



Western Cape
Government
FOR YOU



Provincial Treasury

Annual Report
2022/23

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2022/23

Provincial Treasury

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PROVINCIAL TREASURY

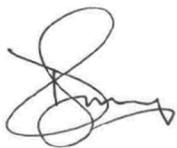
Annual Report

2022/23

Ms M Wenger

Minister of Finance and Economic Opportunities

I have the honour of submitting the Annual Report of Provincial Treasury for the period 1 April 2022 to 31 March 2023.

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

DAVID SAVAGE
ACCOUNTING OFFICER

DATE: 31 August 2023

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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
AAPC	Audit and Assurance Public Committees
ACFS	Annual Consolidated Financial Statements
ACG (CS)	Associate of Chartered Governance Institute (Chartered Secretary)
ADR	Alternative dispute resolution
AF	African Female
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
AI	Artificial Intelligence
AIDS	Acquired Immunodeficiency Syndrome
AIL	Authentic Informal Leader
AM	African Male
AM	Asset Management
ANA	Assessment Needs Analysis
AO	Accounting Officer
AOS	Accounting Officer System
APT	Automated Procurement Planning Toolkit
APP	Annual Performance Plan
ASB	Accounting Standards Board
AWA	Alternative Working Arrangement
BAS	Basic Accounting System
B-BBEE	Broad-Based Black Economic Empowerment
BCom	Bachelor of Commerce
BCompt	Baccalaureus Computationis
BEE	Black Economic Empowerment
BFP	Budget Funding Plans
BI	Business Intelligence
BIDM	Business Information and Data Management
BMC	Baseboard Management Controller
BProc	Baccalaureus Procurationis
BPR	Business Process Re-engineering
CA	Chartered Accountant
CA (SA)	Chartered Accountant (South Africa)
CAA	Chartered Accountants Academy
CAE	Chief Audit Executive
CAHF	Centre for Affordable Housing Finance in Africa

CD	Chief Director
CDP	Career Development Plan
CeI	Centre for e-Innovation
CFO	Chief Financial Officer
CFE	Certified Fraud Examiner
CGRO	Corporate Governance Review and Outlook
CIDB	Construction Industry Development Board
CKD	Central Karoo District
CF	Coloured Female
CM	Coloured Male
CoCT	City of Cape Town
CoE	Compensation of Employees
COMAF	Communication of an Audit Finding
COVID-19	Coronavirus Disease 2019
CPAC	Central Procurement Advisory Committee
CRA	Contract Registration Application
CRM	Customer Relationship Management System
CRO	Chief Risk Officer
CSC	Corporate Services Centre
CSD	Central Supplier Database
CSI	Corporate Social Investment
CTA	Certificate in the Theory of Accounting
CTICC	Cape Town International Convention Centre
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
D: ERM	Directorate Enterprise Risk Management
DHS	Department of Human Settlements
DLG	Department of Local Government
DM	District Municipality
DoA	Department of Agriculture
DOCS	Department of Community Safety
DoE	Department of Education
DoH	Department of Health
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
DTPW	Department of Transport and Public Works
EAP	Economic Active Population
EE	Employment Equity
EHW	Employee Health and Wellness
EHWP	Employee Health and Wellness Programme
EME	Exempted Micro Enterprise
ePS	Electronic Procurement Solution
EPWP	Expanded Public Works Programme
ERM	Enterprise Risk Management
ERMCO	Enterprise Risk Management Committee
EPRE	Estimates of Provincial Revenue and Expenditure
FAQ	Frequently Asked Question
FFSS	Future Fit Skills Strategy
FIDPM	Framework for Infrastructure Delivery and Procurement Management
FMCM	Financial Management and Capability Maturity Model
FRP	Financial Recovery Plan
FY	Financial Year
G&A	Governance and Administration
GG	Government Garage
GMT	Government Motor Transport
GPSSBC	General Public Service Sector Bargaining Council
GPW	Government Printing Works
GRAP	Generally Recognised Accounting Practice
GTAC	Government Technical Advisory Centre
GTAS	Greater Translogic Advisory Services
GTB	Government Tender Bulletin
GVA	Gross Value Added
HCT	HIV & AIDS Counselling and Testing
HDIs	Historically Disadvantaged Individuals
HIRA	Hazard Identification and Risk Assessment
HIV	Human Immunodeficiency Virus
HoD	Head of Department
HR	Human Resources
IA	Internal Audit

ICT	Information and Communication Technology
IDP	Integrated Development Plan
IF	Indian Female
IFMS	Integrated Financial Management System
IGR	Intergovernmental Relations
IIA	Institute for Internal Auditors
IM	Indian Male
IMS	Issue Management System
IRMSA	Institute of Risk Management South Africa
IPS	Integrated Procurement Solution
IRP5	Income Tax Certificate of Earnings
ISD	Integrated Service Delivery
IT	Information Technology
ITSM	Information Technology Service Management
IUDF	Integrated Urban Development Framework
IYM	In-year Monitoring
JDMA	Joint District and Metropolitan Approach
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)
MGRO	Municipal Governance Review and Outlook
MIG	Municipal Infrastructure Grant
MIT	Municipal Intelligence Team
MMC	Members of the Mayoral Committee

MOA	Memorandum of Agreement
MPAC	Municipal Public Accounts Committee
MS	Microsoft
MSA	Local Government Municipal Systems Act, 2000 (Act 32 of 2000)
MSCOA	Municipal Standard Chart of Accounts
MSDF	Municipal spatial development framework
MTBPC	Medium Term Budget Policy Committee
MTBPS	Medium Term Budget Policy Statement
MTEC	Medium Term Expenditure Committee
MTEF	Medium Term Expenditure Framework
MTP	Master Tax Practitioner
NDP	National Development Plan
NIPP	National Industrial Participation Programme
NT	National Treasury
NTI	National Treasury Instruction
OAG	Office of the Accountant-General
OCPO	Office of the Chief Procurement Officer
OHAS	Occupational Health and Safety
OPMII	Overview of Provincial and Municipal Infrastructure Investment
PAIA	Promotion of Access to Information Act, 2000
PAC	Public Accounts Committee
PCC	Procurement Client Centre
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
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
POPIA	Protection of Personal Information Act, 2013 (Act 4 of 2013)
PPE	Personal Protective Equipment

PPF	Project Preparation Facility
PPFR	Preferential Procurement Policy Framework Regulations
PPP	Public Private Partnership
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
SA	South Africa
SABC	South African Broadcasting Corporation
SABS	South African Bureau of Standards
SAGOV	New Tender Portal
SAHPRA	South African Health Products Regulatory Authority
SAICA	South African Institute of Chartered Accountants
SALGA	South African Local Government Association
SANSA	South African National Space Agency
SARS	South African Revenue Service
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
SEP	Socio-economic Profile
SHERQ	Safety, Health, Environment, Risk and Quality
SIME	Strategic Integrated Municipal Engagement

SIP	Strategic Infrastructure Projects
SITA	State Information Technology Agency
SIUDF	Sustainable Integrated Urban Development Framework
SMME	Small, Medium and Micro Enterprise
SMS	Senior Management Service
SOMS	Strategic and Operational Management Support
SOP	Standard Operating Procedure
SPLUMA	Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013)
SSEG	Small-Scale Embedded Generation
STEERCOM	Steering Committee
STI	Sexually Transmitted Infection
Stratecon	Strategic Economic Solution
TARC	Technical Accounting and Reporting Committee
TB	Tuberculosis
TIME	Technical Integrated Municipal Engagements
TOR	Terms of Reference
TMC	Top Management Committee
U-AMP	User immovable Asset Management Plan
UIFW	Unauthorised, irregular, fruitless and wasteful
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
WC FMSG	Western Cape Financial Management Support Grant
WCGRB	Western Cape Gambling and Racing Board
WCPP	Western Cape Provincial Parliament
WCSD	Western Cape Supplier Database
WCSEB	Western Cape Supplier Evidence Bank
WC-IDMS	The Western Cape Infrastructure Delivery Management System
WESGRO	The Western Cape Tourism, Trade and Investment Promotion Agency
WHO	World Health Organisation

3. FOREWORD BY THE MINISTER

The Provincial Treasury (PT) continues to be a critical and integral driver of good governance in the Western Cape, which they drive by implementing and constantly improving on processes and systems which underpin maximum impact on the ground for every cent of public money spent.

In the year under review, we continued to feel the impact of the COVID-19 pandemic, but also set out on a pathway to push beyond recovery toward growth, while needing to balance the ever-increasing demand for public services within a limited resource envelope.

PT has provided critical support to thirteen provincial departments, thirty municipalities, eleven provincial entities, as well as the Provincial Parliament and external suppliers by continuing to strengthen strategic, evidence-based public financial management practices.

To further drive and entrench financial best practice across the province, PT hosted the inaugural Provincial Budget and Governance Forum with district and local municipal Mayors as well as Members of the Mayoral Committee (MMCs) for Finance and Municipal Managers, aimed at building and implementing the very best systems, structures, and practices to further build on our record of good governance, for the benefit of the citizens of the Western Cape.

The Procurement Client Centre (PCC), based in Century City continues to provide procurement support assistance to provincial departments, entities, municipalities and suppliers through an integrated helpdesk, and remains at the forefront of reducing red tape for businesses, especially small businesses who are interested in becoming Western Cape Government (WCG) suppliers. This is yet another example of the great steps taken by PT to contribute to economic growth and job creation in the Province.

The supply chain management (SCM) reform strategy, built on four key pillars of governance, SCM technology, strategic procurement, and capacitation and development, continues to be implemented to improve the impact of public expenditure.

The Municipal Economic Review and Outlook (MERO) and the Provincial Economic Review (PERO) 2022/23, included further key information and remains at the heart of our data-driven decision-making processes, including municipal planning and budgeting, integrated development plans, as well as local economic development strategies.

I'd like to thank the entire PT team, under the leadership of the Head of Treasury, David Savage, for continuously seeking new ways to further improve financial governance, so that we can really make a difference in the lives of citizens.



MS M WENGER
MINISTER OF FINANCE AND ECONOMIC OPPORTUNITIES

DATE: 31 August 2023



Ms Mireille Wenger
Minister of Finance and
Economic Opportunities

4. REPORT OF THE ACCOUNTING OFFICER

Overview of operations

The 2022/23 financial year was another strong year for the PT. As the steward of financial governance within the WCG, PT championed service delivery excellence, transparency, and prudent fiscal management in an increasingly uncertain and volatile economic and fiscal environment. This performance was only possible due to the focus and dedication of our staff, and the enabling leadership provided by our Executive Authority.



David Savage
Accounting Officer
Provincial Treasury

Overview of the results and challenges for the department

The year 2022/23 yielded significant accomplishments despite external challenges. Our search for continuous governance improvements through focussing on “people, systems and processes” led to the department securing our tenth (10th) consecutive unqualified with no findings (clean) audit opinion. As always, this result is merely a reflection of the calibre and commitment of the staff of the PT, in their daily work, who remain purpose-driven, collaborative, innovative, and responsive to stakeholder and citizen needs.

Challenges surfaced, notably the energy crisis and elevated loadshedding straining municipal and provincial budgets. Coupled with the lingering impact of the COVID-19 pandemic, these obstacles tested our resilience.

Significant events and projects for the year

Our journey toward enhanced financial governance was evident through various transformative initiatives.

Integrated Provincial Governance (Governance Transformation)

The past year saw PT embrace a holistic and integrated approach to proactively embed good governance practices within the WCG and municipalities in the Province. This approach aligns with the governance priorities outlined in the Provincial Strategic Plan (PSP) and Recovery Plan. At the core of this transformation is the shift towards 'governance' for results and impact to enhance service delivery performance and ultimately improve the lives of our citizens. This was especially crucial in responding to the challenges posed by the pandemic, setting the stage for social and economic recovery.

Effective Local Governance

Unprecedented levels of fiscal and economic uncertainty throughout the period under review rendered municipalities particularly vulnerable, increasing the need for PT to strengthen its support efforts. Two (2) key focal areas guided these efforts: ensuring financial stability and enabling growth. The former focused on promoting fiscal consolidation to improve resource efficiencies while guiding vulnerable municipalities to prevent financial distress. Municipalities were also actively supported to implement cost-reflective service delivery models in pursuit of long-term financial sustainability.

In tandem, PT honed its capacity to support municipalities in leveraging strategic opportunities for economic growth and sustainable development. This vision of growth pursues a virtuous circle whereby increased investment in particular economic infrastructure improves productivity, job creation, and ultimately, an increased municipal revenue.

In pursuit of the stability and growth vision, PT aimed to strengthen relationships between not only provincial and local government, but also our national counterparts. Improved cooperation between all spheres of government is essential for effective governance, efficient service delivery, democratic representation, and overall societal well-being. Collaborative efforts promote coordinated action, resource sharing, and responsive decision-making, ensuring that the needs and aspirations of citizens are met at every level of government.

PT also introduced Municipal Intelligence Teams (MITs) where the various MFMA units within PT can collaborate more regularly in the form of integrated work-teams aligned to the Joint District and Metro Approach (JDMA). The creation of MIT teams is intended to facilitate improved information sharing that will allow for more targeted support to municipalities.

Strategic Supply Chain Management

Strategic supply chain management (SCM) remained a cornerstone of our operational strategy to allow for efficient resource allocation in the most transparent way possible. In pursuit of this goal, PT introduced a comprehensive procurement planning toolkit, a decisive step that heightened the credibility of our procurement processes. This approach not only empowered us to make informed decisions but also yielded value-for-money improvements, through optimising the allocation of funds across various initiatives. The strengthened procurement framework ensure that each investment is carefully scrutinised and aligned with our vision of prudent resource utilisation.

Efficient Infrastructure Investment

Infrastructure investment plays a crucial role in promoting economic growth by creating jobs, enhancing productivity, attracting investment, improving competitiveness, expanding markets, and fostering innovation. Strategic and well-targeted infrastructure projects have the potential to provide both short-term stimulus and long-term economic benefits for local communities. Through the implementation of the Strategic Infrastructure Projects (SIPs) Framework, PT was able to guide departments and municipalities to channel resources to vital infrastructure projects, especially those associated with the energy transition process.

The repeal of the Western Cape Infrastructure Delivery Management System (WC IDMS), PTI 16B, marked a significant milestone in infrastructure delivery and procurement alignment. Departments overseeing infrastructure delivery aligned their policies, processes, and documents with the applicable regulatory framework. As part of this journey, the Western Cape Government Project Preparation Facility (WCG PPF) emerged, aimed at expediting progress on infrastructure investment programs and projects. Financial support through the PPF streamlined infrastructure preparation, guided by the "WCG PPF Guideline." The Overview of Provincial and Municipal Infrastructure Investment (OPMII) publication reflected PT's commitment to efficient and effective infrastructure service delivery.

Training and Capacitation

Recognising the intrinsic value of human capital, PT made significant investments in training and skill development. Promoting a culture of continuous learning, and empowering staff through learning opportunities has directly led to improved employee performance, higher productivity, increased engagement, better talent retention, and ultimately, enhanced organizational effectiveness. A well-trained workforce contributes to the professionalization and give PT a competitive edge to navigate complex financial landscapes.

Overview of the Department's financial results

As depicted in Table 1, total departmental receipts amounted to R3.530 million, resulting in an overcollection of R3.450 million. This overcollection was largely in Financial transactions in assets and liabilities (R3.266 million) and is mainly due to the recovery of previous years' unspent provincial conditional grants paid to municipalities.

Table 1 Departmental receipts

Departmental receipts	2022/23			2021/22		
	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	17	40	(23)	16	36	(20)
Transfers received	1	-	1	1	-	1
Interest, dividends and rent on land	1	4	(3)	1	20	(19)
Sale of capital assets	-	159	(159)	-	-	-
Financial transactions in assets and liabilities	61	3 327	(3 266)	58	7 565	(7 507)
Total	80	3 530	(3 450)	76	7 621	(7 545)

At the end of the 2022/23 financial year, the Department spent R317.050 million of the Adjusted Appropriation of R318.820 million resulting in a net underspending of R1.770 million or 0.6 per cent of the overall appropriation, as depicted in Table 2 below.

Table 2 Programme expenditure

Programme Name	2022/23			2021/22		
	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	60 988	60 976	12	60 451	55 508	4 943
Sustainable Resource Management	127 993	127 431	562	120 069	112 035	8 034
Asset Management	78 603	77 561	1 042	74 358	71 326	3 032
Financial Governance	51 236	51 082	154	52 724	51 129	1 595
Total	318 820	317 050	1 770	307 602	289 998	17 604

Reasons for under expenditure

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

- The later than anticipated commencement of the projects related to improving value for money in SCM and to improve Infrastructure Asset Management at 12 municipalities; and
- The actual cost of support to the Beaufort West Municipality for the implementation of a mandatory financial recovery plan that was less than the estimated cost.

Virement/Roll-overs

- The Minister of Finance and Economic Opportunities, as the Executive Authority, on 17 April 2023, 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 152 to 156).
- R78 000 was shifted from Programme 1: Administration to Programme 2: Sustainable Resource Management to accommodate for the leave gratuity of an official that left the service of the Department.
- R1.666 million was shifted from Programme 1: Administration, Programme 2: Sustainable Resource Management and Programme 4: Financial Governance to Programme 3: Asset Management to accommodate for the Gartner subscription fees and leave gratuity of officials that left the service of the Department.
- R26 000 was shifted from Programme 1: Administration to Programme 4: Financial Governance to accommodate for the leave gratuity of officials that left the service of the Department.

The Department requested Provincial Treasury to approve roll-over of the following 2022/23 unspent funds to the 2023/24 financial year:

- R647 000 for the SCM Reform- Value for money project. This was due to the later than anticipated commencement of the project. The deliverables for this project carry on into the new financial year.

Unauthorised, fruitless, and wasteful expenditure

There was no unauthorised expenditure during the reporting period. Fruitless and wasteful expenditure amounted to R6 600. The reasons, amounts and steps taken pertaining to fruitless and wasteful expenditure are recorded in Note 22: Unauthorised, Irregular and Fruitless and wasteful expenditure of the Annual Financial Statements and Part E – PFMA Compliance Report of the Annual Report.

Strategic focus over the short- to medium term period

Heightened levels of fiscal and economic uncertainty, coupled and influenced by rapid population growth, urbanization, an aging population, and global risk and challenges means that the demand for basic services is notably outpacing the resources required to provide such services. To navigate this uncertainty requires a combination of careful planning, prudent and responsible financial management. In the Western Cape, PT stands at the forefront of this challenge, supporting provincial departments and municipalities by promoting an evidence-based approach towards budgeting

and panning to ensure that public funds are managed in the most effective, efficient, and transparent way.

Throughout the 2023/24 fiscal year, PT will channel its efforts to harness the innate value embedded within robust governance systems across departments, public entities, and municipalities. This endeavour involves strengthening both integrated service delivery and governance transformation to foster inclusive growth.

In tandem with these initiatives, PT is prioritising the acceleration of digital transformation to improve the quality, accessibility, and responsiveness of services rendered to clients. Soon, the primary focus will be on implementing a customer relationship management system, establishing a PT Data Centre, and launching the Evergreen Legacy System initiatives. The core objectives underpinning these three (3) initiatives encompass ensuring that employees are equipped with enterprise productivity tools, facilitating streamlined electronic correspondence with citizens, suppliers, and governmental stakeholders, and enhancing the utilization of data for well-informed decision-making.

In looking ahead to the short to medium term, our strategic outlook is marked by a proactive approach that aligns with our commitment to transformative action and continued excellence in financial governance as follows:

- **Efficient Infrastructure Investment:** Over the next 3-, 5-, and 10-year periods, PT is dedicated to strengthening its own capabilities and alignment to enhance infrastructure investment. As an immediate priority, PT will actively pursue specific reforms within the infrastructure governance landscape, coupled with a deeper focus on spatial and analytical proficiency. Within the 5- and 10-year span, PT aims to stabilise and expand the Province's infrastructure investment, both in terms of total provincial expenditure and as a proportion of the local economic output. At the core of this initiative lies the establishment and strengthening of an investment pipeline, a central aspect of the PPF, which was inaugurated for the first time in the previous year. The PPF's guidelines specifically advocate for the exploration of increased funding for project preparation support. Over the medium term, PT's focus will extend to optimising infrastructure value for money. This involves assessing aspects such as local content's potential impact on value for money and evaluating alternative systems of construction procurement within existing regulations.
- **Effective Local Governance:** PT's vision insofar support towards municipalities are concerned, is aimed at ensuring financial stability while promoting growth and development. In the former instance, PT has a well-developed support framework to guide municipalities under distress towards a sound financial footing. From a growth perspective, PT annually develops socio-economic intelligence publications, most notably the PERO, MERO and Socio-economic Profile-local government (SEP-LGs) to inform the WCG's evidence-based approach towards integrated planning and budgeting by guiding the fair, equitable and sustainable distribution of financial resources. These publications do not only serve as planning and budgeting tools for the public sector but aims to support private sector developments by reflecting on investment potential and comparative advantages for the different regions.
- **Strategic Supply Chain Management:** PT's dedication to strategic SCM revolves around its commitment to people, systems, technology, and value for money. A significant priority involves spearheading the development of high-performing supply chains within the Province that cater to business needs while remaining citizen-focused. The consideration of financial and non-financial information has proven crucial to support well-informed procurement decisions. This

forward-looking approach aims to construct a future-ready platform for SCM across the Province. Given that a substantial portion of the WCG's expenditures traverse through the procurement system, PT's role is to ensure value for money through the use of business intelligence toolkits and innovative performance reporting mechanisms.

- Integrated Provincial Governance:** The Integrated Provincial Governance strategy focusses not only at ensuring compliance but acknowledges PT's role as an enabler and a dependable partner that propels service delivery enhancement throughout the Province. By incorporating a service delivery performance facet into good governance, this approach entails optimising processes and prioritising value for money for the Western Cape residents. Achieving this will necessitate PT's focus on strengthening planning and budgeting systems, investing in future-relevant skills, and fortifying essential systems. By the year 2030, PT envisions achieving an integrated approach to citizen-centric service delivery, where both technology and human expertise play instrumental roles.

Amidst persistent challenges, including the energy crisis, PT remains committed to adopt innovative budgeting approaches and incorporate sustainable energy solutions. Our financial framework remains dynamic and adaptable, providing stability for both the Province and municipalities. Embracing the potential of technology advancements, PT is positioned to enhance our analytical capabilities.

Looking ahead, PT will endeavour to foster stronger partnerships between all three spheres of government. Through collaborative efforts, we aim to synchronise service delivery and allocate resources more effectively, thereby amplifying the positive impact of our collective endeavours.

Public Private Partnerships

PT assumes 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, PT undertakes monitoring responsibilities for PPP transactions that have been finalised and are in the implementation phase. PT's oversight role in PPPs is underpinned by the Public Finance Management Act (PFMA) and Treasury Regulation 16.

It's important to note that PT itself is not directly engaged in any PPPs. However, there are two (2) concluded provincial deals that have been closed, as indicated in the table below:

Registered Provincial PPP projects: Closed deals

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 (former Department of Transport and Public Works)	21 May 2003	21 May 2033

Closed PPP Deals				
Project name	Description	Department	Start date	End date
CapeNature: De Hoop Nature Reserve*	The De Hoop Nature Reserve PPP project entails the upgrading of existing tourism facilities, the creation of new products and the provision of activities for tourism	Department of Environmental Affairs and Development Planning (DEADP) implemented by CapeNature	2 December 2009	30 year long-term contracts (with the option of renewal for another 15 years)
Potential PPP Project				
Project name	Department	PPP Project Cycle Phase		
Tygerberg Hospital Redevelopment	Department of Health and Wellness	Procurement Phase		

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

Discontinued activities/activities to be discontinued

No activities were discontinued during the 2022/23 financial year.

New or proposed key activities

The initial stage of the Fiscal Futures Project was initiated during the 2022/23 financial year. This project aims to formulate prospective fiscal scenarios for the Western Cape Government, facilitating the adaptation of the provincial fiscal strategy to effectively address shifts in the fiscal landscape. For this purpose, the Department has allocated a budget of R1.117 million for 2022/23, R1.426 million for 2023/24, and R963 700 for 2024/25.

Supply Chain Management

Unsolicited bids

No unsolicited bids were received during the period under review.

Challenges within Supply Chain Management

The centralisation of goods and services procurement under the Sub-directorate: SCM within the Office of the Chief Financial Officer (CFO) has been instrumental in ensuring adherence to the SCM legislative framework throughout the procurement process. However, the extended delay in finalising the Preferential Procurement Regulations, prompted by the Constitutional Court judgment, introduced uncertainties and potential misinterpretations that posed a risk to the SCM unit.

Given the pivotal role of the SCM unit in governance and compliance, a persistent challenge has been dealing with suppliers and bidders in the market who do not fully conform to the stipulated requirements and conditions outlined in the terms of reference/specifications. This challenge, in turn, has impacted PT's ability to meet its service delivery obligations. Consequently, there has been a rise in the number of procurement-related matters necessitating legal advice or opinion, along with instances of event cancellations.

Another concern has been the influx of sub-standard written proposals submitted in response to tenders or requests for quotations. This situation complicates the assessment of value for money in the services being procured. Additionally, excessive bureaucracy within the SCM system has impeded timely service delivery by SCM practitioners. This challenge can partly be attributed to gaps, especially in the design and formulation of clear specifications. In response, the SCM unit has implemented control measures within the procurement process to mitigate potential risks arising from

unclear or ambiguous specifications, such as introducing various committees to provide assurance and oversight.

Furthermore, the absence of proper planning has also adversely affected the quality of procured services, amplifying the challenges faced.

Irregular expenditure

Notwithstanding the aforementioned challenges, the SCM unit has doubled down on its efforts within its existing framework to uphold and achieve governance and compliance standards, thus forestalling any potential irregular or fruitless expenditure. The focus of SCM functions remains 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 22: Unauthorised, Irregular, and Fruitless and Wasteful Expenditure, contained within the Annual Financial Statements, 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 officials received gifts to the value of R2 550 in the reporting period.

Exemptions and deviations received from the National Treasury

None.

Events after the reporting date

None.

Conclusion

PT's journey over the past year has been characterised by purposeful strides and strategic alignment. Transparent governance, fiscal resilience, and equitable service delivery continue to direct our trajectory. We extend our gratitude to our stakeholders for their unwavering support, understanding that our achievements are a collective endeavour. Our devoted team's ceaseless efforts in steering us toward a brighter and more prosperous future are recognised and celebrated. As we move forward, PT remains committed to realising the potential of our Province and the well-being of its residents.

I am pleased to report on our performance for the 2022/23 financial year.

Approval and sign off



David Savage
Accounting Officer
Provincial Treasury

Date: 31 August 2023

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

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

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

In my opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information, and the financial affairs of the PT for the financial year ended 31 March 2023.



David Savage
Accounting Officer
Provincial Treasury
Date: 31 August 2023

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 PT subscribes, are as follows:



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)**

The PT is established in terms of Section 17 of the PFMA (Act 1 of 1999). Section 18 of the PFMA assigns the functions and powers of the PT 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 PT must, inter alia, monitor compliance with the MFMA by municipalities and municipal entities in the Province, monitor the preparation of municipal budgets, the monthly outcomes of these budgets, and the submission of reports by municipalities as required in terms of the MFMA. The PT 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.

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

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

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

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

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

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

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

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)**

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 PT staff members.

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

This Act provides a framework for spatial planning and land use management in the Republic; specifies the relationship between the spatial planning and the land use management system, and other kinds of planning; provides for the inclusive, developmental, equitable, and efficient spatial planning at the different spheres of government; provides a framework for the

monitoring, coordination, and review of the spatial planning and land-use management system; provides a framework for policies, principles, norms and standards for spatial development planning, and land-use management; addresses past spatial and regulatory imbalances; promotes greater consistency and uniformity in the application procedures of, and decision-making by authorities responsible for-land use decisions and development applications; provides for the establishment, functions, and operations of municipal planning tribunals; provides for the facilitation and enforcement of land-use and development measures; and provides for related matters.

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

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

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

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

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

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

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

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

9. ENTITIES REPORTING TO THE MINISTER

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Western Cape Gambling and Racing Board	Western Cape Gambling and Racing Act	The entity has been financially self-sustainable in the past, but as from 2012/13 transfers from the Provincial Revenue Fund to the entity were necessary to 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

Currently, the Auditor-General of South Africa (AGSA) conducts specific audit procedures on performance information to offer reasonable assurance through an audit conclusion. This conclusion regarding performance against predetermined objectives is incorporated in the management report. Notably, material findings are presented under the "Predetermined Objectives" section within the AGSA report's segment on other legal and regulatory requirements.

Please see the Auditor-General's Report, which is published in Part F: Financial Information on page 142.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service delivery environment

During the 2022/23 financial year, PT managed the finances of the WCG amidst a challenging service delivery environment. The global economy faced the ongoing impacts of the COVID-19 pandemic and the Russia-Ukraine conflict. These external shocks resulted in reduced economic activity, imposing considerable pressure on government finances, revenue streams, and expenditure patterns. Consequently, PT was required to advocate for stringent fiscal measures to curtail government spending, occasionally leading to reductions in specific services.

In addition to above, the Western Cape had to overcome various social and political obstacles. The pandemic fueled an upswing in social unrest as public dissatisfaction with especially the lockdown measures escalated.

The occurrence of loadshedding further complicated matters by disrupting businesses, educational institutions, and households, thereby impeding municipalities' ability to provide seamless services. Municipalities were compelled to acquire backup generators and additional equipment to uphold essential services, consequently straining their financial capacities. Overall, loadshedding has had a detrimental impact on the economy by not only leading to business closures and job losses, but by discouraging external investment.

Throughout, PT remained steadfast in its commitment to collaborate with all stakeholders, striving to unearth remedies for these challenges while offering services to its clientele. This pursuit aimed to foster a society characterised by resilience and equity.

Departmental administration and governance

The WCG has forged a consistent history of attaining clean audit outcomes, a practice that has become deeply ingrained within departments and entities over the past 13 years. This achievement mirrors a firm dedication to uphold excellent governance standards in the province. PT's attainment of its tenth consecutive unqualified audit outcome, devoid of any findings (clean), serves as a testament to the unwavering commitment demonstrated by all staff levels towards fostering effective governance within the Department.

2.2 Organisational environment

In the organisational environment of PT for the financial year ending on 31 March 2023, Mr David Savage led PT in his third (3rd) year of service. His leadership was bolstered by Ms Julinda Gantana, Deputy Director-General (DDG) for Governance and Asset Management, as well as Dr Roy Havemann, DDG for Fiscal and Economic Services.

The Directorates for Financial Management and Strategic and Operational Management Support offer essential services in the realms of strategic, operational, and financial management support within Programme 1: Administration. Together, these directorates contribute to PT's success by ensuring that its financial, strategic, and operational aspects are well-managed and integrated. The efforts enable a cohesive approach to decision-making, resource utilisation, and performance improvement, ultimately driving PT towards its desired objectives.

Changes in Management

A significant transition in leadership was observed as Mr David Maynier, who had served as the Western Cape Provincial Minister of Finance and Economic Opportunities from May 2019 to May 2022, shifted to the role of Western Cape Provincial Minister of Education. During his tenure, Provincial Minister Maynier played a crucial role in shaping the trajectory of PT before the current Western Cape Minister of Finance and Economic Opportunities, Mireille Wenger, took over from 16 May 2022 onwards.

Dr Havemann, who had been serving as DDG for Fiscal and Economic Services from August 2020 to March 2023, resigned on 15 March 2023. During his tenure, Dr Havemann was responsible for various crucial aspects, including overseeing the preparation of the Western Cape budget, managing cash and expenditures, providing financial oversight of municipalities, and leading efforts in infrastructure finance.

Mr Rodney Moolman, as Director of Local Government Supply Chain Management, made significant contributions during his tenure at Provincial Treasury, starting from his appointment in 2015 until his early retirement on 30 September 2022. Mr Klaas Langenhoven, who served as Director of Infrastructure, played a pivotal role since his appointment in 1999 to the public sector until his retirement on 31 December 2022.

In terms of new appointments and promotions, Ms Shirley Robinson re-entered Provincial Treasury on 1 August 2022, having served the Department previously in the capacity of Chief Director: Public Policy Services from 1 March 2004 to 31 October 2006, she took up this role again, which had been vacated by the early retirement of Mr Anthony Philips. Mr Dian Cronje's elevation to the post of Director MFMA Co-ordination on 1 August 2022 marked a significant milestone. He had previously served as an Economist in the Directorate: Local Government Budget Office (LGBO) since 2015 and had been instrumental in championing the assessment of municipal budgets and the development of economic intelligence. Ms Nadia Rinquet's journey saw her rise from an Economist in the LGBO in 2015 to the position of Director: LGBO. This transition followed Mr Malcolm Booysen's transfer from this position to the role of Director: Fiscal Policy on 1 October 2022.

The various roles, transitions, and contributions within Provincial Treasury reflect a dynamic and dedicated team committed to the fiscal and economic well-being of the Western Cape.

Culture

Amidst the challenges posed by a global pandemic, fluctuating budgets, remote work dynamics, and shifts in leadership, PT remained committed to a transformative and purpose-driven cultural journey which acknowledges the staff as central to the success of the organization. This journey reached its culmination with the successful conclusion of PT's culture project in September 2022 and led to a notable improvement in overall teamwork by promoting a culture of community and inclusivity.

Throughout the year, PT embraced the globally recognized Katzenbach Center of Excellence end-to-end culture methodology. By diagnosing its existing culture, setting clear culture aspirations, and devising a strategic plan centered on key priorities, PT ensured that its desired culture became an integral part of its identity. A pivotal factor in PT's successful transformation was the recognition and empowerment of Authentic Informal Leaders (AILs), whose embodiment of desired behaviors played a significant role in driving the cultural shift. Through their leadership, PT adopted a grassroots approach to change, ensuring that the cultural transformation is both authentic and sustainable.

The efforts bore fruit in several ways: enhanced leadership alignment, empowered staff, constructive debates, and heightened client responsiveness. While recognizing that culture evolution is an ongoing process, PT remains steadfast in its commitment to strive towards a purpose-led, collaborative, and responsive work environment. This report highlights ongoing efforts, programs, and symbolic reminders of cultural priorities. As the journey continues, PT expresses gratitude to all employees who actively contributed. Together, PT aspires to build an inclusive and empowering workplace where every individual thrives.

PT's dedication to a positive and inclusive culture resonates through well-being programs, championing diversity and inclusion, promoting open communication, recognizing exceptional contributions, and upholding ethical leadership. These initiatives, aligned with the purpose, not only define past accomplishments but also pave the way toward a future of sustainable development and citizen well-being.

PT furthermore engaged in the Barret Values Culture Survey, yielding valuable insights into PT's culture. The outcomes prompted a collective reflection on the alignment between the previous and desired cultural states. The survey's insights allowed for the identification of potential limiting values that were addressed, and it highlighted new values to be embraced. The survey underscored the significance of contextual considerations, fostering a shared commitment to cultivating a culture characterised by collaboration, fairness, transparency, and growth. Moving forward, PT will continue building on these insights to further enhance and solidify the positive cultural transformation within the workplace.

Diversity and inclusion

Provincial Treasury promotes an approach that addresses the needs, rights, and aspirations of all individuals, regardless of their gender identity. It seeks to create a society where everyone can fully participate and benefit from social, economic, and political opportunities, free from discrimination and bias. PT demonstrated a clear commitment towards this cause by coming very close to achieving the goal of having 50 per cent women in senior management roles. Efforts were directed toward staff and youth development through initiatives like the external bursary program and Chartered Accountants Academy (CAA), aligning with the ongoing cultural transformation journey.

Another tangible commitment to gender mainstreaming was demonstrated through the establishment of a Gender Mainstreaming Forum, contributing to human rights and gender-sensitive planning. Employment equity was emphasised, culminating in the development and endorsement of a five-year Employment Equity Plan 2019 - 2024. The significance of gender and racial equity was recognised in enhancing capability, performance, and overall productivity.

To further augment workforce diversity, PT harnessed its Human Resource Workforce Plan and Talent Management Strategy, focusing on talent attraction and management. The Department prioritised equitable recruitment and selection processes, underpinned by bursary programs that prioritised designated groups, including persons with disabilities. Innovative approaches were explored to address diversity, anti-racism, anti-sexism, and other social dynamics. Progress was acknowledged in the appointment of African females, while continuous emphasis remained on African males and women in Senior Management Service (SMS) positions. PT also attended to the inclusion of persons with disabilities (PwD), aligning with national targets and implementing policies to create a safe and accommodating workplace. Bursaries were awarded to support career paths in critical financial skills, with a focus on addressing equity imbalances within the accounting and mathematical fields, benefiting previously disadvantaged individuals.

Talent management

PT has consistently placed an emphasis on fostering the professional growth and development of its employees. Through the implementation of comprehensive talent management programs, which encompassed various initiatives such as training, mentorship, and leadership development, PT ensured the cultivation of a highly skilled and motivated workforce.

By investing in the growth and development of its employees, PT created an environment that empowered individuals to enhance their capabilities and take on increasingly complex challenges. This approach not only equipped the workforce with the necessary skills but also instilled a sense of ownership thereby promoting accountability. The result was a team that was well-prepared to tackle challenges head-on and contribute effectively to the achievement of key goals, all while keeping the public's best interests at the forefront.

Furthermore, PT's dedication to foster a culture of continuous learning and innovation played a pivotal role in propelling its workforce to excel. By encouraging employees to embrace new ideas and approaches, PT encouraged staff to deliver high-quality results.

Wellbeing/Health and Safety

PT's commitment to employee well-being was evident through a range of programs aimed at promoting work-life balance, offering vital mental health support, and enhancing stress management. These initiatives were designed to foster a productive work environment that empowered staff to perform optimally, particularly in the context of a heavily stressful and high-pressure work environment.

Recognising the challenges of maintaining red lines and a healthy work-life balance, PT embarked on a process of adopting "New Rules of Engagement," seeking to bridge the gap and meet the crucial need for a supportive framework that embraces a more modern and flexible way of work.

During the reporting period, PT supported the mental and physical well-being of its employees. This encompassed organising insightful guest speaker sessions, conducting regular well-being pulse surveys to gauge sentiments and needs, and providing practical tips and strategies to enhance overall well-being. Additionally, webinars featuring experts in various well-being areas were arranged to offer employees valuable insights. By diligently curating these opportunities and adopting innovative strategies like the "New Rules of Engagement," PT demonstrated a holistic approach to employee well-being, reflecting its commitment to supporting the comprehensive health of its workforce.

Acting with integrity

As part of the culture journey, Management committed to ethical leadership behavior in order to move the organization towards our desired values. This required self-reflection and the conscious decision to act with integrity while dedicating oneself to doing what is right for not only the individual, but the organization as a whole.

Ethical leadership is a cornerstone of PT's culture, where the leadership team upheld the highest standards of integrity and accountability. This commitment to ethical conduct permeated throughout the Department, instilling trust and confidence in both employees and the public. Integrity formed the bedrock of operations, guiding interactions and decisions with a sense of responsibility and a commitment to the greater good. This approach fostered transparency and open communication, reflecting a culture deeply rooted in ethical principles. As stewards of public trust, PT's ethical leadership principles served as a guiding light, inspiring colleagues and partners, and resonating in the Department's pursuit of excellence.

Main risks

PT, in its capacity as both the WCG's Treasury department and as a department (Vote 3) and employer, encountered a range of challenges. These issues varied in nature and severity and were often shaped by contextual demands and external factors beyond PT's control, yet within its sphere of influence. Throughout the year, the Enterprise Risk Management Committee diligently assessed these concerns and potential risks within the framework of PT's risk management approach. A concerted effort was made to address strategic risks through effective mitigations over the fiscal year, with a primary focus on tackling technological vulnerabilities, including cyber security and data protection, as well as optimising data utilisation. Collaborating closely with the Centre for e-Innovation (CeI), PT made significant strides in enhancing the resilience and security of information technology (IT), bolstering defenses against cyber threats and other external vulnerabilities, while acknowledging that further advancements remain an ongoing endeavour.

2.3 Service Delivery Improvement Plan (SDIP)

Following the guidelines outlined in the Department of Public Service and Administration (DPSA) Service Delivery Improvement Plans, as well as DPSA Circular 14 of 2022 and Treasury Circular 8 of 2023, no report is available for the present financial year concerning the Service Delivery Improvement Plan (SDIP).

2.4 Key policy developments and legislative changes

National Treasury Instruction (NTI) Note 5 of 2022/23 was issued repealing the NTI Note 11 of 2020-21 as it relates to COVID-19 purchasing of Personal Protective Equipment (PPE) and related reporting requirements. National Treasury Regulation 16A 6.3 (c) and (d) prescribes that:

- “(c) The accounting officer or accounting authority must ensure that bids are advertised in at least the Government Tender Bulletin for a minimum period of 21 days before closure, except in urgent cases when bids may be advertised for such shorter period as the accounting officer or accounting authority may determine; and*
- (d) awards are published in the Government Tender Bulletin and other media by means of which the bids were advertised.”*

The functioning of the Government Printing Works (GPW) related to procurement advertising in the Government Tender Bulletin experienced interruptions since 4 February 2021. As reported by the NT, the GPW encountered offline periods, impacting the continuous placement of bid advertisements, bid cancellations, and bid awards in the Government Tender Bulletin (GTB). Addressing this, PT acted by releasing NT Instruction Note 12 of 2020/21 through Treasury Circular No. 5 of 2021. This communication informed accounting officers and authorities about the transition to publish bid advertisements and awards on the GTB.

To enhance efficiency and transparency, NTI 09 of 2022/23 was introduced, mandating the utilization of the e-Tender Portal for publishing bid opportunities, bid awards, and related notifications. In a significant legal development, the case of Minister of Finance v Sakeliga NPC (previously known as Afrubusiness NPC) and Others (CCT 62/22) [2022] ZACC 17; 2022 (4) SA 401 (CC); 2023 (2) BCLR 171 (CC) (30 May 2022) addressed the lawfulness of the Preferential Procurement Policy Framework Regulations, 2017. The Supreme Court of Appeal (SCA) confirmed that certain aspects of these regulations were unlawful, as the Minister exceeded his regulatory powers under Section 5 of the Procurement Act and Section 217 of the Constitution.

Subsequently, new replacement Preferential Procurement Regulations, 2022 were officially gazetted on 4 November 2022. These updated regulations were carefully crafted in response to the Constitutional Court's judgment in February 2022, which declared the 2017 Preferential Procurement Regulations invalid in their entirety. This proactive measure ensures alignment with legal standards while enhancing the procurement landscape.

- National Travel Framework was issued via NT SCM Instruction 06 of 2022/23 for implementation 1 September 2022. PT requested an extension from the NT on the implementation date to 1 April 2023 which was subsequently granted by NT. Travel requirements must also be read in conjunction with the cost containment measures issued via National Treasury Instruction No. 07 of 2022/23, also included in the National Travel Framework, which was issued via Treasury Circular No. 29 of 2022.
- NT withdrew NTI 08 of 2022/23 on Cession and Assignment of Contracts at the request of the PT and such withdrawal has mitigated the risks previously identified by the PT.

Following the issuance of the aforementioned Instruction Notes and Circulars, departments had expressed specific concerns to PT regarding their ability to effectively reach a broader and intended supplier audience through their websites and other communication platforms. Additionally, departments had indicated that the placement of advertisements in newspapers had not been accounted for in their budgets, leading to unplanned and un-budgeted implications. In response,

PT took proactive measures by establishing an interim mechanism. This involved advertising bid-related information, including bid advertisements, bid cancellations, and bid awards, on the WCG Tenders website. This interim process closely mirrored the existing GPW process utilised by state institutions at the time. This approach ensured continuity while addressing departments' challenges and maintaining transparency in procurement communication.

Infrastructure

Under the section titled "Key Policy Developments and Legislative Changes," noteworthy progress in the infrastructure domain is highlighted. A significant milestone was achieved on 20 July 2022, when the provincial Cabinet approved the repeal of the Framework for the Western Cape Infrastructure Delivery and Management System (WC IDMS) for the Health and Education Sectors, originally dated 15 March 2011. This action was accompanied by amendments to prior Cabinet resolutions (375/2009 and 386/2009), designating the Department of Transport and Public Works (DTPW) as the executing agent responsible for capital infrastructure development and maintenance within the WCG, with implementation commencing on 1 September 2022.

Subsequent to the repeal of the WC IDMS and the revision of provincial Cabinet resolutions, the Provincial Minister of Finance and Economic Opportunities repealed PT Instruction Chapter 16B of 2012, which encompassed the Standard for a Construction Procurement System and the Standard for an Infrastructure Delivery Management System. This decision, effective as of 1 September 2022, signified a strategic alignment with the evolving landscape.

To ensure comprehensive communication, PT issued Treasury Circular No. 27/2022 on 29 August 2022, effectively disseminating the developments to stakeholders and concerned parties.

Project Preparation Facility

The WCG Project Preparation Facility (WCG PPF) was established by PT with the objective of enhancing Government's efforts to aid in the development of a credible long-term pipeline of infrastructure investment programs and projects at both provincial and local levels within the Province. The WCG PPF primarily extended financial support to provincial departments and public entities during this period. Its primary goal was to facilitate the advancement of projects and programs during their pre-feasibility and feasibility stages. This was achieved through the implementation of a comprehensive project appraisal system, which in turn allowed departments and public entities to streamline and enhance the preparation process for public infrastructure projects and programs. The official guidelines for the WCG PPF were formally introduced by PT through Treasury Circular 17/2022 on 30 May 2022. This step marked an important milestone in the establishment and operation of the WCG PPF, providing a framework for its functioning and engagement with relevant stakeholders.

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

During the 2022/23 financial year, PT accomplished a significant milestone by successfully concluding Phase 3 of its Monitoring and evaluation (M&E) System development. This phase focused on communication, advocacy, and cultivating an M&E culture. PT developed an advocacy and communication strategy, highlighting the utility of M&E, and established a robust communications infrastructure. This proactive approach not only emphasized the importance of M&E to stakeholders but also fostered transparency, open dialogue, and knowledge sharing within the Department. PT's commitment to enhancing M&E underscores its dedication to effective governance practices.

PT implemented a number of communication campaigns, disseminating crucial information to stakeholders and Western Cape residents. These campaigns encompassed initiatives such as PT Bursaries, CAA, Budget to the People 2023, Budget Day 2023, and the Audit Outcomes PFMA. Each campaign utilised strategic approaches, including social media, press releases, and stakeholder engagement, reaching their intended audiences successfully. The re-allocation of the PCC campaign and the proactive execution of the Nedbank Essay Writing Competition and the WCGRB's notice call for nominations showcased PT's flexibility and commitment to impactful communication practices.

The Fiscal and Economic Services Branch played a pivotal role in aligning spending with strategic outcomes, a key component of the PSP and the five-year impact statement. Collaborating with individual votes, the Programme integrated transversal themes such as Recovery Plan priorities, encompassing Jobs, Safety and Well-being, Good Governance, Citizen Engagement, Gender Budgeting, and Climate Change, into departmental plans.

During the review period, the WCG's budget approach encompassed three (3) key phases: Budget Preparation, Medium Term Budget Policy Statement and Adjustments Budget, and Main Budget. This approach ensured project prioritisation and alignment with policy objectives, emphasising sustainable provincial risk management and value for money efficiencies. Departments employed fiscal and non-fiscal measures to mitigate risks across national, provincial, and departmental levels, guiding decisions on project prioritisation and delivery improvements.

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 Supply Chain Management (SCM) Strategy, formulated through an extensive diagnostic process, found support in Provincial Treasury Instructions and was reinforced by the Accounting Officer's System (AOS). This SCM framework responded effectively to service delivery demands; it not only met rigorous governance requirements but also offered the necessary adaptability, responsiveness, and collaborations needed for swift and well-informed procurement choices. This approach ensured both agility and transparency in procurement decisions, fostering effective partnerships and maintaining the highest standards of due diligence.

The utilisation of technology, facilitated by business intelligence tools and data analysis, has been continuously strengthened. This enhancement enables the presentation of SCM performance information to departments through quarterly SCM Insights Reports. The Procurement Disclosure Reports served as an effective platform for ensuring transparency and accountability in WCG's expenditure related to COVID-19 in the previous financial year. A comprehensive disclosure and close-out report was issued, covering the entire period of the disaster.

The integration of the automated procurement planning toolkit became a standard practice to enhance procurement planning and budgeting across the Province. This tool not only aided in better procurement planning but also provided valuable insights into upcoming tender opportunities throughout the financial year, facilitating the publication of such information on the website. The implementation of procurement planning mechanisms focused on optimising fund utilisation through procurement initiatives that delivered value for money outcomes for the province.

The PCC played a critical role in providing support for supplier onboarding on the central supplier database. It also provided support for the in-house developed e-Procurement Solution (ePS) for quotations (for bids up to a threshold of R1 million) and the Western Cape Supplier Evidence Bank (WCSEB). The range of support also included Programs of Support for departments, municipalities, and suppliers, as well as the provision and maintenance of an SCM helpdesk for departments, municipalities, and public entities. The helpdesk services managed queries and complaints.

Strategic sourcing and prudent procurement spending initiatives within departments continued to focus on specific portfolio analysis, expenditure reviews for value-for-money assessments, as well as leveraging transversal purchasing. For instance, activities included managing the transversal security framework for the Province and preparing and planning for a new transversal security framework contract. Additionally, efforts were made towards business optimisation for value-for-money interventions, including work with the Department of Education.

PT remained dedicated to enhancing the data integrity of legacy information systems and implementing robust system security measures while anticipating the forthcoming implementation of the Integrated Financial Management System (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 further underwent a data maturity assessment to establish a baseline and implement measures to enhance data governance and its general 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 Financial Management and Capability Maturity Model (FMCMM) process. Coordinating the Technical Integrated Municipal Engagements (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.

The process of budget assessments within the Strategic Integrated Municipal Engagement (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>1.1 Level of results-based monitoring and evaluation (RBM&E) maturity attained</p> <p>Substantial strides have been achieved in elevating the RBM&E maturity levels within PT. Efforts have been directed towards establishing RBM&E as the standard practice. Although external service providers still play a role, a growing number of officials underwent internal evaluation training, enhancing the internal evaluation capacity. The Department actively collaborated with DotP and revised the guidelines provided by the Department of Planning, Monitoring, and Evaluation (DPME) to further advance RBM&E practices within PT. This collaborative effort led to improved cooperation and guidance. Regular engagement sessions, such as Brown Bag Lunch sessions, were held with DPME and DotP.</p> <p>The M&E unit is now effectively staffed, with team members participating in relevant training courses. The Departmental Evaluation Plan underwent review, and outcomes monitoring is integrated into various reporting mechanisms. While opportunities for improvement exist in formulating an Outcome Indicator Framework and a Monitoring and Results Framework, the Department has successfully implemented comprehensive standard operating procedures for managing performance information and assessing data quality. These advancements, encompassing increased RBM&E maturity levels, capacity enhancement, cross-departmental collaboration, and the establishment of evaluation plans, collectively contribute to the bolstering of financial governance within PT.</p>

Outcome 1	Financial and Corporate governance improved
Progress	<p>1.2 Communication plan for media engagements, stakeholder liaison as well as internal staff implemented annually</p> <p>The implementation of the Communication Plan and its associated campaigns played a pivotal role in enhancing corporate governance standards within the Department. Through the effective communication of the Department's initiatives, accomplishments, and principles of ethical governance, stakeholders and the public were well-informed and engaged. Transparent communication fostered trust and accountability, enabling PT to showcase its dedication to responsible financial management and ethical conduct.</p> <p>Furthermore, by spotlighting PT's efforts in areas like procurement, bursaries, and audit outcomes, these campaigns fostered a culture of adherence to regulatory frameworks and compliance. The dissemination of budget-related information served as an additional testament to PT's commitment to prudent fiscal practices and strategic decision-making.</p> <p>1.3 Number of phases of the Culture Journey successfully implemented</p> <p>The successful completion of Phase 2 of the Culture Journey, with its shift from a compliance-driven to a purpose-led culture, significantly contributed to improving corporate governance within PT. The holistic approach to culture transformation allowed PT to diagnose existing cultures, define culture aspirations, and lay out a strategic plan focused on critical areas. By integrating formal and informal enabling mechanisms and emphasizing the role of Authentic Informal Leaders (AILs), PT created a culture that empowered staff, encouraged healthy debate, and fostered responsiveness to client needs. The sustained efforts and cultural gains achieved so far, such as improved leadership alignment, staff morale, and collaboration, demonstrated a commitment to corporate governance principles of transparency, accountability, and effective decision-making.</p> <p>1.4 Number of material financial management audit findings</p> <p>The continuous review and strengthening of systems, processes, and controls improved financial governance and led to the achievement of the tenth (10th) consecutive unqualified audit with no findings (clean audit opinion).</p>

Programme 2 – Sustainable Resource Management

Outcome 2	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources.
Progress	<p>2.1 Degree of integrated planning, budgeting, and implementation</p> <p>Throughout 2022/23, 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 the Department of Health and Wellness (DoH&W), Department of Education (DoE), and the Refresh departments, which include the Department of Transport and Public Works and the Department of Human Settlements (DHS).</p>

Outcome 2	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources.
Progress	<p>These engagements were aimed at ensuring seamless integrated planning, budgeting, and implementation.</p> <p>In the course of 2022/23, the Programme conducted expenditure reviews, with a focus on:</p> <ul style="list-style-type: none"> ● e-Learning in the Western Cape Education Department; ● Agency and support/outsourced services, including doctors and nursing staff in the Department of Health and Wellness; ● Enhancing access to government services and information by vulnerable people through Thusong service centres and outreaches in the Department of Local Government; and ● Agricultural Producer Support and Development in the Department of Agriculture. <p>In terms of local government budgeting, the 2022 SIME process undertook an evaluation of municipal budgets 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>After conducting an extensive review of conditional grants, PT merged the Western Cape Financial Management Support Grant (WC FMSG) and the Western Cape Financial Management Capacity Building Grant (WC FMCBG) in the 2022/23 financial year. This merger led to the creation of a unified grant funding mechanism known as the Western Cape Financial Management Capability Grant (WC FMCG). The primary goal of this consolidation was to streamline the allocation process and eliminate any potential overlaps that existed between the previous two (2) grants.</p> <p>Allocations from the WC FMCG primarily serve two (2) functions: supporting financial management projects and facilitating an External Bursary Programme.</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>The WC FMCG also addresses the need for human capacity building support, which was a key focus of the former 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>A significant advancement in the local government domain has been the formation of MITs. Under the current internal work practices of PT, different units contribute intelligence specific to their areas of expertise to departmental or program outputs, such as reports, meetings, and engagements. While these structures have led to a high level of specialisation among team members, they have also somewhat limited inter-unit interaction. Recognising the importance of collaborative knowledge sharing, PT identified the need for more regular interaction, face-to-face communication, and discussions to enhance operational efficiency and the organisation's ability to assist municipalities effectively.</p>

<p>Outcome 2</p>	<p>Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources.</p>
<p>Progress</p>	<p>Consequently, PT introduced integrated work teams known as MIT structures, aligned with the JDMA. These MIT structures involve assigning 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. It's important to note that the establishment of MITs does not modify the existing directorate structures or designations. Instead, it aims to create district-specific collaborative sub-structures that foster improved knowledge sharing, monitoring and evaluation, reporting, and support initiatives. The insights garnered from MITs are regularly communicated to MFMA Coordinators and Exco structures, providing valuable input for executive decision-making.</p> <p>In the 2022/23 period, PT endeavoured to elevate the discussions conducted within the municipal CFO Forums. The CFO Forum served as a pivotal platform where PT collaborated with key stakeholders, including NT, AGSA, the Western Cape Department of Local Government, 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. This engagement opportunity 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>In order to enhance participation and attendance, while also recognising the evolution of digital technologies and the importance of minimising travel and associated costs across government spheres, the CFO Forum adopted a rotational approach between online and in-person interactions. Noteworthy highlights from the CFO Forums held during the 2022/23 period encompassed the introduction of interactive panel discussions driven by the audience, which accommodated diverse perspectives and facilitated effective understanding of content. Additionally, a dedicated health and wellness agenda item was incorporated to address the physical and mental well-being challenges that often arise from work-related pressures. Another notable addition was the implementation of a resolutions tracking document, designed to monitor the progress of key recommendations and action steps emanating from the discussions.</p>

Programme 3 - Asset Management

Outcome 3	<p>Effective management and oversight of financial systems, supply chain, and movable asset management governance within the provincial and municipal spheres.</p>
Progress	<p>3.1 Sustainable Governance Systems within the SCM function in municipalities embedded</p> <p>Target has been achieved. Accumulative over the five (5) years the Directorate: LG: SCM successfully:</p> <ul style="list-style-type: none"> ● Instituted Governance Workstreams to assist municipalities with key SCM Governance challenges; ● Various SCM Training and Development programmes were provided that benefitted 64 municipal officials; ● Four (4) supplier development interventions were hosted and in addition 482 SCM municipal queries and 15 supplier complaints were attended too; and ● Introduced an Asset Management Improvement Project in a selected municipal district with huge successes. <p>3.2 Strategies in place that addresses the gaps/needs of provincial departments, municipalities and the supplier base that conducts business with government for continuous improvement</p> <p>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"> ● Enhancing SCM Governance: A robust framework has been established to efficiently manage supply chain activities. This framework ensures smooth processes, effective risk management, and alignment with broader organizational objectives, ensuring transparent and efficient operations. ● Advancing SCM Technology: By embracing cutting-edge technology, the SCM landscape has been modernized to utilize automation and data-driven insights. This modernization not only speeds up processes but also enhances accuracy, forming a reliable basis for informed decision-making. ● Developing SCM Skills: Recognizing the significance of human capital, efforts are directed toward empowering the workforce. Comprehensive training programs, skill development initiatives, and mentorship opportunities are integrated to foster a proficient and skilled workforce. ● Enriching Strategic Procurement: A holistic approach to procurement involves collaborative partnerships and innovative methods. This includes involving suppliers and stakeholders in joint efforts, cultivating a dynamic ecosystem aligned with socio-economic goals. <p>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</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"> ● Enhancing Demand Planning: Special attention is given to bolstering demand forecasting and management. An automated procurement planning toolkit is maintained to ensure seamless alignment between procurement and budgeting processes.

Outcome 3	Effective management and oversight of financial systems, supply chain, and movable asset management governance within the provincial and municipal spheres.
Progress	<ul style="list-style-type: none"> ● Strengthening Analysis: Effective management of security framework contracts and meticulous cleanup of procurement systems and the supplier evidence databases are undertaken. This enhances procurement analysis capabilities, leading to accurate insights for robust decision-making. ● Integrating Business Intelligence: Business intelligence capabilities are integrated to generate vital reports such as SCM Insight Reports, Client Support Reports, and Procurement Disclosure Reports. These reports empower informed decision-making, transparency, and operational excellence. <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>3.4 Votes supported with embedding Good Governance principles in respect of transversally managed financial systems</p> <p>Thirteen (13) votes were supported.</p> <p>The Supporting and Interlinked Financial Systems unit successfully met all its targets for the 2022/23 financial year and maintained its commitment to innovation for enhancing financial systems. This was achieved by provided extensive support, assistance, and training to all provincial systems users, encompassing LOGIS, BAS, and PERSAL.</p> <p>Continuing its efforts, the unit focused on strengthening controls within financial systems. This approach aimed to facilitate data clean-up, consequently bolstering the credibility of information and advancing financial systems reporting. Ultimately, this led to improved information analysis for management purposes.</p> <p>In order to enhance data credibility, the Unit conducted various workshops with departments. The primary goal was to discourage or minimise direct utilisation of BAS for goods, services, and capital expenditure. Instead, emphasis was placed on promoting the relevant logistical services, thus fostering a more streamlined and credible data utilization approach.</p> <p>3.5 Votes supported through the modernising and transforming of the transversally managed financial systems in keeping with the evolving needs of the Province</p> <p>Thirteen (13) votes were supported.</p> <p>The legacy financial systems remain central and principal repositories for collecting data concerning expenditure trends and the overall management of movable assets within WCG departments. PT's efforts to enhance its reporting capability have been ongoing, aimed at refining governance practices associated with financial system usage.</p> <p>In pursuit of these goals, a long-term contract with a service provider was concluded, leading to PT staff now producing relevant PERSAL reports for departments. This transition resulted in cost savings for PT.</p> <p>Furthermore, PT has demonstrated its commitment to enhancing data utilisation by investing in the development of its staff. Several senior staff members underwent various courses to enhance their capacity and proficiency in utilising data as a strategic asset for the benefit of PT.</p>

Programme 4 – Financial Governance

Outcome 4	Governance transformation in departments, entities and municipalities improved
Progress	<p>4.1 Performance improvement measured by strengthened governance and accountability in provincial and municipal government.</p> <p>The Programme has taken significant strides to ensure the sustainability of the good governance plan 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.</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 Western Cape. This guideline outlined the key responsibilities of stakeholders and aimed to ensure effective governance of public entities, thus contributing to well-managed government operations. The intention is to share this information with national counterparts, aiding their efforts in establishing a national benchmark or set of guidelines.</p> <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.</p> <p>Aligned with the mission, PT actively encouraged reporting institutions to provide readers with accurate and unbiased depictions of the events they address.</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 and Operational Management Support (SOMS)

During the 2022/23 financial year, SOMS achieved significant progress in enhancing Results-Based Monitoring and Evaluation (RBM&E) maturity levels, focusing on upskilling officials for internal evaluations and establishing RBM&E as the norm. Successful execution of communication campaigns, such as PT Bursaries, CAA, Budget to the People 2023, Budget Day 2023, and the Audit Outcomes PFMA, demonstrated PT's commitment to transparent and impactful communication with stakeholders. Additionally, completing Phase 2 of the Culture Journey led to improved corporate governance by fostering a purpose-led culture, resulting in better leadership alignment, enhanced staff morale, and strengthened collaboration. These accomplishments underscore PT's dedication to financial governance, informed decision-making, and a culture of accountability and effectiveness.

Financial Management

For the 2022/23 fiscal year, PT attained an unqualified, with no findings (clean), audit report. 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.

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 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	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 1	Phase 2	Phase 3	Phase 3	None	None
1.2.1.2		Strategy execution office report	Number of strategy execution office milestones reached	New output indicator	4	3	3	None	None
1.2.1.3		Communication (plan) implementation report	Percentage of communication campaigns implemented	New output indicator	50%*	75%	83%**	8%	The onboarding of a dedicated graphic design intern allowed the Department to create designs in-house, saving money and time and improving communication. The unit also received additional support from the Communications Directorate in the Department of the Premier.

PROGRAMME 1: ADMINISTRATION									
Sub-programme 1.2: Management Services									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
1.2.1.4	Financial and Corporate Governance Improved	Implementation of the Talent Management Strategy	Number of talent management strategy milestones reached	New Output Indicator	New Output Indicator	4	4	None	None
1.2.1.5			Number of bursaries awarded	New Output Indicator	New Output Indicator	32	26	6	Six (6) of the bursaries that were awarded were not taken up by successful recipients due to changes in study preferences, receipt of other bursaries or other matters beyond the control of the Department.

* 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)

Strategy to overcome areas of under performance

To address the challenge of bursary non-acceptance prompted by more lucrative offers elsewhere, the strategy includes revising the criteria to encompass the "missing middle" group - individuals who, despite not facing severe disadvantages, still encounter financial constraints due to higher parental income. The strategy involves conducting a thorough analysis to define eligibility criteria, transparently communicating the revised criteria, expanding outreach efforts, and establishing a backup group of potential recipients (Plan B) from the waiting list or those who narrowly missed meeting the original selection criteria.

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 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	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 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
1.3.1.3	Financial and Corporate Governance Improved	Compliance with Supply Chain Management norms and standards	Number of Supply Chain Management 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	1	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

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	2022/23			2021/22		
	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	7 040	7 036	4	6 849	6 641	208
1.2 Management Services	22 768	22 763	5	25 336	22 689	2 647
1.3 Financial Management	31 180	31 177	3	28 266	26 178	2 088
Total	60 988	60 976	12	60 451	55 508	4 943

4.2 Programme 2: Sustainable Resource Management

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

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

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

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

- To provide management and administrative support to Programme 2: Sustainable Resource Management;
- To conduct research and advise on the management of the provincial and municipal fiscal resources;
- To promote effective resource allocation within the provincial budget through research, analysis, and advice;
- To promote effective resource allocation within municipal budgets through research, analysis, and advice;
- To improve the conformance, credibility, sustainability, and guide and monitor the efficient implementation of the provincial budget;
- To guide and monitor the implementation of municipal budgets;
- To institutionalise and standardise good practice methodologies, tools and systems for delivery, and maintenance of immovable assets; and
- To render an effective data and information management service.

The primary focus of the Programme during the reviewed year encompassed integrated planning, budgeting, and implementation for the sustainable management of provincial and municipal fiscal resources. Despite the substantial challenges presented by intensified loadshedding and the energy crisis, 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. This occurred in a context where municipal finances were already strained due to the ongoing COVID-19 pandemic.

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, and reports on the performance of the WCGRB. Phase 2 of the Gambling Policy Research was concluded, and PT finalised and published the Western Cape Gambling and Racing Twentieth (20th) and Twenty-First (21st) Amendment Bills, which pertained to the relocation of outlying casinos, for public input. Additionally, the Western Cape Gambling and Racing Amendment Nineteenth (19th) Act Repeal Bill was also made available for public commentary.

The Cash Management unit, under PT, played a pivotal role in securing a clean audit status for the Provincial Revenue Fund (PRF) account, as recognised by the AGSA. A transversal banking tender was successfully concluded and awarded on May 19, 2022, for a duration of five (5) years. This initiative ensured efficient cash management practices.

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 bank details. Similar support was extended to municipalities to enhance their cash management capabilities and sustain effective service delivery.

Regarding own receipts, the Directorate extended its support to the Province in estimating own revenue outcomes and potential shortfalls in the post-COVID-19 landscape.

In terms of Fiscal Policy, PT proposed the equalisation of growth rates for revenue directed to non-water service authority District Municipalities (DMs) to align with those of water service authority DMs. Subsequent to follow-up discussions during intergovernmental forums, NT introduced a phased-in equalisation plan over the 2023 Medium Term Expenditure Framework (MTEF) in the 2023 Division of Revenue (DOR) Bill. This adjustment entails a growth rate of 2.9 per cent for WC DMs in the first year (increased from 2.2 per cent), ultimately reaching 6 per cent growth by the outer year. Consequently, an additional R40 million per year was allocated to this purpose.

Provincial Government Budget Office

The Provincial Government Budget Office (PGBO) actively conducted research related to economics, policy, and budgeting. This research informed the development of provincial budget policies, which in turn guided the recommendations for budget allocations in alignment with the strategic priorities of the WCG. The PGBO published the evidence-based and data-driven 2022/23 Provincial Economic Review and Outlook (PERO) in September 2022. This publication offered insights into the latest economic and socio-economic trends and projections that would impact policy, planning, and budgeting in the Western Cape.

In November 2022, the Western Cape Medium Term Budget Policy Statement (WC MTBPS) was presented to the Provincial Legislature alongside the Adjusted Estimates of Provincial and Revenue Expenditure. The WC MTBPS provided the essential economic, fiscal, and policy context that formed the basis for the formulation of the provincial budget.

On March 14, 2023, the Overview of Provincial Revenue and Expenditure (OPRE) was tabled in the Provincial Legislature. The OPRE presented a concise overview of the core components of the 2023 WCG Budget. This encompassed the economic perspective, the provincial fiscal strategy, and the budgetary policy priorities of the government. The budgetary priorities were geared toward fostering economic growth for job creation, building secure and united communities, and enhancing the overall well-being of Western Cape residents. The 2023 WCG Budget placed special emphasis on strengthening the Province's energy resilience and collaborating with municipalities to bolster energy generation capacity.

Throughout the 2022/23 fiscal year, PT organised Innovation Seminars, which facilitated fresh insights into topical policy themes. These seminars identified avenues for enhancing service delivery and optimising resource allocation. The selection of topics and themes for these seminars was guided by budget policy priorities and provincial risks identified during the budgeting process. By bringing together experts from government, the private sector, civil society, and academia, these seminars provided a platform for sharing best practices with PT and a wider audience within the WCG.

Local Government Budget Office

2022 Strategic Integrated Municipal Budgeting Engagement (SIME) Process

LGBO coordinated the annual SIME process in the past year. This process was aligned with Sections 22 and 23 of the MFMA and Chapter 5 of the Local Government: Municipal Systems Act (MSA). These regulations required the Provincial Government to provide its views and comments on draft budgets, Integrated Development Plans (IDPs), Spatial Development Frameworks (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 their conformity 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 comprehensive assessment reports. These reports were then distributed to the respective municipalities for consideration ahead of interactive engagements. The 2022 SIME processes took place through in-person interactions with each municipality, occurring between April 19 and May 17, 2022. These sessions provided a platform for municipalities and relevant sector departments to discuss the findings and recommendations outlined in the assessment reports.

In the 2022 SIMEs, PT adopted a differentiated approach in its interactions with municipalities. This approach recognised that while there were overarching risks affecting local government throughout the Province, each municipality confronted distinct and individual challenges that impacted its growth and development. Consequently, each engagement was divided into two (2) parts. Part 1 involved discussing the 2022/23 SIME assessment, while Part 2 focused on presenting benchmarking data that compared the municipality's performance against norms and ratios established by NT.

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 and George Municipality.

2022/23 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 November 24, 2022. 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 2022/23 MERO underwent disaggregation 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 in the post-COVID-19 landscape.

Innovations introduced in the 2022/23 MERO included Housing Market Studies by the Centre for Affordable Housing Finance in Africa (CAHF) and the Department of Environmental Analysis and Development Planning, the Western Cape Tourism, Trade and Investment Promotion Agency (WESGRO) APP data, Public Expenditure on Designated Groups, Gross Fixed Capital Formation, and COVID-19 vaccination data.

Overall, the 2022/23 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 2023/24 budget and the Integrated Development Plan (IDP) cycle.

2022 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 Socio-Economic Profiles for Local Government (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 2022 SEP-LG publications were extensively integrated into the Integrated Development Plans (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 service delivery and budget implementation plan (SDBIP), aligned with their annual budget.

The Local Government Budget Office (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 pre-determined objective (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. Following the evaluation of mid-year performance, a consolidated TIME report was compiled, encompassing both financial and non-financial aspects. LGBO's role in this report was to evaluate a municipality's non-financial performance during the December period, corresponding to the second quarter of the municipal financial year. Remarkably, LGBO successfully assessed the mid-year reports of all 30 municipalities for the 2022/23 financial year.

Annual Report Assessments

As stipulated by Section 121(1) of the MFMA, every municipality/entity was mandated to craft an annual report for each fiscal year. This annual report was required to be presented before the Council within a timeframe of seven (7) months following the conclusion of the financial year. Subsequently, the Council was obliged to consider the perspectives of the local community, the NT, the relevant provincial treasury, and any provincial or national governmental entities, or municipalities that had contributed submissions on the Annual Report. In line with this requirement, PT meticulously examined the presented annual report and subsequently offered constructive feedback to the respective municipalities. This feedback report was officially issued to the municipalities during the course of the 2022/23 financial year.

Service Delivery and Budget Implementation Plans (SDBIP)

Section 53(1)(c)(ii) of the MFMA mandated that the mayor of each municipality provide annual approval for a comprehensive plan aimed at executing the municipality's service delivery and its annual budget. The specific format and essential elements of this plan, known as the Service Delivery and Budget Implementation Plan (SDBIP), were 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 2022/23 financial year, a

comprehensive feedback report detailing the evaluation findings was officially conveyed to each respective municipality.

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

PT maintained its oversight efforts over municipal financial matters as municipalities navigated the challenges brought about by the energy crisis, which imposed substantial additional pressures on municipal budgets. Municipalities were already contending with a challenging landscape, as the gradual recovery from the effects of the COVID-19 pandemic hindered customers' capacity to meet service payment obligations. In instances where municipalities confronted these crises with insufficient reserves and tariffs that did not encompass the complete expenses of their services, viability became a struggle to sustain.

Continuing its commitment, Local Government Public Finance continued to effectively oversee and orchestrate the implementation of the Municipal Finance Management Act (MFMA) within both PT and municipalities, ensuring the attainment of the Local Government (LG) reform agenda's objectives. This implementation of the MFMA was facilitated through the coordination of intergovernmental relations (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. An instrumental facet of this support entailed assisting five (5) municipalities in crafting Budget Funding Plans and subsequently overseeing their successful implementation.

Moreover, an essential dimension of the unit's commitment manifested in its collaborative efforts with PT and the Department of Local Government, culminating in the vigilant administration of a Financial Recovery Plan within the Beaufort West Municipality. This intervention was executed in accordance with the authority vested by Section 139(5) of the Constitution, underscoring the unwavering commitment to fostering financial stability and effective governance in local municipalities.

In response to the intensified repercussions of loadshedding on municipal revenue during the 2022/23 period, PT established a dedicated Energy Sub-committee within the CFO Forum structure. This forward-looking sub-committee convened for its inaugural session in March 2023, providing Chief Financial Officers (CFOs) a collaborative platform to engage in comprehensive discussions concerning the energy transition's intricate implications and its direct correlation with municipal financial sustainability. The agenda of these deliberations encompassed a wide array of crucial topics, including but not limited to the direct procurement of electricity from independent power producers, the viability and potential of wheeling mechanisms, comprehensive cost analyses of energy supply (including tariff modeling), grid preparedness, and the imperative to regulate small-scale embedded generation (SSEG). The conclusions drawn from the sub-committee's deliberations are then elevated to the Premier's Energy Council, ensuring a holistic and coordinated approach to address the complexities posed by the energy landscape.

Provincial Government Finance

Throughout the 2022/23 financial year, a total of three (3) distinct budgets were presented. The 2022 Adjustments Budget, a significant highlight, was strategically designed to enhance the original 2022 Medium Term Expenditure Framework (MTEF). Furthermore, an Additional Adjusted Estimates for the same financial year was introduced in response to emergent circumstances. This additional allocation under Section 25 was specifically aimed at mitigating the effects of loadshedding on municipalities, demonstrating the province's proactive approach to addressing critical challenges. Additionally, funds were reallocated at the national level, a portion of which was allocated to the

Province by the National Treasury for the Education Infrastructure Grant. This financial realignment underscored the seamless coordination and cooperation between the national and provincial entities. The pinnacle of the budgetary landscape, the 2023 MTEF budget, stands as a testament to the WCG's dedication to harmonising expenditure priorities and interventions with the overarching provincial priorities.

Infrastructure

Infrastructure continued to serve as a crucial facilitator of services and facilities essential for economic growth and sustainability. As a result, prioritising infrastructure plans, implementation, and investments remained a central focus throughout the past financial year. Expenditures were meticulously monitored against allocated budgets in relevant departments to ensure alignment with the priority of infrastructure as a driver of progress.

The Adjusted Budget process for 2022/23 culminated in the publication of the "Overview of Adjusted Provincial and Municipal Infrastructure Investment (OAPMII) 2022." Presented by the Provincial Government in November 2022, this document provided an updated and comprehensive view of provincial infrastructure delivery strategies and spending priorities across the various municipal districts in the Western Cape. This publication reinforced transparency and underscored the commitment to effective infrastructure planning.

Moreover, the Main Budget process for 2023/24 resulted in the presentation of the "OPMII 2023" publication on 14 March 2023. This strategic document offered an encompassing overview of infrastructure investments undertaken by both the Provincial Government and municipalities within the Western Cape. It provided insights into planned projects for execution in 2023/24, meticulously 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, data compilation, data and information management, as well as records management 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 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	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(i)	4	4	4	None	None
2.2.1.3		Local Government Cash Management reports	Number of Local Government Cash Management reports	4(ii)	4	4	4	None	None
2.2.1.4		Provincial Government Cash Management reports	Number of Provincial Government Cash Management reports	4(iii)	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

The indicators below were previously one (1) indicator in the 2020/21 financial year. The indicator was the "Number of Revenue and Cash Management Reports for Integrated Planning, Budgeting and Implementation", which had a target of 12 outputs which were achieved and audited as such. In the 2021/22 financial year the indicators were split into three (3) indicators with four (4) outputs each. The audited achievement of 12 outputs in the 2020/21 financial year has been disaggregated into four (4) outputs for each indicator as in accordance with the amount of targets each indicator contributed to this achievement.

- (i) Number of Provincial Revenue Management Reports for Integrated Planning, Budgeting, and Implementation
- (ii) Number of Local Government Cash Management Reports for Integrated Planning, Budgeting, and Implementation
- (iii) Number of Provincial Government Cash Management Reports for Integrated Planning, Budgeting, and Implementation

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 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	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	41	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 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
2.3.2.1	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	Integrated municipal budget policy assessment reports	Number of integrated municipal budget policy assessment reports	30	29	30	30	None	None
2.3.2.2		Quarterly performance reports received, assessed	Percentage of quarterly performance reports received, assessed	100%*	100%**	100%	100%***	None	None
2.3.2.3		Socio-economic intelligence publications	Development of the Municipal Economic Review and Outlook	October 2020	December 2021	September 2022	November 2022	2 months	The tabling of MERO was shifted to 23 November 2022 to accommodate the inclusion of the most recent available data sets. It also aligns with the tabling of the MTBPS to provide further context and spatial socio-economic intelligence to local governments planning and budgetary response.
2.3.2.4			Number of Socio-Economic Profiles (SEP-LGs) developed	New output indicator	New output indicator	30	30	None	None

* Method of calculation 2020/21

Numerator: Number of quarterly performance reports assessed (118)

Denominator: Number of quarterly performance reports received (118)

** 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)

Strategy to overcome areas of under performance

There were no areas of underperformance.

Changes to planned targets

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

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT									
Sub-programme 2.4: Public Finance									
Element: Provincial Government Finance									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
2.4.1.1	Integrated planning, budgeting, and implementation for sustainable management of provincial and municipal fiscal resources	Provincial budget assessment reports	Number of provincial budget assessment reports	28	28	28	28	None	None
2.4.1.2		Expenditure reviews	Number of expenditure reviews	2	1	3	4	1	The target of three (3) reviews was exceeded as an additional review was commissioned to respond to departmental demand. It was anticipated that only three (3) reviews would be finalised within the financial year, due to issues related to data and personnel availability. However, these risks were successfully mitigated, allowing all four (4) reviews to be finalised.
2.4.1.3		Quarterly reports on the implementation of the budget	Number of quarterly reports on the implementation of the budget	4	4	4	4	None	None
2.4.1.4		Provincial budget publications	Number of provincial budget publications	4	3	2	3	1	An Additional Adjusted Estimate was tabled due to a Section 25 emergency allocation to assist municipalities with the impact of loadshedding, as well as for the reallocation of funding at a national level of which an amount was allocated to the Province by NT for the Education Infrastructure Grant.

Strategy to overcome areas of under performance

There were no areas of underperformance.

Changes to planned targets

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

PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT										
Sub-programme 2.4: Public Finance										
Element: Local Government Finance (Group 1 and 2)										
No.	Outcome	Output	Output indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	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 assessment reports on the implementation of the municipal budget for municipalities that submit as per s71 of the MFMA	Revised Output Indicator	Revised Output Indicator	100%	100%*	None	None	
2.4.2.2			Number of monthly consolidated IYM assessment reports	New output indicator	12	12	12	None	None	
2.4.2.3			Number of quarterly publications on the state of municipal budgets	Revised output indicator	4	4	4	None	None	
2.4.2.4			Assessment of municipal budgets and adjustment budgets for sustainability and credibility	Number of reports on budget sustainability and credibility inputted to municipal budget assessment reports	30	59	60	60	None	None
2.4.2.5			Reports on MFMA implementation	Number of reports on MFMA implementation	4	4	4	5	1	NT conventionally requests feedback on a quarterly basis. There are however instances where they ask for feedback more than once during a reporting period; or, instances where NT does not ask for information during a specific quarterly reporting period. PT cannot report, if information is not requested (NT submits a reporting template). As per the evidence checklist, PT made no submissions in quarter 1 (April – June 2022), but two (2) submissions in quarters 2 (July – Sept 2022) and 4 (Jan – March 2023). One (1) submission was made in quarter 3 (Oct – Dec 2022) in line with the target.
2.4.2.6			Forums to strengthen intergovernmental cooperation and information sharing	Number of quarterly CFO forums	New output indicator	4	4	4	None	None
2.4.2.7			Responding to financial problems in municipalities	Percentage of municipalities in financial crisis that are responded to appropriately in terms of requirements in the MFMA	New Output Indicator	New Output Indicator	100%	100%**	None	None

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)

Percentage of municipalities in financial crisis that are responded to appropriately in terms of requirements in the MFMA

** Method of calculation 2022/23

Numerator: Number of municipalities responded to i.t.o sec 135 of the chapter 13 of the MFMA (1)

Denominator: Number of municipalities facing serious financial problems i.t.o sec 135 of the chapter 13 of the MFMA (1)

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: Infrastructure									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	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	3	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 Guideline	Project Preparation Facility Guideline document issued	New Output Indicator	New Output Indicator	1	1	None	None
2.4.3.5		Reports on the implementation of the infrastructure delivery management system (IDMS)	Number of assessments on the Service Delivery Agreement(s) (SDA) / IDMS Protocol Agreement	New Output Indicator	New Output Indicator	1	0	None	The Department of Health and Wellness (DHW) provided the Infrastructure Directorate with a draft SDA document which Infrastructure reviewed, provided comments on and made recommendations directly onto the draft SDA document. The SDA is currently undergoing a vetting process with Legal Services as requested by the DHW. The final approved SDA has not been submitted by the DHW to the Infrastructure Directorate in order to perform a final assessment on the SDA.

Strategy to overcome areas of under performance

Ongoing communication will take place with the relevant department to keep track of the SDA's status and its anticipated submission date for assessment. If the final approved SDA, agreed upon by both the Client and Implementer, is not yet submitted to the Infrastructure Directorate, evaluations of draft submissions for comments and recommendations could be conducted. However, it's important to note that these assessments will not reflect the content of the eventual approved SDA, which will be determined through collaborative efforts between the Client and Implementer.

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 2020/21	Audited actual performance 2021/22	Planned annual target 2022/23	Actual achievement 2022/23	Deviation from planned target to actual achievement 2022/23	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	2022/23			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
2.1 Programme Support	7 273	7 268	5	6 929	5 986	943
2.2 Fiscal Policy	43 194	43 111	83	39 341	38 439	902
2.3 Budget Management	19 142	19 134	8	22 339	21 719	620
2.4 Public Finance	58 384	57 918	466	51 460	45 891	5 569
Total	127 993	127 431	562	120 069	112 035	8 034

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

Navigating a complex landscape of National government policies and regulations in the realm of supply chain management, coupled with the Constitutional Court's invalidation of the Preferential Procurement Regulations, 2017, presented significant challenges to PT. Despite these challenges, PT was determined to uphold and enhance its foundation of good governance, ensuring the Province's continued success in maintaining sound audit outcomes related to supply chain management. Moreover, PT was committed to safeguarding service delivery from any potential compromise while upholding sustainable governance standards. However, this commitment led to an unexpected outcome: the necessity for PT to issue a series of PT Circulars to provide essential support, sustain stability, and manage the dynamic environment effectively.

Aligned with its PFMA Section 18 mandate to enforce and facilitate financial management within procurement oversight across the Province, as well as to drive the acceleration, modernisation, and reform of supply chain management through its SCM strategy, PT accomplished the following:

- Successfully implemented programs targeting departments, municipalities, and suppliers.
- Regularly reviewed client support performance, utilizing Client Support Performance Reports on a quarterly basis.
- Produced 53 SCM Insight performance reports and conducted Quarterly Procurement Disclosure reporting to ensure both transparency and accountability.
- Maintained a robust and integrated governance platform for supply chain management within the Province through the issuance of a revised blueprint accounting officers' system. This system aimed to standardize and establish uniformity across the Province, while also allowing for customization to accommodate specific departmental needs.
- Throughout the process, PT remained agile by incorporating new and interim requirements at various stages. These adjustments were effectively managed through the issuance of pertinent circulars to ensure the practical and rational implementation of prescribed procedures. This approach ensured that the governance platform consistently met evolving demands while promoting effective governance practices.
- The automated procurement planning toolkit continued to strengthen requirements for provincial departments in demand forecasting, demand management, and procurement planning against a budget for all thirteen (13) provincial departments in the Province. Maintenance and management of the transversal security framework contract and further commodity clean-up exercises on the procurement system and Western Cape Supplier Evidence Bank facilitated improved procurement analysis capability and credibility of information on the eProcurement Solution (ePS).
- From an SCM-technology perspective, PT developed an in-house eProcurement Solution which was fully rolled out for a quotation process up to R1 million to provincial departments.

Thirteen (13) provincial departments collectively advertised and managed 42 409 procurement events via the eProcurement system for quotations from April 1, 2022, to March 31, 2023.

- At the operational level, 13,886 supplier queries were attended to via the Procurement Client Centre through its SCM helpdesk.
- A COVID-19 Procurement Disclosure Close-out Report for the entire period of the disaster was published, as well as subsequent quarterly reports for overall procurement.
- Given that the unit has no dedicated structure in place for strategic sourcing and SCM Technology, the unit marginally deviated from the publication of the last Procurement Disclosure Report. The unit is busy with an Organisational Development (OD) process to review its structural needs.

In line with the mandate embedded under Section 5(3) of the MFMA to guide and assist municipalities and entities in building their capacity for efficient, effective, and transparent financial management, as well as to provide support and training on the regulatory framework that governs Supply Chain Management, the following initiatives were achieved:

- At an operational level, PT successfully facilitated district SCM Forum meetings to assist municipalities with all SCM governance challenges. Through the Local Government SCM MFMA Helpdesk Function, PT effectively assisted municipalities and suppliers with 482 queries and 15 complaints during the reviewed period. The establishment of the SCM Governance Workstream, with the participation of SCM managers and District CFOs, was implemented to address SCM Policy developments and key SCM Challenges, including audit interpretation issues and mitigating SCM Audit Risks. The Workstream played a pivotal role in developing PPR policies, ensuring standardisation and uniformity among municipalities and municipal entities.
- Operationally, PT provided hands-on support to municipalities during the audit period and compiled the SCM audit challenges. Various SCM training and development programs, benefiting 64 municipal officials, were conducted by the unit. Additionally, PT supported Supplier Open days interventions for Breede Valley Municipality (Worcester), Drakenstein Municipality (Paarl), Overberg District Municipality (Bredasdorp), and Bergrivier Municipality (Porterville), raising awareness among suppliers about Central Supplier Database registration and how to engage in government business.
- Ten (10) municipal procurement planning analyses were successfully completed, aiding municipalities in their procurement planning and commodity strategies. Asset Management Baseline Assessments were conducted in different municipal districts, yielding crucial data feeding into a dedicated Asset Management Governance and Training Project within the municipal sphere. PT facilitated the successful rollout of the Asset Management Governance and Training Project within the Cape Winelands, West Coast, and Overberg District municipalities. This initiative provided guidance, assistance, and training on asset management business processes, promoting continual improvement in the infrastructure procurement environment.
- Assessments were conducted on Municipal District SCM Insight Performance Reporting data for four municipal districts, addressing SCM governance challenges impacting procurement decision-making processes. In partnership with the Department of Local Government, PT assisted with various SCM diagnostic assessments for Kannaland, Cederberg, and Matzikama municipalities.
- With a focus on the Growth Agenda and recognising changes in the current and future SCM environment, PT is seizing the opportunity to adopt a more value-driven approach. The shift aims

to move beyond a rule and compliance-driven model, focusing on a more strategic SCM Procurement Approach that emphasises value for money and redress. The unit is actively repositioning the current procurement system to ensure that value and impact are tangible at the ground level.

Supporting and Interlinked Financial Systems (SIFS)

PT successfully achieved all its SIFS targets for the 2022/23 financial year and continued to embrace innovation to enhance the financial systems. In alignment with its mandate concerning the financial management systems environment, PT provided comprehensive support, assistance, and online training to all provincial systems users, encompassing LOGIS, BAS, and PERSAL.

The primary focus of the SIFS unit revolved around data enablement and harnessing the capabilities of the Datawarehouse to its advantage. This strategic approach empowered the SIFS component to enhance and establish novel web-based data platforms, facilitated by cutting-edge Business Intelligence tools. Multiple data sources were thoughtfully interconnected to foster integrated reporting within the financial systems, thus enhancing governance arrangements and streamlining monitoring, trend analysis, and input data reporting into the main three (3) Legacy systems.

Continuing its commitment to data quality, the SIFS team diligently pursued data cleansing initiatives. This concerted effort aimed to enhance the accuracy and validity of the item master data, facilitating the seamless identification and reporting of procured items.

The SIFS team remained dedicated to facilitating systems for newly established departments, particularly focusing on the successful merger of the Department of Transport and Public Works and Human Settlements into the Department of Infrastructure & Mobility. Despite the technical complexity of this project, PT effectively collaborated with diverse stakeholders, including National Treasury, ensuring the project's timely accomplishment within agreed timeframes.

Monthly engagements were consistently maintained by the SIFS team with the Eastern Cape and National Treasury, State Information Technology Agency (SITA), and the DPSA to drive the progress of the IFMS. While substantive progress on the IFMS remained elusive, the National Treasury progressively fortified its legacy systems and enriched the functionality of the CSD system to bolster governance and introduce innovative modules, such as the e-Tender Portal.

PROGRAMME 3: ASSET MANAGEMENT									
Sub-programme 3.2: Supply Chain Management - Provincial and Local Government									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	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 maturity	Number of municipal districts assisted	5	5	5	5	None	None
3.2.1.2		Municipal systems insight reports	Number of districts assisted with systems insight reporting	5	3	3	3	None	None

PROGRAMME 3: ASSET MANAGEMENT									
Sub-programme 3.2: Supply Chain Management - Provincial and Local Government									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
3.2.1.3	Effective management and oversight of financial systems, supply chain and movable asset management governance within the provincial and municipal spheres	Annually defined support programmes for departments and municipal districts	Number of support programmes implemented for departments and municipal districts	2	2	2	2	None	None
3.2.1.4		Annually defined support programme for suppliers	Number of support programmes implemented to develop and enable suppliers	1	1	1	1	None	None
3.2.1.5		Operational client support function	Number of reports reflecting Client support performance	New Output Indicator	3	3	4	1	The over-achievement was due to making good on the annual review of the previous financial year in Quarter 1.
3.2.1.6		Publication of Procurement Disclosure Reports on all COVID-19 Expenditure	Number of procurement disclosure reports	New Output Indicator	4	5	4	1	Although reports have been completed and approved by the HoD, publication approval is done via the Ministry and this was delayed given the stringent deadlines.
3.2.1.7		Focused strategic sourcing initiatives for value for money purchasing in the province	Number of strategic sourcing interventions	Revised Output Indicator	Revised Output Indicator	2	2	None	None
3.2.1.8		Provincial SCM system insight reports	Number of SCM system insight reports produced, providing procurement performance information to departments	53	53	53	53	None	None
3.2.1.9		Municipal procurement plans assessed	Number of procurement plans and supporting strategic procurement initiatives assessed for municipalities	10	10	10	10	None	None

Outcomes, outputs, output indicators, targets, and actual achievements tables – re-tabled due to in-year change

PROGRAMME 3: ASSET MANAGEMENT										
Sub-programme 3.2: Supply Chain Management - Provincial and Local Government										
No.	Outcome	Output	Output indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations	Reason for revisions to the Outputs/ Output indicators/ Annual Target
3.2.1.6	Effective management and oversight of financial systems, supply chain and movable asset management governance within the provincial and municipal spheres	Publication of Procurement Disclosure Reports	Number of procurement disclosure reports	New Output Indicator	4	5	4	1	Although reports have been completed and approved by the HOD, publication approval is done via the Ministry and this was delayed given the stringent deadlines.	With the lifting of the state of disaster in Quarter 1 of the financial year the indicator needed to close out on disaster reporting and refocus on overall procurement performance and the enablement of a platform for procurement disclosure more broadly.

The in-year change is reflected in the wording of the output. The Planned Annual Target 2022/23 and the Actual Achievement 2022/23 remains.

Strategy to overcome areas of under performance

The Technical Indicator descriptions and output indicators have been revised based on their relevance to accurately represent the performance within the directorate's direct management control. Additionally, the term "publication" has been omitted, as the Directorate itself is responsible for generating the Report. This adjustment ensures that the Report aligns more precisely with the directorate's responsibilities and performance outcomes.

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 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	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	New output indicator	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	2022/23			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
3.1 Programme Support	4 584	4 580	4	4 960	4 672	288
3.2 Supply Chain Management	41 207	40 171	1 036	36 106	35 421	685
3.3 Supporting and Interlinked Financial Systems	32 812	32 810	2	33 292	31 233	2 059
Total	78 603	77 561	1 042	74 358	71 326	3 032

4.4 Programme 4: Financial Governance

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

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

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

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

- Governance transformation in departments, entities, and municipalities improved.

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

Accounting Services

PT continued to uphold a high standard of the accountability cycle, a practice that was consistently maintained throughout the financial year ending on March 31, 2023. PT's significant role in achieving and sustaining the recognition from the AGSA as the top-performing province for audit outcomes across both local and provincial government spheres is paramount.

The municipal audits for the 2021/22 period were concluded by the end of March 2023. Building upon the positive audit outcomes of the previous year, enhancements were made within the municipal portfolio. Twenty (20) municipalities achieved clean audits, seven (7) municipalities attained "unqualified audit with other matters" results, and three (3) municipalities faced adverse audit outcomes. Notably, an additional municipality succeeded in attaining a clean audit, raising the count to 21 municipalities achieving this commendable standard. Furthermore, 27 municipalities attained the globally recognised benchmark of an unqualified audit opinion.

The consistent achievement of success in the Western Cape, as highlighted in the AGSA's 2021/22 MFMA general report, can be attributed to various factors, including:

- The establishment of institutional controls that led to a decrease in irregular expenditure;
- Accounting officers and authorities holding senior management responsible for improving vital performance reporting practices; and
- Leadership vigilance and responsibility for commitments, in collaboration with oversight committees, to elevate and sustain audit outcomes.

PT facilitated these outcomes through various initiatives:

- Successfully hosting PFMA CFO Forum meetings, financial accounting forums, and MFMA CFO forums. These platforms not only prepared institutions for regulatory audits but also advocated good governance. Annual Financial Statement consistency workshops were organised to provide institutions with expert advice and support.
- 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 venue 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

Recognising the strategic significance of WCG's governance approach, the "Governing for Growth" chapter was incorporated into the 2022 Medium Term Budget Policy Statement. The 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.

"To continually strengthen leadership oversight and accountability, the Minister established the Provincial Budget and Governance Forum, the inaugural forum took place on 2 February 2023 and brought together Mayoral Committee Members responsible for Finance from Western Cape municipalities, facilitating coordinated action by "Team Finance" within the province."

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

During the 2022/23 TIME process, municipalities and the WCG jointly examined performance and governance challenges in the current fiscal year. These engagements centered on the alignment of municipal strategic and operational plans with good governance practices, proactively addressing governance and performance challenges to enhance municipal performance. The TIME process specifically addressed the impact of the energy crisis and the municipal response. These engagements facilitated improved alignment and synergy between municipal and WCG energy responses.

Governance engagements with departments were consolidated into the NT mid-year process, aligning budget preparation with good governance principles.

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 CA 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. Moreover, the CA trainee program produced a cohort of professional chartered accountants, many of whom secured roles in both public and private sectors, with the academy consistently producing professionals who now occupy influential positions.

Furthermore, over one hundred interns and bursars were supported by the Financial Management Capability Grant 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 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	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	29	30	30	30	None	None
4.2.1.2		Support initiatives to strengthen the understanding and application of accounting standards	Number of interventions to improve the understanding and application of accounting standards	6	8	10	10	None	None

PROGRAMME 4: FINANCIAL GOVERNANCE									
Sub-programme 4.2: Accounting Services									
Element: Local Government Accounting									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
4.2.1.3	Governance transformation in departments, entities and municipalities improved	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	0%*	100%**	100%	100%***	None	None

* Method of calculation 2020/21

Numerator: Number of reconciled returns closed off on the NT LG Database (0)

Denominator: Number of returns submitted by municipalities to the NT LG Database (0)

** 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)

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 4: FINANCIAL GOVERNANCE									
Sub-programme 4.2: Accounting Services									
Element: Provincial Government Accounting									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	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	2	1	1	None	None
4.2.2.2		Departments supported on internal control initiatives	Number of internal control interventions rolled out in departments	5	8	4	5	1	In Quarter 3 an additional training intervention was requested by departments and held by PT. The Root Cause Analysis training initiative was identified via the IC Forum for implementation by PT.

PROGRAMME 4: FINANCIAL GOVERNANCE									
Sub-programme 4.2: Accounting Services									
Element: Provincial Government Accounting									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
4.2.2.3	Governance transformation in departments, entities and municipalities improved	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	1 month after receipt of audit report on the ACFS	-	1 month after receipt of audit report on the ACFS	1 month after receipt of audit report on the ACFS	None	None
4.2.2.5		Oversight and monitoring of irregular expenditure within departments and public entities	Percentage of IE Condonement letter issued	New Output Indicator	New Output Indicator	100%	100%*	None	None

* Method of calculation 2022/23

Numerator: Number of letters issued to departments and public entities (31)

Denominator: Number of applications received from departments and public entities (31)

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 4: FINANCIAL GOVERNANCE									
Sub-programme 4.3: Corporate Governance									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	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

PROGRAMME 4: FINANCIAL GOVERNANCE									
Sub-programme 4.3: Corporate Governance									
No.	Outcome	Output	Output indicators	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Annual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to Actual Achievement 2022/23	Reasons for deviations
4.3.1.4	Governance transformation in departments, entities and municipalities improved	Municipalities and departments supported on financial legal frameworks and policies	Number of support initiatives to departments on financial legal frameworks and policies	4	1	1	1	None	None
4.3.1.5			Number of support initiatives to municipalities on financial legal frameworks and policies	4	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	New Output Indicator	100%	100%*	None	None

* Method of calculation 2022/23

Numerator: Number of Assessment needs analysis (ANA) submissions assessed (15)

Denominator: Number of ANA's submissions (15)

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	2022/23			2021/22		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
4.1 Programme Support	8 603	8 507	96	7 578	7 480	98
4.2 Accounting Services	21 151	21 107	44	20 724	19 531	1 193
4.3 Corporate Governance	21 482	21 468	14	24 422	24 118	304
Total	51 236	51 082	154	52 724	51 129	1 595

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 R25.076 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	25 076	25 076	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 2022 to 31 March 2023.

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	19 498	0	Transfer of funds to municipalities are only done during the last quarter of the financial year. Municipalities are in the preparation phase to spend the money.
Departmental agencies and accounts	South African Broadcasting Corporation (SABC) TV licences	Yes	8	8	None
Households	Bursaries, leave gratuity, and early retirement Section 16(6)	Yes	3 896	3 896	None
Gifts and donations	Donation to deceased official's family	Yes	5	5	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 2022 to 31 March 2023; 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>Effective local governance:</p> <ul style="list-style-type: none"> Improved quality of data management and financial and performance reporting (financial and non-financial) to inform planning, budgeting, and tariff calculation. Strengthened financial systems to deliver reports required for financial management improvement. Improvement in optimising revenue streams and transparency in tariff setting. Compliance with regulatory requirements related to performance management and improvement in the usefulness and reliability of reported information against pre-determined objectives. Improved internal audit and risk functioning. Implementation of audit action plans. 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. <p>Efficient infrastructure investment:</p> <ul style="list-style-type: none"> Analysis and planning that supports strategic infrastructure investment and economic growth. <p>Strategic supply chain management:</p> <ul style="list-style-type: none"> Improvement in Supply Chain Management compliance and regulatory conformance. <p>Integrated provincial governance:</p> <ul style="list-style-type: none"> Strengthened capabilities of district municipalities to assist and enable local municipalities to improve their financial management capabilities.

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"> ● Support long-term financial sustainability through the implementation of revenue enhancement initiatives. 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. ● Enhanced tariff modelling to more accurately forecast impact on consumers and to support cost reflective tariff setting. ● Improved effectiveness and efficiency of Financial Systems through the procurement of automated add-on modules relating to external borrowings; grants register; land and property management; and capital budgeting. ● More complete asset registers (asset unbundling) in line with relevant account standards. ● Development of a systems-based credit control and debt collection system to further support revenue optimization. ● Improved accuracy of Indigent Registers through development of Indigent Control System. ● Development of a citizen-friendly annual report to improve accountability and stimulate public interest in the municipal planning and budgeting process. ● Improved financial governance through the introduction of an automated internal audit system to strengthen internal capacity of audit unit. ● Assist municipalities to build financial management skills pipeline through the implementation of external bursary programmes.
Amount per amended DoRA (R'000)	17 505
Amount transferred (R'000)	17 505
Reasons if amount as per DoRA 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.
Reasons for the funds unspent by the entity	None
Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> ● 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. ● Identify gaps in municipal financial management capabilities through Strategic Integrated Municipal Engagement (SIME), Technical Integrated Municipal Engagements (TIME) and other engagements and suggest projects to address these that might be eligible for grant funding. ● Inform municipalities of grant funding criteria and allocation process. ● Determine allocations and sign Memorandum of Agreements (MOAs) with recipient municipalities. ● Transfer funds to municipalities. ● Monitor the use of funds and provide advice and assistance on request. ● 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). ● Consider roll-over requests and make recommendations based whether municipalities meet the requirements. ● 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.

Western Cape Municipal Financial Recovery Services Grant

Department/Municipality to whom the grant has been transferred	Various municipalities across the Western Cape Province
Purpose of the grant	To provide financial assistance to municipalities to improve overall financial governance 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) (MFMA) and related regulations.
Expected outputs of the grant	<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) (MFMA), relating to:</p> <ul style="list-style-type: none"> ● Progressive realisation of financial management capacity building objectives that will result in the improvement in the competency and skill of municipal financial officials within the municipality towards sustainable municipal Budget and Treasury Office capabilities; ● Support municipalities during the implementation process relating to the Municipal Standard Chart of Accounts (mSCOA); ● Improvement in internal and external reporting on financial (budget) and non-financial performance (in-year reporting) information; ● Compliance with regulatory requirements related to performance management and improvement in the usefulness and reliability of reported information against PDOs; ● Improvement in Supply Chain Management compliance and regulatory conformance; and ● Improvement in audit outcomes (financial and non-financial).
Actual outputs achieved	<ul style="list-style-type: none"> ● Purchase of 700 water meters to improve revenue collection.
Amount per amended DoRA (R'000)	1 993
Amount transferred (R'000)	1 993
Reasons if amount as per DoRA 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"> ● Monitoring and management of the programme (outputs and intended outcomes) as stipulated in the Financial Recovery Plan. ● Report progress in terms of Implementation of the Financial Recovery Plan and spending of funds at least every three months/quarterly as informed by section 147(1)(b) of the Municipal Finance Management Act (Act 56 of 2003) (MFMA). ● Transfer funds to municipalities for the assistance with the implementation of the Financial Recovery Plan, Municipal Finance Management Act (Act 56 of 2003) (MFMA) and its supporting regulations related to intervention deliverables. ● Finalise and agree on business/implementation plans with affected municipalities. ● Periodic visits to monitor the impact and the appropriateness of the assistance in terms of the spending performance of the funds allocated and general compliance to conditions as set out in the grant framework and Memorandum of Agreements.

6.2 Conditional grants and earmarked funds received

None.

7. DONOR FUNDS

7.1 Donor Funds Received

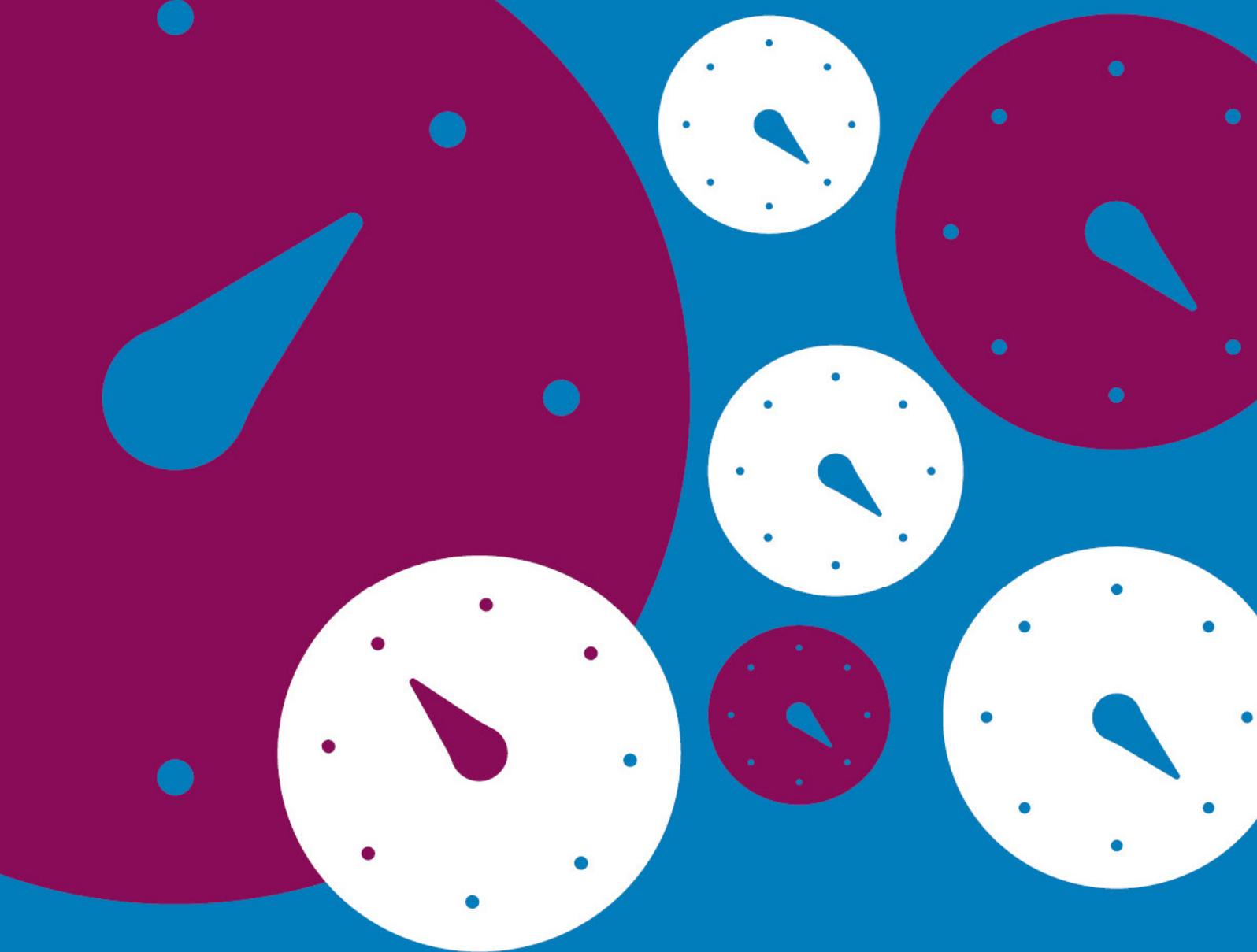
PT did not receive any donor funding during the reporting period.

8. CAPITAL INVESTMENTS

8.1 Capital investment, maintenance and asset management plan

PT did not possess its own immovable capital assets, as the management of these assets falls under the responsibility of the DTPW, 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 DTPW. It's important to note that the U-AMP did not allocate any funds for capital works.

Maintenance responsibilities for PT were primarily handled by the DTPW. In cases where the requested services were not provided by that department, permission was sought from them to proceed with minor projects.



GOVERNANCE

PART C

PART C: GOVERNANCE

1. INTRODUCTION

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

The Department has an approved Strategic Plan (setting out the PT's vision, mission, impact, and outcomes to be achieved over a five-year period) and the 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 Annual Performance and Strategic Plan.

Quarterly performance reports provide progress updates on the implementation of the PT's APP and monitoring delivery against performance targets. This takes place in accordance with Chapter 5 of the Treasury Regulations and ensures that financial and non-financial performance information underpins planning, budgeting, implementation management, and accountability 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) Enterprise Risk Management Committee (ERMCO); (ii) Occupational Health and Safety Committee; (iii) various Bid Committees (Specification, Evaluation, Adjudication); (iv) Information Technology Steering Committee (STEERCOM) which provides oversight relating to information technology governance and (v) Internal Control Unit.

2. RISK MANAGEMENT

Provincial Treasury established an Enterprise Risk Management Committee (ERMCO) to assist the Accounting Officer (AO) in executing his responsibilities relating to risk management.

Enterprise Risk Management Policy and Strategy

Provincial Treasury adopted an Enterprise Risk Management Policy on 4 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 (ERM) strategy and implementation plan outlines how the Department will go about implementing the ERM Policy adopted by the Accounting Officer (AO). This ERM strategy is informed by the Provincial Enterprise Risk Management Policy and Strategy (PERMPS) as well as its own ERM Policy and risk profiles.

ERMCO Responsibility

ERMCO reports that it has complied with its responsibilities arising from Section 38(1)(a)(i) of the Public Finance Management Act, Treasury Regulation 3.2.1 and Public Service Regulations of 2016, Chapter 2, Part 1, 2 and 3. The ERMCO also reports that it has adopted the appropriate formal Terms of Reference (approved by the ERMCO chairperson on 30 March 2021) and regulated its affairs in compliance with this Terms of Reference and has discharged all its responsibilities as contained therein.

ERMCO Members

The ERMCO comprises of the AO, top management, SMS and selected members of the Department's management team. As per its Terms of Reference 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 the ERMCO members:

Member	Position	Attended	Date Appointed
Mr D Savage	Accounting Officer (Chairperson)	4	3 December 2019
Dr R Havemann	DDG: Fiscal and Economic Services	4*	30 March 2021
Ms J Gantana	DDG: Governance and Asset Management	4	30 March 2021
Ms S Robinson	CD: Public Policy Services	4*	24 August 2022
Mr S Kenyon	CD: Local Government Public Finance	4	30 March 2021
Ms A Pick	CD: Provincial Government Public Finance	4*	3 August 2021
Mr I Smith	CD: Asset Management	4*	30 March 2021
Mr A Hardien	CD: Financial Governance	4*	30 March 2021
Ms A Smit	CFO and Risk Champion	4	30 March 2021
Ms N Ismail	Director: Strategic and Operational Management Support	4*	30 March 2021

* There has always been representation of the unit when the members were unable to attend the meeting.

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: ERM (DotP)	4
Ms G Solomons	Chief Risk Advisor: ERM (DotP)	4
Mr Y Samodien	Risk Advisor: ERM (DotP)	4
Mr M Williams	Director: Internal Audit (DotP)	4
Mr A Ahmed	Deputy Director: Internal Audit (DotP)	3
Ms B Cebekhulu	Deputy Director: Provincial Forensic Services (PFS) (DotP)	4
Ms R Cassiem	Deputy Director: Internal Control (PT)	4
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 Chief Financial Officer (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 citizens;
- 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
- Provided oversight on ethics management in the Department.

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 Province's 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 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 employing 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 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 made 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

During the financial year the strategic risk profile was refined. There was a focus on the key risk indicators for the strategic risks, as it provides an early warning of increasing risk exposure and the control self-assessments for strategic and programme risks were finalised within the department.

In terms of the Enterprise Risk Management (ERM) Maturity Roadmap, improvements on the risk maturity will be introduced in the new financial year. The ERM Maturity Roadmap has been coming a long way and it comprises of five (5) different stages. The Department is looking forward to moving to the final stage being Risk Velocity. This will mean that the Department will have a fully defined rating scale to optimise risk culture.

3. FRAUD AND CORRUPTION

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

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

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

Various channels for reporting allegations of fraud, theft and corruption exist and these are described in detail in the Provincial Anti-Fraud and Corruption Strategy, the WCG Whistle-blowing Policy and the Departmental Fraud and Corruption Prevention Plan. Each allegation received by the Provincial Forensic Services (PFS) Unit is recorded in a Case Management System which is used as a management tool to report on progress made with cases relating to the Department and to generate statistics for the WCG and the Department.

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

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

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 2022	0
New cases (2022/23)	1
Closed cases (2022/23)	(1)
Open cases as at 31 March 2023	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 non-compliance were substantiated.

4. MINIMISING CONFLICT OF INTEREST

In terms of Chapter 2: Code of Conduct, Financial Disclosure, Anti-corruption, and Ethics Management, Part 2 – Financial Disclosure 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 Department of Public Service and Administration (DPSA). Officials on salary levels 9 and 10 completed their disclosures for 2021/22 in the 2022/23 financial year. Officials on salary levels 11 and 12 as well as officials within the SCM, Management Accounting, Financial Accounting units, and the PSR officers will complete their disclosures for 2022/23 in the 2023/24 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; and
- Guides employees in terms of what is expected of them ethically, both in their individual conduct and in their relationships with others and forms an integral part of the way we work every day.

All employees are expected to abide 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.

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

6. HEALTH AND SAFETY AND ENVIRONMENTAL ISSUES

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

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.

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.

7. ACCESS TO INFORMATION

During the 2022/23 financial year, the Department managed the request for information in terms of the Promotion of Access to Information Act (PAIA), 2000. The Department also registered three Deputy Information Officers at the Information Regulator (South Africa) to assist with PAIA requests (and enquiries) in a more streamlined manner. The Section 32 report was timeously submitted online via the Information Regulator (South Africa) website. The process on how to request information from the Information Officer and necessary forms to complete and fees applicable can be accessed at the following online link: <https://www.westerncape.gov.za/provincial-treasury/about-us/promotion-access-information-pai>.

8. 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
29 July 2022	Budget Committee	The Committee requested the following: 1. That Western Cape Provincial and National Treasuries provide the Committee with a quarterly update on the national wage negotiations for the 2022/23 financial year.	PT awaits the letter of request for information from the Committee.

Date of meeting	Committee	Subject	Response from Department
10 October 2022	Budget Committee	The Committee resolved to invite Provincial Treasury and AGSA in February 2023 to update the Committee on the cost and the status of the plans to implement performance auditing.	PT awaits the invite from the Committee.
26 September 2022	Standing Committee on Finance, Economic Opportunities and Tourism	<p>The Committee requested the following:</p> <ol style="list-style-type: none"> 1. A report from Provincial Treasury on the gambling licensing agreements awarded to Caledon Casino and all other casinos in the Western Cape, specifying the social responsibility agreements that were built into each license; and 2. A report from the Provincial Treasury and the Western Cape Gambling and Racing Board on the possible transfer of a casino licence to the Helderberg area. 	The PT provided a response to the Committee on 01 February 2023.
01 November 2022	Standing Committee on Finance, Economic Opportunities and Tourism	<p>The Committee requested the following:</p> <ol style="list-style-type: none"> 1. A report on the Public Entity Review that Provincial Treasury undertook in 2016, the recommendations that stemmed from this Review, and the most recent review undertaken on public entities; 2. A report from the Provincial Treasury on the Section 139 process that was undertaken and how it was applied in respect of the Central Karoo matter; 3. A copy of the expenditure review from the Provincial Treasury in respect of learner transport and a brief report on issues identified and the recommendations stemming from the review; 4. A report from the Provincial Treasury indicating a monthly breakdown of the expenses incurred through the procurement office for goods and services for the 2021/22 financial year; 5. A report indicating the vacancies within the Provincial Treasury and how long these positions have been vacant; 6. A report from the Provincial Treasury on the successes and challenges of their pilot programme using machine-learning, and the details in respect of the roll out of this initiative going forward; 7. A report from the Provincial Treasury updating the Committee on the implementation on the Integrated Financial Management System (software), which they discussed in the previous year's Annual Report deliberations; 8. A copy of the revised gambling policy that the Provincial Treasury will complete at the end of November 2022; 9. An update from the Provincial Treasury on the totalisator and horseracing recommendations and consultations in respect of betting sports; 	The PT provided a response to the Committee on 16 February 2023.

Date of meeting	Committee	Subject	Response from Department
		<ol style="list-style-type: none"> 10. A report from the Western Cape Gambling and Racing Board informing the Committee what the Board's recommendations would be for the filling of vacancies, the term of office for board members, and any proposals to streamline the process for the recruitment and appointment of board members; 11. A report from the Western Cape Gambling and Racing Board that provides an update on the court cases that were listed in its 2021/22 Annual Report; 12. A consolidated report from the Western Cape Gambling and Racing Board on all the casinos and its Corporate Social Responsibility requirements and spending in the Western Cape, the casinos' licensing conditions and whether they are fulfilling all their conditions in respect of Corporate Social Investment. The information should be provided for the last quarter of the financial year; 13. A sample/example of a Corporate Social Investment (CSI) agreement/requirement that is included in license agreements given by the Western Cape Gambling and Racing Board to casinos, and an explanation on how the parameters of the CSI are determined for casino licence holders; and 14. A report from the Western Cape Gambling and Racing Board listing the new entrants that were given licenses during the financial year. 	
13 March 2023	Standing Committee on Finance, Economic Opportunities and Tourism	<p>The Committee requested the following:</p> <ol style="list-style-type: none"> 1. A question-and-answer guide for the interviews, by 17 March 2023; 2. The hardcopy and electronic files on the candidates, by 17 March 2023; 3. A report on the attendance of the current WCGR Board Members who applied to fill the vacancies on the Board; 4. The legal opinion, which states that the Provincial Treasury cannot start with the filling of upcoming vacancies until a vacancy has arisen; 5. A brief report on the legislative changes that were needed to allow the Provincial Treasury to start with the filling of vacancies before the final date of members' retirement; 6. A legal opinion on the implications for having a four-year term as the norm for the WCGR Board, and an additional fifth year as an extension, taking into consideration the cost of recruitment, the lengthy process of appointment and the need for continuity on the Board; and 7. A performance report for each of the current Board members who applied to fill the upcoming vacancies. 	The PT provided a response to the Committee on 25 April 2023.

Date of meeting	Committee	Subject	Response from Department
17 March 2023	Standing Committee on Finance, Economic Opportunities and Tourism	<p>The Committee requested the following:</p> <ol style="list-style-type: none"> 1. A report on (i) what a municipality must do to be assisted by the Provincial Treasury, financially, (ii) how the Provincial Treasury decides, and the variables that are considered, when allocating funding to municipalities, and (iii) how the Provincial Treasury determines the extent of the support given to municipalities; 2. A report detailing the (i) strategy that the Western Cape Government is driving around the management of Cost of Employment, (ii) what the “productivity” aspect of this strategy entailed (following the conclusion of the head-counting phase), and (iii) the staff morale for provincial departments, especially ones with large staff contingents such as the Departments of Education, Social Development and Health. This report should also speak to the studies on the growth in population and demands resulting therefrom; 3. A report from the Department of the Premier, Provincial Treasury and the Department of Local Government detailing the challenges identified in attracting skilled staff to work in struggling municipalities, and the solutions they would put forward to fill those vacancies; 4. A report detailing the results of the Provincial Treasury’s research and analysis on the Provincial and Local Government Fiscal Policy matters, and which aspects of the study will be implemented; and 5. A report providing more clarity on the Combined Assurance Framework, such as what it entails and where it has been tested. 	The PT provided a response to the Committee on 7 June 2023.

9. PUBLIC ACCOUNTS COMMITTEE (PAC) RESOLUTIONS

On 1 November 2022, the PAC considered, as part of its oversight role, the 2021/22 Annual Report of the PT and noted the audit opinion of the Auditor-General regarding the Annual Financial Statements of the Department for the 2021/22 financial year, having obtained a clean audit report with no findings. This audit opinion remains the same as the audit outcome for the 2020/21 financial year, where the Department also obtained a clean outcome with no findings.

The Committee made the following resolutions:

Background	Resolution	Response from Department
Transversal Resolutions		
<p>Compliance Audits versus Performance Audits:</p> <p>The Committee recognises the constant year-on-year clean audit outcomes of most of the departments and entities of the WCG. The Committee is of the opinion that there should be a move towards performance auditing in order to audit the value for money appropriated to departments and entities in relation to their service delivery mandates.</p>	<p>The Public Accounts Committee engage with the AGSA, Audit Committee and Provincial Treasury to ascertain whether the WCG is at a state of readiness to conduct performance audits.</p>	<p>The Department awaits the invitation to brief the Committee.</p>
<p>Transfers of funds from departments to municipalities in the Western Cape:</p> <p>The Committee engaged the departments on the annual financial statements of departments and entities. The Committee is interested to engage departments on the value for money that were derived from the transfers that were made to the municipalities. The Committee has a keen interest on the transfers that were made to Beaufort West and Cederberg municipalities with the aim to assist these municipalities in rendering a quality service to the residents of the jurisdictions.</p>	<p>The Public Accounts Committee engage with the respective departments and entities and engage them on funds that were transferred to municipalities.</p>	<p>The Department awaits the invitation to brief the Committee.</p>
<p>Componentisation of assets:</p> <p>The Committee noted the repeated briefings of the Auditor-General of South Africa regarding the componentisation of assets and that departments are encouraged to componentise assets in their asset registers as it will become a requirement in future. The effective date to componentise assets has not been determined yet.</p>	<p>The Public Accounts Committee engages with Provincial Treasury on the readiness of the departments and entities of the WCG on this matter.</p>	<p>The Department awaits the invitation to brief the Committee.</p>
Resolutions		
<p>Page: 147 of the Annual Report. Heading: "Appropriation per programme" Description:</p> <p>The Committee notes the overall underspending of R17.604 million that was incurred by the Department during the financial year under review. The Committee is concerned that the underspending might have negatively impacted on the mandate of the Department.</p>	<p>The Department brief the Committee on the underspending and how it impacted on its mandate and predetermined objectives for the 2021/22 financial year.</p>	<p>The Department briefed the committee on 05 April 2023.</p>
<p>Page: 182 of the Annual Report. Heading: "Irregular expenditure" Description:</p> <p>The Committee notes the minimal irregular, which was incurred by the Department, including the irregular expenditure which was condoned.</p>	<p>The Department brief the Committee on the process on how it deals with irregular expenditures; including the condonation process and requirements of irregular expenditure when such is requested by the departments of the Western Cape Government.</p>	<p>The Department briefed the committee on 05 April 2023.</p>

List of information requested

The Committee requested that the Department furnish it with the legislation or guidelines which govern the irregular expenditure condonation process.

(The information was provided to the Committee on 30 March 2023).

10. PRIOR MODIFICATIONS TO AUDIT REPORTS

No modifications were made to prior audit reports.

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

11. INTERNAL CONTROL

The Internal Control unit within the 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; and Transfer Payments Audit (Phase 2: monitoring of the transfer made to municipalities).
- 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.
- Chapters F4: Domestic travel: Travel and subsistence and F5: Sundry payments: Travel and subsistence: Foreign Travelling of Part F: Expenditure Management of the Financial Manual were updated in order to align it to the revised cost containment measures.
- 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 on a quarterly basis 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 2022 CGRO process by ensuring that the responsible officials completed their sections and submitted it to the PT: PG Accounting. Updated the CGRO database on a quarterly basis that was presented at GMC, TMC 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 are presented at the Quarterly Audit Committee meetings.
- Provided the following secretariat functions to the ERMCO:
 - Compiled the minutes of the ERMCO meeting for each quarter;
 - Ensured that the members of the ERMCO were appointed;
 - Ensured that the 2023/24 Enterprise Risk Management Strategy and Implementation Plan was updated and approved by the HOD on 31 March 2023; 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.

12. INTERNAL AUDIT AND AUDIT COMMITTEES

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

- Assess and make appropriate recommendations for improving the governance processes in achieving the Department's objectives;
- Evaluate the adequacy and effectiveness and contribute to the improvement of the risk management process; 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 Provincial Treasury included five (5) assurance audits, one (1) consulting engagement and two (2) 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	N/A	01 January 2022 (2 nd term)	N/A	7
Mr A Davids	BCom; Post-Graduate Qualification: Company Secretarial and Governance Practice, ACG(CS)	External	N/A	01 January 2020 (1 st term)	31 December 2022 (end of contract)	5
Ms C Abdoll	BCom; BCompt (Hons); CA (SA); Post-graduate Diploma: Certified Internal Auditing (CIA)	External	N/A	01 March 2021 (1 st term)	N/A	7
Mr C Bunting	National Diploma: Internal Auditing MBA	External	N/A	01 January 2022 (1 st term)	N/A	7
Ms A Mvandaba	B Acc (Hons); CA(SA) Member of the Institute of Directors	External	N/A	01 February 2023 (1 st term)	N/A	2

13. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2023.

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 all its responsibilities as contained therein.

The Effectiveness of Internal Control

The Department is required to develop and maintain systems of internal control that would improve the likelihood of achieving its objectives, to adapt to changes in the environment it operates in and to promote efficiency and effectiveness of operations, supports reliable reporting and compliance with laws and regulations. The WCG adopted a Combined Assurance Framework which identifies and integrates assurance providers.

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

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

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

Assurance Engagements

- Transfer Payments – WCGRB;
- Internal Control Unit Assessment;
- Contract Management;
- Budget Management; and
- Local Government: Municipal Budgets.

Consulting Engagements

- Transversal Security Framework Agreement (WCG Transversal IA Plan).

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.



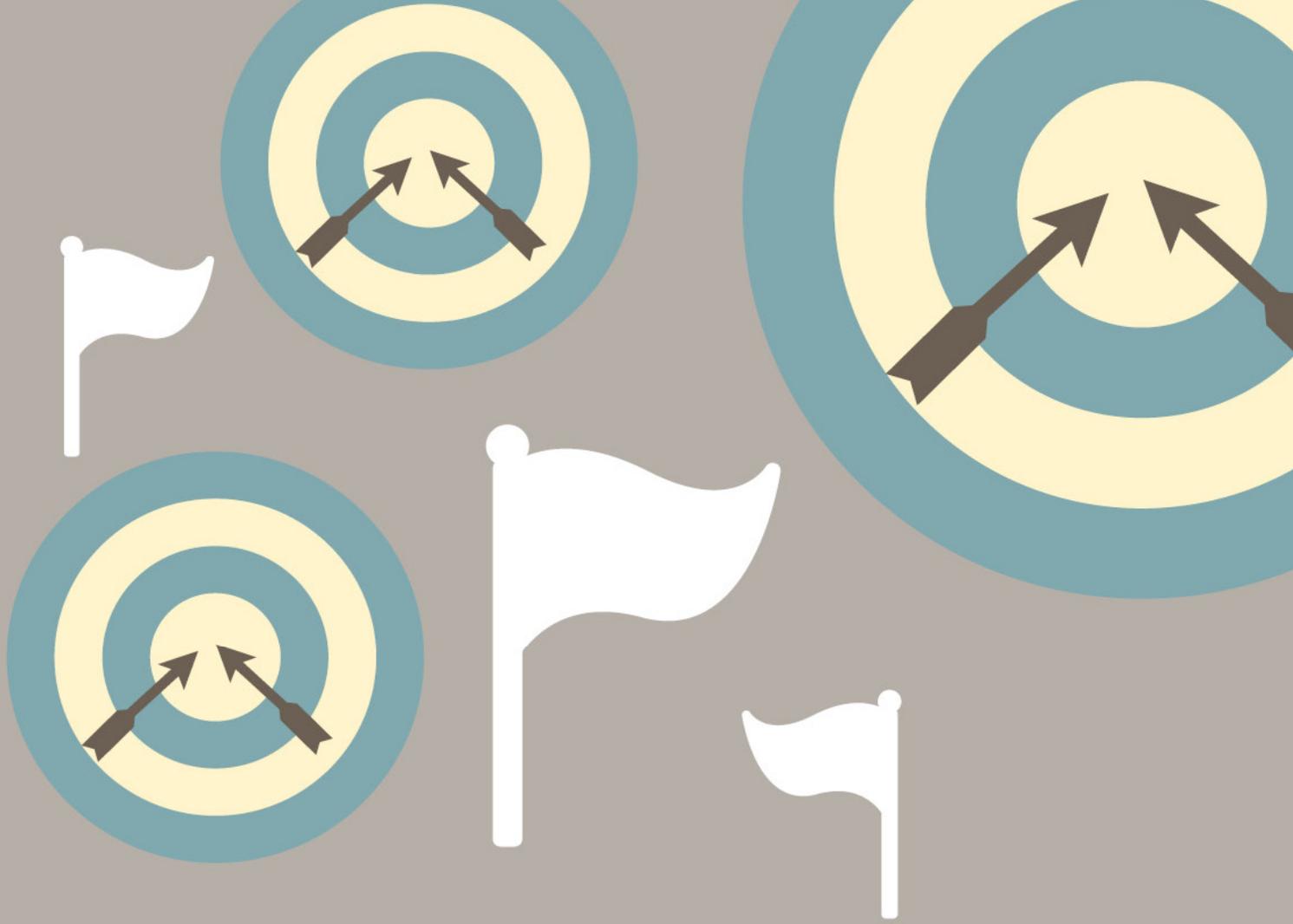
Mr Francois Barnard

Chairperson of the Governance & Administration Cluster Audit Committee

Date: 7 August 2023

14. 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"> 1. The Preferential Procurement Regulations, 2022 (PPR 2022) was promulgated on 4 November 2022 with an effective date of 16 January 2023. 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 PPPFA, and in providing executive guidance on the WCG's way forward in response to the PPR 2022: <ol style="list-style-type: none"> 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 B-BBEE scorecards be accepted as supporting evidence to claim preference points, until the appropriate executive policy directives and technical reviews have been concluded; 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; 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 localization. 3. The departmental Accounting Officer System was updated in terms of the interim strategy for WCG to give effect to preferential procurement regulations.
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 citizens of the Western Cape Province is not without its own challenges. The modern people management landscape has shifted significantly in recent years and requires complex navigation between a range of competing variables.

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

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

As a consequence, 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 Authentic Informal Leaders (AILs), individuals who exhibited desired behaviors in our Department. By leveraging the power of AILs 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 Western Cape Government'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., 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 (PTI) 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 is conducted, but that the operational targets and achievements linked to the performance agreement be monitored and communicated on an ongoing basis. In instances where targets or performance expectations are not met, the gaps are addressed through the management of poor performance. In this context, a performance consulting unit has been established within 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: Organisational Behaviour within the DotP that provides a trend analysis of utilisation, risk identification and its impact on productivity. Furthermore, on-going reporting to the Department of Public Service and Administration (DPSA) is a requirement and such reporting focuses on four (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, that 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 BAS and the figures in Table 3.1.2 are drawn from the PERSAL [Personnel Salary] 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, 2022/23

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	60 976	38 501	3 538	11 987	63.1	389	99
Programme 2	127 431	77 512	488	13 211	60.8	686	113
Programme 3	77 561	45 309	302	30 682	58.4	566	80
Programme 4	51 082	37 643	3 863	4 449	73.7	546	69
Total	317 050	198 965	8 191	60 329	62.8	551	361

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, 2022/23

Salary bands	Personnel Expenditure (R'000)	% of total personnel expenditure	Average personnel expenditure per employee (R'000)	Number of Employees
Interns	1 634	0.8	56	29
Lower skilled (Levels 1 - 2)	361	0.2	181	2
Skilled (Levels 3 - 5)	6 905	3.5	223	31
Highly skilled production (Levels 6 - 8)	21 028	10.6	376	56
Highly skilled supervision (Levels 9 - 12)	135 249	68.2	626	216
Senior management (Levels 13 - 16)	33 124	16.7	1 227	27
Total	198 302	100.0	549	361

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, 2022/23

Programme	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Programme 1	25 468	12.8	34	0.0	608	0.3	1 687	0.9
Programme 2	54 291	27.4	323	0.2	1 027	0.5	2 622	1.3
Programme 3	32 252	16.3	-	-	1 129	0.6	2 356	1.2
Programme 4	26 912	13.6	-	-	822	0.4	1 270	0.6
Total	138 923	70.1	356	0.2	3 586	1.8	7 935	4.0

Note: The figures in Tables 3.1.3 and 3.1.4 are drawn from the PERSAL system and not the 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. Further to this, the table above does not make provision for other expenditure such as Pensions, Performance Bonus and other allowances, which make up the total personnel expenditure. The above expenditure reflects for all individuals remunerated during the reporting period, including interns (Premier's Advancement of Youth (PAY), matric, graduate and student), but excluding the Provincial Minister.

Table 3.1.4 Salaries, Overtime, Housing Allowance and Medical Assistance by salary band, 2022/23

Salary Bands	Salaries		Overtime		Housing allowance		Medical assistance	
	Amount (R'000)	Salaries as a % of personnel expenditure	Amount (R'000)	Overtime as a % of personnel expenditure	Amount (R'000)	Housing allowance as a % of personnel expenditure	Amount (R'000)	Medical assistance as a % of personnel expenditure
Interns	1 550	0.8	-	-	-	-	-	-
Lower skilled (Levels 1 - 2)	220	0.1	-	-	-	-	65	0.0
Skilled (Levels 3 - 5)	4 572	2.3	5	0.0	195	0.1	400	0.2
Highly skilled production (Levels 6 - 8)	14 368	7.2	107	0.1	637	0.3	1 558	0.8
Highly skilled supervision (Levels 9 - 12)	96 603	48.7	244	0.1	2 472	1.2	5 677	2.9
Senior management (Levels 13 - 16)	21 611	10.9	1*	0.0	282	0.1	234	0.1
Total	138 923	70.1	356	0.2	3 586	1.8	7 935	4.0

* The overtime expenditure reflected under the Senior Management salary band was incurred prior to the appointment to the Senior Management Service.

Note: The figures in Tables 3.1.3 and 3.1.4 are drawn from the PERSAL [Personnel Salary] system and not the 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. Further to this, the table above does not make provision for other expenditure such as Pensions, Performance Bonus and other allowances, which make up the total personnel expenditure. The above expenditure reflects for all individuals remunerated during the reporting period, including interns (PAY, matric, graduate and student), but excluding the Provincial Minister.

3.2 Employment and vacancies

The following tables summarise the number of active posts on the establishment, the number of employees (excluding interns and the Provincial Minister) and the percentage active vacant posts as at the end of the financial year. This information is presented in terms of three (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 2023

Programme	Number of active posts	Number of posts filled	Vacancy rate %
Programme 1	63	63	-
Programme 2	108	103	4.6
Programme 3	76	72	5.3
Programme 4	60	60	-
Total	307	298	2.9

Table 3.2.2 Employment and vacancies by salary band, as at 31 March 2023

Salary Band	Number of active posts	Number of posts filled	Vacancy rate %
Lower skilled (Levels 1 - 2)	2	2	-
Skilled (Levels 3 - 5)	27	27	-
Highly skilled production (Levels 6 - 8)	51	51	-
Highly skilled supervision (Levels 9 - 12)	201	195	3.0
Senior management (Levels 13 - 16)	26	23	11.5
Total	307	298	2.9

Table 3.2.3 Employment and vacancies by critical occupation, as at 31 March 2023

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	17	17	-
Infrastructure Analyst	7	6	14.3
Procurement Specialist/Analyst	27	26	3.7
Revenue and Expenditure Analyst (LG)	17	16	5.9
Systems Controller	27	26	3.7
Total	127	123	3.1

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 2022 to 31 March 2023

Salary Band	Total number of posts as at 31 March 2023	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)	2	-	-	-	-	-	-
Skilled (Levels 3 - 5)	27	1	0.3	-	-	-	-
Highly skilled production (Levels 6 - 8)	51	3	1.0	-	-	-	-
Highly skilled supervision (Levels 9 - 12)	201	1	0.3	-	-	-	-

Salary Band	Total number of posts as at 31 March 2023	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 A (Level 13)	18	1	0.3	-	-	-	-
Senior Management Service Band B (Level 14)	5	-	-	-	-	-	-
Senior Management Service Band C (Level 15)	2	-	-	-	-	-	-
Senior Management Service Band D (Level 16)	1	-	-	-	-	-	-
Total	307	6	2.0	-	-	-	-

Table 3.3.2 Profile of employees whose salary positions were upgraded due to their posts being upgraded, 1 April 2022 to 31 March 2023

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 2022 to 31 March 2023

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
Assistant Director: Information and Systems Management	1	9	N/A	6 notch increment	Retention
Systems Manager	1	11	N/A	9 notch increment	Retention
Total				2	
Percentage of Total Employment				0.7	

Table 3.3.4 Profile of employees who have been granted higher salaries than those determined by job evaluation, 1 April 2022 to 31 March 2023

Beneficiaries	African	Coloured	Indian	White	Total
Female	-	1	-	-	1
Male	-	1	-	-	1
Total	-	2	-	-	2
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 2022 to 31 March 2023

Salary Band	Number of employees as at 31 March 2022	Turnover rate % 2021/22	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate % 2022/23
Lower skilled (Levels 1 - 2)	3	-	-	-	-	-	-
Skilled (Levels 3 - 5)	28	27.6	9	-	10	1	39.3
Highly skilled production (Levels 6 - 8)	50	17.3	6	1	5	2	14.0
Highly skilled supervision (Levels 9 - 12)	194	6.5	21	3	17	5	11.3
Senior Management Service Band A (Level 13)	15	13.3	1	1	3	-	20.0
Senior Management Service Band B (Level 14)	4	33.3	1	-	-	-	-
Senior Management Service Band C (Level 15)	2	-	-	-	1	-	50.0
Senior Management Service Band D (Level 16)	1	-	-	-	-	-	-
Total	297	11.0	38	5	36	8	14.8
			43		44		

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 2022).

Table 3.4.2 Annual turnover rates by critical occupation, 1 April 2022 to 31 March 2023

Critical Occupation	Number of employees as at 31 March 2022	Turnover rate % 2021/22	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate % 2022/23
Cash Management Analyst (LG)	5	-	-	-	-	-	-
Economist	19	5.3	2	1	2	-	10.5
Expenditure Analyst (PG)	10	-	1	-	2	-	20.0
Financial Analyst	15	16.7	2	1	1	-	6.7

Critical Occupation	Number of employees as at 31 March 2022	Turnover rate % 2021/22	Appointments into the Department	Transfers into the Department	Terminations out of the Department	Transfers out of the Department	Turnover rate % 2022/23
Infrastructure Analyst	7	28.6	1	-	-	-	-
Procurement Specialist/Analyst	27	-	2	-	2	-	7.4
Revenue and Expenditure Analyst (LG)	15	7.7	2	-	1	-	6.7
Systems Controller	22	16.7	7	1	3	1	18.2
Total	120	9.3	17	3	11	1	10.0
			20		12		

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 2022).

Table 3.4.3 Staff leaving the employ of the Department, 1 April 2022 to 31 March 2023

Exit Category	Number	% of total exits	Number of exits as a % of total number of employees as at 31 March 2022
Death	1	2.3	0.3
Resignation*	24	54.5	8.1
Expiry of contract	7	15.9	2.4
Dismissal - operational changes	-	-	-
Dismissal - misconduct	1	2.3	0.3
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	5	11.4	1.7
Promotion to another WCG Department	3	6.8	1.0
Total	44	100.0	14.8

* Resignations are further discussed in Tables 3.4.4 and 3.4.5.

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

Table 3.4.4 Reasons why staff resigned, 1 April 2022 to 31 March 2023

Resignation Reasons	Number	% of total resignations
Current Remuneration	2	8.3
Family/personal circumstances	3	12.5
Need for career change	3	12.5
No reason provided	16	66.7
Total	24	100.0

Table 3.4.5 Different age groups of staff who resigned, 1 April 2022 to 31 March 2023

Age group	Number	% of total resignations
Ages <19	-	-
Ages 20 to 24	2	8.3
Ages 25 to 29	3	12.5
Ages 30 to 34	7	29.2
Ages 35 to 39	5	20.8
Ages 40 to 44	4	16.7
Ages 45 to 49	-	-
Ages 50 to 54	1	4.2
Ages 55 to 59	1	4.2
Ages 60 to 64	1	4.2
Ages 65 >	-	-
Total	24	100.0

Table 3.4.6 Employee-initiated severance packages

Total number of employee-initiated severance packages offered in 2022/23	None
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Table 3.4.7 Promotions by salary band, 1 April 2022 to 31 March 2023

Salary Band	Number of Employees as at 31 March 2022	Promotions to another salary level	Promotions as a % of total employees	Progressions to another notch within a salary level	Notch progressions as a % of total employees
Lower skilled (Levels 1 - 2)	3	-	-	2	66.7
Skilled (Levels 3 - 5)	28	-	-	14	50.0
Highly skilled production (Levels 6 - 8)	50	-	-	32	64.0
Highly skilled supervision (Levels 9 - 12)	194	-	-	117	60.3
Senior management (Levels 13 - 16)	22	2	9.1	13	59.1
Total	297	2	0.7	178	59.9

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 2022 to 31 March 2023

Critical Occupation	Number of Employees as at 31 March 2022	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	-	-	2	40.0
Economist	19	-	-	13	68.4
Expenditure Analyst (PG)	10	-	-	5	50.0

Critical Occupation	Number of Employees as at 31 March 2022	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
Financial Analyst	15	-	-	5	33.3
Infrastructure Analyst	7	-	-	5	71.4
Procurement Specialist/ Analyst	27	-	-	15	55.6
Revenue and Expenditure Analyst (LG)	15	-	-	9	60.0
Systems Controller	22	-	-	13	59.1
Total	120	-	-	67	55.8

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 2023

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	-	-	-	1	-	1	-	-	-	-	2
Senior management (Levels 13 - 14)	3	4	-	4	-	5	2	3	-	-	21
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	26	57	1	12	31	60	1	7	-	-	195
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	9	5	-	-	13	20	-	6	-	-	53
Semi - skilled and discretionary decision-making (Levels 3 - 5)	3	5	-	-	6	10	-	1	-	-	25
Unskilled and defined decision-making (Levels 1 - 2)	1	1	-	-	-	-	-	-	-	-	2
Total	42	72	1	17	50	96	3	17	-	-	298
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand total	42	72	1	17	50	96	3	17	-	-	298

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 2023

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	-	-	1	2	-	-	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	-	-	-	-	-	-	-	1	-	-	1
Semi - skilled and discretionary decision-making (Levels 3 - 5)	-	-	-	-	-	-	-	-	-	-	-
Unskilled and defined decision-making (Levels 1 - 2)	-	-	-	-	-	-	-	-	-	-	-
Total	2	1	-	2	-	-	1	3	-	-	9
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand total	2	1	-	2	-	-	1	3	-	-	9

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 2022 to 31 March 2023

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)	-	-	-	1	-	-	-	2	-	-	3
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	6	6	-	-	4	8	-	-	-	-	24
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	1	1	-	-	-	4	-	1	-	-	7
Semi-skilled and discretionary decision-making (Levels 3 - 5)	2	-	-	-	2	4	-	1	-	-	9

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)	-	-	-	-	-	-	-	-	-	-	-
Total	9	7	-	1	6	16	-	4	-	-	43
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand total	9	7	-	1	6	16	-	4	-	-	43

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 2022 to 31 March 2023

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

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 2022 to 31 March 2023

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management (Levels 15 - 16)	-	-	-	1	-	-	-	-	-	-	1
Senior management (Levels 13 - 14)	-	1	-	1	-	-	-	1	-	-	3

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	1	5	-	-	5	7	-	4	-	-	22
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	-	3	-	-	1	2	-	1	-	-	7
Semi-skilled and discretionary decision-making (Levels 3 - 5)	3	2	-	1	1	4	-	-	-	-	11
Unskilled and defined decision-making (Levels 1 - 2)	-	-	-	-	-	-	-	-	-	-	-
Total	4	11	-	3	7	13	-	6	-	-	44
Temporary employees	-	-	-	-	-	-	-	-	-	-	-
Grand total	4	11	-	3	7	13	-	6	-	-	44

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 2022 to 31 March 2023

Disciplinary actions	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Dismissal	-	1	-	-	-	-	-	-	-	-	1
Suspension without a salary and a Final Written Warning	-	-	-	-	1	-	-	-	-	-	1
Total	-	1	-	-	1	-	-	-	-	-	2
Temporary Employees	-	-	-	-	-	-	-	-	-	-	-
Grand Total	-	1	-	-	1	-	-	-	-	-	2

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 2022 to 31 March 2023

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top management (Levels 15 - 16)	-	-	-	1	-	-	-	-	1
Senior management (Levels 13 - 14)	2	1	-	4	-	3	2	2	14
Professionally qualified and experienced specialists and mid-management (Levels 9 - 12)	8	17	-	2	12	22	-	3	64
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (Levels 6 - 8)	4	4	-	-	5	8	-	3	24

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Semi-skilled and discretionary decision-making (Levels 3 - 5)	3	4	-	-	5	6	-	-	18
Unskilled and defined decision-making (Levels 1 - 2)	-	-	-	-	-	-	-	-	-
Total	17	26	-	7	22	39	2	8	121
Temporary employees	-	-	-	-	-	-	-	-	-
Grand total	17	26	-	7	22	39	2	8	121

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 2022

SMS Post Level	Number of active SMS posts per level	Number of SMS members per level	Number of signed Performance Agreements per level	Signed Performance Agreements as % of SMS members per level
Head of Department	1	1	1	100.0
Salary Level 15	2	2	2	100.0
Salary Level 14	4	4	4	100.0
Salary Level 13	15	15	15	100.0
Total	22	22	22	100.0

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

Table 3.6.2 Reasons for not having concluded Performance Agreements with all SMS Members on 31 May 2022

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 2022

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 2022

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	2	2	100.0	-	-
Salary Level 14	5	5	100.0	-	-
Salary Level 13	17	17	100.0	-	-
Total	25	25	100.0	-	-

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

Table 3.7.2 SMS posts information, as at 31 March 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	1	1	100.0	-	-
Salary Level 15	2	1	50.0	1	50.0
Salary Level 14	5	5	100.0	-	-
Salary Level 13	18	16	88.9	2	11.1
Total	26	23	88.5	3	11.5

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 2023

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	-	-	-
Salary Level 15	1	-	-
Salary Level 14	-	1	-
Salary Level 13	3	4	-
Total	4	5	-

Note: Four (4) of the SMS posts filled was advertised in the 2021/22 financial year, whilst one (1) SMS post was filled in the office of the Provincial Minister.

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 2022 to 31 March 2023

Salary Band	Employees as at 31 March 2022	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Lower skilled (Levels 1 - 2)	3	2	66.7
Skilled (Levels 3 - 5)	28	14	50.0
Highly skilled production (Levels 6 - 8)	50	32	64.0
Highly skilled supervision (Levels 9 - 12)	194	117	60.3
Senior management (Levels 13 - 16)	22	13	59.1
Total	297	178	59.9

Table 3.8.2 Notch progressions by critical occupation, 1 April 2022 to 31 March 2023

Critical Occupations	Employees as at 31 March 2022	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Cash Management Analyst (LG)	5	2	40.0
Economist	19	13	68.4
Expenditure Analyst (PG)	10	5	50.0
Financial Analyst	15	5	33.3
Infrastructure Analyst	7	5	71.4
Procurement Specialist/Analyst	27	15	55.6

Critical Occupations	Employees as at 31 March 2022	Progressions to another notch within a salary level	Notch progressions as a % of employees by salary band
Revenue and Expenditure Analyst (LG)	15	9	60.0
Systems Controller	22	13	59.1
Total	120	67	55.8

Table 3.8.3 Performance rewards by race, gender, and disability, 1 April 2022 to 31 March 2023

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Total number of employees in group as at 31 March 2022	% of total within group	Cost (R'000)	Average cost per beneficiary (R)
African	-	85	-	-	-
Male	-	35	-	-	-
Female	1	50	2.0	5	5 023
Coloured	-	169	-	-	-
Male	-	76	-	-	-
Female	-	93	-	-	-
Indian	-	3	-	-	-
Male	-	1	-	-	-
Female	-	2	-	-	-
White	-	34	-	-	-
Male	-	18	-	-	-
Female	-	16	-	-	-
Employees with a disability	-	6	-	-	-
Total	1	297	0.3	5	5 023

Note: The employee that received a performance reward transferred into the Department from the National Department of Correctional Services. The National Department of Correctional Services requested the Department to pay a performance reward to the employee relating to the 2019/20 financial year. The cost of the performance reward was recovered from the employees previous Department.

Table 3.8.4 Performance rewards (cash bonus), by salary bands for personnel below Senior Management Service level, 1 April 2022 to 31 March 2023

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2022	% of total within salary bands	Cost (R'000)	Average cost per beneficiary (R)	Cost as a % of the total personnel expenditure
Lower skilled (Levels 1 - 2)	-	3	-	-	-	-
Skilled (Levels 3 - 5)	-	28	-	-	-	-
Highly skilled production (Levels 6 - 8)	1	50	2.0	5	5 023	0.003
Highly skilled supervision (Levels 9 - 12)	-	194	-	-	-	-
Total	1	275	0.4	5	5 023	0.003

Note: The employee that received a performance reward transferred into the Department from the National Department of Correctional Services. The National Department of Correctional Services requested the Department to pay a performance reward to the employee relating to the 2019/20 financial year. The cost of the performance reward was recovered from the employees previous Department.

Table 3.8.5 Performance rewards (cash bonus), by salary band, for Senior Management Service level, 1 April 2022 to 31 March 2023

Salary Bands	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2022	% 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 2022 to 31 March 2023

Critical Occupation	Beneficiary Profile			Cost		
	Number of beneficiaries	Total number of employees in group as at 31 March 2022	% 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 2022 to 31 March 2023

Salary Band	1 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% change
None						

Table 3.9.2 Foreign Workers by major occupation, 1 April 2022 to 31 March 2023

Major Occupation	1 April 2022		31 March 2023		Change	
	Number	% of total	Number	% of total	Number	% change
None						

3.10 Leave utilisation for the period 1 January 2022 to 31 December 2022

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 2022 to 31 December 2022

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	72	55.6	13	19	68.4	6	20
Lower skilled (Levels 1 - 2)	17	94.1	2	2	100.0	9	7
Skilled (Levels 3 - 5)	445	90.8	26	31	83.9	17	301
Highly skilled production (Levels 6 - 8)	544	90.4	44	64	68.8	12	595

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)
Highly skilled supervision (Levels 9 - 12)	1 457	80.1	174	214	81.3	8	2 700
Senior management (Levels 13 - 16)	174	92.0	15	28	53.6	12	546
Total	2 709	84.1	274	358	76.5	10	4 169

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 2022 to 31 December 2022

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	-	-	-	19	-	-	-
Lower skilled (Levels 1 - 2)	-	-	-	2	-	-	-
Skilled (Levels 3 - 5)	154	100.0	2	31	6.5	77	106
Highly skilled production (Levels 6 - 8)	85	100.0	4	64	6.3	21	88
Highly skilled supervision (Levels 9 - 12)	54	100.0	2	214	0.9	27	85
Senior management (Levels 13 - 16)	83	100.0	1	28	3.6	83	257
Total	376	100.0	9	358	2.5	42	536

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 2022 to 31 December 2022

Salary Band	Total days taken	Total number employees using annual leave	Average number of days taken per employee
Interns	152	14	11
Lower skilled (Levels 1 - 2)	38	2	19
Skilled (Levels 3 - 5)	602	33	18
Highly skilled production (Levels 6 - 8)	1 127	58	19
Highly skilled supervision (Levels 9 - 12)	4 738	212	22
Senior management (Levels 13 - 16)	538	26	21
Total	7 195	345	21

Table 3.10.4 Capped leave, 1 January 2022 to 31 December 2022

Salary Band	Total capped leave available as at 31 Dec 2021	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 2022	Total capped leave available as at 31 Dec 2022
Lower skilled (Levels 1 - 2)	-	-	-	-	-	-
Skilled (Levels 3 - 5)	99.0	99.0	1	99.0	-	-
Highly skilled production (Levels 6 - 8)	72.2	-	-	-	8	71.4
Highly skilled supervision (Levels 9 - 12)	1 179.1	27.0	1	27.0	22	1 033.4
Senior management (Levels 13 - 16)	255.1	143.3	1	143.3	3	81.8
Total	1 605.5	269.3	3	89.8	33	1 186.7

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

Table 3.10.5 Leave pay-outs, 1 April 2022 to 31 March 2023

Reason	Total Amount (R'000)	Number of Employees	Average payment per employee
Leave pay-outs during 2022/23 due to non-utilisation of leave for the previous cycle	-	-	-
Capped leave pay-outs on termination of service	598	2	299 236
Current leave pay-outs on termination of service	687	23	29 855

3.11 Health Promotion Programmes, including HIV and AIDS

Table 3.11.1 Steps taken to reduce the risk of occupational exposure, 1 April 2022 to 31 March 2023

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 Services are rendered to all employees in need and include the following:</p> <ul style="list-style-type: none"> ● Wellness screenings for employees to know their HIV status; ● Condom distribution; ● Information, Communication and Education Campaigns; ● Psycho-social development interventions; and ● Counselling.

**Table 3.11.2 Details of Health Promotion including HIV & AIDS Programmes,
1 April 2022 to 31 March 2023**

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.	✓		Lefitia Isaacs, Acting Director: Organisational Behaviour (Department of the Premier)
2. Does the Department have a dedicated unit, or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	✓		<p>The Department of the Premier provides a transversal service to 11 provincial departments, including Provincial Treasury.</p> <p>A designated Employee Health and Wellness unit within the Directorate Organisational Behaviour and the Chief Directorate Organisation Development serves to promote the health and well-being of employees in the 11 client departments.</p> <p>The unit consists of a Deputy Director, three (3) Assistant Directors, and two (2) EHW Practitioners.</p> <p>The annual budget was R3.261 million.</p>
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for employees? If so, indicate the key elements/services of this Programme.	✓		<p>The Department of the Premier has entered into a service level agreement with Metropolitan Health (external service provider) to render an Employee Health and Wellness Service to 11 provincial departments.</p> <p>The following interventions were conducted: Counselling; Trauma debriefing and awareness; Managerial Consultations; Psycho-social development Interventions; Information, Communication and Education; Coaching; Group Therapy; Reasonable Accommodation.</p> <p>These interventions are based on trends reflected in the quarterly reports and implemented to address employee or departmental needs.</p> <p>Information on how to access the Employee Health and Wellness (EHW) Programme was distributed online.</p>
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2016? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	✓		<p>The Provincial Employee Health and Wellness Steering Committee has been established with members nominated by each department.</p> <p>Provincial Treasury is represented by Mziyanda Mpiyane.</p>
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	✓		<p>The Transversal Management Framework for Employee Health and Wellness Programmes in the Western Cape Government is in effect and was adopted by the Co-ordinating Chamber of the Public Service Co-ordinating Bargaining Council (PSCBC) for the Western Cape Province in December 2016.</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 & AIDS and TB Management that responds to the prevention of discrimination against employees affected and infected by HIV & AIDS and TB in the workplace.</p>
	✓		<p>Further to this, the Department of Health, that is the lead department for HIV & AIDS, has approved the Transversal HIV and AIDS/STI Workplace Policy and Programme that is applicable to all departments of the Western Cape Government. The document is in line with National EHW Strategic Framework 2018 as amended.</p>

Question	Yes	No	Details, if yes
			During the reporting period, the transversal EHW policies including the HIV, STI's and TB Management Policy have been reviewed 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.
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	✓		<p>The Provincial Strategic Plan on HIV & AIDS, STIs and TB has been implemented to mainstream HIV and TB and its gender and rights-based dimensions into the core mandates to reduce HIV-related stigma.</p> <p>The aim is to:</p> <ul style="list-style-type: none"> ● Reduce HIV and TB discrimination in the workplace. This included campaigns against unfair discrimination and empowerment of employees. ● Reduce unfair discrimination in access to services. This included ensuring that the Directorate Employee Relations addresses complaints or grievances relating to unfair discrimination and provides training to employees. <p>The Department implemented the following measures to address the stigma and discrimination against those infected or perceived to be infective with HIV:</p> <ul style="list-style-type: none"> ● Education campaigns; ● Commemoration of World AIDS Day; ● Grievance Process; and ● Interventions such as Diversity Management.
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>HCT SESSIONS:</p> <p>The Department participated in two (2) HCT and Wellness screening sessions.</p> <p>66 Employees were tested and counselled for HIV, Tuberculosis and Sexually Transmitted Infections (STI's).</p>
8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	✓		<p>The EHWP is monitored through Quarterly and Annual reporting and trend analysis can be derived through comparison of departmental utilisation and demographics i.e. age, gender, problem profiling, employee vs. manager utilisation, number of cases. Themes and trends also provide a picture of the risks and impact the EHW issues have on individual and the workplace.</p>

3.12 Labour relations

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

Table 3.12.1 Collective agreements, 1 April 2022 to 31 March 2023

Subject Matter	Date
PSCBC Resolution 2 of 2023 - Agreement on the Salary Adjustment 2023 - 2025	31/03/2023

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 2022 to 31 March 2023

Outcomes of disciplinary hearings	Number of cases finalised	% of total
Dismissal	1	50.0
Suspension without a salary and a Final Written Warning	1	50.0
Total	2	100.0
Percentage of total employment		0.6

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

Table 3.12.3 Types of misconduct addressed at disciplinary hearings, 1 April 2022 to 31 March 2023

Type of misconduct	Number	% of total
Possesses or wrongfully uses property of State	1	50.0
Absent from work without reason or permission	1	50.0
Total	2	100.0

Table 3.12.4 Grievances lodged, 1 April 2022 to 31 March 2023

Grievances lodged	Number	% of total
Number of grievances resolved	9	69.2
Number of grievances not resolved	4	30.8
Total number of grievances lodged	13	100.0

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

Table 3.12.5 Disputes lodged with Councils, 1 April 2022 to 31 March 2023

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

Note: Councils refer to the Public Service Co-ordinating Bargaining Council (PSCBC) and General Public Service Sector Bargaining Council (GPSSBC). When a dispute is "upheld", it means that the Council 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 2022 to 31 March 2023

Strike actions	Number
None	

Table 3.12.7 Precautionary suspensions, 1 April 2022 to 31 March 2023

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 2022 to 31 March 2023

Occupational Categories	Gender	Number of employees as at 1 April 2022	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	9	-	8	-	8
	Male	13	-	37	-	37
Professionals (Salary Band 9 - 12)	Female	102	-	133	-	133
	Male	91	-	149	-	149
Technicians and associate professionals (Salary Band 6 - 8)	Female	35	-	56	-	56
	Male	15	-	69	-	69
Clerks (Salary Band 3 - 5)	Female	16	-	110	-	110
	Male	11	-	33	-	33
Elementary occupations (Salary Band 1 - 2)	Female	-	-	-	-	-
	Male	2	-	9	-	9
Sub Total	Female	162	-	307	-	307
	Male	132	-	297	-	297
Total		294	-	604	-	604
Employees with disabilities	Female	3	-	7	-	7
	Male	3	-	3	-	3

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

Table 3.13.2 Training provided, 1 April 2022 to 31 March 2023

Occupational Categories	Gender	Number of employees as at 31 March 2023	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	11	-	12	-	12
	Male	12	-	12	-	12
Professionals (Salary Band 9 - 12)	Female	99	-	53	-	53
	Male	96	-	47	-	47
Technicians and associate professionals (Salary Band 6 - 8)	Female	39	-	20	-	20
	Male	14	-	15	-	15
Clerks (Salary Band 3 - 5)	Female	17	-	21	-	21
	Male	8	-	13	-	13

Occupational Categories	Gender	Number of employees as at 31 March 2023	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	166	-	106	-	106
	Male	132	-	87	-	87
Total		298	-	193	-	193
Employees with disabilities	Female	4	-	4	-	4
	Male	5	-	4	-	4

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 2022 to 31 March 2023

Nature of injury on duty	Number	% of total
Required basic medical attention only	-	-
Temporary disablement	2	100.0
Permanent disablement	-	-
Fatal	-	-
Total	2	100.0
Percentage of total employment		0.6

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 Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
Programme 1	Gava Kassiem	Translation of PT APP from English to Afrikaans.	Translation Services	DCAS Contract	60 024 words	39	-	1
	Thandiwe Ida Goxo	Translation of PT APP from English to IsiXhosa.	Translation Services	DCAS Contract	60 024 words	48	-	1
	Brenda Barrow	Editing of OAPMII 2022.	Editing Services	DCAS Contract	12 000 words	7	-	N/A
	Grizell Luxton	Editing of Annual Report 2021/22.	Editing Services	DCAS Contract	31 000 words	14	-	N/A
	Arina Wilson	Editing of PT APP 2023/24.	Editing Services	DCAS Contract	59 033 words	24	-	N/A
	Columbus Technologies	Business Process Re-engineering (BPR).	Process Analysts	DotP Contract (2)	2 980H	1 559	-	1

Programme	Consulting Firm	Project Title	Nature of the Project	Total number of Consultants that worked on the Project	Duration: Workdays/ Hours	Contract Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
Programme 1	Price-waterhouse Coopers Incorporated (PwC)	Culture Journey.	To develop and implement a Provincial Treasury Culture Journey Strategy and Roadmap.	N/A	-	1 590	-	1
Programme 2	Government Technical Advisory Centre (GTAC)	Expenditure Reviews.	To provide capacity building and technical support to the Western Cape Provincial Treasury officials on the Spending Review methodology to achieve better allocation and management of public finances.	N/A	-	324	-	N/A
	FTI Consulting	Twentieth (20 th) and Twenty First (21 st) Amendment Bill.	To undertake a comprehensive analysis of the potential imposition of taxes/charges under 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.	4	-	1 000	-	1
	Strategic Economic Solution (Stratecon)	Research and review of the Gambling Policy of the Western Cape.	To provide background research for the review of the gambling policy for a period of 36 months.	-	-	438	-	4
	Nexus Forensic Services	Probity Investigation.	Probity investigation for the nominations of the appointment of the WCGRB members.	-	-	144	-	2
	DNA Economics (Pty) Ltd	Fiscal Futures.	The appointment of a service provider to undertake research and develop the Western Cape Government Fiscal Scenarios.	-	-	1 117	-	1
	HS Business Solution	Provincial Economic Outlook and Review (PERO)	Compilation of the Provincial Economic Outlook and Review	-	-	772	-	4
	Urban-Economic Development Economists (Pty) Ltd	Municipal Economic Outlook and Review.	Conducting research and production of the MERO.	-	-	1 257	-	4
	CIGFARO	Revenue Master Class.	Training and Capacity Building for Municipal and Western Cape Government Officials.	-	2 days	278	-	N/A

Programme	Consulting Firm	Project Title	Nature of the Project	Total number of Consultants that worked on the Project	Duration: Workdays/ Hours	Contract Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
Programme 2	Thuso Financial Consultants	Municipal Interventions.	To support the implementation of a mandatory Financial Recovery Plan at Beaufort West Municipality.	-	12 weeks	1 288	-	1
Programme 3	Nasikha Business Specialist	SCM Reform.	To assists PT with Business advisory support to enable its governance strategy and to facilitate the move from conformance to performance.	2	8 months	1 999	-	1
	Greater Translogic Advisory Services (Pty) Ltd (GTAS)	Asset Management: Capacity building through training and development.	Capacity building through training and development which includes the review, improvement and formulation of an asset management system of governance at municipalities in the Western Cape.	-	-	1 770	-	1
	DLK Group (Pty) Ltd	Asset Management.	Applications developer and Analysis Services (ICT).	DotP Contract (1)	392H	215	-	1
	Government Technical Advisory Centre (GTAC)	SCM reform - to drive value for money.	Support to the Western Cape Education Department to achieve Value for Money Outcomes.	N/A	-	570	-	1
	DLK Group (Pty) Ltd		Business Analyst.	DotP Contract (1)	320H	175	-	1
	State Information Technology Agency (SITA)	Gartner Subscription.	Executive Programs Leadership Team.	DotP Contract	N/A	3 526	-	4
	Business Connexions	PERSAL Support.	Rendering functional, technical and management support on the Personnel and Salary Administration System.	1	176H	132	-	6
	EOH Mthombo (Pty) Ltd	DIMIS.	Applications developer and Analysis Services (ICT).	DotP Contract (2)	633.5H	570	-	1
	Dimension Data		Azure Data Management	DTPW Contract (1)	655.92H	508	-	2
	DLK Group (Pty) Ltd	Oracle.	Enterprise Architecture Service (ICT).	DotP Contract (1)	1 888H	1 893	-	1
DLK Group (Pty) Ltd	Business Analysts.	Applications developer and Analysis Services (ICT).	DotP Contract (6)	7 959H	4 115	-	1	
Programme 4	EOH Mthombo (Pty)Ltd	WC Monitoring Evaluation System.	OPS Platform (maintenance and support).	DotP Contract	N/A	150	-	1
	Altimax (Pty) Ltd	Modified Cash Standards (MCS) Training.	Two (2) day online/Virtual MCS training for eighty (80) provincial government accounting officials.	-	2 days	35	-	2

Programme	Consulting Firm	Project Title	Nature of the Project	Total number of Consultants that worked on the Project	Duration: Workdays/ Hours	Contract Value in Rand R'000	Total Number of Projects	BBBEE LEVEL
Programme 4	Ernst & Young Advisory Services (Pty) Ltd	Public Entity Review	To perform a review of the Western Cape Provincial Public Entities as defined in chapter six (6) of the PFMA.	-	-	971	-	-
	Altimax (Pty) Ltd	Generally Recognised Accounting Practice (GRAP). Training	GRAP training for fifty (50) Provincial Treasury accounting and provincial public entities officials.	-	2 days	45	-	2
			Online GRAP training for ninety (90) Provincial Treasury accounting and municipal accounting officials.	-	2 days	56	-	-
	IA Professionals	Root Cause Analysis Training.	Provide in person root cause analysis/ identification training for 54 provincial government officials.	-	2 days	57	-	4
	IA Professionals	Internal Audit Services.	To perform select internal audit services at Kannaland Municipality.	-	-	135	-	4
	IA Professionals	Audit Committee Training.	To perform in depth Audit Committee training that is aligned with the Municipal Financial Management Act (MFMA). no 56 of 2003, National Treasury Internal Audit Framework and MFMA circular no. 65 to the Chairpersons of the Audit Committee.	-	1 day	43	-	4
	IA Professionals	Risk Appetite and Tolerance Training.	To provide risk appetite and tolerance training that is aligned with the Municipal Financial Management Act (MFMA) No. 56 of 2003, the Local Government Risk Management Framework, ISO 31000 (ISO Guide 73), COSO model and any other relevant legislations/regulations/ frameworks.	-	1 day	49	-	4
	IA Professionals	Risk Management.	To perform risk management activities at Kannaland Municipality.	-	-	156	-	4
	IA Professionals	Quality Assurance Review (QAR).	To perform External Quality Assessment for five (5) municipalities in Beaufort West, Matzikama, Central Karoo District, Kannaland and Laingsburg in terms of the standards of the Institute of Internal Auditor.	4	-	65	-	4

The background is a solid red color. It features several abstract, organic shapes in teal and purple. There are two teal circles, one in the top left and one in the bottom left. There are two purple circles, one in the top right and one in the bottom right. A large teal shape is in the top right, and another large teal shape is in the bottom left. A light blue shape is in the top right corner.

**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	2022/23	2021/22
	R'000	R'000
Opening balance	12	69
Add: Irregular expenditure confirmed	61	12
Less: Irregular expenditure condoned current year	(31)	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure condoned prior year	(3)	(69)

The opening balance relates to two (2) cases of irregular expenditure which were identified during the 2021/22 post audit process. This was a result of non-compliance with National Treasury Cost Containment Measures (NTR 3 and 4 of 2017/18). This was submitted to the Condonation Working Committee (CWC) for condonement. The CWC condoned one (1) case and requested the Accounting Officer (AO) to condone the other case due to conflict of interest by the members of the CWC. This was condoned by the AO on 11 May 2023.

During the period under review, three (3) cases were confirmed as irregular expenditure. One (1) case was submitted to the CWC for condonement and was condoned on 31 March 2023; one (1) case was submitted to CWC for condonement on 19 April 2023 and one (1) case is still under determination.

Table 1.1.2 Reconciliation notes

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure that was under assessment in 2022/23	-	-
Irregular expenditure that relates to 2021/22 and identified in 2022/23	-	-
Irregular expenditure for the current year	61	12
Total	61	12

Table 1.1.3 Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure under assessment	225	-
Irregular expenditure under determination	-	12
Irregular expenditure under investigation	-	-
Total	225	12

Irregular expenditure under assessment:

This case relates to the procurement of an audit query tool where supply chain management processes were possibly not correctly followed. The investigation is underway, and it is expected to be finalised during the 2023/24 financial year.

Table 1.1.4 Details of current and previous year irregular expenditure condoned

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure condoned	34	69
Total	34	69

The three (3) cases condoned during the 2022/23 financial year are as follows:

Case 1: Non-Compliance with Cost Containment Measures NTI 04 of 2017/18 (No deviation for booking accommodation on a higher star grading) condoned by the CWC on 30 May 2022.

Case 2: Non-Compliance with Cost Containment Measures NTI 03 2017/18 (Rates exceed the limit for conference attendance per person and no written prior approval from PT when amount is exceeded) condoned by the CWC on 31 March 2023.

Case 3: Non-Compliance with Cost Containment Measures NTI 03 of 2017/18 (Conference attendance without approval) was condoned by the AO on 11 May 2023.

Table 1.1.5 Details of current and previous year irregular expenditure removed (not condoned)

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

Table 1.1.6 Details of current and previous year irregular expenditure recovered

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure recovered	-	-
Total	-	-

Table 1.1.7 Details of current and previous irregular expenditure written off (irrecoverable)

Description	2022/23	2021/22
	R'000	R'000
Irregular expenditure written off	-	-
Total	-	-

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

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	2022/23	2021/22
	R'000	R'000
Not Applicable		
Total	0	0

Table 1.1.10 Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
Disciplinary action was not taken against officials for the period under review.

1.2 Fruitless and wasteful expenditure

Table 1.2.1 Reconciliation of fruitless and wasteful expenditure

Description	2022/23	2021/22
	R'000	R'000
Opening balance	7	-
Add: Fruitless and wasteful expenditure confirmed	-	8
Less: Fruitless and wasteful expenditure written off	(7)	(1)
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing balance	-	7

Fruitless and wasteful expenditure was incurred due to an official not completing training nominated for and accepted. At the time of being nominated to attend the Middle Management Development Programme (MMDP) the official was also studying through the University of South Africa (UNISA). Before accepting the nomination, the official consulted the preliminary examination timetable from UNISA in her possession and based on the preliminary examination timetable accepted the nomination. Upon receiving the final revised examination timetable from UNISA the official realized that the examination for both the MMDP and UNISA were on the same day. The official then attempted to cancel her attendance or obtain other ways to accommodate her, but no amicable solution could be reached between the official and the MMDP coordinators and as a result thereof the official did not complete the training.

Table 1.2.2 Reconciliation notes

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in 2021/22	-	8
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total	-	8

Table 1.2.3 Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	8
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	-	8

Table 1.2.4 Details of current and previous year fruitless and wasteful expenditure recovered

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure recovered	-	-
Total	-	-

Table 1.2.5 Details of current and previous year fruitless and wasteful expenditure not recovered and written off

Description	2022/23	2021/22
	R'000	R'000
Fruitless and wasteful expenditure written off	7	1
Total	7	1

The AO approved that the expenditure be written off.

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

Disciplinary steps taken
Disciplinary action was not taken against officials for the period under review.

After reviewing the documentation, the AO approved that the expenditure be written off as no reckless behaviour or gross negligence on the part of the official could be determined.

1.3 Unauthorised expenditure

Table 1.3.1 Reconciliation of unauthorised expenditure

Description	2022/23	2021/22
	R'000	R'000
Opening balance	-	-
Add: unauthorised expenditure confirmed	-	-
Less: unauthorised expenditure approved with funding	-	-
Less: unauthorised expenditure approved without funding	-	-
Less: unauthorised expenditure recoverable	-	-
Less: unauthorised not recovered and written off	-	-
Closing balance	-	-

There are no unauthorised expenditure cases for the period under review.

Table 1.3.2 Reconciling notes

Description	2022/23	2021/22
	R'000	R'000
Unauthorised expenditure that was under assessment in 2022/23	-	-
Unauthorised expenditure that relates to 2021/22 and identified in 2022/23	-	-
Unauthorised expenditure for the current year	-	-
Total	-	-

Table 1.3.3 Details of current and previous year unauthorised expenditure (under assessment, determination, and investigation)

Description	2022/23	2021/22
	R'000	R'000
Unauthorised expenditure under assessment	-	-
Unauthorised expenditure under determination	-	-
Unauthorised expenditure under investigation	-	-
Total	-	-

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

Table 1.4.1 Details of current and previous year material losses through criminal conduct

Material losses through criminal conduct	2022/23	2021/22
	R'000	R'000
Theft	105	24
Other material losses	262	-
Less: Recovered	(30)	-
Less: Not recovered and written off	(281)	-
Total	56	24

The theft cases relate to major assets (Laptops) that were stolen whilst in the possession of the officials.

The other material losses relate to the missing/unverified assets that was identified during the 2019/20 and 2020/21 asset verification process; one (1) case relates to damages to the stand-alone monitor and one (1) case relates to the misuse of a GG-vehicle that occurred during the 2019/20 and 2020/21 financial years.

Table 1.4.2 Details of other material losses

Nature of other material losses	2022/23	2021/22
	R'000	R'000
Unauthorised kilometers travelled with government garage (GG) vehicle	28	-
Monitor/screen damages	3	-
Stocktake losses (missing assets)	231	-
Total	262	-

The other material losses relate to the missing/unverified assets that was identified during the 2019/20 and 2020/21 asset verification process; one (1) case relates to the damages to the stand-alone monitor and one (1) case relates to the GG-vehicle misuse that occurred during the 2019/20 and 2020/21 financial years.

Table 1.4.3 Other material losses recovered

Nature of losses	2022/23	2021/22
	R'000	R'000
Unauthorised kilometers travelled with GG vehicle	28	-
Total	28	-

One case related to the misuse of a GG-vehicle that occurred during the 2019/20 and 2020/21 financial years.

Table 1.4.4 Other material losses written off

Nature of losses	2022/23	2021/22
	R'000	R'000
Theft	47	21
Other material losses	234	-
Total	281	21

The theft cases relate to major assets (Laptops) that were stolen whilst in the possession of the officials.

The other material losses relate to the missing/unverified assets that was identified during the 2019/20 and 2020/21 asset verification process and one (1) case relates to the damages to the stand-alone monitor.

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	609	26 333
Invoices paid within 30 days or agreed period	564	25 072
Invoices paid after 30 days or agreed period	45	1 261
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-

During the period under review, 609 payments were made to suppliers for goods and services. 45 invoices were paid after the 30-day period and 564 invoices were processed within the 30-day period.

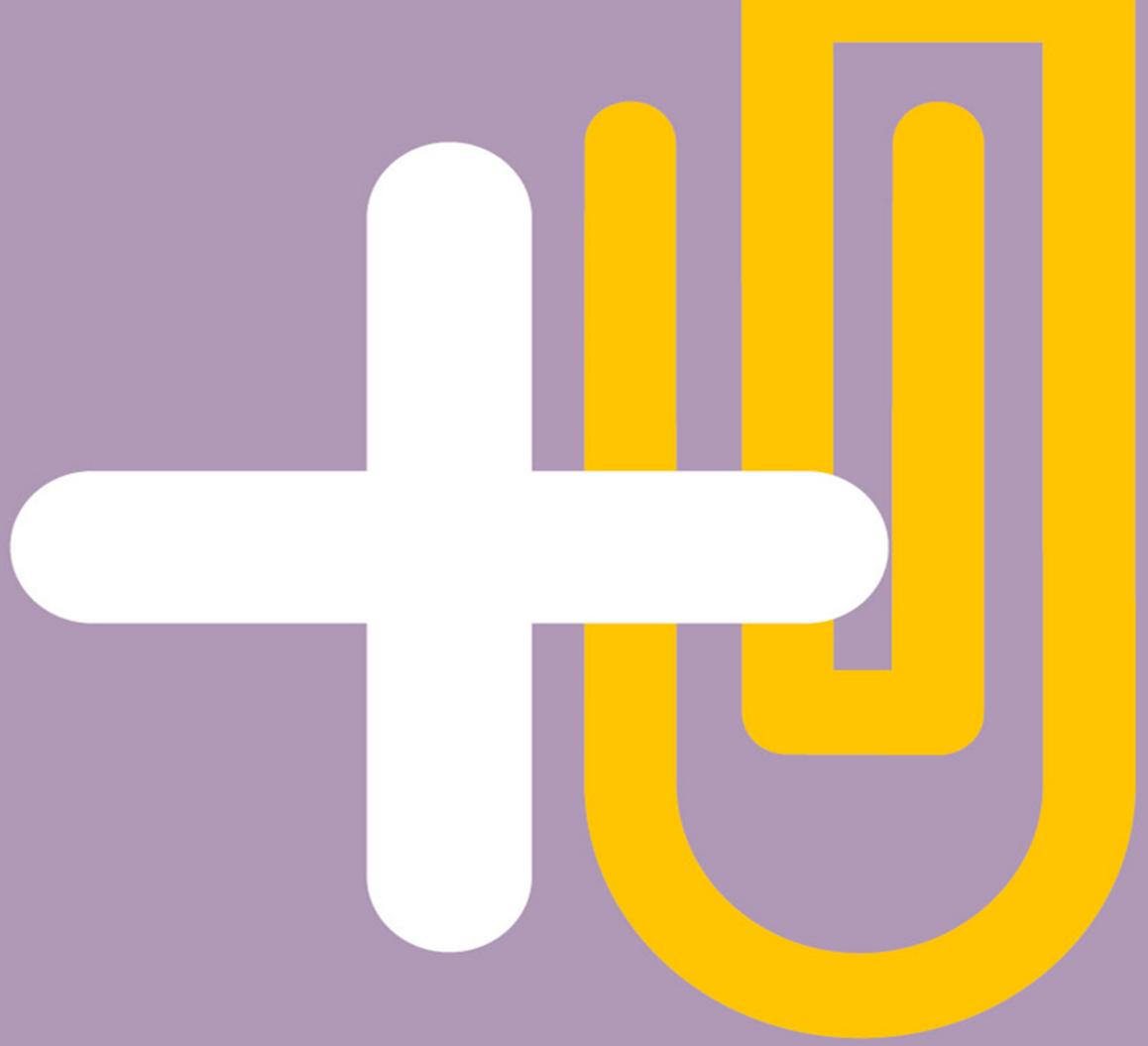
3. SUPPLY CHAIN MANAGEMENT

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 Services	Gava Kassiem	Memorandum of Agreement with DCAS	N/A	39
	Thandiwe Ida Goxo		N/A	48
Editing Services	Brenda Barrow		N/A	7
	Grizell Luxton		N/A	14
	Arina Wilson		N/A	24
Business Process Re-engineering (BPR)	Columbus Technologies		Memorandum of Agreement (MoA) with DotP	N/A
Expenditure Reviews	Government Technical Advisory Centre (GTAC)	MoA	N/A	666
Procurement planning automation toolkit	EOH Mthombo (Pty) Ltd	Memorandum of Agreement (MoA) with DotP	N/A	1 109
eProcurement Solution	Microsoft	Memorandum of Agreement (MoA) with DotP	N/A	672
Azure Data Management	Dimension Data	Memorandum of Agreement (MoA) with DTPW	N/A	5 823
			N/A	882
SCM Reform- to drive value for money	Government Technical Advisory Centre (GTAC)	MoA	N/A	570
Lease rental at Waterford Place Century City	SAP	Memorandum of Agreement (MoA) with DTPW	N/A	1 770
Business Analyst	DLK Group (Pty) Ltd	Memorandum of Agreement (MoA) with DotP	N/A	6 008
Asset Management	DLK Group (Pty) Ltd	Memorandum of Agreement (MoA) with DotP	N/A	215
DIMIS	EOH Mthombo (Pty) Ltd	Memorandum of Agreement (MoA) with DotP	N/A	570
Power BI	Microsoft Azure	Memorandum of Agreement (MoA) with DotP	N/A	111
Gartner Services	SITA	Memorandum of Agreement (MoA) with DotP	N/A	3 526
MGRO Hosting - WCMES Support	EOH Mthombo (Pty) Ltd	Memorandum of Agreement (MoA) with DotP	N/A	150

Table 3.2 Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or variation)	Contract number	Original contract number	Value of previous contract expansion/s or variation/s (if applicable)	Value of Current contract expansion or variation
				R'000	R'000	R'000
Security Service at the Procurement Client Centre, SAP Building, Century City	Silver Solutions 2616 (t/a Star Security)	Extension	WCPT-TR 01/2017/2018	314	164	42
Total				314	164	42



**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 DEPARTMENT OF PROVINCIAL TREASURY**

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Western Cape Department of Provincial Treasury set out on pages 152 to 192, which comprise the appropriation statement, statement of financial position as at 31 March 2023, 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 2023, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 5 of 2022 (Dora).

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 matters below. My opinion is not modified in respect of this matters.

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**REPORT OF THE AUDITOR-GENERAL
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National Treasury Instruction No. 4 of 2022/2023: PFMA Compliance and Reporting Framework

7. On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements. Only the current year and prior year figures are disclosed in note 22 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of the Western Cape Department of Provincial Treasury. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the department. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Unaudited supplementary schedules

8. The supplementary information set out in pages 193 - 200 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the Accounting Officer for the financial statements

9. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS as prescribed by the National Treasury and the requirements of the PFMA and Dora, 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.
10. 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.

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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2023**

Responsibilities of the Auditor-General for the audit of the financial statements

11. 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.
12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

13. 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 selected programmes presented in the annual performance report. The department is responsible for the preparation of the annual performance report.
14. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 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	47 – 60	To ensure the efficient and effective management of provincial and municipal financial resources.
Programme 3 – Asset Management	60 - 66	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.

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**REPORT OF THE AUDITOR-GENERAL
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15. 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.
16. 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 and verifiable to ensure that they are easy to understand and apply consistently and 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 what was committed to in the approved initial or revised planning documents;
 - the reported performance information is presented in the annual performance report in the prescribed manner; and
 - there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.
17. I performed the procedures for the purpose of reporting material findings only and not to express an assurance opinion.
18. I did not identify any material findings on the reported performance information of the selected programmes.

Other matter

19. I draw attention to the matter below.

Achievement of planned targets

20. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and underachievement's. Reasons for the underachievement of targets are included in the annual performance report on pages 55 - 60 and 63 - 66.

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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2023**

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.
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. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement.

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29. 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

30. 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.
31. I did not identify any significant deficiencies in internal control.

Auditor - General

Cape Town
31 July 2023



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

**WESTERN CAPE PROVINCE
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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2023**

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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**REPORT OF THE AUDITOR-GENERAL
for the year ended 31 March 2023**

- 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 to 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 (PFMA)	Section 38(1)(a)(iv); 38(1)(b); 38(1)(c); 38(1)(c)(i); 38(1)(c)(ii); 38(1)(d); 38(1)(h)(iii) Section 39(1)(a); 39(2)(a) Section 40(1)(a); 40(1)(b); 40(1)(c)(i) Section 43(4); 44; 44(1) and (2); 45(b)
Treasury Regulations for departments, trading entities, constitutional institutions and public entities	Treasury Regulation 4.1.1; 4.1.3 Treasury Regulation 5.1.1; 5.2.1; 5.2.3(a); 5.2.3(d); 5.3.1 Treasury Regulation 6.3.1(a); 6.3.1(b); 6.3.1(c); 6.3.1(d); 6.4.1(b) Treasury Regulation 7.2.1 Treasury Regulation 8.1.1; 8.2.1; 8.2.2; 8.2.3; 8.4.1 Treasury Regulation 9.1.1; 9.1.4 Treasury Regulation 10.1.1(a); 10.1.2

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Legislation	Sections or regulations
	Treasury Regulation 11.4.1; 11.4.2; 11.5.1 Treasury Regulation 12.5.1 Treasury Regulation 15.10.1.2(c) Treasury Regulation 16A3.1; 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a), (b) & (e); 16A6.3(a) & (d); 16A6.3(a)(i); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A8.3; 16A8.2(1) & (2); 16A8.3(d); 16A8.4; 16A9; 16A9.1; 16A9.1(c); 16A9.1(b)(ii); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A 9.2(a)(ii) & (iii) Treasury Regulation 17.1.1 Treasury Regulation 18.2
Public service regulation	Public service regulation 13(c); 18; 18(1) & (2)
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1) Section 29
Construction Industry Development Board Act 38 of 2000 (CIDB)	Section 18(1)
Preferential Procurement Policy Framework Act 5 of 2000	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement Regulations, 2017	Paragraph 4.1; 4.2 Paragraph 5.1; 5.3; 5.6; 5.7 Paragraph 6.1; 6.2; 6.3; 6.5; 6.6; 6.8 Paragraph 7.1; 7.2; 7.3; 7.5; 7.6; 7.8 Paragraph 8.2; 8.5 Paragraph 9.1; 9.2 Paragraph 10.1; 10.2 Paragraph 11.1; 11.2 Paragraph 12.1; 12.2
Preferential Procurement Regulations, 2022	Paragraph 3.1 Paragraph 4.1; 4.2; 4.3; 4.4 Paragraph 5.1; 5.2; 5.3; 5.4
PFMA Supply Chain Management (SCM) Instruction No. 09 of 2022/2023	Paragraph 3.1; 3.3(b); 3.3(c); 3.3(e); 3.6

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**REPORT OF THE AUDITOR-GENERAL
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Legislation	Sections or regulations
National Treasury Instruction No. 1 of 2015/16	Paragraph 3.1; 4.1; 4.2
National Treasury SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4(a) to (d); 4.6 Paragraph 5.4 Paragraph 7.2; 7.6
National Treasury SCM Instruction 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) & (b); 3.9; 6.1; 6.2; 6.7
National Treasury SCM Instruction Note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) & (b); 3.3.1; 3.2.2 Paragraph 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM Instruction 08 of 2022/23	Paragraph 3.2 Par. 4.3.2; 4.3.3
National Treasury Instruction Note 4 of 2015/16	Paragraph 3.4
National Treasury instruction 3 of 2019/20 - Annexure A	Section 5.5.1 (iv) and (x)
Second amendment of NTI 05 of 2020/21	Paragraph 4.8; 4.9; 5.1; 5.3
Erratum National Treasury Instruction 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction 5 of 2020/21	Paragraph 2
Practice Note 7 of 2009/10	Paragraph 4.1.2
Practice Note 11 of 2008/09	Paragraph 3.1 Paragraph 3.1(b)
National Treasury Instruction Note 1 of 2021/22	Paragraph 4.1
Public Service Act 103 of 1994	Section 30(1)

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**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Appropriation per programme									
Voted Funds and Direct Charges	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	62 133	-	(1 145)	60 988	60 976	12	100.0%	60 451	55 508
2. Sustainable Resource Management	127 979	-	14	127 993	127 431	562	99.6%	120 069	112 035
3. Asset Management	76 937	-	1 666	78 603	77 561	1 042	98.7%	74 358	71 326
4. Financial Governance	51 771	-	(535)	51 236	51 082	154	99.7%	52 724	51 129
Sub-total	318 820	-	-	318 820	317 050	1 770	99.4%	307 602	289 998
Statutory Appropriation	-	-	-	-	-	-	-	-	-
Total	318 820	-	-	318 820	317 050	1 770	99.4%	307 602	289 998
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				3 450	-			7 545	
Actual amounts per Statement of Financial Performance (Total Revenue)				322 270	-			315 147	
Actual amounts per Statement of Financial Performance (Total Expenditure)				-	317 050				289 998

Appropriation per economic classification									
Economic classification	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	261 608	(544)	-	261 064	259 294	1 770	99.3%	253 090	241 439
Compensation of employees	200 277	(634)	(440)	199 203	198 965	238	99.9%	189 807	188 819
Goods and services	61 331	90	440	61 861	60 329	1 532	97.5%	63 283	52 620
Transfers and subsidies	48 298	185	-	48 483	48 483	-	100.0%	48 200	44 327
Provinces and municipalities	19 498	-	-	19 498	19 498	-	100.0%	16 967	14 788
Departmental agencies and accounts	25 084	-	-	25 084	25 084	-	100.0%	26 264	26 264
Households	3 716	185	-	3 901	3 901	-	100.0%	4 969	3 275
Payments for capital assets	8 677	308	-	8 985	8 985	-	100.0%	6 261	4 181
Machinery and equipment	8 677	308	-	8 985	8 985	-	100.0%	6 261	4 181
Payment for financial assets	237	51	-	288	288	-	100.0%	51	51
Total	318 820	-	-	318 820	317 050	1 770	99.4%	307 602	289 998

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**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Programme 1: ADMINISTRATION									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	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	7 031	16	(7)	7 040	7 036	4	99.9%	6 849	6 641
2. Management Services	23 596	(16)	(812)	22 768	22 763	5	100.0%	25 336	22 689
3. Financial Management	31 506	-	(326)	31 180	31 177	3	100.0%	28 266	26 178
Total for sub-programmes	62 133	-	(1 145)	60 988	60 976	12	100.0%	60 451	55 508

	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	51 826	(359)	(967)	50 500	50 488	12	100.0%	51 597	50 428
Compensation of employees	38 879	(1)	(375)	38 503	38 501	2	100.0%	37 119	37 002
Goods and services	12 947	(358)	(592)	11 997	11 987	10	99.9%	14 478	13 426
Transfers and subsidies	1 393	-	(178)	1 215	1 215	-	100.0%	2 542	848
Departmental agencies and accounts	8	-	-	8	8	-	100.0%	8	8
Households	1 385	-	(178)	1 207	1 207	-	100.0%	2 534	840
Payments for capital assets	8 677	308	-	8 985	8 985	-	100.0%	6 261	4 181
Machinery and equipment	8 677	308	-	8 985	8 985	-	100.0%	6 261	4 181
Payment for financial assets	237	51	-	288	288	-	100.0%	51	51
Total	62 133	-	(1 145)	60 988	60 976	12	100.0%	60 451	55 508

**WESTERN CAPE PROVINCE
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**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Programme 2: SUSTAINABLE RESOURCE MANAGEMENT									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	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	7 200	73	-	7 273	7 268	5	99.9%	6 929	5 986
2. Fiscal Policy	42 475	641	78	43 194	43 111	83	99.8%	39 341	38 439
3. Budget Management	19 074	68	-	19 142	19 134	8	100.0%	22 339	21 719
4. Public Finance	59 230	(782)	(64)	58 384	57 918	466	99.2%	51 460	45 891
Total for sub-programmes	127 979	-	14	127 993	127 431	562	99.6%	120 069	112 035

	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	91 350	-	(65)	91 285	90 723	562	99.4%	86 831	80 976
Compensation of employees	78 150	(382)	(65)	77 703	77 512	191	99.8%	73 720	72 999
Goods and services	13 200	382	-	13 582	13 211	371	97.3%	13 111	7 977
Transfers and subsidies	36 629	-	79	36 708	36 708	-	100.0%	33 238	31 059
Provinces and municipalities	10 780	-	-	10 780	10 780	-	100.0%	6 477	4 298
Departmental agencies and accounts	25 076	-	-	25 076	25 076	-	100.0%	26 256	26 256
Households	773	-	79	852	852	-	100.0%	505	505
Total	127 979	-	14	127 993	127 431	562	99.6%	120 069	112 035

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Programme 3: ASSET MANAGEMENT									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	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	4 671	(87)	-	4 584	4 580	4	99.9%	4 960	4 672
2. Supply Chain Management	41 138	(4)	73	41 207	40 171	1 036	97.5%	36 106	35 421
3. Supporting and Interlinked Financial Systems	31 128	91	1 593	32 812	32 810	2	100.0%	33 292	31 233
Total for sub-programmes	76 937	-	1 666	78 603	77 561	1 042	98.7%	74 358	71 326

	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	75 588	(148)	1 593	77 033	75 991	1 042	98.6%	72 975	69 943
Compensation of employees	45 526	(214)	-	45 312	45 309	3	100.0%	42 057	41 910
Goods and services	30 062	66	1 593	31 721	30 682	1 039	96.7%	30 918	28 033
Transfers and subsidies	1 349	148	73	1 570	1 570	-	100.0%	1 383	1 383
Provinces and municipalities	500	-	-	500	500	-	100.0%	-	-
Households	849	148	73	1 070	1 070	-	100.0%	1 383	1 383
Total	76 937	-	1 666	78 603	77 561	1 042	98.7%	74 358	71 326

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**APPROPRIATION STATEMENT
for the year ended 31 March 2023**

Programme 4: FINANCIAL GOVERNANCE									
	2022/23							2021/22	
	Approved Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	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	9 066	(48)	(415)	8 603	8 507	96	98.9%	7 578	7 480
2. Accounting Services	20 679	446	26	21 151	21 107	44	99.8%	20 724	19 531
3. Corporate Governance	22 026	(398)	(146)	21 482	21 468	14	99.9%	24 422	24 118
Total for sub-programmes	51 771	-	(535)	51 236	51 082	154	99.7%	52 724	51 129

	2022/23							2021/22	
	Adjusted Budget	Shifting of Funds	Virement	Final Budget	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Budget	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	42 844	(37)	(561)	42 246	42 092	154	99.6%	41 687	40 092
Compensation of employees	37 722	(37)	-	37 685	37 643	42	99.9%	36 911	36 908
Goods and services	5 122	-	(561)	4 561	4 449	112	97.5%	4 776	3 184
Transfers and subsidies	8 927	37	26	8 990	8 990	-	100.0%	11 037	11 037
Provinces and municipalities	8 218	-	-	8 218	8 218	-	100.0%	10 490	10 490
Households	709	37	26	772	772	-	100.0%	547	547
Total	51 771	-	(535)	51 236	51 082	154	99.7%	52 724	51 129

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE APPROPRIATION STATEMENTS
for the year ended 31 March 2023**

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 – 1C 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

No material variances (2%) per Programme.

4.2 Per economic classification

	Final Budget R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Budget %
Current expenditure				
Compensation of employees	199 203	198 965	238	0.1%
Goods and services	61 861	60 329	1 532	2.5%
Transfers and subsidies				
Provinces and municipalities	19 498	19 498	-	0.0%
Departmental agencies and accounts	25 084	25 084	-	0.0%
Households	3 901	3 901	-	0.0%
Payments for capital assets				
Machinery and equipment	8 985	8 985	-	0.0%
Payments for financial assets	288	288	-	0.0%
Total	318 820	317 050	1 770	0.6%

The underspending on goods and services is mainly due to:

- The later than anticipated commencement of the projects related to improving value for money in Supply Chain Management and to improve Infrastructure Asset Management at twelve (12) municipalities; and
- The actual cost of support to the Beaufort West Municipality for the implementation of a mandatory financial recovery plan that was less than the estimated cost.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**STATEMENT OF FINANCIAL PERFORMANCE
as at 31 March 2023**

	<i>Note</i>	2022/23 R'000	2021/22 R'000
REVENUE			
Annual appropriation	1	318 820	307 602
Departmental revenue	2	3 450	7 545
TOTAL REVENUE		322 270	315 147
EXPENDITURE			
Current expenditure		259 294	241 439
Compensation of employees	3	198 965	188 819
Goods and services	4	60 329	52 620
Transfers and subsidies		48 483	44 327
Transfers and subsidies	6	48 483	44 327
Expenditure for capital assets		8 985	4 181
Tangible assets	7	8 985	4 181
Payments for financial assets	5	288	51
TOTAL EXPENDITURE		317 050	289 998
SURPLUS FOR THE YEAR		5 220	25 149
Reconciliation of Net Surplus for the year			
Voted funds		1 770	17 604
Annual appropriation		1 770	17 604
Departmental revenue	12	3 450	7 545
SURPLUS FOR THE YEAR		5 220	25 149

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2023**

	<i>Note</i>	2022/23 R'000	2021/22 R'000
ASSETS			
Current Assets		27 113	25 468
Cash and cash equivalents	8	26 479	24 539
Receivables	10	634	929
Non-current assets		44	58
Receivables	10	58	58
TOTAL ASSETS		27 157	25 526
LIABILITIES			
Current Liabilities		26 950	25 369
Voted funds to be surrendered to the Revenue Fund	11	1 770	17 604
Departmental revenue to be surrendered to the Revenue Fund	12	69	369
Payables	13	25 111	7 396
TOTAL LIABILITIES		26 950	25 369
NET ASSETS		207	157
Represented by:			
Recoverable revenue		207	157
TOTAL		207	157

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2023**

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Recoverable revenue			
Opening balance		157	107
Transfers:		50	50
Irrecoverable amounts written off	5.2	(7)	(24)
Debts recovered (included in departmental revenue)		(1 369)	(418)
Debts raised		1 426	492
Closing balance		207	157
TOTAL		207	157

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**CASH FLOW STATEMENT
for the year ended 31 March 2023**

	<i>Note</i>	2022/23 R'000	2021/22 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		322 191	315 223
Annual appropriated funds received	1.1	318 820	307 602
Departmental revenue received	2	3 367	7 601
Interest received	2.2	4	20
Net decrease in net working capital		18 010	6 354
Surrendered to Revenue Fund		(21 434)	(20 756)
Current payments		(259 294)	(241 439)
Payments for financial assets		(288)	(51)
Transfers and subsidies paid		(48 483)	(44 327)
Net cash flow available from operating activities	14	10 702	15 004
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(8 985)	(4 181)
Proceeds from sale of capital assets	2.3	159	-
Decrease in non-current receivables	10	14	35
Net cash flows from investing activities		(8 812)	(4 146)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in net assets		50	50
Net cash flows from financing activities		50	50
Net increase in cash and cash equivalents		1 940	10 908
Cash and cash equivalents at beginning of period		24 539	13 631
Cash and cash equivalents at end of period	15	26 479	24 539

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2023**

Summary of significant accounting policies

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

The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.

Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.

1. Basis of preparation

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

2. Going concern

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

3. Presentation currency

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

4. Rounding

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

5. Foreign currency translation

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

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.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2023**

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.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2023**

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.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2023**

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.

A prepayment will be expensed when the goods and services are received in terms of the signed agreement with a non – governmental entity. An advance will be expensed when the goods or services are received in terms of the signed agreement with a governmental entity.

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 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.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2023**

14.2 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 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.

15.2 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.

15.3 Capital commitments

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

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2023**

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.

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.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**ACCOUNTING POLICIES
for the year ended 31 March 2023**

19. Changes in accounting estimates and errors

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

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. Departures from the MCS requirements

The financial statements present fairly the Department's primary and secondary information and complies with the standards.

22. 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.

23. 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.

24. 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.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

1. Annual Appropriation

1.1 Annual Appropriation

Programme	2022/23			2021/22		
	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	60 988	60 988	-	60 451	60 451	-
Sustainable Resource Management	127 993	127 993	-	120 069	120 069	-
Asset Management	78 603	78 603	-	74 358	74 358	-
Financial Governance	51 236	51 236	-	52 724	52 724	-
Total	318 820	318 820	-	307 602	307 602	-

	Note	2022/23 R'000	2021/22 R'000
2. Departmental revenue			
Sales of goods and services other than capital assets	2.1	40	36
Interest, dividends and rent on land	2.2	4	20
Sales of capital assets	2.3	159	-
Transactions in financial assets and liabilities	2.4	3 327	7 565
Total revenue collected		3 530	7 621
Less: Own revenue included in appropriation	12	(80)	(76)
Departmental revenue collected		3 450	7 545

2.1 Sales of goods and services other than capital assets

Sales of goods and services produced by the department		33	34
Other sales		33	34
Sales of scrap, waste and other used current goods		7	2
Total	2	40	36

"Other sales" includes commission on insurances and garnishee orders as well as requests for access to information.

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

	<i>Note</i>	2022/23 R'000	2021/22 R'000
2.2 Interest, dividends and rent on land			
Interest		4	20
Total	2	4	20

The decrease in "Interest" from the 2021/22 financial year to the 2022/23 financial year is due to the write off of interest-bearing debt due to the debt being irrecoverable.

2.3 Sales of capital assets

Tangible assets		158	-
Machinery and equipment		158	-
Intangible capital assets		1	-
Software		1	-
Total	2	159	-

The increase in the "Sale of capital assets" from the 2021/22 financial year to the 2022/23 financial year is mainly due to the sale of computer equipment (laptops and desktops) which reached the end of its useful life. These assets were sold to staff after confirmation was received from the Departments of Education and the Premier that they have no need for the identified computer equipment.

2.4 Transactions in financial assets and liabilities

Other receipts including Recoverable Revenue		3 327	7 565
Total	2	3 327	7 565

The decrease in "Other receipts" from the 2021/22 financial year to the 2022/23 financial year is due to increased spending by municipalities on conditional grants.

2.5 Cash received not recognised (not included in the main note)

Name of entity	Amount received	2022/23	Balance
		Amount paid to the revenue fund	
	R'000	R'000	R'000
Western Cape Gambling and Racing Board	1 030 395	1 005 380	25 015
Total	1 030 395	1 005 380	25 015

**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

Name of entity	Amount received	2021/22	Balance
		Amount paid to the revenue fund	
	R'000	R'000	R'000
Western Cape Gambling and Racing Board	759 609	752 317	7 292
Total	759 609	752 317	7 292

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

	Note	2022/23	2021/22
		R'000	R'000
Basic salary		140 226	133 511
Performance award		5	32
Service Based		233	149
Compensative/circumstantial		1 464	960
Other non-pensionable allowances		31 885	30 365
Total		173 813	165 017

3.2 Social contributions

Employer contributions

Pension	17 247	16 403
Medical	7 871	7 367
Bargaining council	34	32
Total	25 152	23 802

Total compensation of employees	198 965	188 819
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Average number of employees	268	265
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**WESTERN CAPE PROVINCE
PROVINCIAL TREASURY
VOTE 3**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2023**

	<i>Note</i>	2022/23	2021/22
		R'000	R'000
4. Goods and services			
Administrative fees		1	3
Advertising		984	819
Minor assets	4.1	792	7
Bursaries (employees)		492	454
Catering		340	61
Communication		576	1 447
Computer services	4.2	9 878	8 436
Consultants: Business and advisory services		27 133	24 851
Legal services		2 109	359
Contractors		23	47
Agency and support/outsourced services		3 331	3 916
Audit cost – external	4.3	5 766	6 297
Fleet services		654	366
Consumables	4.4	707	362
Operating leases		1 943	2 255
Property payments	4.5	500	192
Rental and hiring		-	34
Travel and subsistence	4.6	1 760	302
Venues and facilities		661	159
Training and development		1 154	1 314
Other operating expenditure	4.7	1 525	939
Total		60 329	52 620

Additional information on “Consultants: Business and advisory services” can be found in Part D – Human Resource Management of the Annual Report.

The increase in “Legal services” from the 2021/22 financial year to the 2022/23 financial year is mainly due to legal services received from senior counsel on tax and other matters related to the draft Western Cape Twentieth (20th) and Twenty First (21st) Gambling and Racing Amendment Bills, 2022 and the application from three (3) service providers for the review and setting aside of the tender for the provision of security services to the Western Cape Government.

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	<i>Note</i>	2022/23 R'000	2021/22 R'000
4.1 Minor assets			
Tangible assets		792	7
Machinery and equipment		792	7
Total	4	792	7

The increase in "Minor assets" from the 2021/22 financial year to the 2022/23 financial year is due to purchasing of computer peripherals (docking stations) during the 2022/23 financial year.

4.2 Computer services			
SITA computer services		755	1 150
External computer service providers		9 123	7 286
Total	4	9 878	8 436

The decrease in "SITA computer services" from the 2021/22 financial year to the 2022/23 financial year is due to payslips and salary related reports not being printed but emailed to relevant officials.

The increase in "External computer service providers" from the 2021/22 financial year to the 2022/23 financial year is due to the further development of the in-house e-Procurement Solution.

4.3 Audit cost-external			
Regularity audits		5 320	6 161
Computer audits		446	136
Total	4	5 766	6 297

4.4 Consumables			
Consumable supplies		396	43
Uniform and clothing		15	7
Household supplies		79	28
Building material and supplies		9	1
Communication accessories		157	-
IT consumables		128	-
Other consumables		8	7
Stationery, printing and office supplies		311	319
Total	4	707	362

The increase in "Consumables" from the 2021/22 financial year to the 2022/23 financial year is mainly due to the purchasing of headsets and computer accessories (wireless mouse and keyboards) for staff.

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	<i>Note</i>	2022/23	2021/22
		R'000	R'000
4.5 Property payments			
Municipal services		148	-
Other		352	192
Total	4	500	192

The increase in "Property Payments" from the 2021/22 financial year to the 2022/23 financial year is due to the Department being responsible for the municipal services of the rented accommodation for the Procurement Client Centre.
"Other" refers to cleaning services, safeguarding and security services at the Procurement Client Centre.

4.6 Travel and subsistence			
Local		1 590	302
Foreign		170	-
Total	4	1 760	302

The lifting of the COVID-19 pandemic travelling restrictions resulted in officials and the Minister being able to visit municipalities and attend meetings and workshops locally and internationally and resulted in the increase in the travel and subsistence expenditure from the 2021/22 financial year to the 2022/23 financial year.

4.7 Other operating expenditure			
Professional bodies, membership and subscription fees		74	63
Resettlement costs		113	122
Other		1 338	754
Total	4	1 525	939

The increase in "Other" from the 2021/22 financial year to the 2022/23 financial year is due to an increase in the demand for departmental publications i.e. the Municipal Economic Review and Outlook (MERO).

5. Payments for financial assets			
Material losses through criminal conduct		27	24
Theft	5.3	27	24
Other material losses written off	5.1	254	3
Debts written off	5.2	7	24
Total		288	51

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	<i>Note</i>	2022/23 R'000	2021/22 R'000
5.1 Other material losses written off			
Nature of losses			
Loss of assets		231	-
Missing external hard drive		-	1
Damaged laptop screen		3	-
Missing laptop		20	-
Fruitless and Wasteful – missed flights		-	1
Laptop damages		-	1
Total	5	254	3
<p>The Department performs two (2) assets verification processes per financial year and the amount written off in the current year includes the loss of minor and major assets identified during prior financial years.</p>			
5.2 Debts written off			
Nature of debts written off			
Recoverable revenue written off			
- Bursary debt		-	22
- Salary debt		-	2
Total		-	24
Other debt written off			
- Fruitless and wasteful: Non-attendance of training		7	-
Total		7	-
Total debt written off	5	7	24
5.3 Details of theft			
Nature of theft			
Theft of laptop		27	24
Total	5	27	24
<p>A laptop was stolen from an official's car while parked at a public space.</p>			

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	<i>Note</i>	2022/23	2021/22
		R'000	R'000
6. Transfer and Subsidies			
Provinces and municipalities	27	19 498	14 788
Departmental agencies and accounts	<i>Annexure 1B</i>	25 084	26 264
Households	<i>Annexure 1C</i>	3 901	3 275
Total		48 483	44 327
7. Expenditure for Capital Assets			
Tangible capital assets		8 985	4 181
Machinery and equipment	25	8 985	4 181
Total		8 985	4 181

In addition to the replacement of the computer equipment reaching its useful life in the 2022/23 financial year the Department had a capital commitment of R3 719 000 as at 31 March 2022 which was paid during the 2022/23 financial year.

7.1 Analysis of funds utilised to acquire capital assets – Current year

	2022/23		
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible capital assets	8 985	-	8 985
Machinery and equipment	8 985	-	8 985
Total	8 985	-	8 985

7.2 Analysis of funds utilised to acquire capital assets – Prior year

	2021/22		
	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible capital assets	4 181	-	4 181
Machinery and equipment	4 181	-	4 181
Total	4 181	-	4 181

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	<i>Note</i>	2022/23 R'000	2021/22 R'000		
7.3 Finance lease expenditure included in Expenditure for capital assets					
Tangible capital assets					
Machinery and equipment		1 728	1 471		
Total		1 728	1 471		
8. Cash and Cash Equivalents					
Consolidated Paymaster General Account		26 471	24 531		
Cash on hand		8	8		
Total		26 479	24 539		
9. Prepayments and Advances					
9.1 Prepayments (Expensed)					
		2022/23			
	Amount as at 1 April 2022	Less: Received in the current year	Add or 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)	-	-
Total	122	-	(122)	-	-

The prior year prepayment refers to rental accommodation for April 2022. No prepayments were made in the 2022/23 financial year.

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	Amount as at 1 April 2021	Less: Received in the current year R'000	2021/22 Add or Less: Other R'000	Add: Current Year prepayments R'000	Amount as at 31 March 2022 R'000
Goods and services	131	-	(131)	122	122
Total	131	-	(131)	122	122

10. Receivables

		2022/23			2021/22		
	Note	Current R'000	Non- current R'000	Total R'000	Current R'000	Non- current R'000	Total R'000
Claims recoverable	10.1	5	-	5	77	-	77
Recoverable expenditure	10.2	422	-	422	707	-	707
Staff debt	10.3	16	-	16	101	-	101
Other receivables	10.4	191	44	235	44	58	102
Total		634	44	678	929	58	987

10.1 Claims recoverable

	Note	2022/23 R'000	2021/22 R'000
Provincial departments		5	-
Private enterprises		-	77
Total	10	5	77

The amount of R77 000 owed by Nedbank to the Department was received during the 2022/23 financial year.

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	<i>Note</i>	2022/23	2021/22
		R'000	R'000
10.2 Recoverable expenditure			
Receivables from Nedbank		419	693
Disallowance: Damages and losses		-	7
Disallowance miscellaneous		-	7
Salary: Medical Aid		3	-
Total	10	422	707

The decrease in "Receivables from Nedbank" from the 2021/22 financial year to the 2022/23 financial year is due to a refund received from Nedbank for expenditure related to bursary holders paid by the Provincial Treasury on their behalf. The amount of R419 000 refers to expenditure paid by the Provincial Treasury related to bursary holders funded by Nedbank. Nedbank will refund the Department for the expenditure.

10.3 Staff debt			
Salary related debt		16	71
Resettlement accommodation debt		-	30
Total	10	16	101

10.4 Other receivables			
Ex-employees: Salary Related debts		155	46
Bursary debt		52	56
Misuse of GG-vehicle		28	-
Total	10	235	102

The increase in "Other receivables" from the 2021/22 financial year to the 2022/23 financial year is mainly due to an employee, who has now left the Department, taking leave to which she was not entitled. On 23 March 2023, approval was given for interest to the amount of R15 903 to be written off on an outstanding debt. However, this can only be effected once the debtor has paid the capital amount of his debt as interest is still being calculated on the debt until the capital amount is recovered.

11. Voted funds to be surrendered to the Revenue Fund			
Opening balance		17 604	12 112
Transfer from statement of financial performance		1 770	17 604
Paid during the year		(17 604)	(12 112)
Closing balance		1 770	17 604

The Department spent 99.4% of its budget in the current year compared to the 94.3% in the previous year resulting in a decrease in voted funds to be surrendered the PRF.

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	<i>Note</i>	2022/23 R'000	2021/22 R'000
12. Departmental revenue to be surrendered to the Revenue Fund			
Opening balance		369	1 392
Transfer from Statement of Financial Performance		3 450	7 545
Own revenue included in appropriation		80	76
Paid during the year		(3 830)	(8 644)
Closing balance		69	369
13. Payables – current			
Amounts owing to other entities			
Advances received	13.1	36	104
Other payables	13.2	25 075	7 292
Total		25 111	7 396
13.1 Advances received			
Other institutions		36	104
Total	13	36	104
13.2 Other payables			
Description			
Money received from Western Cape Gambling and Racing Board		25 015	7 292
Salary: Income tax		4	-
Salary: GEHS Refund control account		56	-
Total	13	25 075	7 292
The R25 015 000 consist of horse racing taxes received from the WCGRB that must still be paid over to the PRF.			
14. Net cash flow available from operating activities			
Net surplus as per Statement of Financial Performance		5 220	25 149
Add back non-cash/cash movements not deemed operating activities		5 482	(10 145)
Decrease in receivables		295	(773)
Increase in payables – current		17 715	7 127
Proceeds from sale of capital assets		(159)	-
Expenditure on capital assets		8 985	4 181
Surrenders to Revenue Fund		(21 434)	(20 756)
Own revenue included in appropriation		80	76
Net cash flow generating		10 702	15 004

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	<i>Note</i>	2022/23 R'000	2021/22 R'000
15. Reconciliation of cash and cash equivalents for cash flow purposes			
Consolidated Paymaster General account		26 471	24 531
Cash on hand		8	8
Total		26 479	24 539

16. Contingent liabilities and contingent assets

16.1 Contingent liabilities

The Department is involved in ongoing litigation instituted by Sunwest International (Pty) Ltd, also known as GrandWest Casino and Entertainment world and Worcester Casino (Pty) Ltd. They are claiming the total amount of R46 334 448 collected by the WCGRB in respect of free play credits (Customer loyalty points) should not be included as part of the drop (Gambling taxable income) to be refunded or to reduce future gambling taxes. However, the contingent liability should not be disclosed in the financial statements of the Department as there are no past events enacted/committed by Provincial Treasury as it is independent from the Provincial Revenue Fund and WCGRB.

16.2 Contingent assets

All PILIR cases were finalised at year-end.

At this stage, the Department is not able to reliably measure the contingent assets in terms of the Government Employees Housing Scheme of the Individually Linked Savings Facility (ILSF), relating to resignations and termination of services.

17. Capital commitments

Machinery and equipment	-	3 719
Total	-	3 719

18. Accruals and payables not recognised

18.1 Accruals

	2022/23			2021/22
	30 Days	30+ Days	Total	Total
	R'000	R'000	R'000	R'000
Goods and services	1 400	-	1 400	868
Total	1 400	-	1 400	868

	<i>Note</i>	2022/23 R'000	2021/22 R'000
Listed by programme level			
Administration		858	8
Sustainable Resource Management		201	396
Asset Management		322	448
Financial Governance		19	16
Total		1 400	868

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18.2 Payables not recognised

Listed by economic classification	2022/23			2021/22
	30 Days	30+ Days	Total	Total
	R'000	R'000	R'000	R'000
Goods and services	1 061	819	1 880	-
Total	1 061	819	1 880	-

Listed by programme level	Note	2022/23	2021/22
		R'000	R'000
Administration		470	-
Sustainable Resource Management		146	-
Asset Management		1 217	-
Financial Governance		47	-
Total		1 880	-

Included in the above totals are the following:

Confirmed balances with other departments	Annex 3	1 852	-
Total		1 852	-

The increase in "Accruals and Payables" from the 2021/22 financial year to the 2022/23 financial year is mainly due to claims received and not paid before 31 March 2023 as the claims were in dispute.

19. Employee benefits

	Note	2022/23	2021/22
		R'000	R'000
Leave entitlement		9 168	9 183
Service bonus		4 516	4 191
Capped leave		2 523	3 038
Other		2 050	1 840
Total		18 257	18 252

"Other" includes the long service awards, salary related accruals, liability for early retirement officials and the MEC exit gratuity.
At this stage, the Department is not able to reliably measure the long-term portion of the long service awards.

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20. Lease commitments

20.1 Operating lease

	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	-	-	1 628	197	1 825
Later than 1 year and not later than 5 years	-	-	843	332	1 175
Total lease commitments	-	-	2 471	529	3 000

	2021/22				
	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	-	-	608	552	1 160
Total lease commitments	-	-	608	552	1 160

The Department's payment for the rental of photocopy machines ended on 31 January 2023 while the contract for the rental of office accommodation was extended for a further 12 months with an increase in the monthly rental amount payable.

20.2 Finance leases

	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
Total lease commitments	-	-	-	5 616	5 616

	2021/22				
	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	-	-	-	1 486	1 486
Later than 1 year and not later than 5 years	-	-	-	1 208	1 208
Total lease commitments	-	-	-	2 694	2 694

"Finance leases" commitment refers to GG vehicles leased from Government Motor Transport.

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	<i>Note</i>	2022/23	2021/22
		R'000	R'000
21. Accrued departmental revenue			
Transactions in financial assets and liabilities		14 036	15 856
Total		14 036	15 856
21.1 Analysis of accrued departmental revenue			
Opening balance		15 856	19 437
Less: amounts received		(304)	(6 472)
Add: amounts recorded		14 036	19 464
Other		(15 552)	(16 573)
Closing balance		14 036	15 856

A correction was made to the 2021/22 year opening balance as the Department only received confirmation from Kannaland municipality on 21 November 2022 that the amount of R321 600 was spent as at 30 June 2020.

22. Unauthorised, Irregular and Fruitless and wasteful expenditure			
Irregular expenditure – current year		61	12
Fruitless and wasteful expenditure - current year		-	8
Total		61	20

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.

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23. Related party transactions

The Provincial Treasury occupies a building free of charge managed by the Department of Transport and Public Works. Parking space is also provided for government officials at an approved fee that is not market related.

The Provincial Treasury received corporate services from the Corporate Services Centre of the Department of the Premier in the Western Cape Province with effect from 1 November 2010 in respect of the following service areas:

- Information and Communication Technology
- Organisation Development
- Provincial Training (transversal)
- Human Resource Management
- Enterprise Risk Management
- Internal Audit
- Provincial Forensic Services
- Legal Services
- Corporate Communication

The Western Cape Gambling and Racing Board is the collecting agent for taxes due to the Provincial Revenue Fund via the vote of this Department.

Provincial Treasury makes use of government motor vehicles managed by Government Motor Transport (GMT) based on tariffs approved by the Department of Provincial Treasury.

Provincial Treasury received Security Advisory Services and Security Operations from the Department of Community Safety in the Western Cape.

The Minister of Finance and Economic Opportunities was responsible for the following departments and entities as at 31 March 2023:

- 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 24 also forms part of related parties.

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	2022/23	2021/22
	R'000	R'000
24. Key management personnel		
Political office bearer	2 040	1 978
Officials:		
Management	14 014	13 057
Total	16 054	15 035

Management includes all officials from level 14 and above, as well as the CFO at level 13, who have significant influence over the finance and operational policy decisions of the Department.

25. Movable Tangible Capital Assets

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2023**

	2022/23				
Opening balance	Value adjustments	Additions	Disposals	Closing Balance	
R'000	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	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
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	19 229	-	7 287	5 225	21 291

The difference of R30 000 between Note 7 – Expenditure for Capital Assets, excluding finance lease expenditure included in expenditure for capital assets (Note 7.3) and the additions, is as a result of one (1) laptop that was transferred to the Department from the Department of Economic Development and Tourism.

Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	2	56
Total	2	56

The two (2) major assets under investigation are stolen laptops.

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25.1 Movement for 2021/22

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance R'000	Prior period error R'000	2021/22		Closing Balance R'000
			Additions R'000	Disposals R'000	
MACHINERY AND EQUIPMENT	16 508	-	2 745	24	19 229
Computer equipment	11 168	-	2 740	24	13 884
Furniture and office equipment	2 916	-	-	-	2 916
Other machinery and equipment	2 424	-	5	-	2 429
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	16 508	-	2 745	24	19 229

25.2 Minor Assets

MOVEMENT IN MINOR CAPITAL ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	2022/23		Total R'000
				Machinery and equipment R'000	Biological assets R'000	
Opening balance	-	5	-	5 967	-	5 972
Additions	-	-	-	791	-	791
Disposals	-	5	-	404	-	409
Total Minor assets	-	-	-	6 354	-	6 354
Number of minor assets at cost	-	-	-	3 698	-	3 698
Total number of minor assets	-	-	-	3 698	-	3 698

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Minor Assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	2021/22 Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	5	-	6 141	-	6 146
Additions	-	-	-	7	-	7
Disposals	-	-	-	181	-	181
Total Minor assets	-	5	-	5 967	-	5 972
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	1	-	3 682	-	3 683
Total number of minor assets	-	1	-	3 682	-	3 683

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25.3 Movable tangible capital assets written-off

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2023

	2022/23					
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	279	-	279
Total movable assets written off	-	-	-	279	-	279

MOVABLE CAPITAL ASSETS WRITTEN OFF FOR THE YEAR ENDED 31 MARCH 2022

	2021/22					
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	25	-	25
Total movable assets written off	-	-	-	25	-	25

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26. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2023

	Opening balance R'000	2022/23		Closing Balance R'000
		Additions R'000	Disposals R'000	
SOFTWARE	98	-	69	29
TOTAL INTANGIBLE CAPITAL ASSETS	98	-	69	29

Adobe licences (software) have been disposed of.

26.1 Movement for 2021/22

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance R'000	Prior period error R'000	2021/22		Closing Balance R'000
			Additions R'000	Disposals R'000	
SOFTWARE	98	-	-	-	98
TOTAL INTANGIBLE CAPITAL ASSETS	98	-	-	-	98

27. Prior period errors

27.1 Correction of prior period errors

	Note	2021/22		Restated R'000
		Amount before error correction R'000	Prior period error R'000	
Assets:				
Accrued departmental revenue	21	16 178	322	15 856
Net effect		16 178	322	15 856

The 2021/22 amount was corrected as it included funds that was spent by Kannaland municipality by 30 June 2020 and this information was only received in the 2022/23 year.

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28. Statement of Conditional Grants and other transfers paid to municipalities

Name of municipality	2022/23							2021/22	
	GRANT ALLOCATION				TRANSFER			DoRA and other transfers	Actual transfer
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury/ National Department		
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Beaufort West	-	-	2 093	2 093	2 093	-	-	350	350
Bergrivier	-	-	2 325	2 325	2 325	-	-	1 000	1 000
Bitou	-	-	800	800	800	-	-	250	250
Breede Valley	-	-	200	200	200	-	-	250	250
Cape Agulhas	-	-	300	300	300	-	-	399	399
Cederberg	-	-	1 058	1 058	1 058	-	-	1 208	1 208
Central Karoo District	-	-	200	200	200	-	-	350	350
City of Cape Town	-	-	300	300	300	-	-	250	250
Drakenstein	-	-	200	200	200	-	-	1 250	1 250
Garden Route District	-	-	300	300	300	-	-	1 000	1 000
George	-	-	1 450	1 450	1 450	-	-	250	250
Hessequa	-	-	300	300	300	-	-	250	250
Kannaland	-	-	100	100	100	-	-	250	250
Knysna	-	-	550	550	550	-	-	250	250
Laingsburg	-	-	100	100	100	-	-	350	350
Langeberg	-	-	800	800	800	-	-	800	800
Matzikama	-	-	779	779	779	-	-	1 091	1 091
Mossel Bay	-	-	300	300	300	-	-	400	400
Oudtshoorn	-	-	700	700	700	-	-	250	250
Overberg District	-	-	800	800	800	-	-	400	400
Overstrand	-	-	450	450	450	-	-	400	400
Prince Albert	-	-	625	625	625	-	-	350	350
Saldanha Bay	-	-	1 800	1 800	1 800	-	-	250	250
Stellenbosch	-	-	300	300	300	-	-	800	800
Swartland	-	-	718	718	718	-	-	250	250
Swellendam	-	-	200	200	200	-	-	890	890
Theewaterskloof	-	-	1 350	1 350	1 350	-	-	250	250
Witzenberg	-	-	200	200	200	-	-	250	250
West Coast District	-	-	200	200	200	-	-	750	750
Unallocated	21 152	-	(21 152)	-	-	-	-	2 179	-
TOTAL	21 152	-	(1 654)	19 498	19 498	-	-	16 967	14 788

The unallocated amount of R21 152 000 was appropriated in the main budget for grants to be transferred to municipalities. However, at that stage the allocation was not made to specific municipalities as the Department was awaiting the outcomes and recommendations of the municipal engagements. (TIME and SIME)

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29. 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.

30. COVID-19 Response Expenditure

	<i>Note</i>	2022/23	2021/22
		R'000	R'000
Goods and services		-	889
Total	Annexure 5	-	889

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**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

Name of Municipality	2022/23											2021/22	
	GRANT ALLOCATION				TRANSFER			SPENT				DoRA and other transfers	Actual transfer
	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	-	-	2 093	2 093	2 093	-	-	2 093	-	2 093	-	350	350
Bergrivier	-	-	2 325	2 325	2 325	-	-	2 325	-	2 325	-	1 000	1 000
Bitou	-	-	800	800	800	-	-	800	-	800	-	250	250
Breede Valley	-	-	200	200	200	-	-	200	-	200	-	250	250
Cape Agulhas	-	-	300	300	300	-	-	300	-	300	-	399	399
Cederberg	-	-	1 058	1 058	1 058	-	-	1 058	-	1 058	-	1 208	1 208
Central Karoo District	-	-	200	200	200	-	-	200	-	200	-	350	350
City of Cape Town	-	-	300	300	300	-	-	300	-	300	-	250	250
Drakenstein	-	-	200	200	200	-	-	200	-	200	-	1 250	1 250
Garden Route District	-	-	300	300	300	-	-	300	-	300	-	1 000	1 000
George	-	-	1 450	1 450	1 450	-	-	1 450	-	1 450	-	250	250
Hessequa	-	-	300	300	300	-	-	300	-	300	-	250	250
Kannaland	-	-	100	100	100	-	-	100	-	100	-	250	250
Knysna	-	-	550	550	550	-	-	550	-	550	-	250	250
Laingsburg	-	-	100	100	100	-	-	100	-	100	-	350	350
Langeberg	-	-	800	800	800	-	-	800	-	800	-	800	800
Matzikama	-	-	779	779	779	-	-	779	-	779	-	1 091	1 091
Mossel Bay	-	-	300	300	300	-	-	300	-	300	-	400	400
Oudtshoorn	-	-	700	700	700	-	-	700	-	700	-	250	250
Overberg District	-	-	800	800	800	-	-	800	263	537	33%	400	400
Overstrand	-	-	450	450	450	-	-	450	-	450	-	400	400
Prince Albert	-	-	625	625	625	-	-	625	-	625	-	350	350
Saldanha Bay	-	-	1 800	1 800	1 800	-	-	1 800	-	1 800	-	250	250
Stellenbosch	-	-	300	300	300	-	-	300	-	300	-	800	800
Swartland	-	-	718	718	718	-	-	718	-	718	-	250	250
Swellendam	-	-	200	200	200	-	-	200	-	200	-	890	890
Theewaterskloof	-	-	1 350	1 350	1 350	-	-	1 350	-	1 350	-	250	250
Witzenberg	-	-	200	200	200	-	-	200	-	200	-	250	250
West Coast District	-	-	200	200	200	-	-	200	-	200	-	750	750
Unallocated	21 152	-	(21 152)	-	-	-	-	-	-	-	-	2 179	-
TOTAL	21 152	-	(1 654)	19 498	19 498	-	-	19 498	263	19 235	1%	16 967	14 788

See Note 28 on unallocated amount.

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ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Departmental Agency or Account	2022/23						2021/22	
	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	25 076	-	-	25 076	25 076	100%	26 256	26 256
SABC TV licences	8	-	-	8	8	100%	8	8
TOTAL	25 084	-	-	25 084	25 084	100%	26 264	26 264

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ANNEXURE 1C

STATEMENT OF TRANSFERS TO HOUSEHOLDS

	2022/23						2021/22	
	TRANSFER ALLOCATION				EXPENDITURE		Final Budget	Actual transfer
	Adjusted Budget	Roll Overs	Adjust- ments	Total Available	Actual Transfer	% of available funds Transferred		
R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Households								
Transfers								
Leave gratuity	961	-	368	1 329	1 328	100%	238	904
Bursaries to non-employees	1 323	-	(187)	1 136	1 136	100%	2 497	803
Cash donation to deceased family	-	-	5	5	5	100%	10	10
Early retirement penalties	1 432	-	-	1 432	1 432	100%	1 559	1 558
TOTAL	3 716	-	186	3 902	3 901	100%	4 304	3 275

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ANNEXURE 2

CLAIMS RECOVERABLE

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2022/23	
	31/03/2023 R'000	31/03/2022 R'000	31/03/2023 R'000	31/03/2022 R'000	31/03/2023 R'000	31/03/2022 R'000	Payment date up to six (6) working days before year end	Amount R'000
GOVERNMENT ENTITY								
DEPARTMENTS								
Eastern Cape Rural Development	-	-	5	-	5	-	-	-
Subtotal	-	-	5	-	5	-	-	-
TOTAL	-	-	5	-	5	-	-	-

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ANNEXURE 3**INTERGOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash-in-transit at year end 2022/23	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022	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
DEPARTMENTS								
Current								
Department of the Premier	458	-	-	-	458	-	31/03/2022	2 620
Department of Education	41	-	-	-	41	-		
Department of Transport and Public Works	1 172	-	-	-	1 172	-		
Government Motor Transport	11	-	-	-	11	-		
Department of Local Government	147	-	-	-	147	-		
Department of Cultural Affairs and Sport	23	-	-	-	23	-		
Subtotal	1 852	-	-	-	1 852	-		2 620
Total Departments	1 852	-	-	-	1 852	-		2 620
TOTAL INTERGOVERNMENT PAYABLES	1 852	-	-	-	1 852	-		2 620

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ANNEXURE 4

INTER-ENTITY ADVANCES RECEIVED (Note 13.1)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2023	31/03/2022	31/03/2023	31/03/2022	31/03/2023	31/03/2022
	R'000	R'000	R'000	R'000	R'000	R'000
OTHER INSTITUTIONS						
Current						
Nedbank – Bursary monies for students	-	-	36	104	36	104
Subtotal	-	-	36	104	36	104
TOTAL	-	-	36	104	36	104
Current	-	-	36	104	36	104

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ANNEXURE 5**COVID-19 RESPONSE EXPENDITURE**

Per quarter and in total

Expenditure per economic classification	2022/23					2021/22
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services						889
Communication	-	-	-	-	-	889
TOTAL COVID-19 RESPONSE EXPENDITURE	-	-	-	-	-	889

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ANNEXURE 6

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

Transport Assets as per finance lease register period ended 31 March 2022

	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	4 399	-	-	(240)	4 159

The Provincial Treasury utilised 21 Government motor vehicles during the period ended 31 March 2023, and 20 Government motor vehicles during the previous financial year ended 31 March 2022. 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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