

PROVINCIAL GOVERNMENT
WESTERN CAPE
PROVINCIAL TREASURY
STRATEGIC PLAN
2003/04 TO 2005/06

APOLOGY

We fully acknowledge the Province's language policy and endeavour to implement it. However, it has been our experience that only the English version of the document is in demand. Consequently, the document is only available in English.

VERSKONING

Ons gee volle erkenning aan die Provinsie se taalbeleid en streef daarna om dit toe te pas. Praktyk het egter geleer dat slegs die Engelse weergawe van die dokument in aanvraag is. Die dokument is gevolglik slegs in Engels beskikbaar.

ISINGXENGXEZO

Siyawuqonda umgaqo-nkqubo weelwimi wePhondo kwaye siyazama ukuwufezekisa. Kambe ke into esiye sayiqwalasela yeyokuba lulwimi lwesiNgesi ekufuneka lusetyenzisiwe kolu xwebhu. Ngoko ke olu xwebhu lufumaneka ngesiNgesi kuphela.

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PART A: STRATEGIC OVERVIEW

STATEMENT OF POLICY AND COMMITMENT BY THE MINISTER OF FINANCE AND ECONOMIC DEVELOPMENT

Real economic growth, real rise in personal disposable income and substantive and rapid reduction in economic disparities, coupled with the speed of change in the political arena in South Africa, result in a barrage of issues facing fiscal policymakers. This requires the restructuring of the management of public monies and assets in order to be in the best position to perform to expectations.

In terms of service delivery, the public has a legitimate expectation that government fiscal policy will result in a significant improvement in the perennial problems of low living standards, income disparity, unemployment and crime rates, to name a few.

Therefore, both Provincial Treasury and the Provincial Government as such, are confronted not only with a theoretical puzzle to be resolved, but real problems detrimentally affecting the lives of millions of ordinary people who have placed their trust in government to resolve these in a sensible and sustainable manner.

In the Provincial Treasury's effort to endeavour to exercise its assigned responsibilities so that satisfactory results are found and achieved, it will strive to capture the substance or spirit of the Public Finance Management Act, 1999 and that of the Constitution of South Africa, rather than merely exercising the nominal requirements thereof.

The following policy objectives will form a basis upon which an optimal model of treasury financial management will be designed that will conceptually be empowered to systematically and successfully deal with expectations of the entire clientele of the Treasury, which indirectly include the electorate. These policy objectives are the formulation and implementation of fiscal policy, ensuring spending efficacy, to install and maintain fiscal discipline and propriety, efficient acquisition and application of assets, acquisition of resources (revenue generation), capacity building and fostering and maintenance of intergovernmental relations.

From this, the new role of the Treasury should be that of catalyst of change as far as public financial matters are concerned. This will require it to be more receptive, adaptive and generative – always focused on meeting the needs of stakeholders. An ambitious commitment perhaps, but necessary if we wish to contribute to national goals of a rapidly growing economy, to be competitive in an international environment, sharply reducing income disparities and providing an adequate welfare net to cover those out of the main economic stream.

EBRAHIM RASOOL

DATE:

OVERVIEW BY THE ACCOUNTING OFFICER

The Treasury, in accepting its new role as change agent as far as public financial matters are concerned, is committed to perfecting the basics in managing provincial resources, conforming to the nominal and substantive requirements of the Public Finance Management Act, 1999, ensuring the optimal allocation of resources ameliorating adverse socio-economic conditions in the Province and through the intergovernmental fiscal system, actively contributing to the same ideals at the national sphere.

Accepting that the future of the fiscal governmental system depends heavily on the proper functioning of provincial treasuries, this Treasury embarked upon a process of restructuring and by doing so synchronising itself with the National Treasury. The process entails the functionalising of the conceptualised policy objectives, identified to achieve the aforementioned. Such a functional framework will embrace core divisions such as fiscal policy framework, budget management, asset and liability management, accounting, fiscal discipline maintenance, resource acquisition and management, capacity building and specialised support functions. The process will be finalised during the first half of 2003.

In conclusion, the Treasury is committed to delivering the kind of service that will meet the political objectives and by doing so live up to its role as change agent.

JC STEGMANN (DR)

DATE:

1. **VISION**

As change agent in resource allocation and utilisation practices to achieve the highest possible living standards in pursuing the systematic reduction in social and economic disparities.

2. **MISSION**

To obtain financial and supportive means and utilise these optimally in pursuit of its vision and supporting strategic goals.

3. **STRATEGIC GOALS**

1. To achieve service excellence in the provisioning and maintenance of sound financial and human resource management and administration.
2. To develop, implement and enforce financial norms and standards and ensure effective communication.
3. To promote effective financial resource allocation.
4. To determine and evaluate economic parameters and socio-economic imperatives within a provincial and national macro economic context.
5. To enable the provincial government to finance its service delivery obligations.
6. To ensure efficient budget management.
7. To ensure the effective and efficient management of physical and financial assets.
8. To ensure financial transaction processing and reporting that will fully reflect the financial position of the Province.
9. Provision for the targeted growth and development objectives of the Province.
10. To make provision for unforeseeable and unavoidable expenditure within the Province.

4. **VALUES**

To give effect to the Public Service Code of Conduct, to be of service, to empower people, to be an employment equity employer and to be aware of, and to cultivate respect for our country's heterogeneity.

5. **LEGISLATIVE AND OTHER MANDATES**

- **Annual Division of Revenue Act**

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

- **Basic Conditions of Employment Act, 1997 (Act 75 of 1997)**
To provide regulatory prescripts, in addition to the Public Service Act, 1994 and the Public Service Regulations, 2001, regarding the conditions of employment of staff in the Treasury.
- **Borrowing Powers of Provincial Government Act, 1996 (Act 48 of 1996)**
To provide norms and conditions which the Treasury must adhere to in negotiating loans for the Provincial Government.
- **Employment Equity Act, 1998 (Act 55 of 1998)**
To regulate the processes and procedures of the Treasury in achieving a diverse and competent workforce broadly representative of the demographics of the Western Cape and eliminating unfair discrimination in employment towards implementing employment equity.
- **Intergovernmental Fiscal Relations Act, 1997 (Act 97 of 1997)**
To define the role of the Minister of Finance and Economic Development and that of the Treasury as representatives of the Provincial Government, in promoting co-operation between other spheres of government on fiscal, budgetary and financial matters; to provide insight into the prescribed processes for the determination of the equitable share and allocation of revenue raised nationally and for matters in connection therewith.
- **Labour Relations Act, 1995 (Act 66 of 1995)**
To regulate and guide the Treasury in recognising and fulfilling its role in effecting labour harmony and the democratisation of the workplace.
- **Local Government: Municipal Finance Management Bill ¹**
To regulate financial management in the local sphere of government; to require that all revenue, expenditure, assets and liabilities of municipalities and municipal entities are managed economically, efficiently and effectively; to determine the responsibilities of persons entrusted municipal borrowing; to make provision for the handling of financial emergencies in municipalities; and to provide for matters connected therewith.
- **Occupational Health and Safety Act, 1993 (Act 85 of 1993)**
To provide for the health and safety of persons at work and for the health and safety of persons in connection with the use of plant and machinery; the protection of persons other than persons at work against hazards to health and safety arising out of or in connection with the activities of person at work; to establish an advisory council for occupational health and safety; and to provide for matters connected therewith.
- **Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)**
To provide the Treasury with a regulatory framework enabling and assisting departments, the Western Cape Provincial Tender Board and potential historically disadvantaged individuals (HDI's) in the sustainable development and implementation of a preferential procurement system.

¹ To be enacted during 2003/04.

- **Promotion of Access to Information Act, 2000 (Act 2 of 2000)**
To give effect to the constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights; and to provide for matters connected therewith.
- **Promotion of Administrative Justice Act, 2000 (Act 3 of 2000)**
To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996; and to provide for matters incidental thereto.
- **Public Finance Management Act, 1999 (Act 1 of 1999)**
To regulate financial management in the Treasury to ensure that all revenue, expenditure, assets and liabilities of the Treasury are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management in the Treasury and to provide for matters connected therewith. To fulfil all Treasury responsibilities with respect to other departments and public entities.
- **Public Service Act, 1994 (Act 103 of 1994)**
To provide for the organisation and administration of the Treasury and for human resource management which includes the regulation of conditions of employment, terms of office, discipline, retirement and discharge of staff members of the Treasury and matters connected therewith.
- **Skills Development Act, 1998 (Act 97 of 1998)**
To provide an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce; to integrate those strategies within the National Qualification Framework contemplated in the South African Qualification Authority Act, 1995; to provide for learnerships that lead to recognised occupational qualifications; to provide for the financing of skills development by means of a levy-grant scheme and a National Skills Fund; to provide for and regulate employment services; and to provide for matters connected therewith.
- **Skills Development Levy Act, 1999 (Act 9 of 1999)**
To provide for the imposition of a skills development levy; and for matters connected therewith.
- **Western Cape Direct Charges Act, 2000 (Act 6 of 2000)**
To provide for the withdrawal of State moneys from the Western Cape Provincial Revenue Fund, as a direct charge, in accordance with the Constitution of the Republic of South Africa, 1999 (Act 108 of 1996), the Constitution of the Western Cape, 1997 (Act 1 of 1998) and the Public Finance Management Act, 1999 (Act 1 of 1999), and for matters incidental thereof.

- **Western Cape Gambling and Racing Law, 1996 (Law 4 of 1996)**
To provide regulatory prescripts to support the responsible Minister in ensuring sound financial administration and management and matters incidental thereto by the Western Cape Gambling and Racing Board.
- **Western Cape Law on the Powers and Privileges of the Provincial Legislature Amendment Act, 1998 (Law 3 of 1998)**
To provide the Treasury with regulatory prescripts in assisting the Legislature when necessary, in meeting their financial responsibilities as set out in legislation.
- **Western Cape Provincial Tender Board Law, 1994 (Law 8 of 1994)**
To regulate the Treasury's role in providing administrative and remunerative assistance to the Western Cape Provincial Tender Board in the execution of its functions towards achieving the goals set out in the Law.

6. DESCRIPTION OF STATUS QUO

6.1 Summary of service delivery environment and challenges

With regard to fiscal arrangements, it is a fact that, in spite of all initiatives launched since 1994, a great deal remains to be done to improve per capita income levels, economic disparities, general fiscal management and a range of socio-economic circumstances.

As key agents in resource allocation, ensuring efficacy of spending and general fiscal discipline, treasuries collectively and individually have to deal with tremendous challenges to improve the general welfare of the governed.

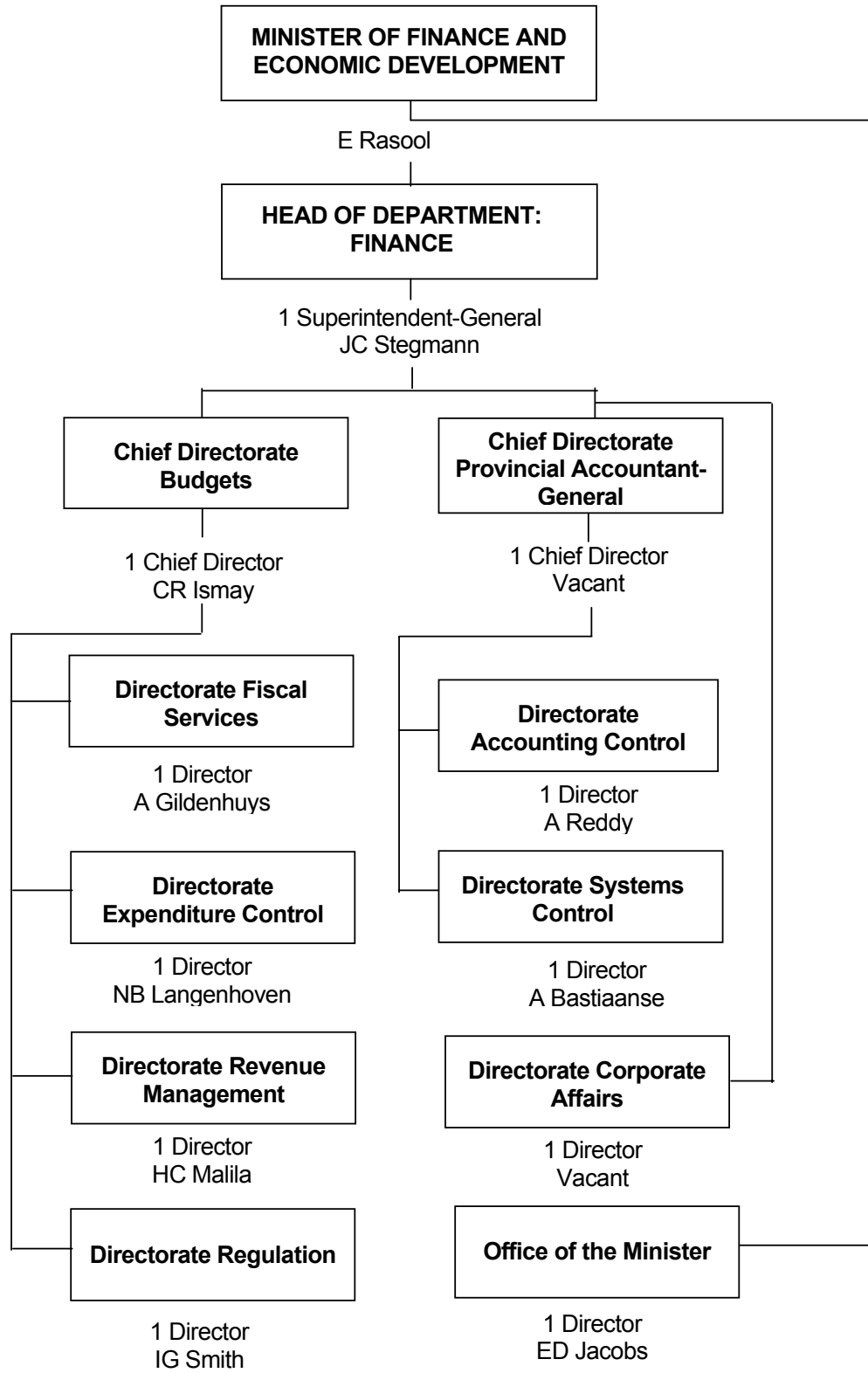
Most of the focus to date has been on nominal compliance with financial legislation with limited attention to normative or service delivery aspects. Consequently one of the greatest challenges for the future is to significantly enhance disbursement of government funds so as to systematically improve service delivery results.

6.2 Summary of organisational environment and challenges

The current approved organisational structure does not cater for the Treasury's strategic goals. Thus, the structuring and functioning of the Treasury required urgent rethinking, enabling it to better fulfil its Constitutional mandate to address the socio-economic challenges of the Province in concert with departments, municipalities and other stakeholders. Paragraph 6.2.2 reflects the envisaged structural framework necessary to enable the Treasury to fulfil its new role.

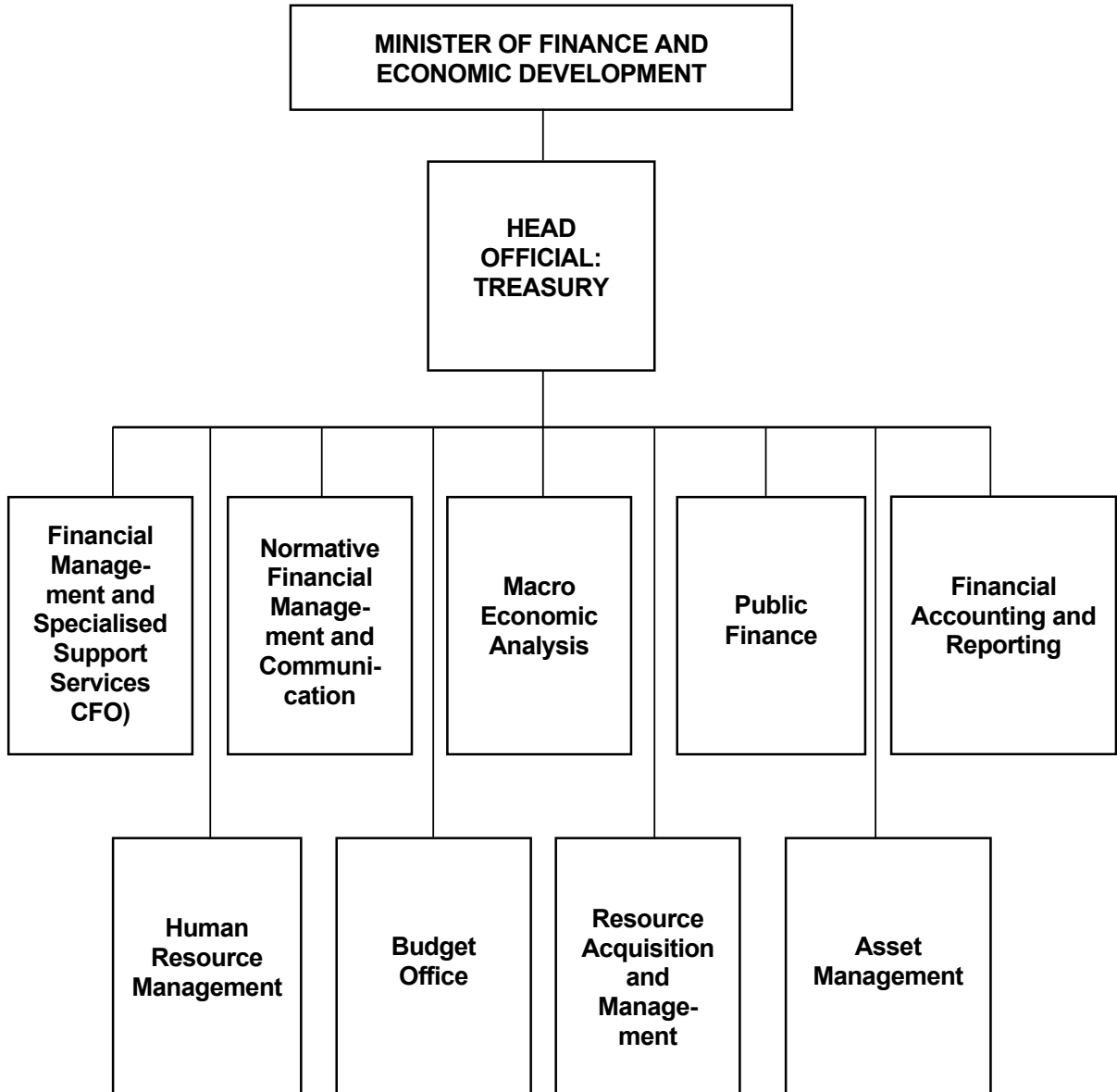
As the National Treasury has already restructured itself to be able to fulfil its Constitutional mandates, the Provincial Treasury now follows suit, which, apart from the strategic goals to be pursued should also improve synergy between the spheres of government.

6.2.1 CURRENT APPROVED ORGANISATIONAL STRUCTURE



Subject to re-organisation to fit strategic goals

6.2.2 ENVISAGED ORGANISATIONAL FRAMEWORK



7. **DESCRIPTION OF STRATEGIC PLANNING PROCESS**

Apart from gaining the support and backing from the Minister, being sensitive to the fact that the success in implementing the strategic plan, is to a large extent determined by the depth of involvement of staff, the following process was followed:

- Using the current strategic plan and restructuring initiatives the senior management, Head of Human Resource Management and the Chief Financial Officer, recompiled a new strategic plan for the Treasury.
- Meaningful consultation sessions per component were held in an endeavour to ensure full understanding and buy-in of the new strategic plan. A concurrent process was followed by the Head of Human Resource Management to achieve the same result with organised labour.

PART B: PROGRAMME AND SUB-PROGRAMME PLANS

8. STRATEGIC OBJECTIVES

STRATEGIC GOAL 1: To achieve service excellence in the provisioning and maintenance of sound financial and human resource management and administration.

STRATEGIC OBJECTIVES:

1. Ensure management accounting.
2. Ensure financial accounting.
3. Ensure supply chain management.
4. Render specialised auxiliary services.
5. Ensure systems of financial risk management and internal control.
6. Render support on transversal financial matters.
7. Render personnel management services.
8. Manage human resource development.
9. Manage policy and transformation matters.
10. Manage labour relations.

STRATEGIC GOAL 2: To develop, implement and enforce financial norms and standards and ensure effective communication.

STRATEGIC OBJECTIVES:

1. Determine and implement financial management norms and standards.
2. Assess, co-ordinate and report on substantive compliance.
3. Promote the internal audit function.
4. Determine, assess and develop legislative framework including drafting of bills.
5. Ensure the proper functioning on internal audit units.
6. Develop, consolidate and maintain an effective internal and external communication system.

STRATEGIC GOAL 3: To promote effective financial resource allocation.

STRATEGIC OBJECTIVES:

1. Drive the MTEF and annual budget process.
2. Manage the annual fiscal policy-process.
3. Consolidate, prepare and compile the annual fiscal policy.
4. Determine annual budget allocation per function.
5. Determine resource shifts between spheres of government and departments.
6. Ensure integration and synergy of budget priorities between departments and governments.
7. Assessing and ensuring effective expenditure.
8. Ensuring that new policy proposals are costed and the relative priority determined.
9. Introduce measures to close gaps between macro economic variables and policy priorities, budget trends, spending trends, strategies, development plans and service delivery indicators.
10. Provide technical assistance and training.

STRATEGIC GOAL 4: To determine and evaluate economic parameters and socio-economic imperatives within a provincial and national macroeconomic context.

STRATEGIC OBJECTIVES:

1. Determine and analyse key economic variables, their interrelation and relevance for the budget.
2. Determine the potential and constraints for growth and development and their interaction with governmental spending and revenue patterns/trends.
3. Determine alternative budgeting and other revenue and expenditure impact scenarios on selected key economic growth and development indicators.
4. Assess impact of previous fiscal policy objective on selected economic variables.
5. Develop institutional co-ordination and sector integration.
6. Provide technical assistance and training in the application of macro economic analysis.

STRATEGIC GOAL 5: To enable the provincial government to finance its service delivery obligations.

STRATEGIC OBJECTIVES:

1. Administer the medium term revenue planning process.
2. Assess and optimise vertical and equitable shares and conditional grants.
3. Ensure effective and efficient development of provincial revenue, whether user charges or provincial taxes, levies and duties.
3. Ensure effective and efficient management of debtors.
4. Ensure effective and efficient management of loans, guarantees and other financial commitments.
5. Administer gambling and racing matters.
6. Assess revenue trends, compile and submit revenue reports.
7. Determine overall financing envelope for MTEF.
8. Provide technical assistance and training.

STRATEGIC GOAL 6: To ensure efficient budget management.

STRATEGIC OBJECTIVES:

1. Administer the medium term expenditure planning process.
2. Manage the adjustments budget process.
3. Prepare and compile the annual and adjustments budget.
4. Assess and enforce expenditure efficiency and liability management.
5. Manage, assess and control the implementation of the provincial budget.
6. Assess expenditure trends, compile and submit expenditure reports (IYM).
7. Promote budget reform.
8. Monitor and assess local government budgets.
9. Provide technical assistance and training.

STRATEGIC GOAL 7: To ensure the effective and efficient management of physical and financial assets.

STRATEGIC OBJECTIVES:

1. Develop and implement Supply Chain Management strategies that will contribute to economic development and effective and efficient utilisation of physical assets.
2. Illicit and ensure the effective and efficient implementation of PPP projects.
3. Optimise liquidity requirements and maximise returns within acceptable levels of risk.
4. Manage, assess and control financial systems.

STRATEGIC GOAL 8: To ensure financial transaction processing and reporting that will fully reflect the financial position of the Province.

STRATEGIC OBJECTIVES:

1. Ensure the development of accounting practices that will promote effective and efficient capturing of REAL movements / accountability.
2. Ensure integrity of financial data.
3. Roll out and assess GRAP formats.
4. Develop and promote the use of cost accounting principles.
5. Improve financial performance through the development and application of interpretive accounting.
7. Assess accounting trends, co-ordinate and compile reports.
8. Compile annual consolidated financial statements
9. Provide technical assistance and training.

STRATEGIC GOAL 9: Provision for the targeted growth and development objectives of the Province.

STRATEGIC OBJECTIVES:

1. Improving the economic well-being of the population.
2. Increasingly wider participation in the economy by previously disadvantaged individuals.
3. Sustainable narrowing of economic disparities.

STRATEGIC GOAL 10: To make provision for unforeseeable and unavoidable expenditure within the Province.

STRATEGIC OBJECTIVES:

1. Provide departments with financial means for those eventualities that could not be budgeted for but need to be addressed.

9. MEASURABLE OBJECTIVES, PERFORMANCE MEASURES AND PERFORMANCE TARGETS

1	2	3	4	5	6
Programme structure Measurable objectives	Output	Performance Measures			
		Cost Measure	Quantity Measure	Quality Measure	Timeliness Measure
PROGRAMME 1: ADMINISTRATION	<i>To achieve service excellence in the provisioning and maintenance of sound financial and human resource management and administration.</i>				
Sub-programme 1.1: Office of the Minister	<i>Rendering secretarial, administrative and office support services and acts as linkage with the Treasury, the department of Economic development and tourism, and the Provincial Parliament enabling the minister to realise both his direct treasury and economic development responsibilities.</i>				
Smooth and effective functioning of the minister's office.	Delivering administrative, communication and other support services to the standards set by the minister.			100 % satisfaction by the minister. Good integration with departmental function.	Five day turnaround time on documents submitted to the minister.
Sub-programme 1.2: Financial management and specialised support services	<i>Delivering financial management and specialised auxiliary services for the Treasury.</i>				
Efficient and effective planning and budget management.	Resource allocation management and generation in line with Treasury's strategic goals.		Ensure no greater than 2% variance between actual and approved budget.	Effective application of resources in realising strategic goals.	Attainment of all prescribed due dates.
Ensuring proper financial accounting and risk management.	Financial management on par or in excess of Treasury's normative standards.			Unqualified Auditor-general report. No fraud or losses. Full compliance to PFMA implementation requirements.	Submission of financial statements and other reports on prescribed dates.
Supply chain management in line with treasury criteria.	Value for money procurement, stock and inventory management maximising returns on physical assets.			Full compliance to efficiency criteria developed by the Treasury.	Submission of all assessments on due dates.
Excellent specialised auxiliary services.	Timely and high quality support service to maximise smooth and efficient functioning of the Treasury.			Services delivered at a standard acceptable to other line functionaries.	Timely implementation of corrective measures and meeting of due dates.

1	2	3	4	5	6
Programme structure Measurable objectives	Output	Performance Measures			
		Cost Measure	Quantity Measure	Quality Measure	Timeliness Measure
Programme 1.3: Human resource management	<i>Organising the Treasury's human resource management, special programmes, development and training and sectoral education and training contribution to the Sectoral education and training authority (SETA). Financial assistance for educational development.</i>				
Excellence in personnel and performance management services.	Appropriately recruited, placed and assessed personnel enabling full functioning of the Treasury.		Vacancy rate less than 8%.	Productive personnel corps.	Meeting of all due dates and timely corrective measures.
Ensuring cordial labour relations.	Good discipline and well informed staff and organised labour.		No labour disputes.	Rapid settling of grievances and misconduct.	Meeting of all due dates and timely corrective measures.
Facilitating appropriate human resource development.	Competent human resource base.			Skilling in line with strategic goals.	Meeting of all due dates and timely corrective measures.
Ensuring organisational transformation.	A workforce and organisational structure capable of dealing with Treasury's challenges.			Ability to deliver on Treasury's goals.	Meeting of all due dates and timely corrective measures.
PROGRAMME 2: NORMATIVE FINANCIAL MANAGEMENT AND COMMUNICATION	<i>To develop, implement and enforce financial norms and standards and ensure effective communication.</i>				
Sub-programme 2.1: Financial management and communication	<i>Determination of financial management standards for chief financial officers and accounting officers. Maintenance of an appropriate financial legal framework, inclusive of the issuing of provincial treasury instructions and other matters incidental thereto. Determination and maintenance of an effective Provincial Treasury communication system.</i>				
Determination and implementation of financial management norms and standards to facilitate excellence in service delivery.	Assessment of financial management systems and practices and tailoring current practices to achieve fiscal policy objectives.			Full compliance by accounting officers with normative standards.	Meeting of all due dates and timely corrective measures.
Ensuring the existence of an appropriate and dynamic financial legislative framework.	Assessment of nominal and substantive compliance and initiations of remedial steps. Provincial Treasury Instructions, other financial legislation and prescripts that are aligned with best financial management practice.			No unauthorised departures from financial prescripts. Dynamic adjustment to financial legislation and prescripts.	Meeting of all due dates and timely corrective measures.

1	2	3	4	5	6
Programme structure Measurable objectives	Output	Performance Measures			
		Cost Measure	Quantity Measure	Quality Measure	Timeliness Measure
An effective internal and external communication system.	A communication framework that will ensure timely and accurate transmission of all data in other communication within the Treasury and between the latter and the balance of the Province and other government spheres.			No miscommunication.	Meeting of all due dates and timely corrective measures.
Sub-programme 2.2: Internal audit development	<i>The development , monitoring and promotion of internal audit.</i>				
Proper functioning of internal audit.	Establishment of units at education and health and the promotion of a similar unit at social services and poverty alleviation. Reorganising of the central unit to provide an effective service to the balance of provincial departments.				Fully fledged units in operation by 31 March 2004.
PROGRAMME 3: BUDGET OFFICE	<i>To promote effective financial resource allocation.</i>				
Compile annual medium-term budget policy objectives targeted to reduce socio-economic disparities, achieve synergy and improve financial management of resources.	Costed policy proposals and integration of a variety of financial, economic and other considerations operative across all three spheres into a proposed consolidated priority framework resource allocation programme for the Province.			Acceptance of provincial medium-term budget policy statement by the Executive and Provincial Parliament.	Meeting of all due dates and timely corrective measures.
Subsequent proposing of allocations per function and key policy areas.	Drives and ensures successful realisation of the budget allocation process. Proposed spending priorities, goals to be achieved and optimum mix to be realised.			Acceptance of allocations by Executive and Provincial Parliament. Realisation of policy goals.	Meeting of all due dates and timely corrective measures.

1	2	3	4	5	6
Programme structure Measurable objectives	Output	Performance Measures			
		Cost Measure	Quantity Measure	Quality Measure	Timeliness Measure
PROGRAMME 4: MACRO ECONOMIC ANALYSIS	<i>To determine and evaluate economic parameters and socio-economic imperatives within a provincial and national macro economic context.</i>				
Determine the potential and constraints for economic growth and development, and their interaction with current government spending and revenue patterns.	Development, tracking and analysis of key economic variables and their interaction with selected government revenue and expenditure endeavours.			Full economic impact assessment of intended or past revenue initiatives and expenditures.	Meeting of all due dates and timely corrective measures.
Determine alternative budget, expenditure and revenue impact scenarios on selected economic growth and development indicators.	Budgets, revenue envelopes and proposed expenditures that support the attainment of selected socio-economic imperatives.			Systematic reduction in socio-economic disparities and appropriate gain in efficiency.	Meeting of all due dates and timely corrective measures.
PROGRAMME 5: RESOURCE ACQUISITION AND MANAGEMENT	<i>To enable the Provincial Government to finance its service delivery obligations.</i>				
Sub-programme 5.1: Resource acquisition	<i>To ensure that the province receives its equitable portion of nationally collected taxes, to develop new provincial taxes and assess their impact on the economy, optimise user or cost recovery charges, debtor management, assessment and debt management with respect to loans and guarantees.</i>				
Assess and optimise division of national revenues.	Equitable share portion in line with constitutionally assigned obligations and real cost pressures. Reduction of conditional grants to those that make economic and policy sense, in line with cost pressures.		Annual real growth of at least 1% above GDP inflation after discounting of personnel and social security.	Revenue flows enabling systematic lessening of socio-economic disparities.	Meeting of all due dates and timely corrective measures.
Ensuring efficient and effective development of provincial revenue base.	Systematic increase in current own revenue not inconsistent with economic policy. Development of loan financing, fuel and bed levies. Systematic reduction of debtors book.		Annual real growth in excess of 5% over current MTEF projections. Collection of outstanding debts as at 1 April 2003 by March 2004.		Meeting of all due dates and timely corrective measures.

1	2	3	4	5	6
Programme structure Measurable objectives	Output	Performance Measures			
		Cost Measure	Quantity Measure	Quality Measure	Timeliness Measure
Sub-programme 5.2: Western Cape Gambling and Racing Board	<i>Advising the responsible minister, providing and administering the required financial and other support functions, inclusive of the management of transfer payments to the Board.</i>				
Protected gambling and betting resource base.	Adequately resourced controlling body of gambling and betting.		Full receipt of estimated gambling and betting revenue.	Transfers payments in line with cash flow and budget projections.	Meeting of all due dates and introduction of timely corrective measures.
PROGRAMME 6: PUBLIC FINANCE	<i>To ensure efficient budget management.</i>				
Sub-programme 6.1: Departments	<i>Provision for technical budget management, inclusive of budget formulation, formats, programme structure, processes and preparation for tabling. Administering the budget processes, inclusive of trend analysis and interpretation, monitoring, reporting and intervention, exercising of fiscal discipline, risk analysis and ensuring technical efficiency of resource use.</i>				
Compilation of annual and adjustment budget estimates in line with determined policy goals.	Budget reform and resource allocations within votes in support of policy objectives and expenditure reviews.			Expenditure in support of overall policy goals and attainment of efficiency in expenditure.	Meeting of all due dates and timely corrective measures.
Implementation, assessment and enforcement of approved budgets.	Application of appropriate fiscal controls. Monitoring, reporting and expenditure trend analysis at vote or lower level as deemed appropriate. Least cost analysis of key service delivery units.		No over-expenditure. Under expenditure 2% or less per vote. Lowest unit cost possible in delivery of services.	Expenditure at detail level in line with overall policy goals. Meeting of all due dates and timely corrective measures.	Meeting of all due dates and timely corrective measures.

1	2	3	4	5	6
Programme structure Measurable objectives	Output	Performance Measures			
		Cost Measure	Quantity Measure	Quality Measure	Timeliness Measure
Sub-programme 6.2: Municipalities	<i>Performing the responsibilities assigned to the Treasury.</i>				
Alignment between municipal integrated development plan - and provincial budgeting processes.	An integrated financial framework between the Province and municipalities.				Functioning financial framework.
PROGRAMME 7: ASSET MANAGEMENT	<i>To ensure the effective and efficient management of physical and financial assets.</i>				
Sub-programme 7.1: Supply chain management	<i>Develop, ensure supply chain management strategies that will contribute to economic development and effective and efficient utilisation of physical assets.</i>				
To ensure effective and efficient planning for, acquisition, logistics management and disposal of goods and services, inclusive of immovable property.	Establishment of proper functioning supply chain management components in departments and public entities. Value for money assessment of supply chain management practices. Attainment of preferential procurement and black economic empowerment and other policy goals.		Attainment of annual goals to be benchmarked per sector.	Attainment of efficiency in supply chain management to be benchmarked.	Meeting of all due dates and timely corrective measures. Meeting of all due dates and timely corrective measures.
Sub-programme 7.2: Public private partnerships	<i>Promote, assess and monitor public private partnership initiatives.</i>				
Facilitate, promote and in liaison with accounting officers implement public private partnership initiatives.	Fully established PPP unit in the Provincial Treasury capable of delivering on PPP initiatives.			Appropriate risk transfer to private sector. Augmentation of overall provincial delivery envelope.	Meeting of all due dates and timely corrective measures.
Sub-programme 7.3: Financial assets	<i>Optimise liquidity in the Provincial Revenue Fund ensuring maximum return within acceptable levels of risk.</i>				
Optimisation in the management of financial assets.	Maximum yield on money management operations through rigorous management and control of in and out flows on the provincial revenue fund.		R1, 1 billion accumulated yield and bridging financing to be achieved over the MTEF, R500 million in 2003/04		Meeting of all due dates and timely corrective measures.

1	2	3	4	5	6
Programme structure Measurable objectives	Output	Performance Measures			
		Cost Measure	Quantity Measure	Quality Measure	Timeliness Measure
Sub-programme 7.4: Financial systems	<i>The implementation and management of financial management systems in support of sound financial management.</i>				
Implementation and management of appropriate financial systems.	Development of a policy framework for the evolution and deployment of effective and efficient financial management systems.			Acceptance by the Executive and the National Treasury by 31 December 2003.	Meeting of all due dates and timely corrective measures.
	Completion of the roll-out at the Department of Health, (Academic Institutions excluded) of the Logistical Information System (LOGIS).		Additional 24 health institutions fully operational by 1 April 2004.	Integrated into the supply management system with fully capacitated personnel.	Meeting of all due dates and timely corrective measures.
	Replacement of FMS by BAS for all departments and the Provincial Parliament.		All 14 votes successfully implemented by 1 April 2004.	Accurate reflection of all financial system transactions by BAS with fully capacitated personnel.	Meeting of all due dates and timely corrective measures.
Sub-programme 7.5: Western Cape Provincial Tender Board	<i>Overseeing of provincial procurement standards and policy in preparation for phasing in of supply chain management.</i>				
A managed transition process from the current procurement regime to the full phasing of supply chain management in all the departments with appropriate management of risk and phasing out of the current Board.	Procurement transition framework.				Fully implementation of supply chain management and cessation of the Board by 31 December 2003.
PROGRAMME 8: FINANCIAL ACCOUNTING AND REPORTING	<i>To ensure financial transaction processing and reporting that will fully reflect the financial position of the Province.</i>				
Full recording of REAL transactions and the preparation of quality financial statements.	Accounting practices and reporting that will ensure effective and efficient capturing of REAL movements and accountability.		No unwarranted balances in accounts at the end of the financial year. Less than 25% qualified auditor-general reports.	Financial statements and reporting that wholly reflects all financial and asset movements.	Meeting of all due dates and timely corrective measures.

1	2	3	4	5	6
Programme structure Measurable objectives	Output	Performance Measures			
		Cost Measure	Quantity Measure	Quality Measure	Timeliness Measure
Improved financial performance of departments through the application of interpretive accounting skills.	Trends, opportunities and risks identified and addressed immediately through optimal use of financial reports.			Efficiency and transparency in resource utilisation to be benchmarked.	Meeting of all due dates and timely corrective measures.
	Cost accounting principles implemented in provincial departments and entities.			Efficiency and transparency in resource utilisation to be benchmarked.	
PROGRAMME 9: iKapa elihlumayo	Provision for the targeted growth and development objectives of the Province.				
Ensuring targeted disbursement of government funds to attain specifically employment generation and <i>per capita</i> income growth through sustainable government and business sector investment.	Integrated (incorporating all relevant spheres state owned enterprises and private sector) delivery plan by the economic services cluster as a precursor for the release of staggered funding. Ensuring an empowered workforce through developing the human resources within the community.		Systematic reduction of unemployment and income disparities through enhanced business activity.		
PROGRAMME 10: Contingency provision	To make provision for unforeseeable and unavoidable expenditure within the Province.				
Secured funds for financing unforeseeable and unavoidable expenditure.	Provide departments with financial means for those untimely, unpreventable eventualities that cannot be funded by other means (savings, reprioritisation) as contemplated by NTR 6.6.1.			Monthly, in year monitoring of progress in addressing the eventualities for which funds were made available.	

10. **PERFORMANCE TARGETS****PROGRAMME 1: ADMINISTRATION**

Objective	Output	Performance Measure	Monitoring Mechanism	2001 actual R'000	2002 estimated R'000	2003 target R'000	2004 target R'000	2005 target R'000	% change over MTEF
				17 685	16 811	18 368	20 001	20 681	9.26
Sub-programme : 1.1: Office of the Minister									
Smooth and effective functioning of the minister's office.	Delivering administrative, communication and other support services to the standards set by the minister.	100 % satisfaction by the Minister. Good integration with departmental function. Five day turnaround time on documents submitted to the minister.	Weekly meetings with Minister.	2 433	2 723	2 938	3 052	3 082	7.90
Sub-programme 1.2: Financial management and specialised support services									
Efficient and effective planning and budget management.	Resource allocation management and generation in line with Treasury's strategic goals.	Ensure no greater than 2% variance between actual and approved budget. Effective application of resources in realising strategic goals. Attainment of all prescribed due dates.	Monthly reporting on progress to the Accounting Officer/CFO in accordance with a structured reporting mechanism. Inform management quarterly of deviations and of corrective measures implemented.	4 398	2 839	3 031	3 113	3 201	6.76

Objective	Output	Performance Measure	Monitoring Mechanism	2001 actual R'000	2002 estimated R'000	2003 target R'000	2004 target R'000	2005 target R'000	% change over MTEF
Ensuring proper financial accounting and risk management.	Financial management on par or in excess of Treasury's normative standards.	Unqualified Auditor-general report. No fraud or losses. Full compliance to PFMA implementation requirements. Submission of financial statements and other reports on prescribed dates.	Monthly reporting on progress to the Accounting Officer/CFO in accordance with a structured reporting mechanism. Quarterly internal control inspections and reports.	4 191	3 022	3 221	3 140	3 227	6.59
Supply chain management in line with treasury criteria.	Value for money procurement, stock and inventory management maximising returns on physical assets.	Full compliance to efficiency criteria developed by the Treasury. Submission of all assessments on due dates.	Monthly reporting on progress to the Accounting Officer/CFO in accordance with a structured reporting mechanism.	3 127	2 240	2 396	2 509	2 576	6.96
Excellent specialised auxiliary services.	Timely and high quality support service to maximise smooth and efficient functioning of the Treasury.	Services delivered at a standard acceptable to other line functionaries. Timely implementation of corrective measures and meeting of due dates.	Monthly reporting on progress to the Accounting Officer/CFO in accordance with a structured reporting mechanism.	3 536	2 224	2 366	2 338	2 413	6.38

Objective	Output	Performance Measure	Monitoring Mechanism	2001 actual R'000	2002 estimated R'000	2003 target R'000	2004 target R'000	2005 target R'000	% change over MTEF
Sub-programme 1.3: Human resource management									
Excellence in personnel and performance management services.	Appropriately recruited, placed and assessed personnel enabling full functioning of the Treasury.	Vacancy rate less than 8%. Productive personnel corps. Meeting of all due dates and timely corrective measures.	Feedback from managers.		2 269	2 455	2 602	2 732	8.20
Ensuring cordial labour relations.	Good discipline and well informed staff and organised labour.	No labour disputes. Rapid settling of grievances and misconduct. Meeting of all due dates and timely corrective measures.	Monthly statistics.		594	638	941	997	7.41
Facilitating appropriate human resource development.	Competent human resource base.	Skilling in line with strategic goals. Meeting of all due dates and timely corrective measures.	Quarterly feedback and assessment of organisation.		500	669	1 248	1 365	33.80
Ensuring organisational transformation.	A workforce and organisational structure capable of dealing with Treasury's challenges.	Ability to deliver on Treasury's goals. Meeting of all due dates and timely corrective measures.	Continuous feedback to Head of Treasury and the Senior Management Service.		400	654	1 058	1 088	63.50

PROGRAMME 2: NORMATIVE FINANCIAL MANAGEMENT AND COMMUNICATION

Objective	Output	Performance Measure	Monitoring Mechanism	2001 actual R'000	2002 estimated R'000	2003 target R'000	2004 target R'000	2005 target R'000	% change over MTEF
					4 794	11 802	13 299	13 819	146.18
Sub-programme 2.1: Financial management and communication									
Determination and implementation of financial management norms and standards to facilitate excellence in service delivery.	Assessment of financial management systems and practices and tailoring current practices to achieve fiscal policy objectives.	Full compliance by accounting officers with normative standards. Meeting of all due dates and timely corrective measures.	Normative measures document. Audit reports. Monthly/quarterly reporting to Head of Treasury. Chief financial officer's forum.		1 138	1 234	1 798	18 40	8.44
Ensuring the existence of an appropriate and dynamic financial legislative framework.	Assessment of nominal and substantive compliance and initiations of remedial steps. Provincial Treasury Instructions, other financial legislation and prescripts that are aligned with best financial management practice.	No unauthorised departures from financial prescripts. Dynamic adjustment to financial legislation and prescripts. Meeting of all due dates and timely corrective measures.	Audit reports. Annual reports. Chief financial officer's forum. Monthly/quarterly reporting to Head of Treasury		609	660	962	985	8.37

Objective	Output	Performance Measure	Monitoring Mechanism	2001 actual R'000	2002 estimated R'000	2003 target R'000	2004 target R'000	2005 target R'000	% change over MTEF
An effective internal and external communication system.	A communication framework that will ensure timely and accurate transmission of all data in other communication within the Treasury and between the latter and the balance of the Province and other government spheres.	No miscommunication. Meeting of all due dates and timely corrective measures.	Online website evaluation. Monthly/quarterly reporting to Head of Treasury.		285	308	449	460	8.07
Sub-programme 2.2: Internal audit development									
Proper functioning of internal audit.	Establishment of units at education and health and the promotion of a similar unit at social services and poverty alleviation.	Fully fledged units in operation by 31 March 2004.			1 381	4 800	5 045	5 267	247.57
	Reorganising of the central unit to provide an effective service to the balance of provincial departments.				1 381	4 800	5 045	5 267	247.57

PROGRAMME 3: BUDGET OFFICE

Objective	Output	Performance Measure	Monitoring Mechanism	2001 actual R'000	2002 estimated R'000	2003 target R'000	2004 target R'000	2005 target R'000	% change over MTEF
				1 547	2 582	2 833	3 737	3 975	9.72
Compile annual medium-term budget policy objectives targeted to reduce socio-economic disparities, achieve synergy and improve financial management of resources.	Costed policy proposals and integration of a variety of financial, economic and other considerations operative across all three spheres into a proposed consolidated priority framework resource allocation programme for the Province.	Acceptance of provincial medium-term budget policy statement by the Executive and Provincial Parliament. Meeting of all due dates and timely corrective measures.	Tabling of a revised WCFP 2004-2007 as per budget programme 2004.	1 083	1 807	1 982	2 668	2 797	9.68
Subsequent proposing of allocations per function and key policy areas.	Drives and ensures successful realisation of the budget allocation process. Proposed spending priorities, goals to be achieved and optimum mix to be realised.	Acceptance of allocations by Executive and Provincial Parliament. Realisation of policy goals. Meeting of all due dates and timely corrective measures.	Allocations approved by Cabinet as stated on budget programme 2004. Transfer of database (2004-2007) to Public Finance Office	464	775	851	1 069	1 178	9.81

PROGRAMME 4: MACRO ECONOMIC ANALYSIS

Objective	Output	Performance Measure	Monitoring Mechanism	2001 actual R'000	2002 estimated R'000	2003 target R'000	2004 target R'000	2005 target R'000	% change over MTEF
					4 271	4 980	5 218	5 436	16.60
Determine the potential and constraints for economic growth and development, and their interaction with current government spending and revenue patterns.	Development, tracking and analysis of key economic variables and their interaction with selected government revenue and expenditure endeavours.	Full economic impact assessment of intended or past revenue initiatives and expenditures. Meeting of all due dates and timely corrective measures.	Quarterly progress reporting to Treasury Management Committee.		2 136	2 490	2 609	2 718	16.57
Determine alternative budget, expenditure and revenue impact scenarios on selected economic growth and development indicators.	Budgets, revenue envelopes and proposed expenditures that support the attainment of selected socio-economic imperatives.	Systematic reduction in socio-economic disparities and appropriate gain in efficiency. Meeting of all due dates and timely corrective measures.	Quarterly progress reporting to Treasury Management Committee		2 135	2 490	2 609	2 718	16.63

PROGRAMME 5: RESOURCE ACQUISITION AND MANAGEMENT

Objective	Output	Performance Measure	Monitoring Mechanism	2001 actual R'000	2002 estimated R'000	2003 target R'000	2004 target R'000	2005 target R'000	% change over MTEF
				7 425	16 670	19 623	5 616	5 277	17.71
Sub-programme 5.1: Resource acquisition									
Assess and optimise division of national revenues.	Equitable share portion in line with constitutionally assigned obligations and real cost pressures. Reduction of conditional grants to those that make economic and policy sense, in line with cost pressures.	Annual real growth of at least 1% above GDP inflation after discounting of personnel and social security. Revenue flows enabling systematic lessening of socio-economic disparities. Meeting of all due dates and timely corrective measures.	Monthly progress reporting to Treasury Management Committee.	570	5 068	5 107	1 212	1 311	0.77
Ensuring efficient and effective development of provincial revenue base.	Systematic increase in current own revenue not inconsistent with economic policy. Development of loan financing, fuel and bed levies. Systematic reduction of debtors book.	Annual real growth in excess of 5% over current MTEF projections. Collection of outstanding debts as at 1 April 2003 by March 2004. Meeting of all due dates and timely corrective measures.	Monthly progress reporting to Treasury Management Committee.	855	7 602	7 661	1 819	1 966	0.78

Objective	Output	Performance Measure	Monitoring Mechanism	2001 actual R'000	2002 estimated R'000	2003 target R'000	2004 target R'000	2005 target R'000	% change over MTEF
Sub-programme 5.2: Western Cape Gambling and Racing Board									
Protected gambling and betting resource base.	Adequately resourced controlling body gambling and betting.	Full receipt of estimated gambling and betting revenue. Transfers payments in line with cash flow and budget projections. Meeting of all due dates and introduction of timely corrective measures.	Monthly progress reporting to Treasury Management Committee.	6 000	4 000	6 855	2 585	2 000	71.38

PROGRAMME 6: PUBLIC FINANCE

Objective	Output	Performance Measure	Monitoring Mechanism	2001 actual R'000	2002 estimated R'000	2003 target R'000	2004 target R'000	2005 target R'000	% change over MTEF
				1 975	4 335	4 755	5 512	5 691	9.69
Sub-programme 6.1: Departments									
Compilation of annual and adjustment budget estimates in line with determined policy goals.	Budget reform and resource allocations within votes in support of policy objectives and expenditure reviews.	Expenditure in support of overall policy goals and attainment of efficiency in expenditure. Meeting of all due dates and timely corrective measures.	Monthly progress reporting to Treasury Management Committee.	988	2 168	2 378	2 756	2 846	9.69

Objective	Output	Performance Measure	Monitoring Mechanism	2001 actual R'000	2002 estimated R'000	2003 target R'000	2004 target R'000	2005 target R'000	% change over MTEF
Implementation, assessment and enforcement of approved budgets.	Application of appropriate fiscal controls. Monitoring, reporting and expenditure trend analysis at vote or lower level as deemed appropriate. Least cost analysis of key service delivery units.	No over-expenditure. Under expenditure 2% or less per vote. Lowest unit cost possible in delivery of services. Expenditure at detail level in line with overall policy goals. Meeting of all due dates and timely corrective measures.	Monthly progress reporting to Treasury Management Committee. In Year Monitoring (IYM).	987	1 300	1 426	1 654	1 707	9.69
Sub-programme 6.2: Municipalities									
Alignment between municipal integrated development plan - and provincial budgeting processes.	An integrated financial framework between the Province and municipalities.	Functioning financial framework.			867	951	1 102	1 138	9.69

PROGRAMME 7: ASSET MANAGEMENT

Objective	Output	Performance Measure	Monitoring Mechanism	2001 actual R'000	2002 estimated R'000	2003 target R'000	2004 target R'000	2005 target R'000	% change over MTEF
				14 731	18 372	31713	25 750	22 600	72.62
Sub-programme: 7.1 Supply chain management									
To ensure effective and efficient planning for, acquisition, logistics management and disposal of goods and services, inclusive of immovable property.	Establishment of proper functioning supply chain management components in departments and public entities. Value for money assessment of supply chain management practices.	Attainment of efficiency in supply chain management to be benchmarked. Meeting of all due dates and timely corrective measures. Attainment of annual goals to be benchmarked per sector.	Weekly directorate meetings. Monthly meetings with Head of Treasury. Quarterly assessment by Head of Treasury. Quarterly feedback to Minister.	3 347	3 569	3 784	4 844	5 036	6.02
	Attainment of preferential procurement and black economic empowerment and other policy goals.	Meeting of all due dates and timely corrective measures.	Weekly directorate meetings. Monthly meetings with Head of Treasury. Quarterly assessment by Head of Treasury. Quarterly feedback to Minister.	372	396	420	538	559	6.06

Objective	Output	Performance Measure	Monitoring Mechanism	2001 actual R'000	2002 estimated R'000	2003 target R'000	2004 target R'000	2005 target R'000	% change over MTEF
Sub-programme: 7.2: Public private partnerships									
Facilitate, promote and in liaison with accounting officers implement public private partnership initiatives.	Fully established PPP unit in the Provincial Treasury capable of delivering on PPP initiatives.	Appropriate risk transfer to private sector. Augmentation of overall provincial delivery envelope. Meeting of all due dates and timely corrective measures.	Weekly directorate meetings Monthly meetings with Head of Treasury. Quarterly assessment by Head of Treasury. Quarterly feedback to Minister.		618	661	1 275	1 330	6.96
Sub-programme: 7.3: Financial assets									
Optimisation in the management of financial assets.	Maximum yield on money management operations through rigorous management and control of in and out flows on the provincial revenue fund.	R1,1 billion accumulated yield and bridging financing to be achieved over the MTEF, R500 million in 2003/04. Meeting of all due dates and timely corrective measures.			1 480	1 569	1 725	1 787	6.01

Objective	Output	Performance Measure	Monitoring Mechanism	2001 actual R'000	2002 estimated R'000	2003 target R'000	2004 target R'000	2005 target R'000	% change over MTEF
Sub-programme: 7.4: Financial systems									
Implementation and management of appropriate financial systems.	Development of a policy framework for the evolution and deployment of effective and efficient financial management systems.	Acceptance by the Executive and the National Treasury by 31 December 2003. Meeting of all due dates and timely corrective measures.	Monthly/ quarterly feedback to Head of Treasury. Quarterly feedback to Minister.	10 804	11 979	24 979	8 684	6 944	108.52
	Completion of the roll-out at the Department of Health, (Academic Institutions excluded) of the Logistical Information System (LOGIS).	Additional 24 health institutions fully operational by 1 April 2004. Integrated into the supply management system with fully capacitated personnel. Meeting of all due dates and timely corrective measures.	Steering Committee Project Plan's. Monthly/ quarterly feedback to Head of Treasury. Quarterly feedback to Minister.						

Objective	Output	Performance Measure	Monitoring Mechanism	2001 actual R'000	2002 estimated R'000	2003 target R'000	2004 target R'000	2005 target R'000	% change over MTEF
	Replacement of FMS by BAS for all departments and the Provincial Parliament.	All 14 votes successfully implemented by 1 April 2004. Accurate reflection of all financial system transactions by BAS with fully capacitated personnel. Meeting of all due dates and timely corrective measures.	Steering Committee Project Plan's. Monthly/quarterly feedback to Head of Treasury. Quarterly feedback to Minister.						
Sub-programme: 7.5: Western Cape Provincial Tender Board									
A managed transition process from the current procurement regime to the full phasing of supply chain management in all the departments with appropriate management of risk and phasing out of the current Board.	Procurement transition framework .	Fully implementation of supply chain management and cessation of the Board by 31 December 2003.		208	330	300			(9.09)

PROGRAMME 8: FINANCIAL ACCOUNTING AND REPORTING

Objective	Output	Performance Measure	Monitoring Mechanism	2001 actual R'000	2002 estimated R'000	2003 target R'000	2004 target R'000	2005 target R'000	% change over MTEF
				5 101	1 749	1 927	2 404	2 433	10.18
Full recording of REAL transactions and the preparation of quality financial statements.	Accounting practices and reporting that will ensure effective and efficient capturing of REAL movements and accountability.	No unwarranted balances in accounts at the end of the financial year. Less than 25% qualified auditor-general reports. Financial statements and reporting that wholly reflects all financial and asset movements. Meeting of all due dates and timely corrective measures.	Audit reports. Monthly/quarterly reporting to Head of Treasury.	4 081	1 400	1 542	1 924	1 947	10.14
Improved financial performance of departments through the application of interpretive accounting skills.	Trends, opportunities and risks identified and addressed immediately through optimal use of financial reports.	Efficiency and transparency in resource utilisation to be benchmarked.	Departmental Accountant forum. Chief financial officer's forum. Monthly/quarterly reporting to Head of Treasury.	1 020	349	385	480	486	10.32

Objective	Output	Performance Measure	Monitoring Mechanism	2001 actual R'000	2002 estimated R'000	2003 target R'000	2004 target R'000	2005 target R'000	% change over MTEF
	Cost accounting principles implemented in provincial departments and entities.	Efficiency and transparency in resource utilisation to be benchmarked. Meeting of all due dates and timely corrective measures.							

PROGRAMME 9: iKapa elihlumayo

						77 654	64 123	415 597	
Ensuring targeted disbursement of government funds to attain specifically employment generation and <i>per capita</i> income growth through sustainable government and business sector investment.	Integrated (incorporating all relevant spheres state owned enterprises and private sector) delivery plan by the economic services cluster as a precursor for the release of staggered funding. Ensuring an empowered workforce through developing the human resources within the community.	Systematic reduction of unemployment and income disparities through enhanced business activity.				77 654	64 123	415 597	

PROGRAMME 10: Contingency provision

						26 639	1	1	
Secured funds for financing unforeseeable and unavoidable expenditure.	Provide departments with financial means for those untimely unpreventable eventualities that cannot be funded by other means (savings, reprioritisation) as contemplated by NTR 6.6.1.	Monthly, in year monitoring of progress in addressing the eventualities for which funds were made available.	Monthly feedback on progress.			26 639	1	1	

11. RECONCILIATION OF BUDGET WITH PLAN BY PROGRAMME

PROGRAMME 1: ADMINISTRATION

Sub-programme	Year – 2 2000/01 (actual)	Year – 1 2001/02 (actual)	Base year 2002/03 (estimate)	Average annual change	Year 1 2003/04 (budget)	Year 2 2004/05 (MTEF projection) R'000	Year 3 2005/06 (MTEF projection) R'000	Average annual change
	R'000	R'000	R'000	(%) ²	R'000	R'000	R'000	(%) ³
1. Office of the Minister	1 255	2 433	2 723	11.92	2 938	3 052	3 082	13.18
2. Financial management and specialised support services	13 222	11 766	10 325	(12.25)	11 014	11 100	11 417	10.58
3. Human resource management		3 486	3 763	7.95	4 416	5 849	6 182	64.28
Total programme	14 477	17 685	16 811	(4.94)	18 368	20 001	20 681	23.02

PROGRAMME 2: NORMATIVE FINANCIAL MANAGEMENT AND COMMUNICATION

Programme	Year – 2 2000/01 (actual)	Year – 1 2001/02 (actual)	Base year 2002/03 (estimate)	Average annual change	Year 1 2003/04 (budget)	Year 2 2004/05 (MTEF projection) R'000	Year 3 2005/06 (MTEF projection) R'000	Average annual change
	R'000	R'000	R'000	(%) ²	R'000	R'000	R'000	(%) ³
1. Normative financial management and communication			2 032		2 202	3 209	3 285	61.66
2. Internal audit development			2 762		9 600	10 090	10 534	281.39
Total programme			4 794		11 802	13 299	13 819	188.26

PROGRAMME 3: BUDGET OFFICE

Programme	Year – 2 2000/01 (actual)	Year – 1 2001/02 (actual)	Base year 2002/03 (estimate)	Average annual change	Year 1 2003/04 (budget)	Year 2 2004/05 (MTEF projection) R'000	Year 3 2005/06 (MTEF projection) R'000	Average annual change
	R'000	R'000	R'000	(%) ²	R'000	R'000	R'000	(%) ³
1. Budget Office	1 473	1 547	2 582	66.90	2 833	3 737	3 975	53.95
Total programme	1 473	1 547	2 582	66.90	2 833	3 737	3 975	53.95

PROGRAMME 4: MACRO ECONOMIC ANALYSIS

Programme	Year – 2 2000/01 (actual) R'000	Year – 1 2001/02 (actual) R'000	Base year 2002/03 (estimate) R'000	Average annual change (%) ²	Year 1 2003/04 (budget) R'000	Year 2 2004/05 (MTEF projection) R'000	Year 3 2005/06 (MTEF projection) R'000	Average annual change (%) ³
1. Macro Economic Analysis			4 271		4 980	5 218	5 436	27.28
Total programme			4 271		4 980	5 218	5 436	27.28

PROGRAMME 5: RESOURCE ACQUISITION AND MANAGEMENT

Sub-programme	Year – 2 2000/01 (actual) R'000	Year – 1 2001/02 (actual) R'000	Base year 2002/03 (estimate) R'000	Average annual change (%) ²	Year 1 2003/04 (budget) R'000	Year 2 2004/05 (MTEF projection) R'000	Year 3 2005/06 (MTEF projection) R'000	Average annual change (%) ³
1. Resource acquisition and management	906	1 425	12 670	789.12	12 768	3 031	3 277	(74.14)
2. Western Cape Gambling and Racing Board	5 300	6 000	4 000	(3.33)	6 855	2 585	2 000	(50.00)
Total programme	6 206	7 425	16 740	124.51	19 623	5 616	5 277	(68.34)

PROGRAMME 6: PUBLIC FINANCE

Programme	Year – 2 2000/01 (actual) R'000	Year – 1 2001/02 (actual) R'000	Base year 2002/03 (estimate) R'000	Average annual change (%) ²	Year 1 2003/04 (budget) R'000	Year 2 2004/05 (MTEF projection) R'000	Year 3 2005/06 (MTEF projection) R'000	Average annual change (%) ³
1. Departments	1 410	1 975	3 468	75.59	3 804	4 410	4 553	31.29
2. Municipalities			867		951	1 102	1 138	31.26
Total programme	1 410	1 975	4 335	119.49	4 755	5 512	5 691	31.28

PROGRAMME 7: ASSET MANAGEMENT

Sub-programme	Year – 2 2000/01 (actual)	Year – 1 2001/02 (actual)	Base year 2002/03 (estimate)	Average annual change	Year 1 2003/04 (budget)	Year 2 2004/05 (MTEF projection)	Year 3 2005/06 (MTEF projection)	Average annual change
	R'000	R'000	R'000	(%) ²	R'000	R'000	R'000	(%) ³
1. Supply chain management	2 604	3 719	3 965	6.61	4 204	5 382	5 691	41.11
2. Public private partnerships			618		661	1 275	1 330	115.21
3. Financial assets			1 480		1 569	1 725	1 787	20.74
4. Financial systems	7 039	10 804	11 979	10.88	24 979	17 368	13 888	15.94
5. Western Cape Provincial Tender Board	267	208	330	58.65	300			(100.00)
Total programme	9 910	14 731	18 372	24.72	31 713	25 750	22 600	23.01

PROGRAMME 8: FINANCIAL ACCOUNTING AND REPORTING

Programme	Year – 2 2000/01 (actual)	Year – 1 2001/02 (actual)	Base year 2002/03 (estimate)	Average annual change	Year 1 2003/04 (budget)	Year 2 2004/05 (MTEF projection)	Year 3 2005/06 (MTEF projection)	Average annual change
	R'000	R'000	R'000	(%) ²	R'000	R'000	R'000	(%) ³
1. Financial Accounting and Reporting	3 780	5 101	1 749	(65.71)	1 927	2 404	2 433	39.95
Total programme	3 780	5 101	1 749	(65.71)	1 927	2 404	2 433	39.95

PROGRAMME 9: iKapa elihlumayo

Programme	Year – 2 2000/01 (actual) R'000	Year – 1 2001/02 (actual) R'000	Base year 2002/03 (estimate) R'000	Average annual change (%) ²	Year 1 2003/04 (budget) R'000	Year 2 2004/05 (MTEF projection) R'000	Year 3 2005/06 (MTEF projection) R'000	Average annual change (%) ³
1. <i>iKapa elihlumayo</i>					77 654	64 123	415 597	
Total programme					77 654	64 123	415 597	

PROGRAMME 10: Contingency provision

Programme	Year – 2 2000/01 (actual) R'000	Year – 1 2001/02 (actual) R'000	Base year 2002/03 (estimate) R'000	Average annual change (%) ²	Year 1 2003/04 (budget) R'000	Year 2 2004/05 (MTEF projection) R'000	Year 3 2005/06 (MTEF projection) R'000	Average annual change (%) ³
1. Contingency provision					26 639	1	1	
Total programme					26 639	1	1	

12. MEDIUM-TERM REVENUES

12.1 Summary of revenue

R 000	2000/01 Actual	2001/02 Actual	2002/03 Estimate	2003/04 MTEF	2004/05 MTEF	2005/06 MTEF
Voted by legislature	(391 706)	(475 625)	(96 921)	(24 707)	(27 004)	339 576
Conditional grants	214 168	225 647				
Other (Own Revenue)	214 794	298 442	166 505	225 001	172 665	155 934
Total revenue	37 256	48 464	69 584	200 294	145 661	495 510

12.2 Departmental revenue collection

R 000	2000/01 Actual R'000	2001/02 Actual R'000	2002/03 Estimate R'000	2003/04 MTEF R'000	2004/05 MTEF R'000	2005/06 MTEF R'000
Current revenue	214 794	298 442	166 505	225 001	172 665	155 934
Tax revenue	49 387	110 425	99 500	116 300	117 300	118 300
Non-tax revenue	165 407	188 017	67 005	108 701	55 365	37 634
Capital revenue (specify)						
Departmental revenue	214 794	298 442	166 505	225 001	172 665	155 934

12.3 Conditional grants

N/A

13. CAPITAL PLAN

N/A

14. CO-ORDINATION, CO-OPERATION AND OUTSOURCING PLANS

14.1 Interdepartmental linkages

As Provincial Treasury, there is an involvement with all departmental and public entity activities and resource use

14.2 Local government linkages

N/A

14.3 Public entities

Name of public entity	Main purpose of public entity	Transfers from the departmental budget		
		2003 MTEF R'000	2004 MTEF R'000	2005 MTEF R'000
Western Cape Gambling and Racing Board	To adequately resource the Western Cape Gambling and Racing Board as controlling body of gambling and betting in the Province.	6 855	2 585	2 000

14.4 **Public, private partnerships, outsourcing etc**
N/A

15. **FINANCIAL MANAGEMENT**

15.1 **Strategies to address audit queries**

Each and every audit query received from the Auditor-General is forwarded to the accounting component where it is registered in an audit-register specifically drawn up for this purpose. It is then marked out to the applicable component with a request to present a written answer to the query at a specific date. A system of reminders is also in place to ensure that the d-date is met. A formal answer to the query is then forwarded to the Auditor-general and the necessary inscriptions made in the audit register and copies thereof kept on file specifically opened for this purpose. As evidence that this system is working well, it is hereby stated that at no stage are any audit queries unnecessary outstanding.

15.2 **Implementation of the Public Finance Management Act, 1999 (PFMA)**

All financial staff underwent intensive training on the content of the PFMA, the National Treasury Regulations and the Provincial Treasury Instructions.

A programme has also been drawn up to systematically implement the PFMA and bi-monthly reporting on progress is presented to the Treasury.

Furthermore, as stated earlier, the Treasury is moving away from a nominal approach to a normative one in order to capture the spirit of the PFMA and for this to be realised, the Treasury has embarked on a process of restructuring.