes between stakeholders and the AGSA. To ensure consistent management of audit matters, an efficient internal procedure was devised. The Province remained committed to exploring alternative methods for resolving disputes, advocating for their pursuit. The condonation working committee demonstrated unwavering dedication to effectively managing and governing irregular expenditures within provincial departments and entities.

### **Corporate Governance**

The WCG's governance approach remain its foundation and key asset to deliver resident service delivery and enable growth within the Province. The WCG's governance system enables agility and resilience by departments and municipalities in navigating risks and challenges faced. The current year focus was on harnessing and enhancing established systems and structures of good governance to foster an integrated approach to service delivery and accountable, resilient public institutions in the context of navigating an unpredictable environment emerging from a pandemic and facing a global economic slowdown.

The Minister held two (2) Provincial Budget and Governance Forums in 2023 to improve leadership and accountability. These meetings included financial leaders from Western Cape municipalities.

The goal was to enhance cooperation and unified action among financial departments across the Province.

PT's legal and policy unit conducted reviews of draft legislation and policies, coordinating commentary processes to ensure PT, and team finance, remained informed about relevant legislation and positioned itself to exert influence before the enactment or mandatory implementation of laws and regulations.

A risk-based approach was followed in the 2023/24 TIME process as informed by the transversal high impact risks identified by the CRO/CAE Forum from each of the five (5) districts in the WC, and governance assessment reports were issued to each municipality. The TIME engagements centered on the further alignment of municipal strategic and operational plans with good governance practices, proactively addressing governance and performance challenges and risks to enhance municipal performance.

Governance engagements with departments were consolidated into the NT mid-year process, aligning budget preparation and good governance principles in other disciplines of finance.

The adoption of a combined assurance approach maximises assurance coverage, control efficiency, and overall optimisation of assurance, rendering governance, risk management, and assurance most effective. Effective municipal audit committees, internal audit functions, and enterprise risk management are crucial for implementing combined assurance in municipalities. Support initiatives for municipalities have been identified for the medium term, establishing the foundational elements necessary for combined assurance implementation within local government.

The hosting of the CRO and CAE forums and collaborating with the Institute of Internal Auditors supports the combined assurance approach to enhance governance. These forums served as a platform for discussing and guiding on key cross-cutting challenges and risks in the municipal assurance landscape, facilitating the exchange of best practices. The appreciation and support provided by Provincial Treasury was visibly palpable, but this could not be achieved without the dedication and cooperation of each of the attendees at these forums.

The CAA program dispatched trainees under the approved South African Institute of Chartered Accountants (SAICA) program to departments and public entities, allowing exposure to pertinent work and application of technical skills. Since inception, the academy has produced qualified chartered accountants for the public sector. Many of these young professions secured roles in both public and private sectors, who now occupy influential positions. Additionally, over 100 interns and bursars were supported by the WC FMCG and the Municipal Financial Management Internship program, managed by NT in collaboration with PT. These programs aimed to cultivate relevant skill sets among diverse local youth who will contribute as future municipal administrators.

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

PROGRAMME 4: FINANCIAL GOVERNANCE									
Sub-programme 4.2: Accounting Services									
Element: Local Government Accounting									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
4.2.1.1	Governance transformation in departments, entities and municipalities improved	Oversight and monitoring of municipal financial governance	Number of municipal accounting assessment reports	30	30	30	29	1	City of Cape Town is a non-delegated municipality and thus the FMCMM is done by the National Treasury. PT only attends the mid-year engagements in this regard.
4.2.1.2		Support initiatives to strengthen the understanding and application of accounting standards	Number of interventions to inform the application of accounting standards	8	10	9	9	None	None
4.2.1.3		Reconciliation of AFS and data strings on National Treasury LG Database to ensure credibility of audited financial data	Percentage of submitted data strings reconciled to audited AFS	100%*	100%**	100%	100%***	None	None

\* Method of calculation 2021/22

Numerator: Number of reconciled returns closed off on the NT LG Database (25)

Denominator: Number of returns submitted by municipalities to the NT LG Database (25)

\*\* Method of calculation 2022/23

Numerator: Number of reconciled returns closed off on the NT LG Database (26)

Denominator: Number of returns submitted by municipalities to the NT LG Database (26)

\*\*\* Method of calculation 2023/24

Numerator: Number of reconciled returns closed off on the NT LG Database (26)

Denominator: Number of returns submitted by municipalities to the NT LG Database (26)

### Strategy to overcome areas of under performance

The team has included a stretch in the indicator to encompass the City of Cape Town. However, it is important to note that the City of Cape Town operates under a non-delegated framework, meaning PT does not issue formal reports to the City of Cape Town. Our work for the City of Cape Town mirrors the efforts we undertake for all other municipalities; the distinction lies solely in the absence of a formal report.

PT is actively engaged in governance discussions to evaluate the City of Cape Town alongside the National Treasury, which holds the primary responsibility for monitoring. Moving forward, PT plans to revisit this indicator in the new Annual Performance Plan (APP) to focus exclusively on measurable outcomes for which the province is accountable.

### Changes to planned targets

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

PROGRAMME 4: FINANCIAL GOVERNANCE									
Sub-programme 4.2: Accounting Services									
Element: Provincial Government Accounting									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations
4.2.2.1	Governance transformation in departments, entities and municipalities improved	Interventions held to ensure oversight and monitoring of departmental financial governance	Number of reports based on governance performance engagements held with departments	2	1	1	1	None	None
4.2.2.2		Departments supported on internal control initiatives	Number of internal control interventions rolled out in departments	8	5	4	8	4	Additional requests for assistance and support were received from WCED, the Western Cape Tourism, Trade and Investment Promotion Agency and Western Cape Liquor Authority during the financial year.
4.2.2.3		Votes supported in the application of accounting frameworks and norms and standards	Number of votes assessed against the applicable accounting frameworks and norms and standards requirements	14	14	14	14	None	None
4.2.2.4		Publication and tabling of the ACFS	Publication and tabling of the ACFS is done in the required timeframe	New Output Indicator	1 month after receipt of audit report on the ACFS	1 month after receipt of audit report on the ACFS	27 March 2024	3 months	Delayed tabling letter was issued and tabled
4.2.2.5		Oversight and monitoring of irregular expenditure within departments and public entities	Number of Condonation Working Committee (CWC) meetings held	New Output Indicator	New Output Indicator	12	9	3	This is a demand driven indicator and therefore engagements are only scheduled based on cases received.

### Strategy to overcome areas of under performance

To enhance performance, a comprehensive strategy is essential. This involves establishing clear timelines, rigorous monitoring, and capacity building within the Department. By implementing robust systems to track ACFS progress and assigning specific responsibilities, PT can ensure timely publication. Additionally, empowering staff with the necessary knowledge and skills to handle irregular expenditure cases is crucial. Regular assessments of the ACFS process and CWC operations will identify areas for improvement. Proactive measures to detect potential irregular expenditures and swift responses through increased CWC meeting frequency can effectively address these challenges. Ultimately, linking performance evaluations to these critical areas will foster accountability and drive continuous improvement.

### Changes to planned targets

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

PROGRAMME 4: FINANCIAL GOVERNANCE										
Sub-programme 4.3: Corporate Governance										
No.	Outcome	Output	Output indicators	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from planned target to Actual Achievement 2023/24	Reasons for deviations	
4.3.1.1	Governance transformation in departments, entities and municipalities improved	Oversight and monitoring of municipal financial governance provided to municipalities	Number of municipal governance assessment reports	30	30	30	30	None	None	
4.3.1.2		Municipalities supported through initiatives on municipal financial capacity building and training	Number of municipal support initiatives on municipal finance capacity-building and training	10	10	10	10	None	None	
4.3.1.3		Municipalities supported through initiatives on internal audit and risk management	Number of support initiatives on internal audit and risk management	12	12	12	12	None	None	
4.3.1.4		Municipalities and departments supported on financial legal frameworks and policies		Number of support initiatives to departments on financial legal frameworks and policies	1	1	1	1	None	None
4.3.1.5				Number of support initiatives to municipalities on financial legal frameworks and policies	3	3	3	3	None	None
4.3.1.6		Accredited SAICA training programme	Percentage of Compliance with the SAICA requirements to remain an accredited training office.	New Output Indicator	100%*	100%	100%**	None	None	

\* Method of calculation 2022/23  
 Numerator: Number of ANA's submissions assessed (15)  
 Denominator: Number of ANA's submissions (15)

\*\* Method of calculation 2023/24  
 Numerator: Number of ANA's submissions assessed (5)  
 Denominator: Number of ANA's submissions (5)

### Strategy to overcome areas of under performance

There were no areas of underperformance.

### Changes to planned targets

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

### Linking performance with budgets

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

## Sub-programme expenditure

Sub-programme Name	2023/24			2022/23		
	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	7 923	7 843	80	8 603	8 507	96
4.2 Accounting Services	25 718	25 440	278	21 151	21 107	44
4.3 Corporate Governance	17 912	17 578	334	21 482	21 468	14
<b>Total</b>	<b>51 553</b>	<b>50 861</b>	<b>692</b>	<b>51 236</b>	<b>51 082</b>	<b>154</b>

### Reporting on the Institutional Response to the COVID-19 Pandemic

The Department did not undertake any COVID-19 interventions during the year under review.

## 5. TRANSFER PAYMENTS

### 5.1 Transfer payments to public entities

PT has one (1) public entity, namely, the WCGRB. The WCGRB received R21.178 million from PT as a transfer payment.

Name of Public Entity	Key outputs of the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
Western Cape Gambling and Racing Board	To control and regulate gambling, racing and betting within the Province of the Western Cape	21 178	21 178	Regulate and oversight of the gambling industry in the Western Cape.

The institutionalisation of quarterly financial and non-financial monitoring processes has been established between the Ministry, PT, and the WCGRB. The WCGRB successfully adhered to all PFMA reporting obligations.

## 5.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2023 to 31 March 2024.

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	Western Cape Financial Management Capability and Municipal Financial Recovery Service grants	Yes	18 427	4 875	Transfer of funds to municipalities are mainly done during the last quarter of the financial year. Municipalities are in the preparation phase to spend the money.
Departmental agencies and accounts	South African Broadcasting Corporation (SABC) TV licences	Yes	8	8	None
Households	Bursaries, leave gratuity, and early retirement Section 16(6)	Yes	4 311	4 311	None

Support was provided to municipalities to enhance their financial management capabilities. Furthermore, financial assistance was extended to municipalities to improve overall financial governance through the intervention process by the provincial executive and government, as guided by constitutional sections 139, 154, or 155, along with Chapter 13 of the Municipal Finance Management Act (Act 56 of 2003) (MFMA) and related regulations.

The table below reflects the transfer payments that were budgeted for in the period from 1 April 2023 to 31 March 2024; however, no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for R'000	Amount transferred R'000	Reasons why funds were not transferred
None				

## 6. CONDITIONAL GRANTS

### 6.1 Conditional grants and earmarked funds paid

#### Western Cape Financial Management Capability Grant

Department/Municipality to whom the grant has been transferred	Various municipalities across the Western Cape Province
Purpose of the grant	To support municipalities to improve their financial management capabilities.
Expected outputs of the grant	<p><b>Effective local governance:</b></p> <ul style="list-style-type: none"> <li>Improved quality of data management and financial and performance reporting (financial and non-financial) to inform planning, budgeting, and tariff calculation.</li> <li>Strengthened financial systems to deliver reports required for financial management improvement.</li> <li>Improvement in optimising revenue streams and transparency in tariff setting.</li> </ul>

Department/Municipality to whom the grant has been transferred	Various municipalities across the Western Cape Province
Expected outputs of the grant	<ul style="list-style-type: none"> <li>Compliance with regulatory requirements related to performance management and improvement in the usefulness and reliability of reported information against pre-determined objectives.</li> <li>Improved internal audit and risk functioning.</li> <li>Implementation of audit action plans.</li> <li>Improvement in financial skills pipeline in municipalities through external municipal bursary programmes for undergraduate or postgraduate study in fields including finance, economics, accounting, supply chain management, internal audit, risk management and infrastructure.</li> </ul> <p><b>Efficient infrastructure investment:</b></p> <ul style="list-style-type: none"> <li>Analysis and planning that supports strategic infrastructure investment and economic growth.</li> </ul> <p><b>Strategic supply chain management:</b></p> <ul style="list-style-type: none"> <li>Improvement in Supply Chain Management compliance and regulatory conformance.</li> </ul> <p><b>Integrated provincial governance:</b></p> <ul style="list-style-type: none"> <li>Strengthened capabilities of district municipalities to assist and enable local municipalities to improve their financial management capabilities.</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li>Support long-term financial sustainability through the implementation of <b>revenue enhancement initiatives</b>. Associated actions include consideration of billing systems to ensure correctness and completeness of billing data; reconciling valuation roll, deeds data with billing input files; data cleansing; review of debt collection processes and policies; assess compliance with Municipal Property Rates Act; review meter reading operating procedures; accuracy of meter reading exception reports; and review efficiency of water and electricity leak/loss detection systems.</li> <li><b>Enhanced tariff modelling</b> to more accurately forecast impact on consumers and to support cost reflective tariff setting.</li> <li><b>Improved effectiveness and efficiency of Financial Systems</b> through the procurement of automated add-on modules relating to external borrowings; grants register; land and property management; and capital budgeting.</li> <li>More <b>complete asset registers (asset unbundling)</b> in line with relevant account standards.</li> <li>Development of a <b>systems-based credit control and debt collection system to further support revenue optimisation</b>.</li> <li><b>Improved accuracy of Indigent Registers</b> through development of Indigent Control System.</li> <li>Development of a <b>citizen-friendly annual report</b> to improve accountability and stimulate public interest in the municipal planning and budgeting process.</li> <li><b>Improved financial governance through the introduction of an automated internal audit system</b> to strengthen internal capacity of audit unit.</li> </ul>
Actual outputs achieved	<ul style="list-style-type: none"> <li><b>Assist municipalities to build financial management skills pipeline</b> through the implementation of external bursary programmes.</li> </ul>
Amount per Provincial Gazette Extraordinary (R'000)	13 427
Amount transferred (R'000)	13 427
Reasons if amount as per Provincial Gazette Extraordinary not transferred	None
Amount spent by the department/municipality (R'000)	Municipal financial year runs to 30 June, so final spending can only be confirmed after that.

<b>Department/Municipality to whom the grant has been transferred</b>	Various municipalities across the Western Cape Province
<b>Reasons for the funds unspent by the entity</b>	None
<b>Monitoring mechanism by the transferring department</b>	<ul style="list-style-type: none"> <li>● Ensure projects compliment and do not duplicate capacity building support provided by other national and provincial departments and that support initiatives are aligned with and included in single support plans per municipality.</li> <li>● Identify gaps in municipal financial management capabilities through Strategic Integrated Municipal Engagement, Technical Integrated Municipal Engagements and other engagements and suggest projects to address these that might be eligible for grant funding.</li> <li>● Inform municipalities of grant funding criteria and allocation process.</li> <li>● Determine allocations and sign Memorandum of Agreements (MoAs) with recipient municipalities.</li> <li>● Transfer funds to municipalities.</li> <li>● Monitor the use of funds and provide advice and assistance on request.</li> <li>● Periodic visits to monitor the impact of the assistance and general compliance to conditions as set out in the grant framework and Memorandum of Agreements (MoAs).</li> <li>● Consider roll-over requests and make recommendations based whether municipalities meet the requirements.</li> <li>● Review the impact of bursaries funded through the Western Cape Financial Management Capacity Building Grant and its contribution to achieving the objectives of the Integrated Talent Management Strategy.</li> <li>● Provincial Treasury will use this review to inform changes to the call for project applications for grant funding for 2023/24.</li> </ul>

**Western Cape Municipal Financial Recovery Services Grant**

<b>Department/Municipality to whom the grant has been transferred</b>	Various municipalities across the Western Cape Province
<b>Purpose of the grant</b>	To provide financial assistance to municipalities to improve overall financial governance through the process of intervention by a provincial executive and provincial government, as informed by sections 139, 154 or 155 of the Constitution and Chapter 13 of the Municipal Finance Management Act (Act 56 of 2003) and related regulations.
<b>Expected outputs of the grant</b>	<p>Conduct mandatory and discretionary provincial interventions and support in terms of sections 139, 154 or 155 of the Constitution and Chapter 13 of the Municipal Finance Management Act (Act 56 of 2003), relating to:</p> <ul style="list-style-type: none"> <li>● 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 capabilities;</li> <li>● Support municipalities during the implementation process relating to the Municipal Standard Chart of Accounts (mSCOA);</li> <li>● Improvement in internal and external reporting on financial (budget) and non-financial performance (in-year reporting) information;</li> <li>● Compliance with regulatory requirements related to performance management and improvement in the usefulness and reliability of reported information against pre-determined objectives (PDOs);</li> <li>● Improvement in Supply Chain Management compliance and regulatory conformance; and</li> <li>● Improvement in audit outcomes (financial and non-financial).</li> </ul>

Department/Municipality to whom the grant has been transferred	Various municipalities across the Western Cape Province
Actual outputs achieved	<ul style="list-style-type: none"> <li>• Purchase of 700 water meters to improve revenue collection.</li> </ul>
Amount per Provincial Gazette Extraordinary (R'000)	5 000
Amount transferred (R'000)	5 000
Reasons if amount as per Provincial Gazette Extraordinary not transferred	None
Amount spent by the department/municipality	Municipal financial year runs to 30 June, so final spending can only be confirmed after that.
Reasons for the funds unspent by the entity	None
Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> <li>• Monitoring and management of the programme (outputs and intended outcomes) as stipulated in the Financial Recovery Plan/Budget Funding Plan.</li> <li>• Report progress in terms of implementation of the Financial Recovery Plan and spending of funds at least every three months or quarterly as informed by section 147(1)(b) of the Municipal Finance Management Act (Act 56 of 2003).</li> <li>• Transfer funds to municipalities for assistance with the implementation of the Financial Recovery Plan, Municipal Finance Management Act (Act 56 of 2003) and its supporting regulations related to intervention deliverables.</li> <li>• Finalise and agree on business/implementation plans with affected municipalities.</li> </ul> <p>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.</p>

## 6.2 Conditional grants and earmarked funds received

None.

## 7. DONOR FUNDS

### 7.1 Donor Funds Received

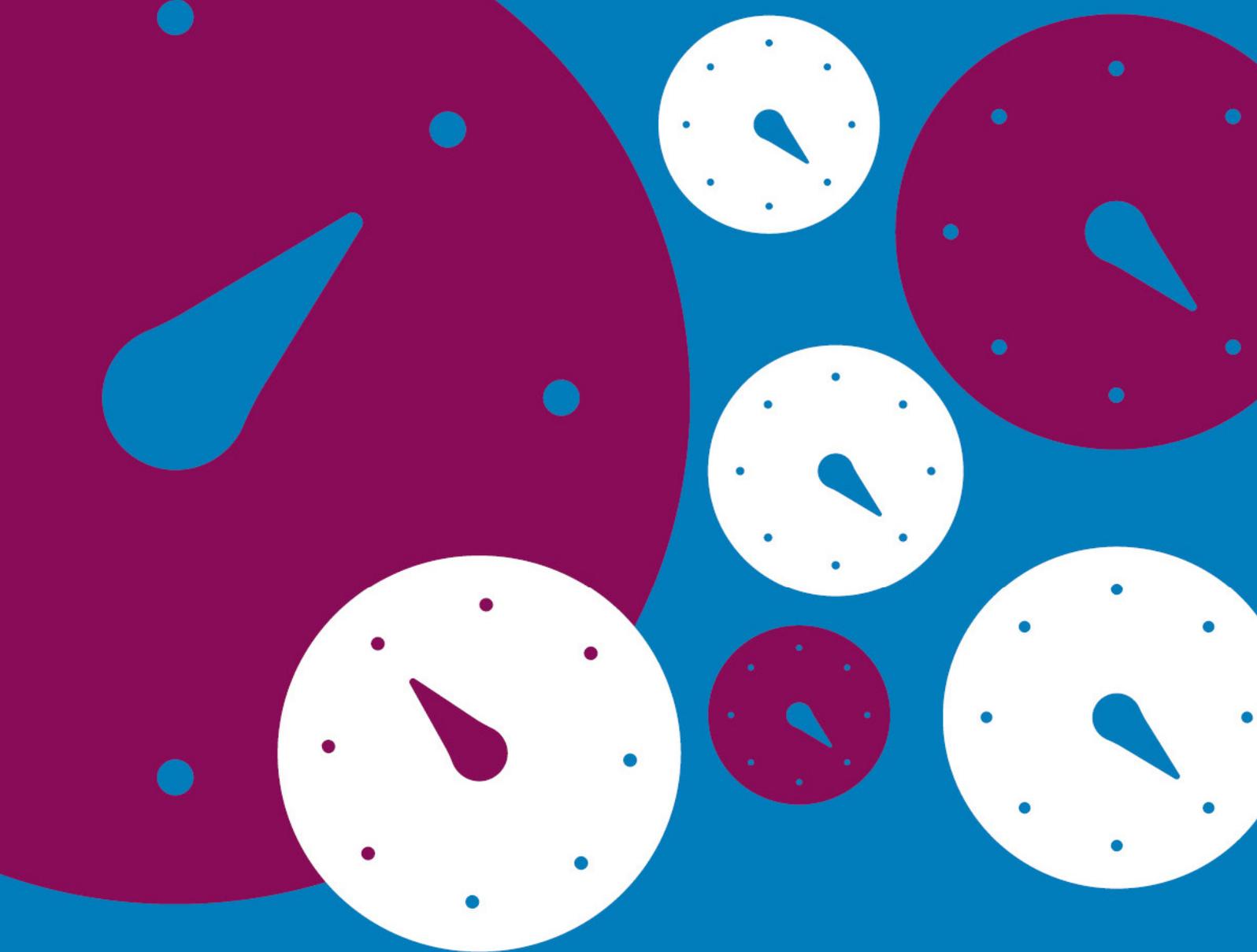
PT did not receive any donor funding during the reporting period.

## 8. CAPITAL INVESTMENTS

### 8.1 Capital investment, maintenance and asset management plan

PT does not possess any immovable capital assets, as the management of these assets falls under the responsibility of the DoI, acting as the custodian. As part of the annual procedure, PT was required to submit a User Immovable Asset Management Plan (U-AMP). In the reporting period, PT submitted two versions of the U-AMP (draft and final) to the DoI.

The maintenance of the PT's office accommodation is also the responsibility of the DoI.



# GOVERNANCE

# PART C



# PART C: GOVERNANCE

## 1. INTRODUCTION

The Department adheres to the requirements as set out in the PFMA and the principles of the King Report on Corporate Governance. The PT has good governance structures in place to ensure that public resources are used effectively, efficiently, and economically.

The Department has an approved Strategic Plan (SP) (setting out the PT's vision, mission, impact, and outcomes to be achieved over a five-year period) and an APP (setting out what the Department intends doing in the coming financial year and during the MTEF to implement its strategic plan). Outputs, output indicators, and targets are set to assist the PT in realising its outcomes as set out in the SP and APP.

Quarterly performance reports provide progress updates on the implementation of the APP and monitors delivery against performance targets. This takes place in accordance with Chapter 5 - Strategic Planning of the National Treasury Regulations and ensures that financial and non-financial performance information underpins planning, budgeting, implementation management, and accountability arrangements, alongside reporting to promote transparency and expenditure control towards the economic, efficient, and effective use of public resources.

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

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

## 2. RISK MANAGEMENT

PT established an ERMCO to assist the AO in executing her responsibilities relating to risk management.

### **Enterprise Risk Management Policy and Strategy**

PT adopted an Enterprise Risk Management Policy (ERMP) on 9 April 2020 for the 2020/21 - 2024/25 financial years. This policy articulates the risk management philosophy and captures, on a high-level, the roles and responsibilities of the different role players. It provides the basis for the risk management process which is supplemented with the detail in the strategy.

The Enterprise Risk Management strategy (ERMS) and implementation plan outlines how the Department will go about implementing the ERMP adopted by the AO. This ERMS is informed by the Provincial Enterprise Risk Management Policy and Strategy (PERMPS), specifically as it relates to appetite levels, as well as its own ERMP and risk profiles.

## ERMCO Responsibility

ERMCO reports that it has complied with its responsibilities arising from Section 38 (1)(a)(i) of the PFMA, National 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 the appropriate formal Terms of Reference (TOR) (approved by the ERMCO chairperson on 30 March 2021) and regulated its affairs in compliance with this TOR and has discharged all its responsibilities as contained therein.

## ERMCO Members

The ERMCO comprises of the AO, Deputy Director Generals, Chief Directors, Director: Strategic and Operational Management Support, CFO and Head: Ministry. The following officials are also invited to all ERMCO meetings: Director: BIDM, CRO (allocated to the Department as the DotP), Director: Internal Audit and Deputy Director: Provincial Forensic Services (PFS). As per its TOR the ERMCO met four (4) times during the year under review. All meetings were attended by members or his/her representative.

The table below discloses relevant information on ERMCO members:

Member	Position	Attended
Ms J Gantana	Head of Department	3
Ms A Smit	Chief Financial Officer	4
Ms N Ismail	Director: Strategic and Operational Management Support	4
Mr I Smith	DDG: Governance and Asset Management (Acting)	2
Ms A Pick	DDG: Fiscal and Economic Services (Acting)	1
Mr S Kenyon	Chief Director: Local Government Public Finance	3
Mr T Ntshingila	Acting Chief Director: Local Government Public Finance	1
Ms A Pick	Chief Director: Provincial Government Public Finance	3
Mr A Hardien	Chief Director: Financial Governance	2
Ms M Van Niekerk	Acting Chief Director: Financial Governance	1
Ms S Robinson	Chief Director: Public Policy Services	3
Ms N Ebrahim	Chief Director: Asset Management (Acting)	2

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

Other attendees	Position	Attended
Ms A Haq	Director: Enterprise Risk Management (DotP)	3
Mr S Martin	Director: Internal Audit (DotP)	3
Ms G Solomons	Chief Risk Advisor: Enterprise Risk Management (DotP)	4
Ms B Cebekhulu	Deputy Director: Provincial Forensic Services (DotP)	4
Mr AH Ahmed	Deputy Director Internal Audit (DotP)	3
Mr Y Samodien	Risk Advisor: Enterprise Risk Management (DotP)	4
Ms R Cassiem	Deputy Director: Internal Control (PT)	3
Mr I Achmat	Assistant Director: Internal Control (PT)	4

### Enterprise Risk Management Committee key activities

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

- Reviewed the Department's ERM Strategy and Implementation Plan before recommendation by the Audit Committee and approval by the AO;
- Monitored and reviewed risks in set grouped categories of appetite ranges, reviewed and applied appropriate risk appetite and tolerances guided by the PERMPS adopted by Provincial Top Management;
- Reported to the AO any material changes to the risk profile of the Department;
- Confirmed the Department's citizen centric strategic risks. This illustrates the Department's efforts in addressing the contributing factors and impacts that relate directly to the residents;
- Received and considered risk intelligence and trend reports;
- Identified emerging risks;
- Reviewed risks that are outside the tolerance levels for further action/attention;
- Monitored the implementation of the Fraud and Corruption Prevention Implementation Plan;
- Monitored the implementation of the departmental ERM Policy, Strategy and Implementation Plan;
- Evaluated the effectiveness and mitigating strategies to address the material, ethics and economic crime risks; and
- Reviewed the implementation of the Emergency and Disaster Plan/Business Continuity Plan and oversight of the risks related to occupational health and safety (OHAS) requirements.

### Key risks considered and addressed during the year

- Constrained Fiscal Outlook.
- The ability of PT to improve conformance by municipalities to laws and regulations in the SCM environment.
- Worsening in the Provinces fiscal position may result in uncertainty regarding MTEF estimates, expenditure composition and approval of roll over and revenue retention adjustments budgets.
- Inability to deliver strategic enabled projects (Linked to Department's business and/or ICT strategy).
- Material misstatements in submitted financial statements by municipalities resulting in negative audit outcomes as it relates to Generally Recognised Accounting Practice (GRAP) compliance.

### Key emerging risks for the following financial year

The risk "Increased strain on employee well-being due to high department vacancy rates" will become prominent, given the current vacancy rates. This might exacerbate strain on employee well-being, given additional responsibilities to be performed on an already strained workforce.

Increased requests for support and guidance from both Provincial and Municipal spheres in the Western Cape in line with the enactment of the Public Procurement Bill and the implementation of the provisions made in the bill.

“Constrained Fiscal outlook” will remain the key risk for PT, given the constrained economic environment within which PT operates.

### **Management of risks**

Regular strategic and programme risk assessments are conducted to determine the effectiveness of the Department's risk management strategy and to identify new and emerging risks because of changes in the internal and/or external environment. Each Programme's risks were deliberated and debated during the year and presented at the quarterly ERMCO meetings. Senior managers were required to provide feedback on the 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 to the respective programmes that should be analysed more extensively and recommended additional mitigations or actions to manage risks. Management takes ownership of risks and often discusses risk matters at various platforms as part of its culture in an effort to constrain risks in a collaborative and innovative way. The Department's ERM Policy and Strategy are circulated to all officials on an annual basis for all levels of staff to stay abreast of enhancements that have been affected and as a means of embedding risk management throughout the Department. Bespoke and generic risk awareness sessions were also conducted to share benchmarking elements so that risk management can mature in the Department. Activities detailed in the implementation plan are perpetually monitored and periodically reported on, in the same way that APP deliverables are monitored, to detect potential risks and deviations from indicators and the achievement of outcomes and non-adherence to legislative and policy mandates.

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.

### **Conclusion**

Risk management within the Department improved significantly over the past years. During the 2023/24 financial year the last stage (Risk Velocity) of the ERM Maturity Roadmap was implemented.

The identified risks were managed effectively and enabled the Department to make more informed, risk-aware decisions and achieve its strategic goals.

## **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 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 (SAPS).

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 2023	0
New cases (2023/24)	2
Closed cases (2023/24)	(2)
Open cases as at 31 March 2024	0

The following table further analyses the closed cases indicated above:

Nature and investigation outcome of the closed cases
In one (1) case the allegations of fraud and/or corruption were substantiated (the matter was reported to the SAPS).
In one (1) case the investigation was concluded with no adverse findings but with recommendations.

## 4. MINIMISING CONFLICT OF INTEREST

In terms of Chapter 2: Code of Conduct, Financial Disclosure, Anti-corruption, and Ethics Management, Part 2 – Financial Disclosure, Regulation 18 of the PSR, 2016, read in conjunction 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, as issued by the Minister for Public Service and Administration. It is mandatory for SMS members to disclose their financial interest annually. The financial disclosures of the SMS members were completed and submitted to the Public Service Commission (PSC) and the DPSA. Officials on salary levels 9 and 10 as well as officials within the SCM, Management Accounting, Financial Accounting units, and the Provincial Service Regulations (PSR) officers also completed their disclosures for 2023/24 financial year. Officials on salary levels 11 and 12 will complete their disclosures for 2023/24 in the 2024/25 financial year.

## 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, Part 1 of the PSR, 2016:

- 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;
- 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;
- The chapter emphasises the importance of maintaining high ethical standards, respecting the law, and acting in the best interest of the public. It addresses issues such as conflict of interest, confidentiality, impartiality, and accountability; and
- Overall, this section aims to ensure that public service employees adhere to principles of honesty, fairness, and integrity in their roles, thus promoting trust and confidence in the public service system.

All employees are expected to abide by the Code of Conduct. The code requires loyalty of public servants in 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 the SCM Practitioners. All Bid Committee members and SCM practitioners are required to declare that they will abide by the Code of Conduct for SCM practitioners.

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

The Department also maintains regular communication of the Code of Conduct to its staff on a quarterly basis, ensuring that they are reminded to uphold ethical standards. 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

PT (the employer) has a responsibility to provide and maintain, as far as is reasonably practical, a healthy working environment that is safe and without risk to the health of its employees as imposed by the OHAS, 1993 (ACT 85 of 1993) as amended.

The PT 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 PT has ensured that it remains as far as possible, compliant to the OHAS Act and thus ensured statutory Section 16.1 and Section 16.2 appointments, maintained functional transversal (joint) and Departmental OHAS Committees with the necessary equipment and capacity.

During the period under review, the approved Departmental OHAS Policy Statement was on display and was also accessible to all employees. Furthermore, the OHAS Representatives attended all required training.

The Departmental OHAS function was coordinated effectively with awareness sessions that were held for all employees. The Hazard Identification and Risk Assessment (HIRA) inspection findings are implemented on an ongoing basis to ensure that the identified challenges/gaps are resolved. PT has strengthened its working relationship/partnership with Department of Infrastructure to ensure that compliance is attained.

The PT continues to monitor all the health and safety related matters to ensure that the workplace remains a conducive work environment. The drive for good housekeeping has intensified to ensure that the office space is a healthy environment and promotes the prevention of hazards and likely events of fire. Evacuation drills have been conducted successfully to prepare for an emergency that may occur.

## 7. STANDING COMMITTEES

During the reporting period the Department provided input at the following meetings of the Budget Committee and Standing Committee on Finance, Economic Opportunities and Tourism:

Date of meeting	Committee	Subject	Response from Department
2 June 2023	Budget Committee	<p><b>E-Government and Digital Economy programmes in the Western Cape Government Departments and Entities.</b></p> <p>The Committee requested Provincial Treasury to:</p> <ol style="list-style-type: none"> <li>1. Inform each department to consider including their digital transformation journey in their respective budget reports.</li> </ol>	<p>Departments was informed via Budget Circulars to include digital transformation in their MTEC presentations. Digital transformation was discussed at the 2024 MTEC engagements.</p>

Date of meeting	Committee	Subject	Response from Department
21 July 2023	Budget Committee	<p><b>Briefing by Provincial Treasury on the 2022/23 4<sup>th</sup> Quarter Performance (Financial and Non-financial) of the Western Cape Government</b></p> <p>The Committee requested that Provincial Treasury submits:</p> <ol style="list-style-type: none"> <li>1. A list of the municipalities linked to the R212 million over recovery of revenue, within the previous Human Settlements Department (the now Department of Infrastructure).</li> </ol>	PT submitted the list of municipalities to the Committee on 14 August 2023.
21 September 2023	Budget Committee	<p><b>Briefing by Provincial Treasury on the Provincial Economic Review and Outlook (PERO) and on 2023/24 1<sup>st</sup> Quarter Performance (Financial and Non-financial) of the Western Cape Government</b></p> <p>The Committee requested that Provincial Treasury submits:</p> <ol style="list-style-type: none"> <li>1. A report providing the global economic performance for Brazil, India and Russia;</li> <li>2. A breakdown of youth unemployment by race in the Western Cape; and</li> <li>3. A report explaining what contributed to the significant growth of the province's exports to the United Arab Emirates.</li> </ol>	PT submitted the requested information to the Committee on 12 October 2023.
7 March 2024	Budget Committee	<p><b>Briefing by Provincial Treasury on the Western Cape Appropriation Bill, 2024 and 2023/24 3<sup>rd</sup> Quarter Performance (Financial and Non-Financial) of the Western Cape Government</b></p> <p>No actions required.</p>	Not applicable.
25 August 2023	Standing Committee on Finance, Economic Opportunities and Tourism	<p><b>Briefing by Provincial Treasury on its quarterly performance for Q4 of 2022/23 and Q1 of 2023/24</b></p> <p>The Committee resolved and recommended the following:</p> <ol style="list-style-type: none"> <li>1. To invite the Provincial Treasury to brief on its cash flow projection and forecasting model.</li> <li>2. Provincial Treasury provides the Members of the Committee and members of the public with a more detailed presentation when they brief the Committee on their quarterly performance.</li> </ol>	<p>PT awaits the invite from the Committee to brief the Committee on its cash flow projection and forecasting model.</p> <p>A more detailed presentation will be provided in future when PT is required to brief the Committee on its quarterly performance.</p>
1 September 2023	Standing Committee on Finance, Economic Opportunities and Tourism	<p><b>Briefing by Provincial Treasury on the Western Cape Nineteenth Gambling and Racing Amendment Act Repeal Bill</b></p> <p>The Committee requested the following:</p> <ol style="list-style-type: none"> <li>1. A breakdown of the money that the Provincial Treasury spent on the processing of the Western Cape Nineteenth Gambling and Racing Amendment Act, and the overall cost of the processing of the Act;</li> </ol>	PT submitted the requested information to the Committee on 22 September 2023.

Date of meeting	Committee	Subject	Response from Department
		<ol style="list-style-type: none"> <li>2. A breakdown of costs and the total spent by Provincial Treasury on the processing of the Western Cape Nineteenth Gambling and Racing Amendment Act Repeal Bill so far, and any estimated costs for the further processing of the Repeal Bill;</li> <li>3. A legal opinion from Provincial Treasury on the constitutionality of the Western Cape Nineteenth Gambling and Racing Amendment Act, if such an opinion was drafted when the case was brought against the Act/Provincial Treasury from Sun International;</li> <li>4. A report from Provincial Treasury on total fees raised, plus transfers received by the Western Cape Gambling and Racing Board over the last five financial years, a summary of the assets and liabilities as at the end of each financial year, as well as the amounts of cash and other liquid assets on hand; and</li> <li>5. A report from Provincial Treasury setting out the various fees and tax regimes for the gambling industry in the Western Cape.</li> </ol> <p>The Committee will call for another meeting with Provincial Treasury on the information requested above if the need arises.</p>	
26 October 2023	Standing Committee on Finance, Economic Opportunities and Tourism	<p><b>Deliberations on the 2022/23 Annual Reports of Vote 3: Provincial Treasury and Western Cape Gambling and Racing Board</b></p> <ol style="list-style-type: none"> <li>1.1. The Committee requested the following: <ol style="list-style-type: none"> <li>1.1.1. A detailed report from Provincial Treasury on the concept of alternative financing, once it is tabled at Cabinet.</li> </ol> </li> <li>1.2. The Committee resolved that: <ol style="list-style-type: none"> <li>1.2.1 The Provincial Treasury should demonstrate to the Committee the use of the Western Cape Government Tenders website, focusing on extraction of specific information, downloading of specifications etc.;</li> <li>1.2.2 The Committee would visit the Procurement Client Centre; and</li> <li>1.2.3 The Provincial Treasury should invite the Committee to its events with the Western Cape Education Department to raise awareness about its bursary programme.</li> </ol> </li> </ol>	<p>PT submitted the requested information to the Committee on 12 December 2023.</p> <p>PT awaits the invites from the Committee.</p>

Date of meeting	Committee	Subject	Response from Department
29 November 2023	Standing Committee on Finance, Economic Opportunities and Tourism	<p><b>Deliberations on Vote 3 for the WC Adjusted Appropriations Bill, 2023</b></p> <p>The Committee requested the following:</p> <ol style="list-style-type: none"> <li>1. A report from Provincial Treasury on (i) the number of interns that were taken in by the Provincial Treasury, (ii) the number of bursaries that were awarded, and (iii) the number of interns that found permanent employment within the term that they were working for the Provincial Treasury over the last three financial years;</li> <li>2. A comprehensive explanation on the consultancy services of R3.7 million as indicated in the Western Cape Adjusted Estimates of Provincial Revenue and Expenditure, 2023, book;</li> <li>3. A report from Provincial Treasury on the actual totals of the budget that was reallocated in respect of virements on Compensation of Employment to the retention plan versus the one for fiscal consolidation;</li> <li>4. A response from Provincial Treasury on the number of posts in the old structure that were revised when they moved to a new structure, given that they moved from 40 to 16 vacancies; and</li> <li>5. The committee resolved to undertake a walkabout of the Provincial Treasury's office on the third floor of the Provincial Legislature Building to see the current working conditions of the staff.</li> </ol>	PT submitted the requested information to the Committee on 2 February 2024.
23 February 2024	Standing Committee on Finance, Economic Opportunities and Tourism	<p><b>Briefing by Provincial Treasury on the WCGRB vacancies</b></p> <p>The Committee resolutions:</p> <ol style="list-style-type: none"> <li>1. To consider whether to interview all the candidates or to further shortlist the candidates once the Provincial Treasury and Mazars Forensic Services received all the outstanding information needed from some of the candidates;</li> <li>2. To hold in person interviews and to accommodate candidates with virtual interviews if they could not attend the interviews in person; and</li> <li>3. To finalise the interview questions by close of business on 27 February 2024.</li> </ol>	Interviews of candidates for the WCGRB took place on 29 February 2024.
14 March 2024	Standing Committee on Finance, Economic Opportunities and Tourism	<p><b>Consideration of the budget appropriations for Vote 3: Provincial Treasury</b></p> <p>The Committee requested that:</p> <ol style="list-style-type: none"> <li>1. The Department furnish it with a copy of the benchmark analysis of the Compensation of Employees (CoE) item of the Western Cape versus other provinces, as indicated on page 90 in the Schedule to the Western Cape Appropriation Bill [B 1-2024].</li> </ol>	PT submitted the requested information to the Committee on 8 April 2024.

## 8. PUBLIC ACCOUNTS COMMITTEE (PAC) RESOLUTIONS

On 6 October 2023, the PAC considered, as part of its oversight role, the 2022/23 Annual Report of the PT and noted the audit opinion of the Auditor-General regarding the Annual Financial Statements of the Department for the 2022/23 financial year, having obtained a clean audit report with no findings. This audit opinion remains the same as the audit outcome for the 2021/22 financial year, where the Department also obtained a clean outcome with no findings.

The Committee made the following resolutions:

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
1	The Committee met and engaged with the AGSA and AC on the irregular expenditure of the departments and entities of the WCG from 10 - 31 October 2023.	That the Department briefs the Committee on the relevant legislation/s and processes used in condoning the irregular expenditures of departments and entities of the WCG.	Date to be determined and scheduled by the PAC.	No

### List of information requested

None

## 9. 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		

## 10. INTERNAL CONTROL

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

- The Unit reviewed its Standard Operating Procedures (SOPs) and aligned it to the updated prescripts;
- Monthly checks were performed on the Government Garage (GG) Vehicles, where the trip authorities were reconciled with the log sheets and tracker reports;
- Facilitated the monthly report on all payments which were not paid within 30 days and submitted the reports to the PFMA Compliance Unit;
- Provided the support function to the PFS Unit, including facilitating the attendance of awareness sessions by officials and assisting the PFS to update the fraud risk register;
- Investigated losses, irregular expenditure, and fruitless and wasteful expenditure cases. The irregular and fruitless and wasteful expenditure submissions were updated and brought in line with the guidelines as issued by National Treasury;

- Revised and amended the following norms and standards in conjunction with the relevant role players:
  - The Departmental Accounting Officer's System;
  - SCM Delegations;
  - Financial Manual; and
  - PFMA Delegations.
- Performed post-auditing functions on the BAS and the LOGIS payments, and travel and subsistence claims, which ensured that payments were in accordance with prescripts that improved standards of financial administration for audit purposes. Deviations were reported to the respective units;
- Followed-up on the outstanding Internal Audit findings that were handed over to Internal Control and further pursued them in liaison with the relevant managers. Feedback was provided to the CFO, the AO and Audit Committee;
- Facilitated the 2023 CGRO process by ensuring that the responsible officials completed their sections and submitted it to the PT: Provincial Government Accounting. Updated the CGRO database on a quarterly basis that was presented at management meetings and Audit Committee meetings;
- Compiled the Quarterly Status of Records Review focusing on the following areas: General Procedures, Financial Management, Performance Management, Performance and Contract Management, Compliance and Resource Management. The reports were submitted to the CFO and the AO. Furthermore, the reports were presented at the Quarterly Audit Committee meetings;
- Provided the following secretariat functions to the ERMCO:
  - Compiled the minutes of the ERMCO meeting for each quarter;
  - Ensured that the members of the ERMCO were appointed;
  - Ensured that the 2024/25 Enterprise Risk Management Strategy and Implementation Plan was updated and approved by the HOD on 24 April 2024; and
  - Ensured that the Operational Risk Register and Strategic Risk Register were updated and signed off bi-annually by the relevant SMS member and the AO.
- Quarterly submission of the IYM report, Status of Records Review, Internal Control Template, Quarterly Performance Report and the Ethics report to the Audit Committee for discussion at quarterly meetings.

## 11. 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 PT. 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; and
- Assist the Accounting Officer in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement.

Internal Audit work completed during the year under review for PT included six (6) assurance audits and eight (8) 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, Fraud and Corruption.

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 F Barnard (Chairperson)	BProc; BCompt (Hons); CTA; Postgrad Diploma Auditing; MCom; CA (SA)	External	Not Applicable (N/A)	1 January 2022 (Second term)	N/A	6
Mr A Davids	BCom; Professional Post-Graduate Qualification: Company Secretarial and Governance Practice, ACG(CS)	External	N/A	1 September 2023 (First term)	N/A	2
Ms C Abdoll	BCom; BCompt (Hons); Certificate in the Theory of Accounting; CA (SA); Post-graduate Diploma: Certified Internal Auditing	External	N/A	1 March 2021 (First term)	31 March 2024 (Contract expired)	6
Mr C Bunting	ND: Internal Auditing; MBA	External	N/A	1 January 2022 (First term)	N/A	6
Ms A Mvandaba	B Acc (Hons); CA(SA)	External	N/A	1 February 2023 (First term)	20 August 2023 (Resigned)	3

On 1 November 2023, Cabinet approved the restructuring of the Western Cape Government Audit Committees to align to the WCG's priorities. This reduced the number of Audit Committees from six (6) to three (3) and resulted in the Governance, Innovation and Culture Cluster Audit Committee providing oversight to the Department from 1 April 2024.

## 12. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2024.

### 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 (TOR), has regulated its affairs in compliance with the TOR and has discharged 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:

- Directive on Public Administration and Management Delegations;
- Transfer Payments – Municipalities;
- Provincial Government: Cash Management (Banking environment);
- Provincial Government: Supply Chain Management;
- WCG Corporate Governance Framework Baseline Maturity Assessment; and
- Departmental Monitoring of IT Performance (Transversal audit).

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 Monitoring 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 the Audited Annual Financial Statements to be included in the Annual Report;
- reviewed the AGSA's Management Report and management's response thereto; and
- reviewed changes to accounting policies and practices as reported in the Annual Financial Statements.

## Compliance

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

## Provincial Forensics Services

The Audit Committee has reviewed the reports presented by Provincial Forensic Services 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.

## Report of the Auditor General South Africa

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

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

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

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



**Mr Francois Barnard**

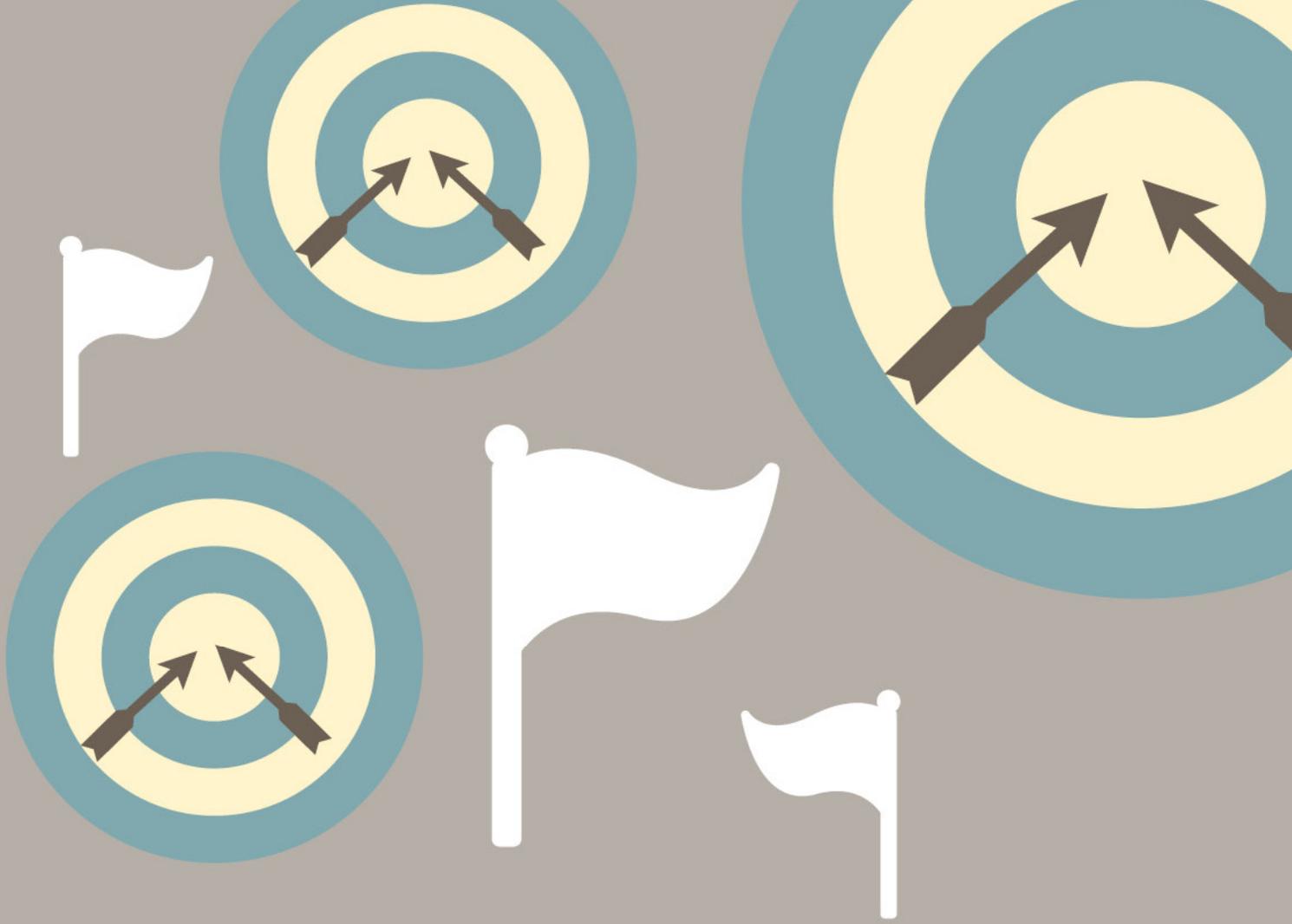
**Chairperson of the Governance, Innovation and Culture Cluster Audit Committee**

**Date: 5 August 2024**

### 13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

Has the Department/Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 to 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?	Yes	<ol style="list-style-type: none"> <li>1. The Preferential Procurement Regulations, 2022 (PPR 2022) was promulgated on 4 November 2022 with an effective date of 16 January 2023.</li> <li>2. Cabinet approved an interim strategy for WCG via Cabinet Minute 544 of 2022, in noting that organs of state may develop their own preferential procurement policies in terms of section 5 of the Preferential Procurement Policy Framework Act (PPPFA), and in providing executive guidance on the WCG's way forward in response to the PPR 2022: <ol style="list-style-type: none"> <li>i. In order to ensure stability in the current procurement system post 16 January 2023, the WCG will in the interim continue to utilise the preferential procurement goals contemplated in section 2 (1)(d) of the PPPFA and that the relevant Broad- Based Black Economic Empowerment (B-BBEE) scorecards be accepted as supporting evidence to claim preference points, until the appropriate executive policy directives and technical reviews have been concluded;</li> <li>ii. A technical review be undertaken, on the current procurement system in defining a legal way forward in the province that focuses on value for money, appropriate redress and reforming the current procurement system over time, informed by policy directives from executive;</li> <li>iii. Cabinet be regularly kept abreast on any developments and progress on position papers and the review. This should include developments in municipal procurement policies as well as approaches to local content and localisation.</li> </ol> </li> <li>3. The departmental AOS was updated in terms of the interim strategy for WCG to give effect to preferential procurement regulations.</li> </ol>
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 Economic Empowerment?	N/A	





**HUMAN  
RESOURCE  
MANAGEMENT  
PART D**



# PART D: HUMAN RESOURCE MANAGEMENT

## 1. INTRODUCTION

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

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

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

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

Consequently, PT has taken a number of strides in improving talent management practices, resulting in a positive and inclusive work environment. Through various initiatives, PT prioritised employee well-being, demonstrating its commitment to physical and mental health. Initiatives focusing on work-life balance, mental health support, and stress management have fostered a healthy and productive atmosphere for employees.

The Department's emphasis on diversity and inclusion was also evident through unbiased recruitment practices and the promotion of an inclusive workplace. Valuing diverse perspectives has enhanced creativity, innovation, and the ability to cater to the diverse needs of the public.

The various talent management initiatives focused on nurturing professional growth and development. Comprehensive training, mentorship, and leadership programs equipped the workforce to address complex challenges effectively, contributing meaningfully to achieving strategic priorities.

Moreover, the culture journey at the PT has been transformative and purpose led. In the face of challenges posed by a global pandemic and leadership shifts, PT demonstrated resilience and commitment to fostering an empowering work environment. Adopting the Katzenbach Center of Excellence end-to-end culture methodology, the Department successfully embedded desired behaviors and values.

A pivotal element of PT's successful transformation was the prioritisation of ALLs, individuals who exhibited desired behaviors in our Department. By leveraging the power of ALLs and adopting a bottom-up approach to change, PT ensured that the cultural shift was authentic and sustainable.

Assessing the value of PT's efforts, PT recognises the wins achieved. PT witnessed improved leadership alignment, empowered staff who are heard, decisive, and resilient, healthy debates in a safe learning environment, and increased responsiveness to clients' needs. It is acknowledged that culture change is a gradual process, but the commitment to sustaining and deepening the investment in cultural evolution remains.

As PT continues its journey to cultivate a positive and purpose-led culture, it recognises that the work on culture is ongoing. Moving forward, the leadership team will lead by example, playing a pivotal role in taking the culture of PT to even greater heights. With a commitment to the values of Caring, Competence, Accountability, Integrity and Responsiveness, the Department aims to give life to the principles set forth in the WCG's Culture Journey. By consistently demonstrating these values in actions and decisions, the leadership team will set a strong foundation for the entire Department to follow suit. Through this collective effort, PT will continue to foster a culture of inclusivity, innovation, and excellence, ultimately benefiting both its workforce and the public it serves.

## 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 2021 - 2026, is therefore aligned to the vision and mission of the Department's Strategic Plan.

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:

- Identifying and developing the required organisational capability;
- Values and Competency based recruitment practices (which includes the possibility of an online Application and Screening system to enhance the recruitment practices and attract the right candidates that are future and culture-fit);
- Diversify the talent pool;
- Talent and skills development for employees on new emerging skills (e.g., fourth industrial revolution (4IR) Meta competencies/functional and technical skills as well as behavioural skills that are critically needed to support the future-fit organisation);
- Prioritise training interventions to address Departmental Critical Competencies and Career Development Plan (CDP) requirements;
- Development and implementation of the Future Fit Skills Strategy (FFSS);
- Youth development programmes for assisting with creating talent pipelines (internships);
- Reconfiguration of the Provincial Training Institute into a provincial learning and innovation centre;

- Employment Equity (EE) priorities as indicated in the departmental EE Plan to guide the Recruitment and Selection decisions of the Department;
- Provide Health and Wellness interventions/services in support of employee wellbeing;
- Develop and implement the transition to a New Way of Work/WCG citizen-centric culture project; and
- The Workforce Plan has been reviewed 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 (2021/22 - 2026/27).

## 2.2 Employee Performance Management

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

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

The performance management process requires that a mid-year review and an annual assessment be 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 DotP (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 (EHWP) follows a holistic approach to employee well-being and is largely preventative in nature, offering both primary and secondary services.

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

A quarterly report is prepared by the Directorate: Transversal People Capacity Enablement within the DotP that provides a trend analysis of utilisation, risk identification and its impact on productivity. Furthermore, on-going reporting to the DPSA is a requirement and such reporting focuses on four (4) areas namely, HIV/AIDS, Health and Productivity, Wellness Management and SHERQ (Safety, Health, Environment, Risk and Quality).

## 2.4 People Management Monitoring

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

## 3. PEOPLE MANAGEMENT OVERSIGHT STATISTICS

### 3.1 Personnel related expenditure

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

The figures in Table 3.1.1 are drawn from the Basic Accounting System (BAS) and the figures in Table 3.1.2 are drawn from the Personnel and Salary Administration (PERSAL) system. The two (2) 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, 2023/24**

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	57 340	38 338	3 895	14 557	66.9	358	107
Programme 2	123 013	77 540	456	12 602	63	705	110
Programme 3	79 586	44 543	728	33 658	56	594	75
Programme 4	50 861	38 668	4 650	4 657	76	586	66
<b>Total</b>	<b>310 800</b>	<b>199 089</b>	<b>9 729</b>	<b>65 474</b>	<b>64.1</b>	<b>556</b>	<b>358</b>

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

**Table 3.1.2 Personnel expenditure by salary band, 2023/24**

Salary bands	Personnel Expenditure (R'000)	% of total personnel expenditure	Average personnel expenditure per employee (R'000)	Number of Employees remunerated
Interns	2 076	1.0	56	37
Lower skilled (Levels 1 - 2)	386	0.2	193	2
Skilled (Levels 3 - 5)	6 593	3.3	275	24
Highly skilled production (Levels 6 - 8)	22 675	11.4	384	59
Highly skilled supervision (Levels 9 - 12)	136 551	68.8	650	210
Senior management (Levels 13 - 16)	30 166	15.2	1 160	26
<b>Total</b>	<b>198 447</b>	<b>100.0</b>	<b>554</b>	<b>358</b>

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

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

**Table 3.1.3 Salaries, Overtime, Housing Allowance and Medical Assistance by programme, 2023/24**

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	27 391	13.8	22	0.0	657	0.3	1 766	0.9
Programme 2	55 907	28.2	295	0.1	970	0.5	2 552	1.3
Programme 3	30 975	15.6	-	-	1 058	0.5	2 391	1.2
Programme 4	28 516	14.4	-	-	810	0.4	1 373	0.7
<b>Total</b>	<b>142 789</b>	<b>72.0</b>	<b>318</b>	<b>0.2</b>	<b>3 495</b>	<b>1.8</b>	<b>8 082</b>	<b>4.1</b>

Note: The figures in Table 3.1.3 and 3.1.4 are drawn from the PERSAL system and not BAS. The two (2) systems are not synchronised for salary refunds in respect of staff appointments and resignations and/or transfers to and from other departments. This means there may be a difference in the expenditure reflected on these systems, e.g. Salaries, Overtime, Housing and Medical Assistance. The above expenditure reflects for all individuals remunerated during the reporting period, including interns (PAY, matric, graduate and student), but excluding the Provincial Minister.

**Table 3.1.4 Salaries, Overtime, Housing Allowance and Medical Assistance by salary band, 2023/24**

Salary Bands	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Interns	2 058	1.0	-	-	-	-	-	-
Lower skilled (Levels 1 - 2)	260	0.1	-	-	-	-	70	0.0
Skilled (Levels 3 - 5)	4 576	2.3	3	0.0	188	0.1	468	0.2
Highly skilled production (Levels 6 - 8)	16 135	8.1	105	0.1	713	0.4	1 605	0.8
Highly skilled supervision (Levels 9 - 12)	99 579	50.2	209	0.1	2 419	1.2	5 767	2.9
Senior management (Levels 13 - 16)	20 182	10.2	-	-	175	0.1	172	0.1
<b>Total</b>	<b>142 789</b>	<b>72.0</b>	<b>318</b>	<b>0.2</b>	<b>3 495</b>	<b>1.8</b>	<b>8 082</b>	<b>4.1</b>

Note: The figures in Table 3.1.3 and 3.1.4 are drawn from the PERSAL system and not BAS. The two (2) systems are not synchronised for salary refunds in respect of staff appointments and resignations and/or transfers to and from other departments. This means there may be a difference in the expenditure reflected on these systems, e.g. Salaries, Overtime, Housing and Medical Assistance. The above expenditure reflects for all individuals remunerated during the reporting period, including interns (PAY, matric, graduate and student), but excluding the Provincial Minister.

### 3.2 Employment and vacancies

The following tables summarise the number of active posts on the establishment, the number of employees (excluding interns and the Provincial Minister) and the percentage active vacant posts as at the end of the financial year. This information is presented in terms of three (3) 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 2024**

Programme	Number of active posts	Number of posts filled	Vacancy rate %
Programme 1	55	54	1.8
Programme 2	102	101	1.0
Programme 3	64	64	-
Programme 4	56	56	-
<b>Total</b>	<b>277</b>	<b>275</b>	<b>0.7</b>

**Table 3.2.2 Employment and vacancies by salary band, as at 31 March 2024**

Salary Band	Number of active posts	Number of posts filled	Vacancy rate %
Lower skilled (Levels 1 - 2)	3	2	33.3
Skilled (Levels 3 - 5)	21	21	-
Highly skilled production (Levels 6 - 8)	48	48	-

Salary Band	Number of active posts	Number of posts filled	Vacancy rate %
Highly skilled supervision (Levels 9 - 12)	183	182	0.5
Senior management (Levels 13 - 16)	22	22	-
<b>Total</b>	<b>277</b>	<b>275</b>	<b>0.7</b>

**Table 3.2.3 Employment and vacancies by critical occupation, as at 31 March 2024**

Critical Occupations	Number of active posts	Number of posts filled	Vacancy rate %
Cash Management Analyst (LG)	5	5	-
Economist	18	18	-
Expenditure Analyst (PG)	9	9	-
Financial Analyst	15	15	-
Infrastructure Analyst	7	7	-
Procurement Specialist/Analyst	23	23	-
Revenue and Expenditure Analyst (LG)	11	11	-
Systems Controller	23	23	-
<b>Total</b>	<b>111</b>	<b>111</b>	<b>-</b>

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

### 3.3 Job evaluation

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

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

**Table 3.3.1 Job evaluation, 1 April 2023 to 31 March 2024**

Salary Band	Total number of posts as at 31 March 2024	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	-	-	-	-	-	-
Skilled (Levels 3 - 5)	21	-	-	-	-	-	-
Highly skilled production (Levels 6 - 8)	48	1	0.4	-	-	-	-
Highly skilled supervision (Levels 9 - 12)	183	4	1.4	-	-	-	-
Senior Management Service Band A (Level 13)	16	-	-	-	-	-	-

Salary Band	Total number of posts as at 31 March 2024	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
Senior Management Service Band B (Level 14)	5	-	-	-	-	-	-
Senior Management Service Band C (Level 15)	-	-	-	-	-	-	-
Senior Management Service Band D (Level 16)	1	-	-	-	-	-	-
<b>Total</b>	<b>277</b>	<b>5</b>	<b>1.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Table 3.3.2 Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2023 to 31 March 2024**

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 2023 to 31 March 2024**

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
Accounting Practitioner	1	9	N/A	8 notch increment	Retention
<b>Total</b>				<b>1</b>	
<b>Percentage of Total Employment</b>				<b>0.4</b>	

**Table 3.3.4 Profile of employees who have been granted higher salaries than those determined by job evaluation, 1 April 2023 to 31 March 2024**

Beneficiaries	African	Coloured	Indian	White	Total
Female	-	-	-	-	-
Male	-	1	-	-	<b>1</b>
<b>Total</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>
Employees with a disability					-

### 3.4 Employment changes

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

**Table 3.4.1 Annual turnover rates by salary band, 1 April 2023 to 31 March 2024**

Salary Band	Number of employees as at 31 March 2023	Turnover rate % 2022/23	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate % 2023/24
Lower skilled (Levels 1 - 2)	2	-	-	-	-	-	-
Skilled (Levels 3 - 5)	27	39.3	2	-	6	-	22.2
Highly skilled production (Levels 6 - 8)	51	14.0	4	-	7	-	13.7
Highly skilled supervision (Levels 9 - 12)	195	11.3	13	-	26	2	14.4
Senior Management Service Band A (Level 13)	16	20.0	1	1	2	-	12.5
Senior Management Service Band B (Level 14)	5	-	-	-	-	-	-
Senior Management Service Band C (Level 15)	1	50.0	-	-	-	-	-
Senior Management Service Band D (Level 16)	1	-	-	-	1	-	100.0
<b>Total</b>	<b>298</b>	<b>14.8</b>	<b>20</b>	<b>1</b>	<b>42</b>	<b>2</b>	<b>14.8</b>
			<b>21</b>		<b>44</b>		

Note: "Transfers" refer to the lateral movement of employees from one Public Service Department to another (both Provincially & Nationally). The turnover rate is determined by calculating the total exits as a percentage of the baseline (Number of employees as at 31 March 2023).

**Table 3.4.2 Annual turnover rates by critical occupation, 1 April 2023 to 31 March 2024**

Critical Occupation	Number of employees as at 31 March 2023	Turnover rate % 2022/23	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate % 2023/24
Cash Management Analyst (LG)	5	0.0	-	-	-	-	-
Economist	18	10.5	1	-	1	1	11.1
Expenditure Analyst (PG)	9	20.0	-	-	-	-	-
Financial Analyst	17	6.7	-	-	1	1	11.8
Infrastructure Analyst	6	0.0	1	-	-	-	-

Critical Occupation	Number of employees as at 31 March 2023	Turnover rate % 2022/23	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate % 2023/24
Procurement Specialist/Analyst	26	7.4	1	-	6	-	23.1
Revenue and Expenditure Analyst (LG)	16	6.7	1	-	5	-	31.3
Systems Controller	26	18.2	1	-	3	-	11.5
<b>Total</b>	<b>123</b>	<b>10.0</b>	<b>5</b>	<b>-</b>	<b>16</b>	<b>2</b>	<b>14.6</b>
			5		18		

Note: "Transfers" refer to the lateral movement of employees from one Public Service Department to another (both Provincially & Nationally). The turnover rate is determined by calculating the total exits as a percentage of the baseline (Number of employees as at 31 March 2023).

**Table 3.4.3 Staff leaving the employ of the Department, 1 April 2023 to 31 March 2024**

Exit Category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2023
Death	-	-	-
Resignation*	30	68.2	10.1
Expiry of contract	9	20.5	3.0
Dismissal - operational changes	-	-	-
Dismissal - misconduct	-	-	-
Dismissal - inefficiency	-	-	-
Discharged due to ill-health	-	-	-
Retirement	3	6.8	1.0
Employee initiated severance package	-	-	-
Transfers to Statutory Body	-	-	-
Transfers to other Public Service departments	2	4.5	0.7
Promotion to another WCG Department	-	-	-
<b>Total</b>	<b>44</b>	<b>100.0</b>	<b>14.8</b>

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 2023 to 31 March 2024**

Resignation Reasons	Number	% of total resignations
Current remuneration	1	3.3
No reason provided	27	90.0
Other occupation	2	6.7
<b>Total</b>	<b>30</b>	<b>100.0</b>

**Table 3.4.5 Different age groups of staff who resigned, 1 April 2023 to 31 March 2024**

Age group	Number	% of total resignations
Ages <19	-	-
Ages 20 to 24	-	-

Age group	Number	% of total resignations
Ages 25 to 29	2	6.7
Ages 30 to 34	12	40.0
Ages 35 to 39	7	23.3
Ages 40 to 44	8	26.7
Ages 45 to 49	-	-
Ages 50 to 54	1	3.3
Ages 55 to 59	-	-
Ages 60 to 64	-	-
Ages 65 >	-	-
<b>Total</b>	<b>30</b>	<b>100.0</b>

**Table 3.4.6 Employee initiated severance packages**

Total number of employee -initiated severance packages offered in 2023/24	None
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**Table 3.4.7 Promotions by salary band, 1 April 2023 to 31 March 2024**

Salary Band	Number of Employees as at 31 March 2023	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)	2	-	-	2	100.0
Skilled (Levels 3 - 5)	27	-	-	14	51.9
Highly skilled production (Levels 6 - 8)	51	1	2.0	29	56.9
Highly skilled supervision (Levels 9 - 12)	195	5	2.6	109	55.9
Senior management (Levels 13 - 16)	23	1	4.3	13	56.5
<b>Total</b>	<b>298</b>	<b>7</b>	<b>2.3</b>	<b>167</b>	<b>56.0</b>

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

**Table 3.4.8 Promotions by critical occupation, 1 April 2023 to 31 March 2024**

Critical Occupation	Number of Employees as at 31 March 2023	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)	5	-	-	3	60.0
Economist	18	-	-	11	61.1
Expenditure Analyst (PG)	9	-	-	3	33.3
Financial Analyst	17	1	5.9	5	29.4
Infrastructure Analyst	6	-	-	4	66.7

Critical Occupation	Number of Employees as at 31 March 2023	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
Procurement Specialist/Analyst	26	1	3.8	14	53.8
Revenue and Expenditure Analyst (LG)	16	-	-	8	50.0
Systems Controller	26	1	3.8	15	57.7
<b>Total</b>	<b>123</b>	<b>3</b>	<b>2.4</b>	<b>63</b>	<b>51.2</b>

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

### 3.5 Employment equity

**Table 3.5.1 Total number of employees (including employees with disabilities) in each of the following occupational levels, as at 31 March 2024**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	-	-	-	-	-	1	-	-	-	-	<b>1</b>
Senior management (Levels 13 - 14)	2	4	-	3	-	5	2	5	-	-	<b>21</b>
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	22	48	2	11	34	58	-	7	-	-	<b>182</b>
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	7	6	-	-	12	20	-	6	-	-	<b>51</b>
Semi - skilled and discretionary decision-making (Levels 3 - 5)	1	4	-	-	6	7	-	-	-	-	<b>18</b>
Unskilled and defined decision-making (Levels 1 - 2)	1	1	-	-	-	-	-	-	-	-	<b>2</b>
<b>Total</b>	<b>33</b>	<b>63</b>	<b>2</b>	<b>14</b>	<b>52</b>	<b>91</b>	<b>2</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>275</b>
Temporary employees	-	-	-	-	-	-	-	-	-	-	<b>-</b>
<b>Grand total</b>	<b>33</b>	<b>63</b>	<b>2</b>	<b>14</b>	<b>52</b>	<b>91</b>	<b>2</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>275</b>

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 2024**

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

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 2023 to 31 March 2024**

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

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Unskilled and defined decision-making (Levels 1 - 2)	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>7</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>21</b>
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>7</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>21</b>

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 2023 to 31 March 2024**

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

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

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

**Table 3.5.5 Terminations, 1 April 2023 to 31 March 2024**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	-	-	-	1	-	-	-	-	-	-	<b>1</b>
Senior management (Levels 13 - 14)	1	-	-	1	-	-	-	-	-	-	<b>2</b>
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	8	10	-	2	2	4	1	1	-	-	<b>28</b>
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	4	-	-	-	1	2	-	-	-	-	<b>7</b>
Semi-skilled and discretionary decision-making (Levels 3 - 5)	1	-	-	-	2	2	-	1	-	-	<b>6</b>
Unskilled and defined decision-making (Levels 1 - 2)	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>14</b>	<b>10</b>	<b>-</b>	<b>4</b>	<b>5</b>	<b>8</b>	<b>1</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>44</b>
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>14</b>	<b>10</b>	<b>-</b>	<b>4</b>	<b>5</b>	<b>8</b>	<b>1</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>44</b>

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 2023 to 31 March 2024**

Disciplinary actions	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Suspension without a salary and a Final Written Warning	-	1	-	-	-	-	-	-	-	-	<b>1</b>
<b>Total</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>						
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>						

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 2023 to 31 March 2024**

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15 - 16)	-	-	-	-	-	-	-	-	-
Senior management (Levels 13 - 14)	-	-	-	1	-	1	-	-	2
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	10	10	-	1	18	18	-	3	60
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	2	2	-	-	4	8	-	3	19
Semi-skilled and discretionary decision-making (Levels 3 - 5)	-	3	-	-	3	3	-	-	9
Unskilled and defined decision-making (Levels 1 - 2)	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>12</b>	<b>15</b>	<b>-</b>	<b>2</b>	<b>25</b>	<b>30</b>	<b>-</b>	<b>6</b>	<b>90</b>
Temporary employees	-	-	-	-	-	-	-	-	-
<b>Grand total</b>	<b>12</b>	<b>15</b>	<b>-</b>	<b>2</b>	<b>25</b>	<b>30</b>	<b>-</b>	<b>6</b>	<b>90</b>

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 2023**

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	1	1	1	100.0
Salary Level 14	5	5	5	100.0
Salary Level 13	18	16	16	100.0
<b>Total</b>	<b>25</b>	<b>23</b>	<b>23</b>	<b>100.0</b>

Note: This table refers to employees who are appointed as SMS members only. Employees who are remunerated higher than a SL12, but who are not SMS members have been excluded. Furthermore, the table reflects post salary details and not the individual salary level of employees. The allocation of performance-related rewards (cash bonus) for SMS members is dealt with later in the report. Refer to Table 3.8.5 in this regard.

**Table 3.6.2 Reasons for not having concluded Performance Agreements with all SMS Members on 31 May 2023**

Reasons for not concluding Performance Agreements with all SMS
None

**Table 3.6.3 Disciplinary steps taken against SMS Members for not having concluded Performance Agreements on 31 May 2023**

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

### 3.7 Filling of SMS posts

The tables in this section provide information on employment and vacancies as it relates to members of the SMS by salary level. It also provides information on advertising and the filling of SMS posts, reasons for not complying with prescribed timeframes and disciplinary steps taken in cases of non-compliance.

**Table 3.7.1 SMS posts information, as at 30 September 2023**

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	-	-	-	-	-
Salary Level 15	1	1	100.0	-	-
Salary Level 14	5	5	100.0	-	-
Salary Level 13	15	15	100.0	-	-
<b>Total</b>	<b>21</b>	<b>21</b>	<b>100.0</b>	<b>-</b>	<b>-</b>

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

**Table 3.7.2 SMS posts information, as at 31 March 2024**

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	-	-
Salary Level 15	-	-	-	-	-
Salary Level 14	5	5	100.0	-	-
Salary Level 13	16	16	100.0	-	-
<b>Total</b>	<b>22</b>	<b>22</b>	<b>100.0</b>	<b>-</b>	<b>-</b>

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

**Table 3.7.3 Advertising and Filling of SMS posts, as at 31 March 2024**

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	1	-
Salary Level 15	2	-	-
Salary Level 14	-	-	-
Salary Level 13	2	1	-
<b>Total</b>	<b>5</b>	<b>2</b>	<b>-</b>

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

SMS Level	Reasons for non-compliance
Head of Department	N/A
Salary Level 15	N/A
Salary Level 14	N/A
Salary Level 13	N/A

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

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

### 3.8 Employee performance

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

**Table 3.8.1 Notch progressions by salary band, 1 April 2023 to 31 March 2024**

Salary Band	Employees as at 31 March 2023	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1 - 2)	2	2	100.0
Skilled (Levels 3 - 5)	27	14	51.9
Highly skilled production (Levels 6 - 8)	51	29	56.9
Highly skilled supervision (Levels 9 - 12)	195	109	55.9
Senior management (Levels 13 - 16)	23	13	56.5
<b>Total</b>	<b>298</b>	<b>167</b>	<b>56.0</b>

**Table 3.8.2 Notch progressions by critical occupation, 1 April 2023 to 31 March 2024**

Critical Occupations	Employees as at 31 March 2023	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Cash Management Analyst (LG)	5	3	60.0
Economist	18	11	61.1
Expenditure Analyst (PG)	9	3	33.3
Financial Analyst	17	5	29.4
Infrastructure Analyst	6	4	66.7
Procurement Specialist/Analyst	26	14	53.8
Revenue and Expenditure Analyst (LG)	16	8	50.0
Systems Controller	26	15	57.7
<b>Total</b>	<b>123</b>	<b>63</b>	<b>51.2</b>

**Table 3.8.3 Performance rewards by race, gender, and disability, 1 April 2023 to 31 March 2024**

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2023	% of total within group	Cost (R'000)	Average cost per beneficiary (R)
None					

**Table 3.8.4 Performance rewards (cash bonus), by salary bands for personnel below Senior Management Service level, 1 April 2023 to 31 March 2024**

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2023	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of the total personnel expenditure
None						

**Table 3.8.5 Performance rewards (cash bonus), by salary band, for Senior Management Service level, 1 April 2023 to 31 March 2024**

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2023	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of the total personnel expenditure
None						

**Table 3.8.6 Performance rewards (cash bonus) by critical occupation, 1 April 2023 to 31 March 2024**

Critical Occupation	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2023	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of total personnel expenditure
None						

### 3.9 Foreign workers

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

**Table 3.9.1 Foreign Workers by salary band, 1 April 2023 to 31 March 2024**

Salary Band	1 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% change
None						

**Table 3.9.2 Foreign Workers by major occupation, 1 April 2023 to 31 March 2024**

Major Occupation	1 April 2023		31 March 2024		Change	
	Number	% of total	Number	% of total	Number	% change
None						

### 3.10 Leave utilisation for the period 1 January 2023 to 31 December 2023

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 2023 to 31 December 2023**

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	115	80.9	19	35	54.3	6	40
Lower skilled (Levels 1 - 2)	28	82.1	2	2	100.0	14	14
Skilled (Levels 3 - 5)	219	78.1	22	28	78.6	10	175
Highly skilled production (Levels 6 - 8)	361	79.8	43	55	78.2	8	445
Highly skilled supervision (Levels 9 - 12)	1 275	80.1	161	210	76.7	8	2 555
Senior management (Levels 13 - 16)	106	83.0	16	27	59.3	7	381
<b>Total</b>	<b>2 104</b>	<b>80.0</b>	<b>263</b>	<b>357</b>	<b>73.7</b>	<b>8</b>	<b>3 610</b>

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 (3) years. The three-year sick leave cycle started in January 2022 and ends in December 2024. 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 2023 to 31 December 2023**

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	39	100.0	1	35	2.9	39	14
Lower skilled (Levels 1 - 2)	-	-	-	2	-	-	-
Skilled (Levels 3 - 5)	65	100.0	1	28	3.6	65	52
Highly skilled production (Levels 6 - 8)	46	100.0	4	55	7.3	12	53
Highly skilled supervision (Levels 9 - 12)	118	100.0	6	210	2.9	20	235
Senior management (Levels 13 - 16)	-	-	-	27	-	-	-
<b>Total</b>	<b>268</b>	<b>100.0</b>	<b>12</b>	<b>357</b>	<b>3.4</b>	<b>22</b>	<b>354</b>

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 (3) 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 2023 to 31 December 2023**

Salary Band	Total days taken	Total number employees using annual leave	Average number of days taken per employee
Interns	342	28	12
Lower skilled (Levels 1 - 2)	49	2	25
Skilled (Levels 3 - 5)	584	26	22
Highly skilled production (Levels 6 -8)	1 218	55	22
Highly skilled supervision (Levels 9 - 12)	4 833	206	23
Senior management (Levels 13 - 16)	573	25	23
<b>Total</b>	<b>7 599</b>	<b>342</b>	<b>22</b>

**Table 3.10.4 Capped leave, 1 January 2023 to 31 December 2023**

Salary Band	Total capped leave available as at 31 Dec 2022	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 2023	Total capped leave available as at 31 Dec 2023
Lower skilled (Levels 1 - 2)	-	-	-	-	-	-
Skilled (Levels 3 - 5)	-	-	-	-	-	-
Highly skilled production (Levels 6 - 8)	71.4	-	-	-	8	71.4
Highly skilled supervision (Levels 9 - 12)	1 033.4	205.6	2	102.8	20	824.3
Senior management (Levels 13 - 16)	81.8	-	-	-	3	81.8
<b>Total</b>	<b>1 186.7</b>	<b>205.6</b>	<b>2</b>	<b>102.8</b>	<b>31</b>	<b>977.5</b>

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. Furthermore, capped leave is only paid out in the event of retirement, ill-health retirement or death, therefore capped leave forfeited due to resignation and or dismissal is not reflected in the table above.

**Table 3.10.5 Leave pay-outs, 1 April 2023 to 31 March 2024**

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave pay-outs due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave pay-outs on termination of service	499	2	249 422
Current leave pay-outs on termination of service	1 015	40	25 385

### 3.11 Health Promotion Programmes, including HIV and AIDS

**Table 3.11.1 Steps taken to reduce the risk of occupational exposure, 1 April 2023 to 31 March 2024**

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

**Table 3.11.2 Details of Health Promotion including HIV & AIDS Programmes, 1 April 2023 to 31 March 2024**

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2016? If so, provide her/his name and position.	✓		Ms Letitia Isaacs, Director: Transversal People Capacity Enablement (DotP)
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>DotP provides a transversal service to the eleven (11) provincial client departments, including the PT.</p> <p>A designated Employee Health and Wellness unit within the Directorate Transversal People Capacity Enablement and the Chief Directorate Organisation Development in the DotP serves to promote the health and well-being of employees in the eleven (11) provincial client departments.</p> <p>The unit consists of a Deputy Director, three (3) Assistant Directors, and two (2) EHW Practitioners. Budget: R3.5 million</p>
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for employees? If so, indicate the key elements/services of this Programme.	✓		<p>The DotP has entered into a service level agreement with Metropolitan Health (external service provider) to render an Employee Health and Wellness Service to the eleven (11) provincial client departments.</p> <p>The following interventions were conducted:</p> <ul style="list-style-type: none"> <li>● Stress &amp; Self-Management;</li> <li>● Financial Wellness;</li> <li>● Managing Substance Abuse in the Workplace for Leaders;</li> <li>● Managing Substance Abuse in the Workplace for Employees;</li> <li>● Mental Health for Men;</li> <li>● Mental Health for Women;</li> <li>● Laughter Therapy;</li> <li>● Work Life Balance; Empowering Men from Within;</li> <li>● GRIT for leaders;</li> <li>● Having Difficult Conversations for Leaders;</li> <li>● Empowering Women from Within;</li> <li>● Retirement Planning &amp; Financial Wellness;</li> <li>● Mental Health Awareness;</li> <li>● Substance Abuse Awareness;</li> <li>● Setting Boundaries;</li> </ul>

Question	Yes	No	Details, if yes
			<ul style="list-style-type: none"> <li>● Promoting Positive Mental Health in the Workplace;</li> <li>● Identifying Red Flags in Relationships;</li> <li>● Setting Smart Goals;</li> <li>● Sexuality, Safety and Relationships; and</li> <li>● Wellness in Action.</li> </ul> <p>These interventions are based on the trends reflected in the quarterly reports and implemented to address employees or departmental needs.</p> <p>The targeted interventions for both employees and managers were aimed at providing support, updated knowledge, and coping skills on managing new way of working. This involved online sessions facilitated through Microsoft Teams.</p> <p>Information sessions were also provided to inform employees of the EHW service and how to access the EHWP.</p>
<p>4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2016? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.</p>	✓		<p>The Provincial EHW Steering Committee has been established with members nominated by each department.</p> <p>PT is represented by Mr Brandon Damons and Mr Mziyanda Mpiyane.</p>
<p>5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.</p>	✓		<p>The Transversal Management Framework for EHWP in the WCG is in effect and was adopted by the Co-ordinating Chamber of the PSCBC for the Western Cape Province in December 2016; and is currently under review.</p> <p>In this regard, all employment policies make provision for fair practices, regardless of the HIV status of staff or applicants. Workplace practices are constantly monitored to ensure policy compliance and fairness.</p> <p>Under the EHW banner, four (4) EHW Policies were approved which includes HIV &amp; AIDS and TB Management that responds to the prevention of discrimination against employees affected and infected by HIV &amp; 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, which is the lead department for HIV &amp; AIDS, has approved the Transversal HIV and AIDS/STI Workplace Policy and Programme that is applicable to all departments of the WCG.</p> <p>During the reporting period, the transversal EHW policies including the HIV, AIDS and TB Management Policy are currently being under review against the DPSA policies as well as the National Strategic Plan for HIV, TB and STIs (2023 - 2028) which ensures inclusivity and elimination of discrimination and stigma against employees with HIV.</p>

Question	Yes	No	Details, if yes
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 &amp; AIDS, STIs and TB 2023 - 2028 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"> <li>• Reduce HIV and TB discrimination in the workplace. This included campaigns against unfair discrimination and empowerment of employees.</li> <li>• 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.</li> </ul> <p>The Department implemented the planned measures to address the stigma and discrimination against those infected or perceived to be infective with HIV, which are the following:</p> <ul style="list-style-type: none"> <li>• Wellness Screenings (Blood pressure, Glucose, Cholesterol, TB, BMI);</li> <li>• HCT Screenings;</li> <li>• TB Talks and Screenings;</li> <li>• Distributing posters and pamphlets;</li> <li>• Condom distribution and spot talks; and</li> <li>• Commemoration of World AIDS Day and Wellness events.</li> </ul>
7. Does the Department encourage its employees to undergo HIV counselling and testing (HCT)? If so, list the results that you have you achieved.	✓		<p><b>HCT SESSIONS:</b></p> <ul style="list-style-type: none"> <li>• World Aids Day: 1 December 2023. No employees attended.</li> </ul>
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓		<p>The EHWP is monitored through Quarterly and Annual reporting and trend analysis can be derived through comparison of departmental utilisation and demographics i.e., age, gender, problem profiling, employee vs. manager utilisation, number of cases. Themes and trends also provide a picture of the risks and impact the EHW issues have on individual and the workplace.</p>

### 3.12 Labour relations

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

**Table 3.12.1 Collective agreements, 1 April 2023 to 31 March 2024**

Subject Matter	Date
GPSSBC Resolution 1 of 2024: Charter of the GPSSBC: Collective Bargaining	11 March 2024
GPSSBC Resolution 2 of 2024: Improvement in Conditions of Service: Special Leave	11 March 2024
PSCBC Resolution 3 of 2023: Enforcement of Collective Agreements in the Public Service	13 July 2023
PSCBC Resolution 1 of 2024: Rules for the Conduct of Proceedings before the PSCBC	1 March 2024

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 2023 to 31 March 2024**

Outcomes of disciplinary hearings	Number of cases finalised	% of total
Suspension without a salary and a Final Written Warning	1	100.0
<b>Total</b>	<b>1</b>	<b>100.0</b>
Percentage of total employment		0.3

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

**Table 3.12.3 Types of misconduct addressed at disciplinary hearings, 1 April 2023 to 31 March 2024**

Type of misconduct	Number	% of total
Contravenes any code of conduct for state	1	100.0
<b>Total</b>	<b>1</b>	<b>100.0</b>

**Table 3.12.4 Grievances lodged, 1 April 2023 to 31 March 2024**

Grievances lodged	Number	% of total
Number of grievances resolved	5	71.4
Number of grievances not resolved	2	28.6
<b>Total number of grievances lodged</b>	<b>7</b>	<b>100.0</b>

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 2023 to 31 March 2024**

Disputes lodged with Councils	Number	% of total
Number of disputes upheld	-	-
Number of disputes dismissed	2	100.0
<b>Total number of disputes lodged</b>	<b>2</b>	<b>100.0</b>

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 rules in favour of the aggrieved. When a dispute is "dismissed", it means that the Council rules in favour of the Department.

**Table 3.12.6 Strike actions, 1 April 2023 to 31 March 2024**

Strike actions	Number
None	

**Table 3.12.7 Precautionary suspensions, 1 April 2023 to 31 March 2024**

Precautionary suspensions	Number
None	

### 3.13 Skills development

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

**Table 3.13.1 Training needs identified, 1 April 2023 to 31 March 2024**

Occupational Categories	Gender	Number of employees as at 1 April 2023	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	11	-	20	-	<b>20</b>
	Male	12	-	31	-	<b>31</b>
Professionals (Salary Band 9 - 12)	Female	99	-	163	-	<b>163</b>
	Male	95	-	135	-	<b>135</b>
Technicians and associate professionals (Salary Band 6 - 8)	Female	39	-	68	-	<b>68</b>
	Male	15	-	50	-	<b>50</b>
Clerks (Salary Band 3 - 5)	Female	19	-	77	-	<b>77</b>
	Male	8	-	14	-	<b>14</b>
Elementary occupations (Salary Band 1 - 2)	Female	-	-	-	-	-
	Male	2	-	2	-	<b>2</b>
Sub Total	Female	<b>168</b>	-	<b>328</b>	-	<b>328</b>
	Male	<b>132</b>	-	<b>232</b>	-	<b>232</b>
<b>Total</b>		<b>300</b>	-	<b>560</b>	-	<b>560</b>
Employees with disabilities	Female	4	-	3	-	<b>3</b>
	Male	5	-	8	-	<b>8</b>

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 2023 to 31 March 2024**

Occupational Categories	Gender	Number of employees as at 31 March 2024	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	13	-	1	-	<b>1</b>
	Male	9	-	1	-	<b>1</b>
Professionals (Salary Band 9 - 12)	Female	99	-	71	-	<b>71</b>
	Male	83	-	25	-	<b>25</b>
Technicians and associate professionals (Salary Band 6 - 8)	Female	38	-	26	-	<b>26</b>
	Male	13	-	10	-	<b>10</b>
Clerks (Salary Band 3 - 5)	Female	13	-	18	-	<b>18</b>
	Male	5	-	7	-	<b>7</b>

Occupational Categories	Gender	Number of employees as at 31 March 2024	Training needs provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Elementary occupations (Salary Band 1 - 2)	Female	-	-	-	-	-
	Male	2	-	-	-	-
Sub Total	Female	<b>163</b>	-	<b>116</b>	-	<b>116</b>
	Male	<b>112</b>	-	<b>43</b>	-	<b>43</b>
<b>Total</b>		<b>275</b>	-	<b>159</b>	-	<b>159</b>
<b>Employees with disabilities</b>	Female	6	-	-	-	-
	Male	5	-	1	-	<b>1</b>

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 2023 to 31 March 2024**

Nature of injury on duty	Number	% of total
Required basic medical attention only	2	66.7
Temporary disablement	1	33.3
Permanent disablement	-	-
Fatal	-	-
<b>Total</b>	<b>3</b>	<b>100.0</b>
Percentage of total employment		0.8

### 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: Workdays/ Hours	Contract Expenditure Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
Programme 1	Sandile David Gxilishe	Translation of PT APP 2023/24 from English - isiXhosa.	Translation Services.	One (1)	58 582 words (R0.80 per word)	47	-	1
	Gava Kassien	Translation of PT APP 2023/24 from English - Afrikaans.	Translation Services.	One (1)	58 582 words (R0.65 per word)	38	-	1
		Editing/ proofreading the 2023/24 OPMII.	Editing of OPMII.	One (1)	46 542 words (R0.50 per word)	23	-	
	Columbus Technologies (Pty) Ltd	Business Processing Re-engineering.	Analyse, document and develop business processes.	Two (2)	2 510 hours	1 412	-	1
	Barrett Values Centre	Barrett Values Survey 2022.	Cultural Data Reports.	N/A	N/A	123	-	-
	DLK Group (Pty) Ltd	Business analysis services to the SEO.	Business analytics.	One (1)	1 731 hours	1 013	-	1

Programme	Consulting Firm	Project Title	Nature of the Project	Total number of consultants that worked on the Project	Duration: Workdays/ Hours	Contract Expenditure Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
Programme 2	Government Technical Advisory Centre (GTAC)	Capacity building and technical support on expenditure reviews.	Capacity building and technical support to the Western Cape Provincial Treasury officials on spending reviews methodology to achieve better allocation and management of public finances.	N/A	N/A	408	-	N/A
	FTI Consulting South Africa (Pty) Ltd	Analysis of the potential imposition of gambling taxes/charges in the new legislative scheme.	Comprehensive analysis of the potential imposition of taxes/charges in the proposed new legislative scheme applicable to casinos as set out in the draft legislation (draft Western Cape twentieth and twenty-first Gambling and Racing Amendment Bills and Accompanying Draft Regulations) of June 2022, inclusive of comments received.	Four (4)	N/A	497	-	2
		Policy research on gambling and racing industry.	To undertake the economic analysis of the potential imposition of taxes/charges under the proposed new legislative scheme for the gambling and racing industry.	Four (4)	N/A	1 495	-	2
	Mazars Forensic Services (Pty) Ltd	Probity investigation.	Probity investigation for the nominations of the appointment of the WCGRB members.	Three (3)	N/A	193	-	2
	DNA Economics (Pty) Ltd	Fiscal Futures.	To undertake research and develop the Western Cape Government Fiscal Scenarios.	Four (4)	N/A	1 438	-	2
	HS Business Solution	PERO.	Compilation of the PERO.	Six (6)	N/A	803	-	4
	Urban-Economic Development Economists (Pty) Ltd	MERO.	Conducting research and production of the MERO.	Sixteen (16)	N/A	1 319	-	4
	Chartered Institute of Government Finance Audit and Risk Officers (CIGFARO)	Revenue Master Class.	Training and capacity building for municipal and WCG officials.	N/A	2 days	278	-	7
	University of Cape Town- Graduate School of Business	Financial Modelling for Utility Tariff Setting 2024 (municipal revenue and tariff modelling).	Training and capacity building for municipal and WCG officials.	N/A	10 days	539	-	4

Programme	Consulting Firm	Project Title	Nature of the Project	Total number of consultants that worked on the Project	Duration: Workdays/ Hours	Contract Expenditure Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
Programme 3	Government Technical Advisory Centre (GTAC)	SCM Reform: to drive value-for-money.	Support to the Western Cape Department of Education to achieve optimal value-for-money outcomes.	N/A	N/A	306	-	N/A
	DLK Group (Pty) Ltd		Business analytics.	One (1)	112 hours	61	-	1
	Commerce Edge	Smart Procurement Conference.	10 <sup>th</sup> Annual Western Cape Smart Procurement World Conference.	N/A	2 days	525	-	2
			11 <sup>th</sup> Annual Western Cape Smart Procurement World Conference.	N/A	2 days	651	-	
	Greater Translogic Advisory Services (Pty) Ltd	Asset Management capacity at municipalities.	Capacity building on asset management through training and development.	Four (4)	8 months	2 321	-	1
	DLK Group (Pty) Ltd		Business Analyst.	One (1)	112 hours	61	-	1
	DLK Group (Pty) Ltd	SCM Customer Relationship Management.	Business Analyst.	One (1)	280 hours	159	-	1
	Dimension Data		Business Analyst.	Two (2)	1 786 hours	1 249	-	2
	Dimension Data	Solution Architect.	Business Analyst.	One (1)	1 130 hours	1 972	-	2
	EOH Mthombo (Pty) Ltd	DIMIS.	Applications developer and Analysis Services.	One (1)	736 hours	603	-	1
		Kitso support and maintenance.	Kitso.	-	-	500	-	
	Dimension Data	Datawarehouse.	Data Management Specialist.	One (1)	2 124 hours	3 083	-	2
	DLK Group (Pty) Ltd	Data Architect: PERSAL, LOGIS & BAS.	Data Architect.	Three (3)	2 152 hours	1 351	-	1
Business Analysts.		Data and Application Architects.	Three (3)	2 342 hours	3 031	-	1	
Programme 4	Ernest & Young Advisory Services (Pty) Ltd	Public Entity Review.	To perform a review of the Western Cape Provincial Public Entities as defined in Chapter 6 of the PFMA.	Five (5)	4 months	391	-	1
	Altimax (Pty) Ltd	Modified Cash Standards (MCS) Training.	Provision of the MCS training for eighty (80) provincial government accounting officials.	N/A	2 days	59	-	2
			Provision of GRAP training for fifty (50) Provincial Treasury accounting and provincial public entities officials.	N/A	2 days	84	-	2
		GRAP Training.	Provision of online GRAP training for ninety (90) Provincial Treasury accounting and municipal accounting officials.	N/A	2 days	59	-	2
EOH Mthombo (Pty) Ltd	Loss Control System.	Applications Developer and Analysis Services.	Two (2)	1 207.5 hours	1 000	-	1	

Programme	Consulting Firm	Project Title	Nature of the Project	Total number of consultants that worked on the Project	Duration: Workdays/ Hours	Contract Expenditure Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
Programme 4	IA Professionals	Municipal Audit Committee Training.	Provision of the online Audit Committee training to municipal and PT officials.	N/A	1 day	45	-	4
	IA Professionals	Municipal Assurance.	To provide assurance on the effectiveness of risk management at Beaufort West Municipality.	N/A	3 months	152	-	4
	Pricewaterhouse Coopers	Agile Audit.	To coach, prepare and test the application of agile auditing at George Municipality.	N/A	3 months	349	-	1

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**PFMA  
COMPLIANCE  
REPORT  
PART E**



# PART E: PFMA COMPLIANCE REPORT

## 1. IRREGULAR, FRUITLESS AND WASTEFUL, UNAUTHORISED EXPENDITURE AND MATERIAL LOSSES

### 1.1 Irregular expenditure

**Table 1.1.1 Reconciliation of irregular expenditure**

Description	2023/24	2022/23
	R'000	R'000
Opening balance	264	12
Adjustment to opening balance	-	225
Opening balance as restated	-	<b>237</b>
Add: Irregular expenditure confirmed	14	61
Less: Irregular expenditure condoned	(226)	(34)
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	(50)	-
Less: Irregular expenditure not recoverable and written off	-	-
<b>Closing balance</b>	<b>2</b>	<b>264</b>

The 2023/24 opening balance relates to two (2) cases identified in the 2022/23 financial year and one (1) in the 2021/22 financial year as follows:

Case 1 - R24 440.50: Non-compliance with National Treasury Regulation (NTR) 8.2.1 – An official of an institution may not spend or commit public money except with the approval (either in writing or by duly authorised electronic means) of the accounting officer or a properly delegated or authorised officer. Approval for the hosting of an event was obtained after the event took place;

Case 2 – R15 012.80: Non-compliance with National Treasury Instruction (NTI) 04 of 2017/18 – Revised Cost Containment Measures related to Travel and Subsistence – Bookings for accommodation were made at a higher star graded establishment without approval to deviate; and

Case 3 - The amount of R225 000.00 is a result of a contract that was awarded during the 2021/22 financial year. Non-compliance was identified with:

- Paragraph 1.7.1.3 (k) of Chapter 1 – Functional arrangements of the Departmental Accounting Officer's System (AOS) 2017 - The supply chain management unit of the Department will be responsible for the following functions: (k) communicate and liaise with contractors. The official communicated and/or liaised with one of the bidders, and /or potential bidder.
- Paragraphs 3.1.2.3 and 3.1.2.4 of Chapter 3 – Ethical Standards of the AOS - The behaviour of all personnel will be based on the following: 3.1.2.3 avoidance of conflict of interest or a perception of bias and disclosure of such to the Head of the SCM unit; and 3.1.2.4 fair dealings and impartial conduct in the evaluation of bids. The official failed to deal fairly and impartially in the evaluation

of the bid by, inter alia, failing to avoid interest and / or a perception of a conflict of interest or a perception of bias and failed to discuss such to the Head of the SCM unit.

- Paragraph 11.24.1 of Chapter 11 – Competitive (Open) Bidding of the AOS - During consideration of bids, communication with bidders, may take place only within the delegated powers as set out by the SCM delegations. Communication with the bidder is only allowed when there appears to be ambiguity in documentation provided, and there is a need to confirm prices where there is uncertainty. The extent and purpose of the communication must be documented. The official failed to treat the bidders even-handedly by unlawfully and/or irregularly expanded the terms of reference, which resulted in the irregular calculation of one of the bidders pricing.

The 2023/24 confirmed irregular expenditure amounting to R13 775.00 is as a result of non-compliance with NTI 07 of 2022/23 - Cost Containment Measures related to Travel and Subsistence. The domestic accommodation costs paid exceeded the maximum allowance rate, as set out in the Annexure A: Maximum allowable rates for domestic accommodation and meals of NTI 07 of 2022/23, without obtaining written approval. Accommodation was booked at two (2) establishments classified as lodges on the electronic travel booking system. Lodges were included in the first category of the revised maximum allowable rates for domestic accommodation and meals in the Annexure A attached to NTI 04 of 2017/18, however, lodges were omitted from the maximum allowance rates for domestic accommodation and meals in the Annexure A attached to NTI 07 of 2022/23. NT confirmed that lodges are not considered "hotels" but are classified within the category of "guest houses" and therefore falls within the second category (lower rates) of the maximum allowable rates for domestic accommodation and meals.

**Table 1.1.2 Reconciliation notes**

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	14	61
<b>Total</b>	<b>14</b>	<b>61</b>

**Table 1.1.3 Details of irregular expenditure (under assessment, determination, and investigation)**

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Table 1.1.4 Details of irregular expenditure condoned**

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure condoned	226	34
<b>Total</b>	<b>226</b>	<b>34</b>

Irregular expenditure as a result of obtaining approval for the hosting of an event after the event took place of R24 440.50 was condoned by the AO on 4 September 2023.

Irregular expenditure as a result of bookings made at a higher star graded establishment without approval to deviate amounting to R15 012.80 was condoned by the AO on 5 September 2023.

Irregular expenditure as a result of the payment of domestic accommodation costs exceeding the maximum allowance rate as set out in the Annexure – Maximum allowable rates for domestic accommodation and meals of NTI 07 of 2022/23 without obtaining written approval amounting to R12 245.00 was approved by the AO on 30 January 2024 (R9 195.00) and 12 March 2024 (R3 050.00).

Irregular expenditure as a result of a contract that was awarded during the 2021/22 financial year. The AO approved on 12 June 2024 that an amount of R175 000.00 of the R225 000.00 be condoned.

**Table 1.1.5 Details of irregular expenditure removed (not condoned)**

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Table 1.1.6 Details of irregular expenditure recoverable**

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure recoverable	50	-
<b>Total</b>	<b>50</b>	<b>-</b>

Irregular expenditure as a result of a contract that was awarded during the 2021/22 financial year. The AO approved on 12 June 2024 that an amount of R50 000.00 of the R225 000.00 be recovered from the official.

**Table 1.1.7 Details of irregular expenditure written off (irrecoverable)**

Description	2023/24	2022/23
	R'000	R'000
Irregular expenditure written off	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Table 1.1.8 Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (not responsible for the non-compliance)**

Description
Not Applicable
<b>Total</b>

**Table 1.1.9 Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (responsible for the non-compliance)**

Description	2023/24	2022/23
	R'000	R'000
None	-	-
<b>Total</b>	-	-

**Table 1.1.10 Details of disciplinary or criminal steps taken as a result of irregular expenditure**

Disciplinary steps taken
2023/24 opening balance:
<ul style="list-style-type: none"> <li>● <b>Case 1 and 2:</b> No disciplinary action was taken as no gross negligence on the part of the officials could be determined.</li> <li>● <b>Case 3:</b> Disciplinary action was taken. Outcome of disciplinary action – One-month suspension without pay.</li> </ul>
2023/24 confirmed irregular expenditure:
<ul style="list-style-type: none"> <li>● No disciplinary action was taken as no gross negligence on the part of the officials could be determined.</li> </ul>

## 1.2 Fruitless and wasteful expenditure

**Table 1.2.1 Reconciliation of fruitless and wasteful expenditure**

Description	2023/24	2022/23
	R'000	R'000
Opening balance	-	7
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Fruitless and wasteful expenditure confirmed	6	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Less: Fruitless and wasteful expenditure not recoverable and written off	(6)	(7)
<b>Closing balance</b>	-	-

Fruitless and wasteful expenditure was incurred due to an official who was nominated to attend a training course but could not attend as the original date of the course was changed and at the time of receipt of the revised date, another training session had been booked for the official on the revised date. A replacement was sought, but the official could also not attend due to operational requirements.

**Table 1.2.2 Reconciliation notes**

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	6	-
<b>Total</b>	<b>6</b>	<b>-</b>

**Table 1.2.3 Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)**

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	7	-
<b>Total</b>	<b>7</b>	<b>-</b>

Fruitless and wasteful expenditure under investigation is for the payment of late lodgment fees (SAICA penalties) for two (2) Chartered Accountant Academy Trainees.

**Table 1.2.4 Details of fruitless and wasteful expenditure recoverable**

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure recoverable	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Table 1.2.5 Details of fruitless and wasteful expenditure not recoverable and written off**

Description	2023/24	2022/23
	R'000	R'000
Fruitless and wasteful expenditure written off	6	7
<b>Total</b>	<b>6</b>	<b>7</b>

The AO approved the write-off of the fruitless and wasteful expenditure of R5 848.00 due to the non-attendance of the training course.

**Table 1.2.6 Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure**

Disciplinary steps taken
No disciplinary action to be taken. The AO approved that the expenditure be written off as no gross negligence on the part of the officials could be determined.

### 1.3 Unauthorised expenditure

**Table 1.3.1 Reconciliation of unauthorised expenditure**

Description	2023/24	2022/23
	R'000	R'000
Opening balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: unauthorised expenditure confirmed	-	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable	-	-
Less: unauthorised not recoverable and written off	-	-
<b>Closing balance</b>	-	-

**Table 1.3.2 Reconciling notes**

Description	2023/24	2022/23
	R'000	R'000
Unauthorised expenditure that was under assessment	-	-
Unauthorised expenditure that relates to the prior year and identified in the current year	-	-
Unauthorised expenditure for the current year	-	-
<b>Total</b>	-	-

**Table 1.3.3 Details unauthorised expenditure (under assessment, determination, and investigation)**

Description	2023/24	2022/23
	R'000	R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
<b>Total</b>	-	-

## 1.4 Additional disclosure relating to material losses in terms of PFMA Section 40(3)(b)(i) & (iii)

**Table 1.4.1 Details of material losses through criminal conduct**

Material losses through criminal conduct	2023/24	2022/23
	R'000	R'000
Theft	265	105
Other material losses	18	262
Less: Recoverable	(8)	(30)
Less: Not recoverable and written off	(126)	(281)
<b>Total</b>	<b>149</b>	<b>56</b>

Theft relates to nine (9) major assets (two (2) laptops in 2022/23 and seven (7) laptops in 2023/24) and one (1) minor asset (docking station) in 2023/24 that were stolen whilst in the possession of the officials.

The other material losses of 2023/24 relate to three (3) cases of damages to GG vehicles; one (1) case of a missing External Hard Drive and one (1) case of damages to a Laptop Liquid Crystal Display (LCD) Screen.

**Table 1.4.2 Details of other material losses**

Nature of other material losses	2023/24	2022/23
	R'000	R'000
Unauthorised kilometers travelled with government garage (GG) vehicle	-	28
Government Garage (GG) vehicle damages	14	-
Monitor/screen damages	3	3
Missing External Hard Drive	1	231
<b>Total</b>	<b>18</b>	<b>262</b>

**Table 1.4.3 Other material losses recoverable**

Nature of losses	2023/24	2022/23
	R'000	R'000
Unauthorised kilometres travelled with GG vehicle	-	28
Theft of Laptop	8	-
<b>Total</b>	<b>8</b>	<b>28</b>

The recoverable losses relate to two (2) cases of theft of laptops where a partial recovery was instituted against the officials.

**Table 1.4.4 Other material losses not recoverable and written off**

Nature of losses	2023/24	2022/23
	R'000	R'000
Theft	108	47
Other material losses	18	234
<b>Total</b>	<b>126</b>	<b>281</b>

Theft relates to four (4) major assets (laptops) and one (1) minor asset (docking station) that were stolen whilst in the possession of the officials.

The other material losses relate to three (3) cases of GG vehicle damages; one (1) case of a missing External Hard Drive and one (1) case of damages to a Laptop LCD Screen.

## 2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

**Table 2.1 Late and/or non-payment of suppliers**

Description	Number of invoices	Consolidated value
		R'000
Valid invoices received	592	23 175
Invoices paid <b>within</b> 30 days or agreed period	577	23 122
Invoices paid <b>after</b> 30 days or agreed period	15	53
Invoices older than 30 days or agreed period ( <b>unpaid and without dispute</b> )	-	-
Invoices older than 30 days or agreed period ( <b>unpaid and in dispute</b> )	-	-

During the period under review, 592 payments were made to suppliers for goods and services. 15 invoices were paid after the 30-day period and 577 invoices were processed within the 30-day period.

## 3. SUPPLY CHAIN MANAGEMENT

**Table 3.1 Procurement by other means**

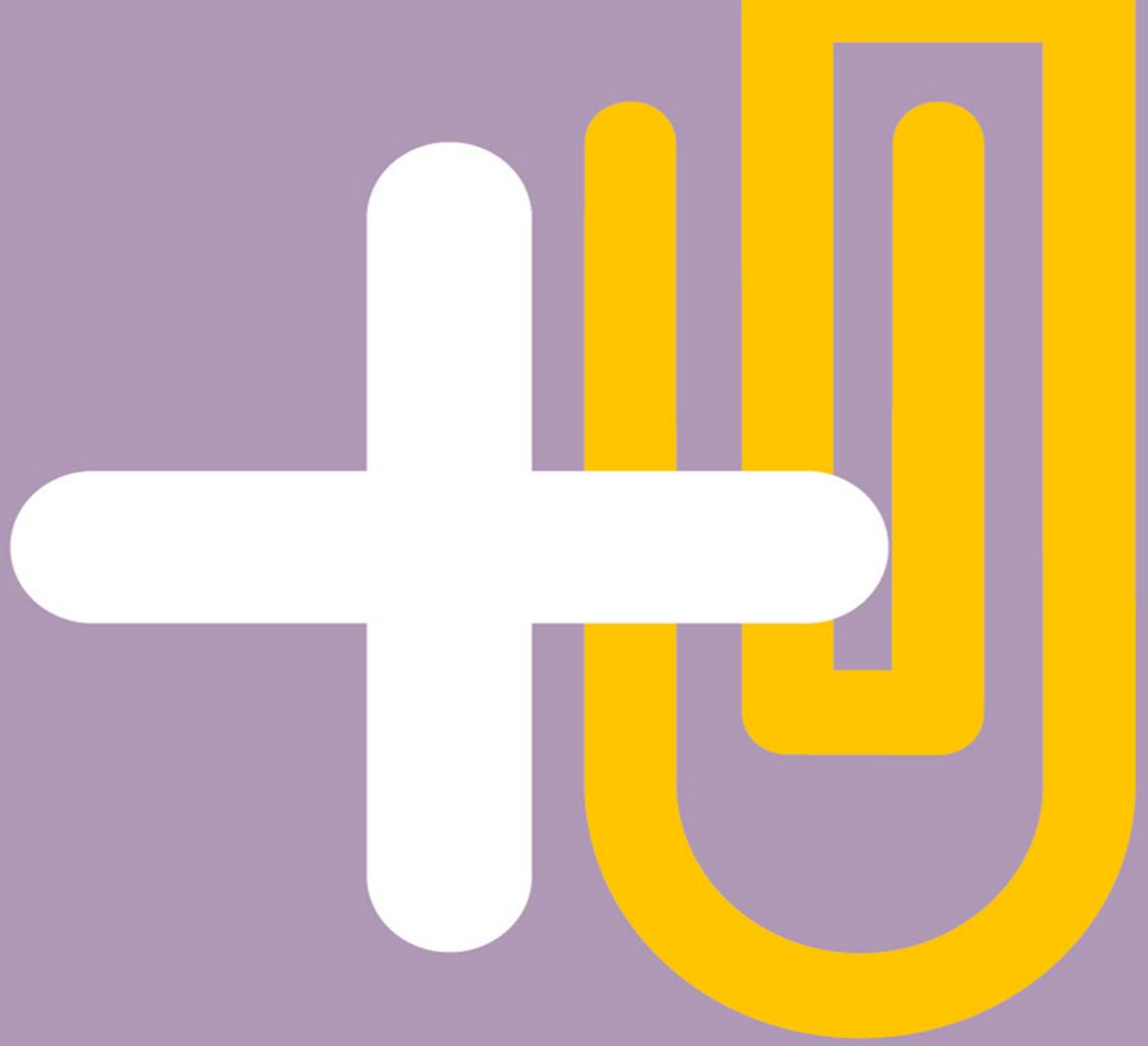
Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Translation of PT APP 2023/24 from English - isiXhosa	Sandile David Gxilishe	Transversal Contract	Department of Cultural Affairs and Sport (DCAS): Languages Services	47
Translation of PT APP 2023/24 from English - Afrikaans	Gava Kassiem	Transversal Contract	DCAS: Languages Services	38

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Editing of PT OPMII	Gava Kassiem	Transversal Contract	DCAS: Languages Services	23
Business Process Re-engineering	Columbus Technologies (Pty) Ltd	Transversal Contract (MoA between PT and Cel)	BID FMA Cel 0009-2020/2021	1 412
Revenue Master Class	Chartered Institute of Government Finance Audit and Risk Officers (CIGFARO)	Limited Bidding	N/A	278
Financial Modelling for Utility Tariff Setting 2024 (municipal revenue and tariff modelling)	University of Cape Town- Graduate School of Business	Limited Bidding	N/A	539
Render business analytics services	DLK Group (Pty) Ltd	Transversal Contract (MoA between PT and Cel)	BID FMA Cel 0005-2020/21	1 012
Supply, delivery and installation of new office furniture	W Mart Interiors	Framework Agreement: Department of Infrastructure (Dol)	Tender S045/19	1 849
Undertake the economic analysis of the potential imposition of taxes/charges under the proposed new legislative scheme for casinos	FTI Consulting	Limited bidding	WCPT-LTD 01/2023/24	4 312
Provide capacity building and technical support to the Western Cape Provincial Treasury officials on spending reviews methodology to achieve better allocation and management of public finances	Government Technical Advisory Centre (GTAC)	MoA between PT and NT	N/A	408
Smart Procurement Conferences	Commerce Edge	Limited Bidding	N/A	1 629

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
SCM reform - to drive value for money: Support to the Western Cape Department of Education to achieve optimal value for money outcomes	Government Technical Advisory Centre (GTAC)	MoA between PT and NT	N/A	368
Development, enhancements, maintenance and support of the Procurement Planning Tool	EOH Mthombo (Pty) Ltd	Transversal Contract (MoA between PT and Cel)	FMA CEI 0001-2021/22	341
Hosting of e-PS	Microsoft	Transversal Contract (MoA between PT and Cel)	N/A	209
Render business analytics and data architecture services	DLK Group (Pty) Ltd	Transversal Contract (MoA between PT and Cel)	BID FMA Cel 0005-2020/21	3 495
Render business analytics services	EOH Mthombo (Pty) Ltd	Transversal Contract (MoA between PT and Cel)	FMA CEI 0001-2021/22	603

**Table 3.2 Contract variations and expansions**

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Provision of a security services at the Western Cape PPC, based in Century City	Silver Solutions 2616 (t/a Star Security)	Extension	WCPT-TR 01/2017/2018	314	163	169
<b>Total</b>				<b>314</b>	<b>163</b>	<b>169</b>



**FINANCIAL  
INFORMATION**

**PART F**



## PART F: FINANCIAL INFORMATION

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**REPORT OF THE AUDITOR-GENERAL  
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**REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT ON  
VOTE NO. 3: WESTERN CAPE 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 165 to 205, which comprise the appropriation statement, statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Department of Provincial Treasury as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standards (MCS), and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

**Basis for opinion**

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

**Other matter**

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

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**Unaudited supplementary schedules**

7. The supplementary information set out in pages 206 to 214 does not form part of the financial statements and is presented as additional information. We have not audited these schedules and accordingly, we 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 and the requirements of 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.

**Responsibilities of the Auditor-General 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. This description, which is located on pages 162 to 164, forms part of this auditor's report.

**Report on the audit of the annual performance report**

12. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The department is responsible for the preparation of the annual performance report.

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13. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected programmes that measure the department's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Pages in the Annual Performance Report	Purpose
Programme 2 – Sustainable Resource Management	58 - 72	To ensure the efficient and effective management of provincial and municipal financial resources.
Programme 3 – Asset Management	72 - 77	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.
Programme 4 – Financial Governance	78 - 83	To promote accountability and financial governance within departments, entities and municipalities.

14. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the department's planning and delivery on its mandate and objectives.
15. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the department's mandate and the achievement of its planned objectives;
  - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements;
  - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated;
  - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents;

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- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable; and
  - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
16. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
17. I did not identify any material findings on the reported performance information for the selected programmes, Programme 2, 3 and 4.

**Other matter**

18. I draw attention to the matter below.

**Achievement of planned targets**

19. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievement's.
20. The tables that follow provides information on the achievement of planned targets and lists the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 66 to 83.

**Sustainable Resource Management: Programme 2**

<i>Targets achieved: 90%</i>		
<i>Budget spent: 97.5%</i>		
<b>Key indicator not achieved</b>	<b>Planned target</b>	<b>Reported achievement</b>
Percentage of PPF applications received, assessed	80%	0%
Development of the Municipal Economic Review and Outlook	September 2023	November 2023
Number of reports on MFMA implementation	4	2

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**Financial Governance and Accounting: Programme 4**

<i>Targets achieved: 86%</i>		
<i>Budget spent: 98.7%</i>		
Key indicator not achieved	Planned target	Reported achievement
Number of municipal accounting assessment reports	30	29
Publication and tabling of the Annual Consolidated Financial Statements (ACFS)	1 month after receipt of audit report on the ACFS	27 March 2024

**Report on compliance with legislation**

21. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting officer is responsible for the department's compliance with legislation.
22. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
23. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the department, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
24. I did not identify any material non-compliance with the selected legislative requirements.

**Other information in the annual report**

25. The accounting officer is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
26. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

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27. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
28. The other information I obtained prior to the date of this auditor's report included information on annual performance report, and several sections of the annual report were outstanding and is expected to be made available to us after 31 July 2024.
29. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
30. When I do receive and read the full annual report with the sections outstanding, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

**Internal control deficiencies**

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

Auditor - General

Cape Town  
31 July 2024



**AUDITOR - GENERAL  
SOUTH AFRICA**

*Auditing to build public confidence*

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### **Annexures to the Auditor's report**

The annexure includes the following:

- the auditor-general's responsibility for the audit; and
- the selected legislative requirements for compliance testing.

### **Auditor-General's responsibility for the audit**

#### **Professional judgement and professional scepticism**

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 selected programmes and on the department's compliance with selected requirements in key legislation.

#### **Financial statements**

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;
- conclude on the appropriateness of the 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 my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease operating as a going concern; and

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

### **Communication with those charged with governance**

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.

I also provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

### **Compliance with legislation – selected legislative requirements**

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 1; 38(1)(b); 38(1)(c)(ii); Section 38(1)(d); 38(1)(f); 38(1)(h)(iii); 38(1)(j); 39(1)(a); Section 39(2)(a); 40(1)(a); 40(1)(b); 40(1)(c)(i); Section 43(1); 43(4); 44(1); 44(2); 45(b)
Treasury Regulations, 2005	Regulation 4.1.1; 4.1.3; 5.1.1; 5.2.1; 5.2.3(a) Regulation 5.2.3(d); 5.3.1; 6.3.1(a); 6.3.1(b) Regulation 6.3.1(c); 6.3.1(d); 6.4.1(b) Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1; 9.1.1; 9.1.4 Regulation 10.1.1(a); 10.1.2; o Regulation 12.5.1; 15.10.1.2(c); 16A3.2 Regulation 16A3.2(a); 16A6.1; 16A6.2(a) Regulation 16A6.2(b); 16A6.3(a); 16A6.3(b) Regulation 16A6.3(c); 16A 6.3(e); 16A6.4 Regulation 16A6.5; 16A6.6; 16A7.1; 16A7.3 Regulation 16A7.6; 16A7.7; Regulation 16A8.3; 16A8.4; 16A9.1(b)(ii) Regulation; 16A 9.1(d); 16A 9.1(e); 16A9.1(f) Regulation 16A9.2; 16A9.2(a)(ii); 17.1.1; 18.2 Regulation 19.8.4

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Legislation	Sections or regulations
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Division of Revenue Act 5 of 2023	Section 11(6)(a); 12(5); 16(1); 16(3); 16(3)(a)(i); Section 16(3)(a)(ii)(bb)
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury Instruction No. 1 of 2021/22	Paragraph 4.1
National Treasury Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4(a); 4.17; 7.2; 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulation, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulation, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3 Regulation 6.6; 6.8; 7.1; 7.2; 7.3; 7.6; 7.8 Regulation 8.2; 8.5; 9.1; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)
State Information Technology Agency Act 88 of 1998	Section 7(3)

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2024**

Appropriation per programme									
	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Programme</b>									
1. Administration	57 634	-	203	57 837	57 340	497	99.1%	60 988	60 976
2. Sustainable Resource Management	126 259	-	(145)	126 114	123 013	3 101	97.5%	127 993	127 431
3. Asset Management	80 903	-	29	80 932	79 586	1 346	98.3%	78 603	77 561
4. Financial Governance	51 640	-	(87)	51 553	50 861	692	98.7%	51 236	51 082
<b>Sub-total</b>	<b>316 436</b>	<b>-</b>	<b>-</b>	<b>316 436</b>	<b>310 800</b>	<b>5 636</b>	<b>98.2%</b>	<b>318 820</b>	<b>317 050</b>
<b>Reconciliation with Statement of Financial Performance</b>									
<b>Add:</b>									
Departmental receipts				17 773				3 450	
<b>Actual amounts per Statement of Financial Performance (Total Revenue)</b>				<b>334 209</b>				<b>322 270</b>	
<b>Actual amounts per Statement of Financial Performance (Total Expenditure)</b>					<b>310 800</b>				<b>317 050</b>

Appropriation per economic classification									
	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Economic classification</b>									
<b>Current payments</b>	<b>270 739</b>	<b>( 541)</b>	<b>-</b>	<b>270 198</b>	<b>264 563</b>	<b>5 635</b>	<b>97.9%</b>	<b>261 064</b>	<b>259 294</b>
Compensation of employees	200 544	( 15)	-	200 529	199 089	1 440	99.3%	199 203	198 965
Goods and services	70 195	( 526)	-	69 669	65 474	4 195	94.0%	61 861	60 329
<b>Transfers and subsidies</b>	<b>43 603</b>	<b>322</b>	<b>-</b>	<b>43 925</b>	<b>43 924</b>	<b>1</b>	<b>100.0%</b>	<b>48 483</b>	<b>48 483</b>
Provinces and municipalities	18 427	-	-	18 427	18 427	-	100.0%	19 498	19 498
Departmental agencies and accounts	21 186	-	-	21 186	21 186	-	100.0%	25 084	25 084
Households	3 990	322	-	4 312	4 311	1	100.0%	3 901	3 901
<b>Payments for capital assets</b>	<b>1 984</b>	<b>153</b>	<b>-</b>	<b>2 137</b>	<b>2 137</b>	<b>-</b>	<b>100.0%</b>	<b>8 985</b>	<b>8 985</b>
Machinery and equipment	1 984	153	-	2 137	2 137	-	100.0%	8 985	8 985
<b>Payment for financial assets</b>	<b>110</b>	<b>66</b>	<b>-</b>	<b>176</b>	<b>176</b>	<b>-</b>	<b>100.0%</b>	<b>288</b>	<b>288</b>
<b>Total</b>	<b>316 436</b>	<b>-</b>	<b>-</b>	<b>316 436</b>	<b>310 800</b>	<b>5 636</b>	<b>98.2%</b>	<b>318 820</b>	<b>317 050</b>

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2024**

<b>Programme 1: ADMINISTRATION</b>									
	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual Expenditure
Sub-programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Office of the Minister	7 605	( 23)	-	7 582	7 526	56	99.3%	7 040	7 036
2. Management Services	22 502	129	203	22 834	22 530	304	98.7%	22 768	22 763
3. Financial Management	27 527	( 106)	-	27 421	27 284	137	99.5%	31 180	31 177
<b>Total for sub-programmes</b>	<b>57 634</b>	<b>-</b>	<b>203</b>	<b>57 837</b>	<b>57 340</b>	<b>497</b>	<b>99.1%</b>	<b>60 988</b>	<b>60 976</b>

	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final Budget	Final Budget	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>53 774</b>	<b>( 527)</b>	<b>145</b>	<b>53 392</b>	<b>52 895</b>	<b>497</b>	<b>99.1%</b>	<b>50 500</b>	<b>50 488</b>
Compensation of employees	38 693	-	-	38 693	38 338	355	99.1%	38 503	38 501
Goods and services	15 081	( 527)	145	14 699	14 557	142	99.0%	11 997	11 987
<b>Transfers and subsidies</b>	<b>1 766</b>	<b>308</b>	<b>58</b>	<b>2 132</b>	<b>2 132</b>	<b>-</b>	<b>100%</b>	<b>1 215</b>	<b>1 215</b>
Departmental agencies and accounts	8	-	-	8	8	-	100%	8	8
Households	1 758	308	58	2 124	2 124	-	100%	1 207	1 207
<b>Payments for capital assets</b>	<b>1 984</b>	<b>153</b>	<b>-</b>	<b>2 137</b>	<b>2 137</b>	<b>-</b>	<b>100%</b>	<b>8 985</b>	<b>8 985</b>
Machinery and equipment	1 984	153	-	2 137	2 137	-	100%	8 985	8 985
Payment for financial assets	110	66	-	176	176	-	100%	288	288
<b>Total</b>	<b>57 634</b>	<b>-</b>	<b>203</b>	<b>57 837</b>	<b>57 340</b>	<b>497</b>	<b>99.1%</b>	<b>60 988</b>	<b>60 976</b>

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2024**

<b>Programme 2: SUSTAINABLE RESOURCE MANAGEMENT</b>									
	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
Sub-programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Support	6 609	74	-	6 683	6 610	73	98.9%	7 273	7 268
2. Fiscal Policy	41 163	3	-	41 166	40 932	234	99.4%	43 194	43 111
3. Budget Management	18 488	10	-	18 498	18 402	96	99.5%	19 142	19 134
4. Public Finance	59 999	( 87)	( 145)	59 767	57 069	2 698	95.5%	58 384	57 918
<b>Total for sub-programmes</b>	<b>126 259</b>	<b>-</b>	<b>( 145)</b>	<b>126 114</b>	<b>123 013</b>	<b>3 101</b>	<b>97.5%</b>	<b>127 993</b>	<b>127 431</b>

	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>93 388</b>	<b>-</b>	<b>( 145)</b>	<b>93 243</b>	<b>90 142</b>	<b>3 101</b>	<b>96.7%</b>	<b>91 285</b>	<b>90 723</b>
Compensation of employees	78 037	( 1)	-	78 036	77 540	496	99.4%	77 703	77 512
Goods and services	15 351	1	( 145)	15 207	12 602	2 605	82.9%	13 582	13 211
<b>Transfers and subsidies</b>	<b>32 871</b>	<b>-</b>	<b>-</b>	<b>32 871</b>	<b>32 871</b>	<b>-</b>	<b>100.0%</b>	<b>36 708</b>	<b>36 708</b>
Provinces and municipalities	11 377	-	-	11 377	11 377	-	100.0%	10 780	10 780
Departmental agencies and accounts	21 178	-	-	21 178	21 178	-	100.0%	25 076	25 076
Households	316	-	-	316	316	-	100.0%	852	852
<b>Total</b>	<b>126 259</b>	<b>-</b>	<b>( 145)</b>	<b>126 114</b>	<b>123 013</b>	<b>3 101</b>	<b>97.5%</b>	<b>127 993</b>	<b>127 431</b>

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2024**

<b>Programme 3: ASSET MANAGEMENT</b>									
	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
Sub-programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Support	5 269	299	-	5 568	5 369	199	96.4%	4 584	4 580
2. Supply Chain Management	37 596	(268)	29	37 357	36 945	412	98.9%	41 207	40 171
3. Supporting and Interlinked Financial Systems	38 038	(31)	-	38 007	37 272	735	98.1%	32 812	32 810
<b>Total for sub-programmes</b>	<b>80 903</b>	<b>-</b>	<b>29</b>	<b>80 932</b>	<b>79 586</b>	<b>1 346</b>	<b>98.3%</b>	<b>78 603</b>	<b>77 561</b>

	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>79 560</b>	<b>(14)</b>	<b>-</b>	<b>79 546</b>	<b>78 201</b>	<b>1 345</b>	<b>98.3%</b>	<b>77 033</b>	<b>75 991</b>
Compensation of employees	44 888	(14)	-	44 874	44 543	331	99.3%	45 312	45 309
Goods and services	34 672	-	-	34 672	33 658	1 014	97.1%	31 721	30 682
<b>Transfers and subsidies</b>	<b>1 343</b>	<b>14</b>	<b>29</b>	<b>1 386</b>	<b>1 385</b>	<b>1</b>	<b>99.9%</b>	<b>1 570</b>	<b>1 570</b>
Provinces and municipalities	550	-	-	550	550	-	100.0%	500	500
Households	793	14	29	836	835	1	99.9%	1 070	1 070
<b>Total</b>	<b>80 903</b>	<b>-</b>	<b>29</b>	<b>80 932</b>	<b>79 586</b>	<b>1 346</b>	<b>98.3%</b>	<b>78 603</b>	<b>77 561</b>

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**APPROPRIATION STATEMENT  
for the year ended 31 March 2024**

<b>Programme 4: FINANCIAL GOVERNANCE</b>									
	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
Sub-programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Programme Support	7 913	10	-	7 923	7 843	80	99.0%	8 603	8 507
2. Accounting Services	25 822	( 17)	( 87)	25 718	25 440	278	98.9%	21 151	21 107
3. Corporate Governance	17 905	7	-	17 912	17 578	334	98.1%	21 482	21 468
<b>Total for sub-programmes</b>	<b>51 640</b>	<b>-</b>	<b>( 87)</b>	<b>51 553</b>	<b>50 861</b>	<b>692</b>	<b>98.7%</b>	<b>51 236</b>	<b>51 082</b>

	2023/24							2022/23	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final budget	Final Budget	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>	<b>44 017</b>	<b>-</b>	<b>-</b>	<b>44 017</b>	<b>43 325</b>	<b>692</b>	<b>98.4%</b>	<b>42 246</b>	<b>42 092</b>
Compensation of employees	38 926	-	-	38 926	38 668	258	99.3%	37 685	37 643
Goods and services	5 091	-	-	5 091	4 657	434	91.5%	4 561	4 449
<b>Transfers and subsidies</b>	<b>7 623</b>	<b>-</b>	<b>(87)</b>	<b>7 536</b>	<b>7 536</b>	<b>-</b>	<b>100.0%</b>	<b>8 990</b>	<b>8 990</b>
Provinces and municipalities	6 500	-	-	6 500	6 500	-	100.0%	8 218	8 218
Households	1 123	-	(87)	1 036	1 036	-	100.0%	772	772
<b>Total</b>	<b>51 640</b>	<b>-</b>	<b>(87)</b>	<b>51 553</b>	<b>50 861</b>	<b>692</b>	<b>98.7%</b>	<b>51 236</b>	<b>51 082</b>

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**NOTES TO THE APPROPRIATION STATEMENTS  
for the year ended 31 March 2024**

**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, and Annexure 1A - C of the Annual Financial Statements.

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

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

**3. Detail on payments for financial assets**

Detail of these transactions 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**

Programme	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Budget %
1. Administration	57 837	57 340	497	0.9%
2. Sustainable Resource Management	126 114	123 013	3 101	2.5%
3. Asset Management	80 932	79 586	1 346	1.7%
4. Financial Governance	51 553	50 861	692	1.3%
<b>Total</b>	<b>316 436</b>	<b>310 800</b>	<b>5 636</b>	<b>1.8%</b>

The material underspending (above 2%) in Programme 2 – Sustainable Resource Management, is mainly on goods and services due to:

- The non-execution of the planned technical expenditure review on HIV/AIDS as the information was difficult to source.
- Delays in the economic analysis of the potential imposition of taxes/charges under the proposed new legislation scheme for casinos due to slow responses to request for information.
- Delay in the establishment of a panel of experts' database to provide technical evaluation of project funding proposals, in order to build a credible pipeline due to insufficient bids per sector received. The tender process followed was cancelled due to non-compliance.

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**NOTES TO THE APPROPRIATION STATEMENTS  
for the year ended 31 March 2024**

**4.2 Per economic classification**

Economic classification	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Budget %
<b>Current expenditure</b>				
Compensation of employees	200 529	199 089	1 440	0.7%
Goods and services	69 669	65 474	4 195	6.0%
<b>Transfers and subsidies</b>				
Provinces and municipalities	18 427	18 427	-	0.0%
Departmental agencies and accounts	21 186	21 186	-	0.0%
Households	4 312	4 311	1	0.0%
<b>Payments for capital assets</b>				
Machinery and equipment	2 137	2 137	-	0.0%
<b>Payments for financial assets</b>	176	176	-	0.0%
<b>Total</b>	<b>316 436</b>	<b>310 800</b>	<b>5 636</b>	<b>1.8%</b>

The material underspending (above 2%) on goods and services are mainly due to:

- Late receipt of inter-departmental claims related to computer services and legal fees.
- Delays in the economic analysis of the potential imposition of taxes/charges under the proposed new legislation scheme for casinos due to slow responses to request for information.
- Delay in the establishment of a panel of experts' database to provide technical evaluation of project funding proposals, in order to build a credible pipeline due to insufficient bids per sector received.

**WESTERN CAPE PROVINCE  
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**STATEMENT OF FINANCIAL PERFORMANCE  
for the year ended 31 March 2024**

	<i>Note</i>	<b>2023/24</b> <b>R'000</b>	<b>2022/23</b> <b>R'000</b>
<b>REVENUE</b>			
Annual appropriation	1	316 436	318 820
Departmental revenue	2	17 773	3 450
<b>TOTAL REVENUE</b>		<b>334 209</b>	<b>322 270</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>		<b>264 563</b>	<b>259 294</b>
Compensation of employees	3	199 089	198 965
Goods and services	4	65 474	60 329
<b>Transfers and subsidies</b>		<b>43 924</b>	<b>48 483</b>
Transfers and subsidies	6	43 924	48 483
<b>Expenditure for capital assets</b>		<b>2 137</b>	<b>8 985</b>
Tangible assets	7	2 137	8 985
<b>Payments for financial assets</b>	5	<b>176</b>	<b>288</b>
<b>TOTAL EXPENDITURE</b>		<b>310 800</b>	<b>317 050</b>
<b>SURPLUS FOR THE YEAR</b>		<b>23 409</b>	<b>5 220</b>
<b>Reconciliation of Net Surplus for the year</b>			
Voted funds		5 636	1 770
Annual appropriation		5 636	1 770
Departmental revenue	12	17 773	3 450
<b>SURPLUS FOR THE YEAR</b>		<b>23 409</b>	<b>5 220</b>

**WESTERN CAPE PROVINCE  
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**STATEMENT OF FINANCIAL POSITION  
for the year ended 31 March 2024**

	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
<b>ASSETS</b>			
<b>Current Assets</b>		<b>25 237</b>	<b>27 113</b>
Cash and cash equivalents	8	24 421	26 479
Receivables	10	816	634
<b>Non-current assets</b>		<b>58</b>	<b>44</b>
Receivables	10	58	44
<b>TOTAL ASSETS</b>		<b>25 295</b>	<b>27 157</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>25 202</b>	<b>26 950</b>
Voted funds to be surrendered to the Revenue Fund	11	5 636	1 770
Departmental revenue to be surrendered to the Revenue Fund	12	63	69
Payables	13	19 503	25 111
<b>TOTAL LIABILITIES</b>		<b>25 202</b>	<b>26 950</b>
<b>NET ASSETS</b>		<b>93</b>	<b>207</b>
<b>Represented by:</b>			
Recoverable revenue		93	207
<b>TOTAL</b>		<b>93</b>	<b>207</b>

**WESTERN CAPE PROVINCE  
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**STATEMENT OF CHANGES IN NET ASSETS  
for the year ended 31 March 2024**

	<i>Note</i>	<b>2023/24</b> <b>R'000</b>	<b>2022/23</b> <b>R'000</b>
<b>Recoverable revenue</b>			
Opening balance		207	157
Transfers:		(114)	50
Irrecoverable amounts written off	5.2	(45)	(7)
Debts recovered (included in departmental revenue)		(553)	(1 369)
Debts raised		484	1 426
Closing balance		93	207
<b>TOTAL</b>		<b>93</b>	<b>207</b>

**WESTERN CAPE PROVINCE  
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**CASH FLOW STATEMENT  
for the year ended 31 March 2024**

	<i>Note</i>	<b>2023/24</b>	<b>2022/23</b>
		<b>R'000</b>	<b>R'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		334 210	322 191
Annual appropriation funds received	1.1	316 436	318 820
Departmental revenue received	2	17 751	3 367
Interest received	2.2	23	4
Net (increase)/decrease in net working capital		(5 790)	18 010
Surrendered to Revenue Fund		(19 633)	(21 434)
Current payments		(264 563)	(259 294)
Payments for financial assets		(176)	(288)
Transfers and subsidies paid		(43 924)	(48 483)
<b>Net cash flow available from operating activities</b>	<b>14</b>	<b>124</b>	<b>10 702</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	7	(2 137)	(8 985)
Proceeds from sale of capital assets	2.3	83	159
(Increase)/decrease in non-current receivables	10	(14)	14
<b>Net cash flow available from investing activities</b>		<b>(2 068)</b>	<b>(8 812)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		(114)	50
<b>Net cash flows from financing activities</b>		<b>(114)</b>	<b>50</b>
Net increase/(decrease) in cash and cash equivalents		(2 058)	1 940
Cash and cash equivalents at beginning of period		26 479	24 539
<b>Cash and cash equivalents at end of period</b>	<b>15</b>	<b>24 421</b>	<b>26 479</b>

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**ACCOUNTING POLICIES  
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**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 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.

**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.

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**7. Revenue**

**7.1 Appropriated funds**

Appropriated funds comprise 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.

Appropriated funds are measured at the amounts receivable.

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.

Departmental revenue is measured at the cash amount received.

In-kind donations received are recorded in the notes to the financial statements on the date of receipt and are measured at fair value.

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

**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-offs 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.

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**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.

Donations made in kind are recorded in the notes to the financial statements on the date of transfer and are measured at cost or fair value.

**8.3 Accruals and payables not recognised**

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

**8.4 Leases**

**8.4.1 Operating leases**

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

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

**8.4.2 Finance leases**

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

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

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

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

**9. Cash and cash equivalents**

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

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

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

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**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.

Prepayments and advances are recognised in the Statement of Financial Performance if the amount paid is material and budgeted for, as an expense in the year in which the actual prepayment or advance was made.

**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.

**12. Financial assets**

**12.1 Financial assets (not covered elsewhere)**

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

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

**13. Payables**

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

**14. Capital Assets**

**14.1 Immovable capital assets**

Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

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

Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.

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**14.2 Movable capital assets**

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

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

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

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

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

**14.3 Intangible capital assets**

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

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

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

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

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

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

**15. Provisions and Contingents**

**15.1 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.

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**15.2 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.

**15.3 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.

**15.4 Capital commitments**

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

**16. Unauthorised expenditure**

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

Unauthorised expenditure is recognised in the statement of changes in net assets 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 recorded in the notes to the financial statements comprise of

- unauthorised expenditure that was under assessment in the previous financial year;
- unauthorised expenditure relating to previous financial year and identified in the current year; and
- Unauthorised incurred in the current year.

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**17. Fruitless and wasteful expenditure**

Fruitless and wasteful expenditure receivables are recognised in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when and at amounts confirmed, and comprises of:

- fruitless and wasteful expenditure that was under assessment in the previous financial year;
- fruitless and wasteful expenditure relating to previous financial year and identified in the current year; and
- fruitless and wasteful expenditure incurred in the current year.

**18. Irregular expenditure**

Losses emanating from irregular expenditure are recognised as a receivable in the statement of financial position when recoverable. The receivable is measured at the amount that is expected to be recovered and is de-recognised when settled or subsequently written-off as irrecoverable.

Irregular expenditure is recorded in the notes to the financial statements when and at amounts confirmed and comprises of:

- irregular expenditure that was under assessment in the previous financial year;
- irregular expenditure relating to previous financial year and identified in the current year; and
- irregular expenditure incurred in the current year.

**19. Changes in accounting policies, estimates and errors**

Changes in accounting policies are applied in accordance with MCS requirements.

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.

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**20. 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.

**21. 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.

**22. Related party transactions**

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

The full compensation of key management personnel is recorded in the notes to the financial statements.

**23. Employee benefits**

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

Accruals and payables not recognised for employee benefits are measured at cost or fair value at the reporting date.

The provision for employee benefits is measured as the best estimate of the funds required to settle the present obligation at the reporting date.

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**1. Annual Appropriation**

**1.1 Annual Appropriation**

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for Provincial Departments:

Programme	2023/24			2022/23		
	Final Budget	Actual Funds Received	Funds not requested/ not received	Final Budget	Appropriation received	Funds not requested/ not received
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	57 837	57 837	-	60 988	60 988	-
Sustainable Resource Management	126 114	126 114	-	127 993	127 993	-
Asset Management	80 932	80 932	-	78 603	78 603	-
Financial Governance	51 553	51 553	-	51 236	51 236	-
<b>Total</b>	<b>316 436</b>	<b>316 436</b>	<b>-</b>	<b>318 820</b>	<b>318 820</b>	<b>-</b>

	Note	2023/24 R'000	2022/23 R'000
<b>2. Departmental revenue</b>			
Sales of goods and services other than capital assets	2.1	43	40
Interest, dividends and rent on land	2.2	23	4
Sales of capital assets	2.3	83	159
Transactions in financial assets and liabilities	2.4	17 708	3 327
<b>Total revenue collected</b>		<b>17 857</b>	<b>3 530</b>
Less: Own revenue included in appropriation	12	(84)	(80)
<b>Total</b>		<b>17 773</b>	<b>3 450</b>
<b>2.1 Sales of goods and services other than capital assets</b>			
Sales of goods and services produced by the department		40	33
Other sales		40	33
Sales of scrap, waste and other used current goods		3	7
<b>Total</b>	<b>2</b>	<b>43</b>	<b>40</b>

**Other sales** include commission on insurance and garnishee orders as well as sale of minor assets.

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	<i>Note</i>	<b>2023/24</b> R'000	<b>2022/23</b> R'000
<b>2.2 Interest, dividends and rent on land</b>			
Interest		23	4
<b>Total</b>	<b>2</b>	<b>23</b>	<b>4</b>

The increase in **Interest** is mainly as a result of an increase in bursary debts which are being recovered from officials and ex-officials.

**2.3 Sales of capital assets**

<b>Tangible capital assets</b>		<b>83</b>	<b>158</b>
Machinery and equipment		83	158
<b>Intangible capital assets</b>		<b>-</b>	<b>1</b>
Software		-	1
<b>Total</b>	<b>2</b>	<b>83</b>	<b>159</b>

The decrease in the **Sale of capital assets** is mainly as a result of a policy amendment. Computer equipment is now replaced every five (5) years instead of every three (3) years and therefore fewer obsolete IT equipment was sold to staff.

**2.4 Transactions in financial assets and liabilities**

Other receipts including Recoverable Revenue		17 708	3 327
<b>Total</b>	<b>2</b>	<b>17 708</b>	<b>3 327</b>

**Other receipts** includes the Western Cape Gambling and Racing Board's surplus funds of R13 803 428 and unspent transfers amounting to R3 183 532 received from municipalities.

**2.5 Gifts, donations and sponsorships received in-kind (not included in the main note or sub note)**

Sponsorships	Annexure 1D	25	-
<b>Total gifts, donations and sponsorships received in kind</b>		<b>25</b>	<b>-</b>

Five (5) officials were invited and attended the Institute for Local Government Management (ILGM) convention held from 17 – 20 October 2023 in Franschhoek, free of charge.

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**2.6 Cash received not recognised (not included in the main note)**

Name of entity	2023/24		Balance
	Amount received	Amount paid to the revenue fund	
	R'000	R'000	
Western Cape gambling and Racing Board	1 430 686	1 411 215	19 471
<b>Total</b>	<b>1 430 686</b>	<b>1 411 215</b>	<b>19 471</b>

Name of entity	2022/23		Balance
	Amount received	Amount paid to the revenue fund	
	R'000	R'000	
Western Cape gambling and Racing Board	1 030 395	1 005 380	25 015
<b>Total</b>	<b>1 030 395</b>	<b>1 005 380</b>	<b>25 015</b>

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

**3. Compensation of employees**

**3.1 Analysis of balance**

	<i>Note</i>	2023/24	2022/23
		R'000	R'000
Basic salary		144 187	140 226
Performance award		-	5
Service based		76	233
Compensative/circumstantial		1 877	1 464
Other non-pensionable allowances		27 303	31 885
<b>Total</b>		<b>173 443</b>	<b>173 813</b>

**3.2 Social contributions**

**Employer contributions**

Pension	17 583	17 247
Medical	8 029	7 871
Bargaining council	34	34
<b>Total</b>	<b>25 646</b>	<b>25 152</b>
<b>Total compensation of employees</b>	<b>199 089</b>	<b>198 965</b>
Average number of employees	261	268

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**4. Goods and services**

	<i>Note</i>	<b>2023/24</b>	<b>2022/23</b>
		<b>R'000</b>	<b>R'000</b>
Administrative fees		42	1
Advertising		784	984
Minor assets	4.1	1 821	792
Bursaries (employees)		515	492
Catering		275	340
Communication		563	576
Computer services	4.2	11 359	9 878
Consultants: Business and advisory services		27 638	27 133
Legal services		1 815	2 109
Contractors		218	23
Agency and support / outsourced services		3 817	3 331
Audit cost - external	4.3	6 868	5 766
Fleet services		474	654
Consumables	4.4	1 110	707
Operating leases		1 929	1 943
Property payments	4.5	485	500
Travel and subsistence	4.6	2 372	1 760
Venues and facilities		603	661
Training and development		1 760	1 154
Other operating expenditure	4.7	1 026	1 525
<b>Total</b>		<b>65 474</b>	<b>60 329</b>

Additional information on **Consultants: Business and advisory services** can be found in Part D – Human Resource Management of the Annual Report.

The increase in **Training and development** is mainly due to more staff attending training and development opportunities.

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	<i>Note</i>	<b>2023/24</b> R'000	<b>2022/23</b> R'000
<b>4.1 Minor assets</b>			
<b>Tangible capital assets</b>		<b>1 821</b>	<b>792</b>
Machinery and equipment		1 821	792
<b>Total</b>	<b>4</b>	<b>1 821</b>	<b>792</b>

The increase in **Minor assets** is mainly as a result of the purchase of new office furniture due to the modernisation of office accommodation.

**4.2 Computer services**

SITA computer services		777	755
External computer service providers		10 582	9 123
<b>Total</b>	<b>4</b>	<b>11 359</b>	<b>9 878</b>

During the 2023/24 financial year the Department has been exploring innovative ways to modernize legacy systems, leveraging data to enhance the operational efficiency of the Western Cape Departments. The primary factors contributing to an increase in the 2023/24 financial year expenditure compared to 2022/23 financial year for **Computer Services** are as follows:

**PT Data Warehouse:**

Planning and development of modern repository to consolidate data from legacy systems and various other sources, supporting a data-driven approach. The Department has plans to migrate Financial Systems data into a cloud environment, further enhancing data management capabilities.

**ITSM Remedy:**

This is a ticketing system for the financial systems. By implementing ITSM Remedy, the Department has capitalized on a robust knowledge management system, ensuring consistent and efficient system support of the legacy systems.

**Power BI Pro Licenses:**

The Department procured fourteen (14) Power BI Pro Licenses. These licenses enable PT officials to analyse data and visualize it for decision-making purposes, with the ultimate goal of empowering departments to achieve self-sufficiency in reporting.

**4.3 Audit cost-external**

Regularity audits		6 194	5 320
Computer audits		674	446
<b>Total</b>	<b>4</b>	<b>6 868</b>	<b>5 766</b>

The increase in **Audit cost- external** is mainly as a result of the amendment to the scope of the Information Technology System Audit to include the Electronic Procurement System.

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	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
<b>4.4 Consumables</b>			
Consumable supplies		716	396
Uniform and clothing		2	15
Household supplies		63	79
Building material and supplies		14	9
Communication accessories		-	157
IT consumables		260	128
Other consumables		377	8
Stationery, printing and office supplies		394	311
<b>Total</b>	<b>4</b>	<b>1 110</b>	<b>707</b>

The increase in **IT consumables** is mainly as a result of the purchase of two hundred and thirty-six (236) combination locks for docking stations.

**Other consumables** consist mainly of laptop bags.

<b>4.5 Property payments</b>			
Municipal services		315	148
Property maintenance and repairs		15	-
Other		155	352
<b>Total</b>	<b>4</b>	<b>485</b>	<b>500</b>

**Other** refers to cleaning services, safeguarding and security services at the Procurement Client Centre.

<b>4.6 Travel and subsistence</b>			
Local		1 734	1 590
Foreign		638	170
<b>Total</b>	<b>4</b>	<b>2 372</b>	<b>1 760</b>

The increase in **Travel and subsistence– foreign** relates to officials attending international training and development opportunities.

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	<i>Note</i>	<b>2023/24</b>	<b>2022/23</b>
		<b>R'000</b>	<b>R'000</b>
<b>4.7 Other operating expenditure</b>			
Professional bodies, membership and subscription fees		93	74
Resettlement costs		55	113
Other		878	1 338
<b>Total</b>	<b>4</b>	<b>1 026</b>	<b>1 525</b>

The decrease in **Other operating expenditure** is mainly due to a decrease in printing and publication services.

**5. Payments for financial assets**

Material losses through criminal conduct		104	27
Theft	5.3	104	27
Other material losses written off	5.1	27	254
Debts written off	5.2	45	7
<b>Total</b>		<b>176</b>	<b>288</b>

**5.1 Other material losses written off**

**Nature of losses**

Loss of assets		-	231
GMT vehicle damages		14	-
Damaged laptop screen		3	3
Missing laptop		-	20
Missing hard drive		1	-
Missing docking station		3	-
Fruitless and wasteful expenditure: Non-attendance of training		6	-
<b>Total</b>	<b>5</b>	<b>27</b>	<b>254</b>

The decrease in **Other material losses written off** is mainly due to no writing off of loss of assets.

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	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
<b>5.2 Debts written off</b>			
<b>Nature of debts written off</b>			
Recoverable revenue written off			
- Bad debts written off		45	-
<b>Total</b>		<b>45</b>	<b>-</b>
Other debt written off			
- Fruitless and wasteful: Non-attendance of training		-	7
<b>Total</b>		<b>-</b>	<b>7</b>
<b>Total debt written off</b>	<b>5</b>	<b>45</b>	<b>7</b>

**Debts written off** consist mainly of bursary debts and the use of GMT vehicle debt.

<b>5.3 Details of theft</b>			
<b>Nature of theft</b>			
Theft of laptop		104	27
<b>Total</b>	<b>5</b>	<b>104</b>	<b>27</b>

Four (4) laptops were stolen.

<b>6. Transfer and Subsidies</b>			
Provinces and municipalities	26	18 427	19 498
Departmental agencies and accounts	<i>Annexure 1B</i>	21 186	25 084
Households	<i>Annexure 1C</i>	4 311	3 901
<b>Total</b>		<b>43 924</b>	<b>48 483</b>

<b>7. Expenditure for Capital Assets</b>			
<b>Tangible capital assets</b>			
Machinery and equipment		2 137	8 985
<b>Total</b>		<b>2 137</b>	<b>8 985</b>

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**7.1 Analysis of funds utilised to acquire capital assets – Current year**

Name of entity	2023/24		Total R'000
	Voted funds R'000	Aid assistance R'000	
<b>Tangible capital assets</b>	<b>2 137</b>	-	<b>2 137</b>
Machinery and equipment	2 137	-	2 137
<b>Total</b>	<b>2 137</b>	<b>-</b>	<b>2 137</b>

**7.2 Analysis of funds utilised to acquire capital assets – Prior year**

Name of entity	2022/23		Total R'000
	Voted funds R'000	Aid assistance R'000	
<b>Tangible capital assets</b>	<b>8 985</b>	-	<b>8 985</b>
Machinery and equipment	8 985	-	8 985
<b>Total</b>	<b>8 985</b>	<b>-</b>	<b>8 985</b>

	<i>Note</i>	2023/24 R'000	2022/23 R'000
<b>7.3 Finance lease expenditure included in Expenditure for capital assets</b>			
<b>Tangible capital assets</b>			
Machinery and equipment		1 615	1 728
<b>Total</b>		<b>1 615</b>	<b>1 728</b>

**8. Cash and Cash Equivalents**

Consolidated Paymaster General Account	24 413	26 471
Cash on hand	8	8
<b>Total</b>	<b>24 421</b>	<b>26 479</b>

Included in the R24 413 000 in the current financial year is an amount of R19 471 000 received from the WCGRB that must still be paid over to the PRF.

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**9. Prepayments and Advances**

**9.1 Prepayments (Expensed)**

	2023/24				
	Amount as at 1 April 2023	Less: Received in the current year	Less: Other	Add: Current Year prepayments	Amount as at 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Goods and services	-	-	-	1 096	1 096
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 096</b>	<b>1 096</b>

Included in **Prepayments** is the payment of the April 2024 rent for accommodation and payment for the Smart Procurement Conference to be held in June 2024, to be attended by delegates from provincial departments, municipalities and municipal entities.

	2022/23				
	Amount as at 1 April 2022	Less: Received in the current year	Add/Less: Other	Add: Current Year prepayments	Amount as at 31 March 2023
	R'000	R'000	R'000	R'000	R'000
Goods and services	122	-	(122)	-	-
<b>Total</b>	<b>122</b>	<b>-</b>	<b>(122)</b>	<b>-</b>	<b>-</b>

**10. Receivables**

	<i>Note</i>	2023/24			2022/23		
		Current	Non- current	Total	Current	Non- current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	10.1	6	-	6	5	-	5
Recoverable expenditure	10.2	727	-	727	422	-	422
Staff debt	10.3	30	13	43	16	-	16
Other receivables	10.4	53	45	98	191	44	235
<b>Total</b>		<b>816</b>	<b>58</b>	<b>874</b>	<b>634</b>	<b>44</b>	<b>678</b>

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	<i>Note</i>	<b>2023/24 R'000</b>	<b>2022/23 R'000</b>
<b>10.1 Claims recoverable</b>			
National departments		6	-
Provincial departments		-	5
<b>Total</b>	<b>10</b>	<b>6</b>	<b>5</b>
<b>10.2 Recoverable expenditure</b>			
Receivables from Nedbank		724	419
Salary: Medical aid		3	3
<b>Total</b>	<b>10</b>	<b>727</b>	<b>422</b>
<p>The amount of R724 000 refers to expenditure paid by the Provincial Treasury related to bursary holders funded by PGWC School Essay Competition Charitable Trust. The Trust will refund the department for the expenditure as soon as the Master (Department of Justice) issue the nominated trustees with letters of authority to administer the trust. The amount of R724 000 represents two (2) cumulative years expenditure.</p>			
<b>10.3 Staff debt</b>			
Salary related debt		5	16
Bursary debts		38	-
<b>Total</b>	<b>10</b>	<b>43</b>	<b>16</b>
<b>10.4 Other receivables</b>			
Ex-employees: Salary related debts		84	155
Bursary debts		14	52
Misuse of GG-vehicle		-	28
<b>Total</b>	<b>10</b>	<b>98</b>	<b>235</b>
<p>The decrease in <b>Other receivables</b> is due to bad debts written off.</p>			
<b>11. Voted funds to be surrendered to the Revenue Fund</b>			
Opening balance		1 770	17 604
Transferred from statement of financial performance		5 636	1 770
Paid during the year		(1 770)	(17 604)
<b>Closing balance</b>		<b>5 636</b>	<b>1 770</b>

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	<i>Note</i>	<b>2023/24</b>	<b>2022/23</b>
		<b>R'000</b>	<b>R'000</b>
<b>12. Departmental revenue to be surrendered to the Revenue Fund</b>			
Opening balance		69	369
Transferred from statement of financial performance		17 773	3 450
Own revenue included in appropriation		84	80
Paid during the year		(17 863)	(3 830)
<b>Closing balance</b>		<b>63</b>	<b>69</b>
<b>13. Payables – current</b>			
Amounts owing to other entities			
Advances received	13.1	-	36
Other payables	13.2	19 503	25 075
<b>Total</b>		<b>19 503</b>	<b>25 111</b>
<p><b>Other payables</b> includes taxes collected by the WCGRB paid into Provincial Treasury's bank account, and must still be paid over to the PRF.</p>			
<b>13.1 Advances received</b>			
Other institutions		-	36
<b>Total</b>	<b>13</b>	<b>-</b>	<b>36</b>
<p>The amount of R36 000 was paid out to Nedbank bursars in the 2023/24 financial year.</p>			
<b>13.2 Other payables</b>			
<b>Description</b>			
Money received from Western Cape Gambling and Racing Board		19 471	25 015
Salary: Income tax		29	4
Pension fund		3	-
Salary: GEHS Refund control account		-	56
<b>Total</b>	<b>13</b>	<b>19 503</b>	<b>25 075</b>

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	<i>Note</i>	<b>2023/24</b>	<b>2022/23</b>
		<b>R'000</b>	<b>R'000</b>
<b>14. Net cash flow available from operating activities</b>			
Net surplus as per Statement of Financial Performance		23 409	5 220
Add back non-cash/cash movements not deemed operating activities		(23 285)	5 482
(Increase)/decrease receivables		(182)	295
Increase/(decrease) in payables - current		(5 608)	17 715
Proceeds from sale of capital assets		(83)	(159)
Expenditure on capital assets		2 137	8 985
Surrenders to Revenue Fund		(19 633)	(21 434)
Own revenue included in appropriation		84	80
<b>Net cash flow generated by operating activities</b>		<b>124</b>	<b>10 702</b>
<b>15. Reconciliation of cash and cash equivalents for cash flow purposes</b>			
Consolidated Paymaster General account		24 413	26 471
Cash on hand		8	8
<b>Total</b>		<b>24 421</b>	<b>26 479</b>
<b>16. Contingent liabilities and contingent assets</b>			
<b>16.1 Contingent liabilities</b>			
<b>Liable to</b>			
Intergovernmental payables	<i>Annex 3</i>	80	-
<b>Total</b>		<b>80</b>	<b>-</b>

The Department was informed in February 2024 of debt owed to the Department of Justice and Institutional Development between the period 2017 – 2021. The matter is being investigated and copies of claims are awaited.

The Department is involved in ongoing litigation instituted by Sunwest International (PTY) Ltd, also known as Grand West Casino and Entertainment world and Worcester Casino (Pty) Ltd. They are claiming the total amount of R46 335 448 collected by the WCGRB in respect of free play credits (Customer loyalty points) should not be included as part of the drop (Gambling taxable income) to be refunded or to reduce future gambling taxes. However, the contingent liability should not be disclosed in the financial statements of the Department as there are no past events enacted/committed by Provincial Treasury as it is independent from the Provincial Revenue Fund and the WCGRB.

**16.2 Contingent assets**

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.

There is one (1) PILIR case under investigation not finalised as at 31 March 2024.

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**17. Accruals and payables not recognised**

**17.1 Accruals**

Listed by economic classification	Note	2023/24			2022/23
		30 Days	30+ Days	Total	Total
		R'000	R'000	R'000	R'000
Goods and services		267	3	270	1 400
<b>Total</b>		<b>267</b>	<b>3</b>	<b>270</b>	<b>1 400</b>

Listed by programme level	Note	2023/24	2022/23
		R'000	R'000
Administration		148	858
Sustainable Resource Management		86	201
Asset Management		29	322
Financial Governance		7	19
<b>Total</b>		<b>270</b>	<b>1 400</b>

**17.2 Payables not recognised**

Listed by economic classification	Note	2023/24			2022/23
		30 Days	30+ Days	Total	Total
		R'000	R'000	R'000	R'000
Goods and services		117	22	139	1 880
Capital assets		33	-	33	-
<b>Total</b>		<b>150</b>	<b>22</b>	<b>172</b>	<b>1 880</b>

Listed by programme level	Note	2023/24	2022/23
		R'000	R'000
Administration		135	470
Sustainable Resource Management		15	146
Asset Management		-	1 217
Financial Governance		22	47
<b>Total</b>		<b>172</b>	<b>1 880</b>

***Included in the above totals are the following:***

Confirmed balances with other departments	Annex 3	14	1 852
<b>Total</b>		<b>14</b>	<b>1 852</b>

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	<i>Note</i>	<b>2023/24</b>	<b>2022/23</b>
		<b>R'000</b>	<b>R'000</b>
<b>18. Employee benefits</b>			
Leave entitlement		9 788	9 168
Service bonus		4 597	4 516
Capped leave		2 220	2 523
Other		1 147	2 050
<b>Total</b>		<b>17 752</b>	<b>18 257</b>

**Other** includes the long service awards, salary related accruals and the Minister's exit gratuity. At this stage the department is not able to reliably measure the long-term portion of the long service awards.

**19. Lease commitments**

**19.1 Operating lease**

	<b>2023/24</b>				
	<b>Specialised military equipment</b>	<b>Land</b>	<b>Buildings and other fixed structures</b>	<b>Machinery and equipment</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Not later than 1 year	-	-	703	841	1 544
Later than 1 year and not later than 5 years	-	-	-	1 194	1 194
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>703</b>	<b>2 035</b>	<b>2 738</b>

	<b>2022/23</b>				
	<b>Specialised military equipment</b>	<b>Land</b>	<b>Buildings and other fixed structures</b>	<b>Machinery and equipment</b>	<b>Total</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
Not later than 1 year	-	-	1 628	197	1 825
Later than 1 year and not later than 5 years	-	-	843	332	1 175
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>2 471</b>	<b>529</b>	<b>3 000</b>

The operating leases commitments relate to the rental of photocopy machines and office accommodation as well as one (1) leased vehicle.

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**19.2 Finance leases**

	2023/24				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	1 212	1 212
Later than 1 year and not later than 5 years	-	-	-	2 140	2 140
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 352</b>	<b>3 352</b>

	2022/23				
	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	1 668	1 668
Later than 1 year and not later than 5 years	-	-	-	3 948	3 948
<b>Total lease commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 616</b>	<b>5 616</b>

The "finance lease" commitments refers to vehicles leased from Government Motor Transport.

	<i>Note</i>	2023/24 R'000	2022/23 R'000
<b>20. Accrued departmental revenue</b>			
Transactions in financial assets and liabilities		10 852	14 036
<b>Total</b>		<b>10 852</b>	<b>14 036</b>
<b>20.1 Analysis of accrued departmental revenue</b>			
Opening balance		14 036	15 856
Less: amounts received		(14 036)	(304)
Add: amounts recorded		10 852	14 036
Other		-	(15 552)
<b>Closing balance</b>		<b>10 852</b>	<b>14 036</b>

The decrease in accrued departmental revenue from the 2022/23 financial year to the 2023/24 financial year is due to the surplus funds from the WCGRB paid over to Provincial Treasury in 2023/24.

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	<i>Note</i>	<b>2023/24</b>	<b>2022/23</b>
		<b>R'000</b>	<b>R'000</b>
<b>21. Unauthorised, Irregular and Fruitless and wasteful expenditure</b>			
Irregular expenditure –current year		14	61
<b>Total</b>		<b>14</b>	<b>61</b>

Information on any criminal or disciplinary steps taken as a result of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure is included in Part E – PFMA Compliance Report of the Annual Report.

**22. Related party transactions**

The Provincial Treasury occupies a building free of charge managed by the Department of Infrastructure.

Parking space is also provided for government officials at an approved fee that is not market related.

The Provincial Treasury received corporate services from the Corporate Services Centre of the Department of the Premier in the Western Cape Province with effect from 1 November 2010 in respect of the following service areas:

- Information and Communication Technology
- Organisation Development
- Provincial Training (transversal)
- Human Resource Management
- Enterprise Risk Management
- Internal Audit
- Provincial Forensic Services
- Legal Services
- Corporate Communication

The Western Cape Gambling and Racing Board is the collecting agent for taxes due to the Provincial Revenue Fund via the vote of this Department.

Provincial Treasury makes use of government motor vehicles managed by Government Motor Transport (GMT) based on tariffs approved by the Department of Provincial Treasury.

Provincial Treasury received Security Advisory Services and Security Operations from the Department of Community Safety in the Western Cape.

The Minister of Finance and Economic Opportunities was responsible for the following departments and entities as at 31 March 2024:

- Provincial Treasury
- Western Cape Gambling and Racing Board
- Department of Economic Development and Tourism which has the following three (3) entities under its control:
  1. Western Cape Tourism, Trade and Investment Promotion Agency (WESGRO)
  2. Saldanha Bay Industrial Development Zone Licencing Company (SBIDZ LiCo)
  3. Atlantis SEZ SOC Limited (ASEZCo)

Key management personnel as mentioned in Note 23 also forms part of related parties.

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**23. Key management personnel**

	<b>2023/24</b>	<b>2022/23</b>
	<b>R'000</b>	<b>R'000</b>
Political office bearer	2 159	2 040
Officials:		
Management	12 915	14 014
<b>Total</b>	<b>15 074</b>	<b>16 054</b>

Management includes all officials from level 14 above, as well as the CFO at level 13, who have significant influence over the finance and operational policy decisions of the Department.

**24. Movable Tangible Capital Assets**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024**

	Opening balance	Value adjustments	2023/24		Closing Balance
			Additions	Disposals	
			R'000	R'000	
<b>MACHINERY AND EQUIPMENT</b>	<b>21 291</b>	<b>-</b>	<b>536</b>	<b>4 301</b>	<b>17 526</b>
Computer equipment	16 160	-	492	3 886	12 766
Furniture and office equipment	2 743	-	44	392	2 395
Other machinery and equipment	2 388	-	-	23	2 365
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>21 291</b>	<b>-</b>	<b>536</b>	<b>4 301</b>	<b>17 526</b>

Major assets to the value R67 528.95 were procured by the Department of Infrastructure on behalf of the Department for the modernisation project and are not included in the **Additions**. The claim for the purchase of the assets was received and paid at the end of the 2023/24 financial year. The assets were only added to the asset register in April 2024.

**Movable Tangible Capital Assets under investigation**

	Note	Number	Value R'000
<b>Included in the above total of the movable tangible capital assets per the asset register that are under investigation:</b>			
Machinery and equipment		5	149
<b>Total</b>		<b>5</b>	<b>149</b>

The assets under investigation involve five (5) laptops that were stolen. One (1) case was finalised after obtaining a legal opinion. Regarding the other four (4) cases, it was recommended that the cases be referred to the Priority Crime Investigation Unit or the Independent Police Investigation Directorate to review the investigation done by SAPS Criminal Investigation.

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**24.1 MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023**

	2022/23				
	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>	19 229	-	7 287	5 225	21 291
Computer equipment	13 884	-	7 287	5 011	16 160
Furniture and office equipment	2 916	-	-	173	2 743
Other machinery and equipment	2 429	-	-	41	2 388
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>19 229</b>	<b>-</b>	<b>7 287</b>	<b>5 225</b>	<b>21 291</b>

**24.2 Minor Assets**

**MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024**

	2023/24					
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	6 354	-	6 354
Additions	-	-	-	260	-	260
Disposals	-	-	-	856	-	856
<b>Total Minor assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5 758</b>	<b>-</b>	<b>5 758</b>
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	-	-	3 173	-	3 173
<b>Total number of minor assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 173</b>	<b>-</b>	<b>3 173</b>

Minor assets to the value R1 781 278.91 were procured by the Department of Infrastructure on behalf of the Department for the modernisation project and are not included in the **Additions**. The claim for the purchase of the assets was received and paid at the end of the 2023/24 financial year. The assets were only added to the asset register in April 2024.

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**MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023**

	<b>Specialised military assets R'000</b>	<b>Intangible assets R'000</b>	<b>Heritage assets R'000</b>	<b>2022/23 Machinery and equipment R'000</b>	<b>Biological assets R'000</b>	<b>Total R'000</b>
Opening balance	-	5	-	5 967	-	5 972
Additions	-	-	-	791	-	791
Disposals	-	5	-	404	-	409
<b>Total Minor assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6 354</b>	<b>-</b>	<b>6 354</b>

	<b>Specialised military assets</b>	<b>Intangible assets</b>	<b>Heritage assets</b>	<b>Machinery and equipment</b>	<b>Biological assets</b>	<b>Total</b>
Number of minor assets at cost	-	-	-	3 698	-	3 698
<b>Total number of minor assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3 698</b>	<b>-</b>	<b>3 698</b>

**25.2 Movable capital assets written off**

**MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2024**

	<b>Specialised military assets R'000</b>	<b>Intangible assets R'000</b>	<b>Heritage assets R'000</b>	<b>2023/24 Machinery and equipment R'000</b>	<b>Biological assets R'000</b>	<b>Total R'000</b>
Assets written off	-	-	-	109	-	109
<b>Total movable assets written off</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>109</b>	<b>-</b>	<b>109</b>

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**MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2023**

	2022/23					Total R'000
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	
	R'000	R'000	R'000	R'000	R'000	
Assets written off	-	-	-	279	-	279
<b>Total movable assets written off</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>279</b>	<b>-</b>	<b>279</b>

**25. Intangible Capital Assets**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2024**

	2023/24			
	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
SOFTWARE	29	-	29	-
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>29</b>	<b>-</b>	<b>29</b>	<b>-</b>

**25.1 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023**

	2022/23				
	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	98	-	-	69	29
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>98</b>	<b>-</b>	<b>-</b>	<b>69</b>	<b>29</b>

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS  
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**26. Statement of conditional grants and other transfers paid to municipalities**

Name of municipality	2023/24							2022/23	
	GRANT ALLOCATION				TRANSFER			DORA and other transfers	Actual transfer
	DORA and other transfers	Roll overs	Adjustments	Total Available	Actual transfer	Funds withheld	Reallocations by National Treasury/ National Department		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Beaufort West	-	-	1 000	1 000	1 000	-	-	2 093	2 093
Bergrivier	940	-	200	1 140	1 140	-	-	2 325	2 325
Bitou	500	-	200	700	700	-	-	800	800
Breede Valley	-	-	100	100	100	-	-	200	200
Cape Agulhas	-	-	200	200	200	-	-	300	300
Cederberg	958	-	1 110	2 058	2 058	-	-	1 058	1 058
Central Karoo District	-	-	100	100	100	-	-	200	200
City of Cape Town	1 000	-	200	1 200	1 200	-	-	300	300
Drakenstein	740	-	100	840	840	-	-	200	200
Garden Route District	-	-	200	200	200	-	-	300	300
George	1 000	-	200	1 200	1 200	-	-	1 450	1 450
Hessequa	-	-	200	200	200	-	-	300	300
Kannaland	-	-	1 000	1 000	1 000	-	-	100	100
Knysna	639	-	-	639	639	-	-	550	550
Laingsburg	-	-	1 000	1 000	1 000	-	-	100	100
Langeberg	-	-	200	200	200	-	-	800	800
Matzikama	-	-	1 050	1 050	1 050	-	-	779	779
Mossel Bay	-	-	150	150	150	-	-	300	300
Oudtshoorn	2 000	-	200	2 200	2 200	-	-	700	700
Overberg District	500	-	200	700	700	-	-	800	800
Overstrand	-	-	200	200	200	-	-	450	450
Prince Albert	-	-	200	200	200	-	-	625	625
Saldanha Bay	1 500	-	(500)	1 000	1 000	-	-	1 800	1 800
Stellenbosch	-	-	200	200	200	-	-	300	300
Swartland	-	-	100	100	100	-	-	718	718
Swellendam	-	-	200	200	200	-	-	200	200
Theewaterskloof	-	-	200	200	200	-	-	1 350	1 350
Witzenberg	150	-	100	250	250	-	-	200	200
West Coast District	-	-	200	200	200	-	-	200	200
Unallocated	6 833	-	(6 833)	-	-	-	-	-	-
<b>TOTAL</b>	<b>16 760</b>	<b>-</b>	<b>1 667</b>	<b>18 427</b>	<b>18 427</b>	<b>-</b>	<b>-</b>	<b>19 498</b>	<b>19 498</b>

**27. Broad Based Black Economic Empowerment performance**

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2024**

**ANNEXURE 1A**

**STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

Name of Municipality	2023/24											2022/23	
	GRANT ALLOCATION				TRANSFER			SPENT				DORA and other transfers	Actual transfers
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds With-held	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Beaufort West	-	-	1 000	1 000	1 000	-	-	1 000	-	-	0.0%	2 093	2 093
Bergrivier	940	-	200	1 140	1 140	-	-	1 140	-	-	0.0%	2 325	2 325
Bitou	500	-	200	700	700	-	-	700	500	200	71.4%	800	800
Breedee Valley	-	-	100	100	100	-	-	100	-	-	0.0%	200	200
Cape Alghulhas	-	-	200	200	200	-	-	200	-	-	0.0%	300	300
Cederberg	958	-	1 100	2 058	2 058	-	-	2 058	479	1 579	23.3%	1 058	1 058
Central Karoo District	-	-	100	100	100	-	-	100	-	-	0.0%	200	200
City of Cape Town	1 000	-	200	1 200	1 200	-	-	1 200	999	201	83.3%	300	300
Drakenstein	740	-	100	840	840	-	-	840	125	715	14.9%	200	200
Garden Route District	-	-	200	200	200	-	-	200	-	-	0.0%	300	300
George	1 000	-	200	1 200	1 200	-	-	1 200	650	550	54.2%	1 450	1 450
Hessequa	-	-	200	200	200	-	-	200	-	-	0.0%	300	300
Kannaland	-	-	1 000	1 000	1 000	-	-	1 000	-	-	0.0%	100	100
Knysna	639	-	-	639	639	-	-	639	-	-	0.0%	550	550
Laingsburg	-	-	1 000	1 000	1 000	-	-	1 000	-	-	0.0%	100	100
Langeberg	-	-	200	200	200	-	-	200	-	-	0.0%	800	800
Matzikama	-	-	1 050	1 050	1 050	-	-	1 050	-	-	0.0%	779	779
Mossel Bay	-	-	150	150	150	-	-	150	-	-	0.0%	300	300
Oudtshoorn	2 000	-	200	2 200	2 200	-	-	2 200	1 369	831	62.2%	700	700
Overberg District	500	-	200	700	700	-	-	700	200	500	28.6%	800	537
Overstrand	-	-	200	200	200	-	-	200	-	-	0.0%	450	450
Prince Albert	-	-	200	200	200	-	-	200	-	-	0.0%	625	625
Saldanha Bay	1 500	-	(500)	1 000	1 000	-	-	1 000	553	447	55.3%	1 800	1 800
Stellenbosch	-	-	200	200	200	-	-	200	-	-	0.0%	300	300
Swartland	-	-	100	100	100	-	-	100	-	-	0.0%	718	718
Swellendam	-	-	200	200	200	-	-	200	-	-	0.0%	200	200
Theewaterskloof	-	-	200	200	200	-	-	200	-	-	0.0%	1 300	1 350
Witzenberg	150	-	100	250	250	-	-	250	-	-	0.0%	200	200
West Coast District	-	-	200	200	200	-	-	200	-	-	0.0%	200	200
Unallocated	6 833	-	(6 833)	-	-	-	-	-	-	-	0.0%	-	-
<b>TOTAL</b>	<b>16 760</b>	<b>-</b>	<b>1 667</b>	<b>18 427</b>	<b>18 427</b>	<b>-</b>	<b>-</b>	<b>18 427</b>	<b>4 875</b>	<b>13 552</b>	<b>26%</b>	<b>19 498</b>	<b>19 498</b>

**WESTERN CAPE PROVINCE  
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2024**

**ANNEXURE 1B**

**STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

Departmental Agency or Account	2023/24						2022/23	
	TRANSFER ALLOCATION				TRANSFER		Final Budget	Actual transfer
	Adjusted Budget	Roll Overs	Adjustments	Total Available	Actual Transfer	% of available funds transferred		
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Western Cape Gambling and Racing Board	21 178	-	-	21 178	21 178	100%	25 076	25 076
SABC TV licences	8	-	-	8	8	100%	8	8
<b>TOTAL</b>	<b>21 186</b>	<b>-</b>	<b>-</b>	<b>21 186</b>	<b>21 186</b>	<b>100%</b>	<b>25 084</b>	<b>25 084</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 1C**

**STATEMENT OF TRANSFERS TO HOUSEHOLDS**

	2023/24						2022/23	
	TRANSFER ALLOCATION				EXPENDITURE		Final Budget	Actual transfer
	Adjusted Budget	Roll Overs	Adjustments	Total Available	Actual transfer	% of available funds transferred		
Households	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Transfers</b>								
Leave gratuity	1 485	-	30	1 515	1 514	99.9%	1 329	1 328
Bursaries to non-employees	1 472	-	308	1 780	1 780	100.0%	1 136	1 136
Cash donations to deceased family	-	-	-	-	-	-	5	5
Injury on duty	53	-	-	53	53	100.0%	-	-
Early retirement penalties	980	-	(16)	964	964	100.0%	1 432	1 432
<b>TOTAL</b>	<b>3 990</b>	<b>-</b>	<b>322</b>	<b>4 312</b>	<b>4 311</b>	<b>99.9%</b>	<b>3 902</b>	<b>3 901</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 1D**

**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

Name of organisation	Nature of gift, donation or sponsorship	2023/24	2022/23
		R'000	R'000
<b><u>Received in kind</u></b>			
<b>Sponsorships</b>			
Institute for Local Government Management of South Africa	Registration fees for five (5) officials	25	-
Total sponsorships		25	-
<b>Subtotal – received in kind</b>		25	-
<b>TOTAL GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED</b>		<b>25</b>	<b>-</b>

**WESTERN CAPE PROVINCE  
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2024**

**ANNEXURE 2**

**CLAIMS RECOVERABLE**

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2023/24	
	31/03/2024 R'000	31/03/2023 R'000	31/03/2024 R'000	31/03/2023 R'000	31/03/2024 R'000	31/03/2023 R'000	Receipt date up to six (6) working days after year end	Amount R'000
<b>GOVERNMENT ENTITY</b>								
<b>Department</b>								
National Treasury	-	-	6	-	6	-	-	-
Eastern Cape Rural Development	-	-	-	5	-	5	-	-
Subtotal	-	-	6	5	6	5	-	-
<b>TOTAL</b>	-	-	6	5	6	5	-	-

## WESTERN CAPE PROVINCE

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VOTE 3ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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## ANNEXURE 3

## INTERGOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2023/24	
	31/03/2024	31/03/2023	31/03/2024	31/03/2023	31/03/2024	31/03/2023	Payment date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
<b>DEPARTMENTS</b>								
<b>Current</b>								
Department of the Premier	14	458	-	-	14	458	04/04/2024	116
Department of Education	-	41	-	-	-	41	-	-
Department of Local Government	-	147	-	-	-	147	-	-
Department of Cultural Affairs and Sport	-	23	-	-	-	23	-	-
Department of Infrastructure	-	1 172	-	-	-	1 172	04/04/2024	1 849
Department of Mobility	-	-	-	-	-	-	04/04/2024	982
Western Cape Provincial Parliament	-	-	-	-	-	-	04/04/2024	2
<b>Subtotal</b>	<b>14</b>	<b>1 841</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>1 841</b>		<b>2 949</b>
<b>Total Departments</b>	<b>14</b>	<b>1 841</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>1 841</b>		<b>2 949</b>
<b>OTHER GOVERNMENT ENTITIES</b>								
<b>Current</b>								
Department of Justice and Constitutional Development	-	-	80	-	80	-		-
Government Motor Transport	-	11	-	-	-	11	04/04/2024	132
<b>Subtotal</b>	<b>-</b>	<b>11</b>	<b>80</b>	<b>-</b>	<b>80</b>	<b>11</b>		<b>132</b>
<b>Total Other Government Entities</b>	<b>-</b>	<b>11</b>	<b>80</b>	<b>-</b>	<b>80</b>	<b>11</b>		<b>132</b>
<b>TOTAL INTERGOVERNMENT PAYABLES</b>	<b>14</b>	<b>1 852</b>	<b>80</b>	<b>-</b>	<b>94</b>	<b>1 852</b>		<b>3 081</b>

**WESTERN CAPE PROVINCE  
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 4**

**INTERENTITY ENTITY ADVANCES RECEIVED (Note 13.1)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/3/2024	31/03/2023	31/3/2024	31/03/2023	31/3/2024	31/03/2023
	R'000	R'000	R'000	R'000	R'000	R'000

**OTHER INSTITUTIONS**

**Current**

Nedbank – Bursary monies for students

-	-	-	36	-	36
---	---	---	----	---	----

**Subtotal**

-	-	-	36	-	36
---	---	---	----	---	----

**TOTAL**

**Current**

-	-	-	36	-	36
---	---	---	----	---	----

**WESTERN CAPE PROVINCE  
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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 5**

**ANALYSIS OF PREPAYMENTS AND ADVANCES (NOTE 9)**

Name of Entity	Sector of the entity	Description of the item paid for	Classification category	Total Contract Value	Balance outstanding as at 31 March 2023	Total amount prepaid /advanced in the current year	Less: goods, services or capital assets received in the current year	Add/Less: Other	Balance outstanding as at 31 March 2024
				R'000	R'000	R'000	R'000	R'000	R'000
<b>Prepayments</b>									
Department of Infrastructure	Finance	Rental of building	Goods and services	7 452	-	141	-	-	141
Commerce Edge SA	Finance	Attendance of Smart Procurement Conference	Goods and services	-	-	955	-	-	955
<b>Total prepayments</b>	-	-	-	<b>7 452</b>	-	<b>1 096</b>	-	-	<b>1 096</b>
<b>TOTAL PREPAYMENTS AND ADVANCES</b>	-	-	-	<b>7 452</b>	-	<b>1 096</b>	-	-	<b>1 096</b>

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
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**ANNEXURE 6**

**Transport Assets as per finance lease register period ended 31 March 2024:**

	Opening balance R'000	Current year adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
GG Motor Vehicles	4 652	-	-	( 1 218)	3 434

**Transport Assets as per finance lease register period ended 31 March 2023**

	Opening balance R'000	Current year adjustments to prior year balances R'000	Additions R'000	Disposals R'000	Closing balance R'000
GG Motor Vehicles	4 159	-	1 668	( 1 175)	4 652

The Provincial Treasury utilised 15 Government motor vehicles during the period ended 31 March 2024, and 21 Government motor vehicles during the previous financial year ended 31 March 2023. The motor vehicles are leased under a finance agreement unique to the Western Cape Government and the annexure aims to improve the minimum reporting requirements as per the Modified Cash Standard.



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**Western Cape  
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