

## BUDGET STATEMENT NUMBER 2

### DEPARTMENTAL ESTIMATES

# Vote 3

## Provincial Treasury

	2005/06 To be appropriated	2006/07	2007/08
<b>MTEF allocations</b>	<b>R125 914 000</b>	<b>R140 077 000</b>	<b>R145 340 000</b>
Responsible MEC	Provincial Minister of Finance, Economic Development and Tourism		
Administering Department	Provincial Treasury		
Accounting Officer	Head Official: Provincial Treasury		

### 1. Overview

#### Core functions and responsibilities

To provide and maintain office support to the Minister.

To ensure sound financial and human resource management and administration.

To enhance and effectively target and manage the Province's fiscal resources, endeavouring to achieve alignment with municipal budgetary outcomes.

To ensure the effective and efficient management of physical and financial assets and liabilities and public-private partnerships.

To promote accountability and performance oriented financial management through substantive reflection of the financial activities, systems and processes of the Province, as well as compliance with financial norms and standards.

#### Vision

As change agent in resource allocation and utilisation practices in pursuing the systematic reduction in social and economic disparities and an overall increase in living standards.

#### Mission

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

## **Main services**

Change agent in achieving specific socio-economic objectives, inclusive of introducing new practices through fiscal and associated policies.

Fostering the attainment of value for money spending.

Promoting the effective utilisation and safeguarding of provincial assets.

Facilitating the full disclosure of provincial objectives and attainments.

## **Demands and changes in services**

In line with national policy direction, to first build the economy, and build a social safety net to alleviate poverty, the National Treasury has identified funding priorities for 2005/06, which in the main include the following:

Increasing infrastructure and industrial investment;

Improving education, training and skills development;

Extending social security, income support and work opportunities; and

Improved regulation of markets and public entities, and more efficient public service delivery.

In support of these national imperatives, the provincial growth and development framework, iKapa elihlumayo, i.e. the notion of a developmental state whereby the Western Cape government is not a neutral facilitator or passive provider of social services but a proactive player in pursuing its social economic objectives, is to be developed further to ensure that the desired outcomes are achieved. The latter development has manifested into a number of lead strategies of which two, improving financial governance and an effective interface between the provincial and local government, pertain to the Provincial Treasury. The former is the domain of the Provincial Treasury, as the driver, and the latter a partnership endeavour with the departments of the Premier and Local Government and Housing.

The Provincial Treasury's efforts will therefore have to be geared towards supporting, monitoring and evaluating the evolution of the lead strategies by provincial departments and their integration with one another and similar efforts by municipalities, national government and state owned enterprises. In addition, the Provincial Treasury must accept its responsibility as lead department in improving financial governance to maximise returns on resources deployed, together with National Treasury and the Department of Local Government and Housing.

The Provincial Treasury, also has to ensure the implementation of the Municipal Finance Management Act, 2003 (Act 56 of 2003) within the Province to the best benefit of all the stakeholders. Its policy objectives, namely the formulation and implementation of fiscal policy, ensuring spending efficacy, to install and maintain fiscal discipline through proper financial governance, efficient acquisition and application of assets, acquisition of resources, capacity building and fostering and maintenance of intergovernmental relations should be aligned to address the above-stated priorities.

An ongoing challenge facing the Provincial Treasury in ensuring delivery of its stated objectives is the recruitment and retention of suitably qualified and capacitated human resources, given the increasing demand for such personnel and still lagging supply.

## **Acts, rules and regulations**

### **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 Act, 2003 (Act 56 of 2003) (MFMA)**

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 with 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 and potential historically disadvantaged individuals (HDIs) in the sustainable development and implementation of a preferential procurement system.

**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 request 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.

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

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

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

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, 1996 (Act 108 of 1996), the Constitution of the Western Cape, 1998 (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 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)**

Although this Law has been revoked, a number of period contracts concluded under this Law and its regulations, are still valid and have to be administered in terms of this legislation.

**Budget decisions**

Targeting and restructuring of the budget and its management to enable the Provincial Government to fulfil its policy goals and to promote and assess economic growth and developmental initiatives.

**2. Review 2004/05**

With phase 1 (the major part) of the restructuring process of the Treasury was completed, phase 2 has commenced with further enhancements to the new organisational structure and staff establishment, mainly to accommodate the MFMA's requirements. It is expected that the new organisational structure should, if a main mass of posts are appropriately filled, cater better for the Treasury's strategic goals and enable it to fulfil its Constitutional (Western Cape) mandate to address the socio-economic challenges of the Province in tandem with provincial departments, municipalities and other stakeholders. Improvement in the level of service delivery was strived for by improving the experience level of recently employed staff, education level and training of staff. A significant amount of effort also had to be spent in bedding down the new structure and to facilitate a new way of working, requiring new co-operative systems and greater openness and communication across units and components.

A Medium Term Budget Policy Statement (MTBPS) and an Economic Review and Outlook were compiled for the Province for the second time to both frame and give content to Budget 2005 relative to the Western Cape economy and within the macro-economic framework for the country as a whole. In addition, the Provincial Economic Review and Outlook 2005 (PER&O) were jointly tabled with Budget 2005 on the provincial budget day.

Although supply chain management (SCM) units have been established in departments, they are not 100 per cent operational according to the predetermined criteria set by National Treasury. Value for money exercises, the reduction in procurement costs, preferential procurement targets and the strategic sourcing of procurement remain focus areas in the SCM environment.

A great deal of attention was given to the development and articulation of the five lead iKapa elihlumayo strategies, their integration with one another and its translation into resource allocation across and within departments.

**3. Outlook for 2005/06**

Ensure the existence of an appropriate and dynamic financial legislative framework through determining and implementing financial norms and standards.

Improve financial governance by establishing risk management and internal control capacity that will ensure sound administration in departments.

Assessment of provincial departments' measurable information in line with their objectives and ultimately the outcomes of the Province. The emphasis is moving towards an outcomes based budget allocation and delivery process.

Design of analytical instruments to assess the qualitative impact of provincial service delivery on provincial socio-economic variables.

Concerted efforts in pursuit of other sources of revenue to further increase the Province's own revenue base.

Successfully fulfilling the envisaged role of the Provincial Treasury in terms of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) with special emphasis on the seamless integration of the different government levels.

Ensure that financial reporting is a full and true reflection of the financial position of the Province.

Identify and develop strategic sourcing methodologies in those industries where the bulk of the provincial procurement budget is spent and develop standardised supply chain management processes to ensure satisfactory delivery of goods and services.

Build the necessary capacity in the Provincial Treasury to eventually take over all public private partnerships (PPP) related responsibilities from the National Treasury.

Optimise liquidity in the Provincial Revenue Fund to ensure maximum return within acceptable levels of risk.

In support of sound financial management, fully implement and optimally manage all cross-cutting financial systems on behalf of provincial departments.

Introduce steps for the implementation of monitoring and evaluating processes to systematically improve asset management within the Province.

## 4. Receipts and financing

### Summary of receipts

Table 4.1 below depicts the sources of funding for the vote.

**Table 4.1 Summary of receipts**

Receipts R'000	Outcome						Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04				Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	% Change from Revised estimate
				2005/06	2004/05	2006/07				2007/08
Treasury funding										
Equitable share	( 472 813 )	( 328 674 )	( 323 513 )	( 56 872 )	( 61 578 )	( 191 717 )	( 159 627 )	( 16.74)	( 141 830 )	( 155 559 )
Conditional grants	225 647									
Financing										
Total Treasury funding	( 247 166 )	( 328 674 )	( 323 513 )	( 56 872 )	( 61 578 )	( 191 717 )	( 159 627 )	( 16.74)	( 141 830 )	( 155 559 )
Departmental receipts										
Tax receipts	110 906	133 093	146 349	108 970	108 970	161 339	182 281	12.98	190 195	198 505
Sales of goods and services other than capital assets	339	5 197	23	15	15	28	15	( 46.43)	15	15
Transfers received	2 024	552	1 627	1	1	5	1	( 80.00)	1	1
Fines, penalties and forfeits	262	232	314			183		( 100.00)		
Interest, dividends and rent on land	184 911	250 133	240 621	61 572	61 572	137 089	103 244	( 24.69)	91 696	102 378
Sales of capital assets										
Financial transactions in assets and liabilities										
Total departmental receipts	298 442	389 207	388 934	170 558	170 558	298 644	285 541	( 4.39)	281 907	300 899
Total receipts	51 276	60 533	65 421	113 686	108 980	106 927	125 914	17.76	140 077	145 340

## 5. Payment summary

### Programme summary

Table 5.1 below indicates the budget or estimated expenditure per programme and Table 5.2 per economic classification (in summary). Details of the Government Financial Statistics (GFS) economic classifications are attached as an annexure to this vote.

**Table 5.1 Summary of payments and estimates**

Programme R'000	Outcome						Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04				Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	% Change from Revised estimate
				2005/06	2004/05	2006/07				2007/08
1. Administration <sup>a</sup>	17 685	20 806	20 187	22 520	22 101	21 607	26 284	21.65	27 293	29 476
2. Sustainable resource management	10 947	12 507	14 437	19 948	11 788	11 931	17 859	49.69	28 684	28 062
3. Asset and liabilities management	14 487	18 948	21 934	45 276	45 531	44 636	49 157	10.13	48 784	50 903
4. Financial governance	8 157	8 272	8 863	25 942	29 560	28 753	32 614	13.43	35 316	36 899
Total payments and estimates	51 276	60 533	65 421	113 686	108 980	106 927	125 914	17.76	140 077	145 340

<sup>a</sup> 2005/06: MEC remuneration payable. Salary: R514 537. Car allowance: R128 634.

## Summary by economic classification

**Table 5.2 Summary of provincial payments and estimates by economic classification**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04				% Change from Revised estimate			
				Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	2005/06	2004/05	2006/07	2007/08
Current payments	43 970	51 139	50 354	104 941	102 744	101 230	124 277	22.77	138 357	143 535
Compensation of employees	28 408	30 231	29 974	48 341	36 062	35 270	52 503	48.86	54 038	56 741
Goods and services	15 553	20 700	20 380	56 600	66 682	65 960	71 774	8.81	84 319	86 794
Interest and rent on land										
Financial transactions in assets and liabilities	9	208								
Unauthorised expenditure										
Transfers and subsidies to	6 069	4 122	4 915	3 318	321	314	176	( 43.95)	183	193
Provinces and municipalities	69	70	67	86	92	91	126	38.46	130	138
Departmental agencies and accounts	6 000	4 000	4 700	2 928	150	150	50	( 66.67)	53	55
Universities and technikons										
Public corporations and private enterprises										
Foreign governments and international organisations										
Non-profit institutions										
Households		52	148	304	79	73		( 100.00)		
Payments for capital assets	1 237	5 272	10 152	5 427	5 916	5 383	1 461	( 72.86)	1 537	1 612
Buildings and other fixed structures										
Machinery and equipment	1 237	5 272	10 152	5 427	5 206	4 673	644	( 86.22)	678	711
Cultivated assets										
Software and other intangible assets					710	710	817	15.07	859	901
Land and subsoil assets										
Total economic classification	51 276	60 533	65 421	113 686	108 980	106 927	125 914	17.76	140 077	145 340



## Transfers to public entities

**Table 5.3 Summary of departmental transfers to public entities**

Public entities R'000	Outcome			Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04				% Change from Revised estimate			
							2005/06	2004/05	2006/07	2007/08
Western Cape Gambling and Racing Board	6 000	4 000	4 700	2 585						
<b>Total departmental transfers to public entities</b>	6 000	4 000	4 700	2 585						

## Transfers to local government

**Table 5.4 Summary of departmental transfers to local government by category**

Departmental transfers R'000	Outcome						Medium-term estimate			
							% Change from Revised estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04	Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	2005/06	2004/05	2006/07	2007/08
	Category A									
Category B										
Category C										
Total departmental transfers to local government										

Note: Excludes regional services council levy.

## Departmental Public-Private Partnership (PPP) projects

**Table 5.5 Summary of departmental Public-Private Partnership projects**

Project description R'000	Total cost of project						Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04	Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	% Change from Revised estimate			
							2005/06	2004/05	2006/07	2007/08
<b>Projects under implementation</b>										
PPP unitary charge										
Advisory fees										
Revenue generated (if applicable)										
Project monitoring cost										
<b>New projects</b>										
PPP unitary charge										
Advisory fees										
Revenue generated (if applicable)										
Project monitoring cost										
<b>Total Public-Private Partnership projects</b>										

## 6. Programme Description

### Programme 1: Administration

**Purpose:** To provide and maintain high quality support services to the Minister and the Provincial Treasury pertaining to sound financial administration, supply chain management, auxiliary services, human resource management and administration.

#### Analysis per sub-programme:

##### Sub-programme 1.1: Office of the minister

to render secretarial, administrative and office support services and acts as linkage with the Treasury, the Department of Economic Development and the Provincial Parliament enabling the Minister to realise her Treasury and Economic Development responsibilities

##### Sub-programme 1.2: Management services

to render strategic support and conduct overall planning

##### Sub-programme 1.3: Corporate services

to provide an internal enabling function and support service to the other programmes and sub-programmes with regard to human resource management and development

##### Sub-programme 1.4: Financial management (Office of the CFO)

to deliver financial management (inclusive of risk management and internal control), supply chain management and specialised auxiliary services for the Treasury

This Programme concerns the staff function of the Treasury ("internal services") and is, therefore, not discussed in further detail. However, the budgetary figures of the Programme are reflected in the tables below.

**Table 6.1 Summary of payments and estimates – Programme 1: Administration**

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04	Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	% Change from Revised estimate			
							2005/06	2004/05	2006/07	2007/08
1. Office of the Minister	2 433	2 837	3 015	3 434	3 121	3 056	3 501	14.56	3 679	3 863
2. Management services							2 535		2 664	2 797
3. Corporate services		1 761	4 681	7 078	5 890	5 873	7 617	29.70	7 706	7 791
4. Financial management	15 252	16 208	12 491	12 008	13 090	12 678	12 631	(0.37)	13 244	15 025
<b>Total payments and estimates</b>	<b>17 685</b>	<b>20 806</b>	<b>20 187</b>	<b>22 520</b>	<b>22 101</b>	<b>21 607</b>	<b>26 284</b>	<b>21.65</b>	<b>27 293</b>	<b>29 476</b>

**Table 6.1.1 Summary of provincial payments and estimates by economic classification – Programme 1: Administration**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04				% Change from Revised estimate			
				Main appro- piation 2004/05	Adjusted appro- piation 2004/05	Revised estimate 2004/05	2005/06	2004/05	2006/07	2007/08
Current payments	17 248	19 437	17 614	21 567	21 326	20 750	25 994	25.27	26 987	29 155
Compensation of employees	12 775	13 890	11 338	13 975	11 917	11 764	14 111	19.95	14 799	15 539
Goods and services	4 464	5 544	6 276	7 592	9 409	8 986	11 883	32.24	12 188	13 616
Interest and rent on land										
Financial transactions in assets and liabilities	9	3								
Unauthorised expenditure										
Transfers and subsidies to	30	86	176	671	258	251	84	( 66.53 )	89	93
Provinces and municipalities	30	34	28	24	29	28	34	21.43	36	38
Departmental agencies and accounts				343	150	150	50	( 66.67 )	53	55
Universities and technikons										
Public corporations and private enterprises										
Foreign governments and international organisations										
Non-profit institutions										
Households		52	148	304	79	73		( 100.00 )		
Payments for capital assets	407	1 283	2 397	282	517	606	206	( 66.01 )	217	228
Buildings and other fixed structures										
Machinery and equipment	407	1 283	2 397	282	517	606	206	( 66.01 )	217	228
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
Total economic classification	17 685	20 806	20 187	22 520	22 101	21 607	26 284	21.65	27 293	29 476

## **Programme 2: Sustainable Resource Management**

**Purpose:** To provide professional advice and support on Provincial and Local Government economic analysis, fiscal policy, public finance development and management of the annual Provincial budget process and assist and monitor Local Government budgets.

### **Analysis per sub-programme:**

#### **Sub-programme 2.1: Programme support**

to render an administrative support service to the Sub-programmes: Economic analysis, Fiscal policy and Budget management as well as to the Sub-programme: Public finance

#### **Sub-programme 2.2: Economic analysis**

to conduct macroeconomic analysis and render policy advice, i.e. to determine and analyse key economic variables, their interrelation and relevance to the budget (provincial and municipal), the potential for growth and development and the interaction with governmental and revenue patterns, alternative budgeting and other revenue and expenditure scenarios on selected key economic growth and development indicators, assess and advise on Individual Development Plans (IDPs) (socio-economic part) and its relevance to municipal budgets

#### **Sub-programme 2.3: Fiscal policy**

to enable the provincial government to finance its service delivery obligations, determine the overall financing envelope for the Medium Term Expenditure Framework (MTEF) including administering the medium term revenue planning process, assessing and optimising national revenue, ensure effective and efficient development of provincial revenue including the assessment of revenue trends and the compilation and submission of revenue reports, and to assess the viability of municipal revenue budgets

to advise the responsible minister on gambling and racing related matters and provide and administer the required financial support functions inclusive of management of transfer payments to the Western Cape Gambling and Racing Board

#### **Sub-programme 2.4: Budget management**

to promote performance monitoring and effective financial resource allocation planning

to manage the annual fiscal policy process, i.e. consolidate, prepare and compile the annual Western Cape Medium-term Budget Policy Statement (WC-MTBPS) and provide advice, drive the MTEF and annual budget process and determine annual budget allocations per function including resource shifts between spheres of government and departments

to promote integration and synergy of budget priorities between departments and governments, assess and ensure effective expenditure including the costing of new policy proposals and determining its relative priority

to introduce measures to close the gaps between macroeconomic variables and policy priorities, budget trends, spending trends, strategies, development plans and service delivery indicators

to assess the link between Individuals Development Plans (IDPs) and the resultant municipal budgets

to promote alignment between municipalities and the provincial departments related to the budget processes; integrated development plans and budgets of municipalities with provincial budget process; budgets and departmental strategic plans

#### **Sub-programme 2.5: Public finance**

##### ***Provincial government finance***

to technically prepare the annual budget for tabling, inclusive of data base, formats, programme structures, consolidation and publication

to ensure budget implementation, inclusive of monitoring, trend analysis, interpretation, reporting, intervention, exercising fiscal discipline as well as promoting and enforcing effective management of expenditure

to manage the adjustments budget, inclusive of process, data base, formats, programme structures, allocations, consolidation and publication

to promote improved service delivery and customer care

to provide policy advice

### **Local government finance**

to monitor the monthly outcome of municipal budgets and reports, its process, financial problem resolution, interventions and adjustments budgets

to advise on municipal expenditure budgets(technical), the establishment of municipal entities, applications for municipal police service and the transfer of functions to municipalities

to provide centralised capacity to facilitate the implementation of the Local government: Municipal Finance Management Act, 2003 (Act 56 of 2003) during the 2005/06 financial year

to promote improved service delivery and customer care

to provide policy advice, inclusive of technical assistance and financial training

### **Policy developments:**

Assessment of provincial departments' measurable information to ensure alignment of their objectives towards the desired outcomes for the Province. The emphasis will be on moving towards an outcomes based budget allocation process.

Design of analytical instruments to assess the qualitative impact of provincial service delivery on provincial socio-economic variables.

Concerted efforts in pursuit of other sources of revenue to further increase the Province's own contribution to the resource envelope.

### **Changes: policy, structure, service establishment, etc. Geographic distribution of services:**

The second phase of the restructuring and transformation process within the provincial Treasury will continue during the 2005/06 financial year. This phase was necessitated to account for the impact of the implementation of the MFMA by adopting a transversal approach. It is the intention to establish a new sub-programme pertaining to programme support while the sub-programmes for public finance will be combined with those of the previously known resource management. The latter combination should improve efficacy in service delivery.

### **Expenditure trends analysis:**

This new programme, an outcome of the second phase of the transformation process, is a combination of two formerly separate programmes, namely Resource management and Public finance and accounting. Resource management consisted of the sub-programmes Budget office (now Budget management), Macro economic analysis (now Economic analysis), Resource acquisition (now Fiscal policy) and the Western Cape Gambling and Racing Board. Public finance and accounting consisted of the three sub-programmes Provincial government finance, Local government finance and Financial accounting and reporting. The latter sub-programme has now been shifted to programme 4: Financial governance. Transfers that were made to the Western Cape Gambling and Racing Board from 2001/02 to 2003/04 have been reduced to such an extent that no funds were paid over to them in 2004/05 and it is not foreseen that any funds will be transferred over the new 2005/06 MTEF period. The outcome period of 2001/02 to 2004/05 increased from a base of R10,947 million to R11,931 million in 2004/05 (revised estimate) indicating an average growth of 2.9 per cent per annum for the stated years. From 2004/05 and over the new MTEF period the allocations increase from a base of R11,931 million in 2004/05 (revised estimate) to R28,062 million in 2007/08 with an average annual growth of 33 per cent. The higher level of funding for this programme as from 2005/06 is intended to ensure a greater focus on resource acquisition and disbursement and its role in the growth and development aspirations of the provincial government.

### **Service delivery measures:**

#### **PROGRAMME 2: SUSTAINABLE RESOURCE MANAGEMENT**

##### **Sub-programme 2.1: Programme support**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Smooth and effective functioning of the component.	Percentage compliance.	Compliance with relevant rules and regulations.	Not applicable.	Not applicable.	100% compliance.	100% compliance.	100% compliance.
	Percentage compliance.	Compliance to acceptable norms/standards of service delivery.	Not applicable.	Not applicable.	70% achieved.	100% achieved.	100% achieved.

**Sub-programme 2.1: Programme support**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
	Hours turn around time.	Short turn around time for management of operational finances and human resource and other logistical issues.	Not applicable.	48 hours.	48 hours.	24 hours.	24 hours.
Trained and capacitated administrative support and line function staff.	Number of vacant posts filled.	Vacant post filled.	Not applicable.	Not applicable.	50% achieved.	100% achieved.	100% achieved.
	Percentage of staff complement trained.	Training according to IDPs.	Not applicable.	Not applicable.	50% achieved.	100% achieved.	100% achieved.
Achievement of iKapa Elihlumayo goals.	Percentage support rendered.	Support and promotion of goals in work environment.	Not applicable.	Not applicable.	100% support achieved.	100% support achieved.	100% support achieved.
	Percentage procurement in terms of Black Economic Empowerment (BEE).	Procurement to achieve optimal BEE targets.	Not applicable.	Not applicable.	40%	50%	60%

**Sub-programme 2.2: Economic analysis**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Describe the provincial economy.	Timely published Provincial Economic Review and Outlook (PER&O) before budget.	Publication of PER&O.	Fore-runner, the Socio-Economic Review (SER), published.	Publication delayed to March 2005.	PER&O published.	PER&O published.	PER&O published.
Determine the sources, potential and constraints for enhanced growth and development in the Western Cape.	Timely published PER&O before budget.	Publication of PER&O.	Fore-runner, the SER, published.	Publication delayed to March 2005.	PER&O published.	PER&O published.	PER&O published.
Assess the impact of various budget policy objectives on selected economic variables.	Alignment of departmental activities to iKapa Elihlumayo.	Refined resource allocation process of the annual budget process.	Not applicable.	Not applicable.	PER&O framing Budget 2005.	PER&O framing Budget 2006.	PER&O framing Budget 2007.
Provide technical assistance and training.	Planning social dialogue events.	Social dialogue with stakeholders.	Not applicable.	Publication delayed to March 2005.	Social dialogues.	Social dialogues.	Social dialogues.
Disseminating information to other stakeholders in the provincial economy and labour market.	Publishing of PER&O.	Publication of PER&O.	Not applicable.	Publication delayed to March 2005.	PER&O published.	PER&O published.	PER&O published.
	Engaging in social dialogues.	Social dialogues, events launch and media briefing.	Not applicable.	Publication delayed to March 2005.	Social dialogues.	Social dialogues.	Social dialogues.

**Sub-programme 2.2: Economic analysis**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
	Hosting events launch and media briefing.		Not applicable.	Publication delayed to March 2005.	Social dialogues.	Social dialogues.	Social dialogues.
	Producing iKapa Elihlumayo quarterly bulletin.	Publication of iKapa Elihlumayo bulletin.	Not applicable.	4 Publications.	4 Publications.	4 Publications.	4 Publications.
	Developing iKapa Elihlumayo web-page.		Not applicable.	Not applicable.	50% completed.	100% completed.	100% completed.
Assessing socio-economic relevance of municipal IDPs.	IDPs that reflect the true socio-economic needs in each municipality.	Publication of Provincial Economic Review and Outlook (PER&O) and IDPs.	Not applicable.	Not applicable.	Not applicable.	40%	60%

**Sub-programme 2.3: Fiscal policy**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Robust participation on the Technical Committee on Finance (TCF), Provincial Equitable Share (PES) and Conditional Grants (CG) working groups.	Position papers, policy briefs, reports and memos.	Optimised transfers from National government.  Informed debate on data and other related issues.	100%	100%	100%	Optimised transfers from National government.	Optimised transfers from National government.
Analytical position paper analysing PES and CG transfers.	Timeous submission of informative and accurate reports to Head of Provincial Treasury (HoPT) and Member of Executive Council (MEC).	Position papers, policy briefs, quarterly reports and memos.	Not applicable.	Quarterly reports.  Memos.	Quarterly reports  Memos.	Quarterly and monthly reports.  Memos.	Quarterly and monthly reports.  Memos.
Framework position paper with respect to the Fiscal Governance Model.	Position papers, policy briefs, reports and memos.	Proposals submitted and accepted.  Informative and accurate international case study.	Not applicable.	Proposals submitted and accepted.	Final report.	Study complete.	Study complete.
Analytical provincial own revenue position papers.	Semi-final own revenue paper and quarterly reports timeously submitted.	Position papers, policy briefs, quarterly reports and memos.	Not applicable.	Semi-final own revenue paper (inclusive of reports and memos).	Final own revenue paper (inclusive of reports and memos).	Final own revenue paper (inclusive of reports and memos).	Final own revenue paper (inclusive of reports and memos).
Monthly and quarterly In-year monitoring (IYM) revenue reports.	Advanced analysis of own revenue.	Reports	Not applicable.	IYM reports.	Continuous	Continuous	Continuous



**Sub-programme 2.3: Fiscal policy**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Initiation and completion of revenue estimation model process.	Accurate own revenue forecasting.	Progress and completion of the Revenue estimation model.	Not applicable.	Revenue estimation model.	Initiation of model and develop adaptation.	Model complete.	Model complete.
Presentation of fuel levy proposal to the various stakeholders.	Implementation of fuel levy 06/07.	Approval of fuel levy at various stages in the process.	Not applicable.	Not applicable.	Finalisation of fuel levy process.	Implement-ation of the fuel levy.	Continued implement-ation of fuel levy.
Approval of the fuel levy by National Treasury and provincial legislature.	Implementation of fuel levy 06/07.	Implementation of the fuel levy.	Research into feasibility of fuel levy.	Approval of fuel levy by provincial legislature.	Approval of fuel levy by National Treasury (NT).	Implement-ation of the fuel levy (revenue R300 m).	Continued use of fuel levy as revenue source.
Research into the feasibility of the bed levy.	Implementation of bed levy.	Final report on the feasibility of the bed levy.  Public participation process.  Approval by NT and provincial legislature.	Not applicable.	Commence-ment of bed levy feasibility study.	Conti-nuation of bed levy feasibility study.	Conti-nuation of bed levy feasibility study.	Implemen-tation of the bed levy.
Proceed to cancel the present Bed levy tender and initiate a process.	Cancellation of present bed levy tender.	Initiation of new bed levy process. Position papers, policy briefs, reports and memo.	Not applicable.	Cancel-lation of present bed levy tender.	Cancel-lation of present bed levy tender.	Not applicable.	Not applicable.
Exploring new potential tax sources.	Identification of viable revenue sources.  Discussions with departments on viability.	Position papers, policy briefs, reports and memos.	Not applicable.	Decide on final basket of potential taxes.	Start process of implemen-tation.	Implemen-tation.	Implemen-tation.
Liaison with gambling board including monthly engagements.	Smooth and efficient running of the Western Cape Gambling and Racing Board.	Meetings and discussions of issues raised.	Database compiled.	Analyse trends.	Access measures to increase own revenue.	Implement potential revenue raising measures.	Assess revenue trends and take "action".
Liaison with Standing Committee on Finance (SCOF), Head Official: Treasury (HOT), and MEC regarding the Western Cape Gambling and Racing Board.	Smooth and efficient running of the Western Cape Gambling and Racing Board.	Meetings and discussions of issues raised.	Database compiled.	Analyse trends.	Access measures to increase own revenue.	Implement potential revenue raising measures.	Assess revenue trends and take "action".
Analysis of debtor reports.	Detailed analysis of debtors.	Position papers, policy briefs, reports and memos.	Not applicable.	Final report on analysis of debtors.	Continuous	Continuous	Continuous
Quarterly In-year Monitoring (IYM) debtors reports.	Quarterly reports.	Reports.	Not applicable.	4 Quarterly reports on debtors.	Continuous	Continuous	Continuous
Liability statements (guarantees and loans).	Contingent liability statement.	Policy briefs and memos.	Not applicable.	Finalisation of the Contingent liability statement.	Not applicable.	Not applicable.	Not applicable.

**Sub-programme 2.3: Fiscal policy**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Assess viability of municipal revenue budgets to ensure sustainability.	Effective lines of communications and unified actions.	Acceptance by councils of treasury recommendations.	Not applicable.	Not applicable.	60% acceptance by councils.	80% acceptance by councils.	80% acceptance by councils.

**Sub-programme 2.4: Budget management**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Compile annual medium-term budget policy objectives targeted to reduce socio-economic disparities, achieve synergy, improve financial management of resources and promote integrated governance.	Submission of provincial medium-term budget policy statement to the Executive and Provincial Parliament.	Timeously tabling of the WC-MTBPS.	WC-MTBPS accepted by executive and tabled during November 2003. The Efficacy Review 2003 was also internally published.	WC-MTBPS 2005 – 2008 accepted by executive and tabled during November 2004. The SDR 2004 (working paper) was also internally published.	WC-MTBPS 2006 - 2009.	WC-MTBPS 2007 - 2010.	WC-MTBPS 2007 - 2010.
	Meeting of all due dates and timely corrective measures.	Time schedule.	Due dates met in relation to time schedule.	100% compliance.	100% compliance.	100% compliance.	100% compliance.
Proposing of allocations per function to ensure realisation of policy priorities.	Tabling of allocations to the Executive.	Cabinet submission timeously submitted to Executive (including allocation letters).	Allocations in line with iKapa elihlumayo policy objectives accepted by executive during December (pre-final allocations) and February (Final allocations).	Allocations in line with iKapa elihlumayo policy objectives accepted by executive during December (pre-final allocations) and February (Final allocations).	Outcome based allocations (70% phased in).	Outcome based allocations (100% phased in).	Outcome based allocations (100% phased in).
	Ensure budget allocations are in line with policy goals.	Proposed allocation in line with national and provincial policies.	Allocations aligned with the WCFP 2004 – 2007.	Allocations aligned with the WC-MTBPS 2005 – 2008.	Allocations aligned with the WC-MTBPS 2006 – 2009.	Allocations aligned with the WC-MTBPS 2007 – 2010.	Allocations aligned with the WC-MTBPS 2007 – 2010.

**Sub-programme 2.4: Budget management**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
	Meeting of all due dates and timely corrective measures.	Time schedule	Due dates met in relation to time schedule.	Due dates met in relation to time schedule.	100% compliance.	100% compliance.	100% compliance.
Establishment of managerial and coordinating intergovernmental structures related to financial matters.	Percentage development to establish a fully functional structure.	Optimal functional Budget Office.	Not applicable.	50% functional.	70% functional.	100% functional.	100% functional.

**Sub-programme 2.5: Public finance**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
<b>Provincial government finance</b>							
Budget in line with national and provincial priority goals.	Provincial benchmark exercise.	Benchmark report.	1 assessment.	1 assessment.	1 assessment.	1 assessment.	1 assessment.
	Bilateral medium term expenditure committee hearings.	Consolidated report.	2 assessment.	2 assessment.	2 assessment.	2 assessment.	2 assessment.
Credible budgets	Bilateral medium term expenditure committee hearings.	Consolidated internal reports.	14 reports	14 reports	13 reports.	13 reports.	13 reports
	Expenditure Review.	Publication as working paper.	1 review	1 review	1 review	1 review	1 review
Tabling of the annual budget.	Submission of budget documentation in line with prescribed formats and timelines to the Provincial Parliament.	Budget Statement 1.	February	February	February	February	February
		Budget statement 2 (Consolidated).	February	February	February	February	February
		Appropriation Act and schedules.	February	February	February	February	February
		Updated budget database.	February	February	February	February	February
Tabling of the adjustments budget	Submission of budget documentation in line with prescribed formats and timelines to the Provincial Parliament.	Adjustments estimates.	November	November	November	November	November
		Adjustments Appropriation Act and schedules.	November	November	November	November	November
		Updated budget database.	November	November	November	November	November
Effective and quality in-year monitoring of expenditure.	Prescribed reporting.	PFMA Section 32 report.	14 reports x4	14 reports x4	13 reports x4	13 reports x4	13 reports x4
		PFMA Section 40 report.	14 reports x12	14 reports x12	13 reports x12	13 reports x12	13 reports x12
	Non-prescribed reporting in development.	Analytical reports.	14 reports x4	14 reports x4	13 reports x4	13 reports x4	13 reports x4
		Performance reports.	Not applicable.	Not applicable.	Pilot	13 reports x4	13 reports x4

**Sub-programme 2.5: Public finance**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
	Developed efficiency indicators/ratios.	Indicators/ratios: 1-Education 2-Health 3-Social services and poverty alleviation 4-Transport and public works 5-Agriculture 6-Housing and local government 7- Environmental affairs and development planning	Not applicable.	Not applicable.	1,2,3,4	5,6,7	
	Functional database.	Financial information. Non-financial information.	Maintenance.	Maintenance.	Maintenance. Develop. Phase 1.	Maintenance. Develop. Phase 2.	Maintenance. Develop. Phase 3.

**Local government finance**

Implementation of the Local government: Municipal Finance Management Act, 2003.	Readiness to perform the provincial treasury responsibilities.  Assist with monitoring nominal and substantive compliance in accordance with National Treasury guidelines.	Adequate human resource capacity.  Monitoring reports.	Not applicable.  Not applicable.	Not applicable.  Not applicable.	Central  24-30	Partly Central  24-30	Desentralised  24-30
Effective monitoring of monthly outcome of municipal budgets.	Prescribed reporting.	Reports	Not applicable.	Not applicable.	24-30 municipality reports x9.	24-30 municipality reports x12.	24-30 municipality reports x12.
Determine extent to which municipal budgets are aligned with broad national and provincial priorities	Analysis of municipal budgets.  Local Government Review.	Reports  Publication as working paper.	Not applicable.  1 review.	Not applicable.  1 review.	24-30 budgets.  1review.	24-30 budgets.  1 review.	24-30 budgets.  1 review.
Functional intra and inter governmental coordinating structures and institutions (forums) that relate to planning and financial matters.	% development to establish fully functional structures.	Municipal budgeting forum and technical forum.  Municipal chief financial officer forum.	20% functional  Not applicable.	50% functional  Not applicable.	70% functional  20% functional.	80% functional  50% functional.	100% functional  70% functional.
Facilitated vesting of functions between provincial and local government.	Appropriate authorisation.	Information collection.  Situation analysis.	28 functions  Not applicable.	  28 functions.			

**Sub-programme 2.5: Public finance**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
		Position statement.	Not applicable.	Not applicable.	28 functions.		
		Transfer monitoring.	Not applicable.	Not applicable.	Not applicable.	28 functions.	-

**Table 6.2 Summary of payments and estimates – Programme 2: Sustainable resource management**

Sub-programme R'000	Outcome			Main appropriation Adjusted appropriation Revised estimate			Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2001/02	2002/03	2003/04	2004/05	2004/05	2004/05	2005/06	2004/05	2006/07	2007/08
1. Programme support							2 041		2 145	2 253
2. Economic analysis			1 755	3 397	1 713	1 686	2 671	58.42	3 821	3 829
3. Fiscal policy	7 425	5 973	6 942	6 627	2 529	2 525	4 141	64.00	4 353	4 571
4. Budget management	1 547	2 198	1 725	3 858	2 704	2 699	3 329	23.34	5 527	5 437
5. Public finance	1 975	4 336	4 015	6 066	4 842	5 021	5 677	13.07	12 838	11 972
<b>Total payments and estimates</b>	<b>10 947</b>	<b>12 507</b>	<b>14 437</b>	<b>19 948</b>	<b>11 788</b>	<b>11 931</b>	<b>17 859</b>	<b>49.69</b>	<b>28 684</b>	<b>28 062</b>

**Table 6.2.1 Summary of provincial payments and estimates by economic classification – Programme 2: Sustainable resource management**

Economic classification R'000	Outcome			Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04				% Change from Revised estimate			
							2005/06	2004/05	2006/07	2007/08
Current payments	4 864	8 127	9 725	17 345	11 765	11 911	17 721	48.78	28 539	27 910
Compensation of employees	3 957	5 351	4 852	9 874	7 997	8 111	13 218	62.96	13 892	14 587
Goods and services	907	2 572	4 873	7 471	3 768	3 800	4 503	18.50	14 647	13 323
Interest and rent on land										
Financial transactions in assets and liabilities		205								
Unauthorised expenditure										
Transfers and subsidies to	6 010	4 011	4 712	2 603	23	20	32	60.00	33	35
Provinces and municipalities	10	11	12	18	23	20	32	60.00	33	35
Departmental agencies and accounts	6 000	4 000	4 700	2 585						
Universities and technikons										
Public corporations and private enterprises										
Foreign governments and international organisations										
Non-profit institutions										
Households										
Payments for capital assets	73	369					106		112	117
Buildings and other fixed structures										
Machinery and equipment	73	369					106		112	117
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
Total economic classification	10 947	12 507	14 437	19 948	11 788	11 931	17 859	49.69	28 684	28 062

## Programme 3: Asset and Liabilities Management

**Purpose:** To provide policy direction, facilitating the effective and efficient management of physical and financial assets, Public Private Partnerships (PPPs) and liabilities.

### Analysis per sub-programme:

#### Sub-programme 3.1: Programme support

to facilitate the efficient and coordinated administration and management of the programme

#### Sub-programme 3.2: Asset management

to facilitate the effective and efficient management of physical and financial assets and to elicit sustainable Public Private Partnership (PPP) projects

#### Sub-programme 3.3: Liabilities management

to facilitate the effective and efficient management of liabilities

#### Sub-programme 3.4: Supporting and interlinked financial systems

to provide for the oversight and management of existing financial systems and the transition to the Integrated Financial Management System enhancing compliance with the Public Finance Management Act (PFMA) and other relevant legislation

### Changes: policy, structure, service establishment, etc. Geographic distribution of services:

Procurement and provisioning functions have now been integrated and is currently named Supply chain management (SCM). Subsequently the Western Cape Provincial Tender Board was abolished and the Supply chain management function became the responsibility of Accounting Officers of departments as from 1 January 2004.

As part of the restructuring of the Provincial Treasury, a Supply chain management component for monitoring, setting standards and best practice policy has been created with regard to procurement, physical asset management, public private partnerships and related issues. Physical asset management and public private partnerships are new components within the Provincial Treasury environment and most work performed to date, was of a developmental nature to establish a basis from which to develop policies, standards and practices to bring about the effective and efficient utilisation of provincial assets.

### Expenditure trends analysis:

This programme formerly consisted of four sub-programmes namely Supply chain management, Public private partnerships, Financial asset management and Financial systems. It has currently been transformed into four sub-programmes of which two are newly established sub-programmes, Programme support and Liability management. Another change involves the consolidation of the former sub-programmes, Financial asset management, Supply chain management (now Physical asset management) and Public private partnerships into one consolidated sub-programme namely Asset management. The sub-programme: Financial systems has been re-named Supporting and interlinked financial systems. The increase from R14,487 million in 2001/02 to R44,636 million (revised estimate) in 2004/05 reflects an average annual growth rate of 45,5 per cent for the stated years. Specific growth patterns that warrants mentioning is the substantial average annual increase (23,4 per cent) from the audited amount of R21,934 million in 2004/05 to R50,903 million in 2007/08 which was mainly the result of the function shift pertaining to State Information Technology Agency (SITA) costs.

### Service delivery measures:

#### PROGRAMME 3: ASSET AND LIABILITIES MANAGEMENT

##### Sub-programme 3.1: Programme support

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Smooth and effective functioning of the component.	Percentage compliance.	Compliance with relevant rules and regulations.	Not applicable.	Not applicable.	100% compliance.	100% compliance.	100% compliance.
	Percentage compliance.	Compliance to acceptable norms/standards of service delivery.	Not applicable.	Not applicable.	70% achieved.	100% achieved.	100% achieved.

**Sub-programme 3.1: Programme support**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
	Hours turn around time.	Acceptable turn around time for management of operational finances and human resource and other logistical issues.	Not applicable.	48 hours	48 hours	24 hours	24 hours
Trained and capacitated administrative support and line function staff.	Number of vacant posts filled.	Vacant post filled.	Not applicable.	Not applicable.	50% achieved.	100% achieved.	100% achieved.
	Percentage of staff complement trained.	Training according to IDPs.	Not applicable.	Not applicable.	50% achieved.	100% achieved.	100% achieved.
Achievement of iKapa Elihlumayo goals.	Percentage support rendered.	Support and promotion of goals in work environment.	Not applicable.	Not applicable.	100% support achieved.	100% support achieved.	100% support achieved.
	Percentage procurement in terms of Black Economic Empowerment (BEE).	Procurement to achieve optimal BEE targets.	Not applicable.	Not applicable.	40%	50%	60%

**Sub-programme 3.2: Asset management**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
<b>Financial asset management</b>							
Effective managed Provincial Revenue Fund (Receipts).	The daily monitoring of all banking accounts to ensure a deviation of less than 2% between transfers and actual expenditure.	Effective cash flow management of all departmental bank accounts.	100% achieved.	100% achieved.	100% achieved.	100% achieved.	100% achieved.
	Scheduling of all payments by departments in terms of a payment schedule prescribed by the Provincial Treasury permitting payment only in 30 days from the date of invoice where possible. BAS reports to verify that departments actually adhere to this policy are envisaged.	Optimising available cash.	Not applicable.	40% of target.	70% of target.	100% of target.	100% of target.
	Investment of surplus funds at reputable financial institutions/Corporation for Public Deposits (CPD) there-by ensuring a return of 5% above budgeted interest figure.	Amount achieved as appropriated in the budget.	100% achieved.	100% achieved.	100% achieved.	100% achieved.	100% achieved.



**Sub-programme 3.2: Asset management**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
	Preparation, awarding and implementation of tender for the provision of commercial banking services to this province by 1 April 2007.	Successful implementation of banking arrangements for the province.	Not applicable.	Not applicable.	Not applicable.	100% preparation and awarding.	100% implementation.
Fully skilled and capacitated personnel.	Training of 150 departmental officials to familiarise such personnel with current banking procedures/policies.	Provide functional training according to an approved training schedule.	Trained on an ad hoc basis.	Trained on an ad hoc basis.	25% of target market.	30% of target market.	45% of target market.
	Determining skills gap to improve capacity and address shortcomings of existing staff in the Provincial Treasury.	Nominating staff according to an agreed IDP (Individual development plan).	Underwent selective training.	Underwent selective training.	25%	50%	100%
	Training relevant personnel of 30 municipalities to ensure enhancement of cash flow management.	Provide functional training according to an approved training programme.	Not applicable.	Not applicable.	10%	30%	50%
	Fully operational helpdesk managed by skilled staff rendering service to 150 users.	Effective user support.	100% accessibility and availability of the helpdesk on a daily basis.	100% accessibility and availability of the helpdesk on a daily basis.	100% accessibility and availability of the helpdesk on a daily basis.	100% accessibility and availability of the helpdesk on a daily basis.	100% accessibility and availability of the helpdesk on a daily basis.
Compliance to prescripts.	Provincial Treasury to ensure accurate and timeous receipt of cash flow projections in terms of the PFMA.	Credible cash flow projections.	100% timeous submission and not more than 15% deviation in projections vs. transfers.	100% timeous submission and not more than 12% deviation in projections vs. transfers.	100% timeous submission and not more than 10% deviation in projections vs. transfers.	100% timeous submission and not more than 8% deviation in projections vs. transfers.	100% timeous submission and not more than 6% deviation in projections vs. transfers.
	Monitor and supervise municipalities with regard to prescribed cash management requirements of the Municipal Finance Management Act (MFMA).	Effective cash flow management at municipalities.	Not applicable.	Not applicable.	100% compliance.	100% compliance.	100% compliance.

### Sub-programme 3.2: Asset management

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
<b>Physical asset management</b>							
(A) Movable Assets (goods and services)  A modernised and practical supply chain management system to promote economic development and improve efficiency.	Number of transversal contracts arranged.	Facilitation and management of transversal contracts.	2 Trans-versal contracts.	5 Trans-versal contracts.	Facilitation and management of 3 transversal contracts.	Facilitation and management of 3 transversal contracts.	Facilitation and management of 3 transversal contracts.
	Number of departments assessed.	Value chain analyses undertaken within the provincial departments on 3 critical elements of the value chain.	Not applicable.	Not applicable.	30% on Education and Transport and Public Works.	70% on Education and Transport and Public Works.	70% on Health and Social Services.
	Number of commodities completed.	Total Cost of Ownership (TCO) costing on high value commodities within three departments.	Not applicable.	Not applicable.	TCO on 1 commodity items within 3 departments.	TCO on 2 commodity items within 3 departments.	TCO on 3 commodity items within 3 departments.
	Number of assessment reports on renewal of Electronic Purchasing System (EPS) and Western Cape Supplier Database (WCSD).	One assessment report.	Not applicable.	Not applicable.	Assessment report 100% complete.	Renewed contract by May 2006.	Not applicable.
	Number of officials knowledgeable on prescripts.	Conduct 4 workshops to implement revised Preferential Procurement Policy Framework Act (PPFA) in provincial departments.	Not applicable.	Not applicable.	100% complete	Not applicable.	Not applicable.
	Percentage elements of Total Quality Management (TQM) implemented in three departments.	One element of TQM implemented (e.g. Individuals) in three specific departments.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	25% of work done.
A professional and skilled SCM cadre in Provincial Treasury.	Percentage of vacancies filled.	Filled vacancies.	Not applicable.	Not applicable.	100% complete by June 05.	Not applicable.	Not applicable.
	Capacitated and restructured PT: Supply Chain Management (SCM) component to manage the following specific areas:	Fully capacitated SCM component.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	Not applicable.

**Sub-programme 3.2: Asset management**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
	Norms and Standards.		Not applicable.	Not applicable.	50% capacitated.	100% capacitated.	Not applicable.
	Helpdesk/Call Centre/ complaints mechanism.		Not applicable.	Not applicable.	100% capacitated.	Not applicable.	Not applicable.
	Training.		Not applicable.	Not applicable.	50% capacitated.	100% capacitated.	Not applicable.
	Monitoring and compliance.		Not applicable.	Not applicable.	100% capacitated.	Not applicable.	Not applicable.
	Percentage of officials capacitated.	Capacitate/co-ordinate training/re-training of 300 officials.	Not applicable.	Not applicable.	30% capacitated.	50% capacitated.	60% capacitated.
Fair, transparent, equitable, and competitive and cost effective SCM processes and procedures.	Percentage capacitation.	Functional complaints mechanism "unit".	Not applicable.	Not applicable.	50% capacitated.	100% capacitated.	Not applicable.
	Number of departments completed compliance testing.	Audits conducted.	Not applicable.	Not applicable.	Compliance testing at 5 departments completed.	Compliance testing at 10 departments completed.	Compliance testing at 13 departments completed.
Successful SCM module Intergrated Financial management System (IFMS) roll-out and implementation.	Prepare provincial departments for the implementation of IFMS.	Assessment report	Not applicable.	Not applicable.	Not applicable.	100% complete	Not applicable.
	Develop norms and standards on IFMS.	Clear guidelines and legislative framework on IFMS.	Not applicable.	Not applicable.	Not applicable.	100% complete.	Not applicable.
	Implement/roll-out of IFMS to provincial departments.	Implementation plan.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	100% complete in departments.
Successful implementation and roll-out of MFMA: SCM in municipalities.	Number/ percentage of vacancies filled in Provincial Treasury.	Municipal SCM posts filled.	Not applicable.	Not applicable.	3 posts filled.	4 posts filled.	100% complete.
	Number of SCM units in municipalities and municipal entities established with the percentage of set criteria.	SCM units in 30 municipalities established according to 4 areas of set criteria.	Not applicable.	Not applicable.	15 units met 25% of criteria.	15 units met 25% of criteria.	15 units met 50% of criteria.
	Number of municipalities within which SCM have been implemented.	Implement SCM prescripts/ guidelines in 30 municipalities.	Not applicable.	Not applicable.	SCM implemented in 20 municipalities.	SCM implemented in 25 municipalities.	SCM implemented in 30 municipalities.

**Sub-programme 3.2: Asset management**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
	Percentage of target population trained.	Facilitate/train/re-train 300 officials in municipalities.	Not applicable.	Not applicable.	20% of target population trained	30% target population trained	45% target population trained
	Number of municipalities having access to WCSD.	Implementation of WCSD in 30 municipalities.	Not applicable.	Not applicable.	Implementation of WCSD in 1 municipalities.	Implementation of WCSD in 5 municipalities.	Implementation of WCSD in 10 additional municipalities.

**Physical asset management**

B) Immovable Assets							
Successful implementation of the Infrastructure Delivery Improvement Plan (IDIP).	% IDIP implemented in participating departments.	Successful implementation of IDIP in departments.	Not applicable.	Not applicable.	50% implemented in Education department.	100% completed in Education.	100% completed in Public Works.
	Number of reports from technical assistants timeously reviewed and endorsed by Provincial Treasury:	100% reports reviewed and endorsed by PT.	Not applicable.	Not applicable.	100% of deliverables for Education endorsed by PT.	50% implemented in Public Works (PW). 100% of deliverables for Public Works endorsed by PT.	Not applicable.
	Inception report.	Inception Report reviewed and endorsed.	Not applicable.	Not applicable.	Completed by: 31/10/05	Endorsed and reviewed by Public Works by 31/03/06	Maintenance against plan.
	Capacitation plan.	Capacitation plan reviewed and endorsed.	Not applicable.	Not applicable.	31/01/05	31/05/06 (PW)	
	Delivery management system report.	Management system report reviewed and endorsed	Not applicable.	Not applicable.	30/04/05	28/02/07 (PW)	
	Infrastructure Plan.	Infrastructure Plan reviewed and endorsed.	Not applicable.	Not applicable.	31/05/05	31/03/07	
	Implementation Plan.	Implementation plan reviewed and endorsed.	Not applicable.	Not applicable.	30/06/05	Not applicable.	30/06/07
	Contracting Arrangement Plan Service Level Agreement (SLA).	Contracting Arrangement Plan (SLA) reviewed and endorsed.	Not applicable.	Not applicable.	31/07/05	Not applicable.	31/08/07
	Number of meetings held for the year.	Provincial Programme Steering Committee (PPSC) meetings for monitoring of IDIP.	Not applicable.	Not applicable.	10 meetings held for the year.	10 meetings held for the year.	10 meetings held for the year.

**Sub-programme 3.2: Asset management**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Develop and implement Provincial Treasury instructions for the effective and efficient management of immovable assets.	Completion of Provincial Treasury Instructions developed for immovable asset registers, acquisitions, disposals, transfers and donations.	PT instructions pertaining to acquisitions, disposals, transfers and donations.	Not applicable.	Not applicable.	100 % completed.	100 % completed.	100 % completed.
	Number of workshops conducted on PT instruction on immovable assets.	Workshops conducted.	Not applicable.	Not applicable.	2 work-shops conducted on PT instructions on immovable assets.	1 work-shop conducted on PT instructions for immovable assets.	1 work-shop conducted on PT instructions for immovable assets.
Effective and efficient management of infrastructure delivery.	The percentage of project plans reviewed of R1 million and greater.	Project plans reviewed for infrastructure of R1 million and greater.	Not applicable.	Not applicable.	100% project plans reviewed.	100% project plans reviewed.	100% project plans reviewed.
	Number of infrastructure reports compiled and compliant to IDIP/ NT Guidelines.	Infrastructure reports in line with NT/IDIP guidelines.	Not applicable.	Not applicable.	10 infrastructure reports for the year.	10 infrastructure reports for the year.	10 infrastructure reports for the year.
To manage an efficient and effective unutilised Provincial Property Portfolio.	Updated database of unutilised immovable assets.	Comprehensive and updated list of unutilised properties.	Not applicable.	Not applicable.	100% achieved.	100% achieved.	100% achieved.
	Promotion of property developmental options identified in conjunction with Public Works and private sector.	List of properties for potential development.	Not applicable.	Not applicable.	Identification of one property for potential development.	Identification of two (2) properties for potential development.	Identification of two (2) properties for potential development.
	Monitoring of Public Works's disposal plan of obsolete/ redundant immovable assets.	Successful monitored disposal plan.	Not applicable.	Not applicable.	50% initiate/ action according to Public Works disposal list.	70% initiate/ action according to Public Works disposal list.	100% initiate/ action according to Public Works disposal list.
Credible immovable Asset Registers.	Percentage of relevant information pertaining to acquisitions, disposals, transfers, donations verified and accounted for on asset register.	Updated immovable asset register.	Not applicable.	Not applicable.	100% information verified with relevant documentation.	100% information verified with relevant documentation.	100% information verified with relevant documentation.

**Sub-programme 3.2: Asset management**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Cost effective leasing of immovable property.	Percentage of non market-related rentals identified and addressed with Public Works.	Market-related rentals levied on all provincial properties unless PT approves otherwise.	Not applicable.	Not applicable.	100% non market related rentals identified and addressed.	100% non market related rentals identified and addressed.	100% non market related rentals identified and addressed.
	Address outstanding debtors of 90 days and over with Public Works.	Debtors identified and corrective actions taken by Public Works.	Not applicable.	Not applicable.	100% of outstanding debtors identified and corrective actions taken.	100% of outstanding debtors identified and corrective actions taken.	100% of outstanding debtors identified and corrective actions taken.
Fully capacitated and functional immovable asset management unit.	Percentage of vacancies filled.	Vacancies filled in unit.	Not applicable.	Not applicable.	50% vacancies filled	100% vacancies filled.	100% vacancies filled.
	Percentage of specialists trained.	Adequately trained staff as property specialists according to IDP.	Not applicable.	Not applicable.	50% staff adequately trained.	100% staff adequately trained.	100% staff adequately trained.
Capacitated PT structures to catalyse the Public Private Partnership (PPP) drive.	Percentage of vacancies filled.	Vacancies filled in unit.	33% capacitated.	33% capacitated.	100% functional.	100% functional.	100% functional.
	Percentage of specialists trained.	Adequately trained staff according to IDP.	33% training achieved.	33% training achieved.	60% training achieved.	100% training achieved.	100% training achieved.
	Restructure unit.	Provincial PPP unit capably delivering on full set of regulatory requirements.	Not applicable.	Not applicable.	50% according to revised plan.	70% according to revised plan.	100% according to revised plan.
Facilitate, promote and support and in liaison with accounting officers implement PPP projects.	Monitor the application of the PPP processes.	Project compliance reviews.	Advise and provide input on revised feasibility study of Hermanus and Swellendam Hospitals Co location projects, Eerste River Hospital Facility Management project, Conradie Hospital Replacement project.	Advise and provide input on feasibility study and/or Request for Qualification (RFQ)/Request for Proposals (RFP) stages of Hermanus and Swellendam Hospitals Co location projects and Conradie Hospital Replacement project.	100% response to all PPP project requests pertaining to the PPP process, received.	100% response to all PPP project requests pertaining to the PPP process, received.	100% response to all PPP project requests pertaining to the PPP process, received.

**Sub-programme 3.2: Asset management**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
	Financially and contractually viable PPP projects.	Projects that are affordable, transfer appropriate risks to the private party and achieve value for money.	Not applicable.	Support approval for transaction advisor on Swellendam PPP projects and Conradie Hospital Replacement project	Support or reject approval of feasibility proposals for affordability, value for money and risk transfer perspectives for Eerste River Hospital.  Support/-reject procurement process for proposals on Lentegeur, Swellendam and Hermanus Hospital PPP projects.  Support/reject Treasury Approval III (TAIII) application for PPP agreement on Lentegeur Hospital PPP and Western Cape Nature Conservation Board PPP projects.	As identified and appropriate.	As identified and appropriate.
Facilitate PPP school project.	Develop pre-feasibility guideline on school PPP project.	Guideline documentation prepared.	Not applicable.	Project identified and advised on pre feasibility study.	100% completion by 30 June 2005.		
	Project registration.	Project logged.	Not applicable.	Not applicable.	Registered by 31 July 2005.		

**Sub-programme 3.2: Asset management**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
	Completion of feasibility study.	Feasibility study.	Not applicable.	Not applicable.	Not applicable.	Completed by 31 December 2006.	Support or reject identified and appropriate proposal sub-missions.
New PPP projects identified.	Identification of new PPP project from unutilised Provincial property portfolio.	Project identified.	Not applicable.	Not applicable.	1 New project identified.	1 New project identified.	1 New project identified.

**Sub-programme 3.3: Liabilities management**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Effective managed Provincial Revenue Fund (loan book).	Percentage achieved.	Provide for necessary funds to service loan agreements and / or guarantees.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	20% achieved.
	Percentage achieved.	Meeting of all due dates for repayment of loans and / or guarantees.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	100% achieved.
	Percentage achieved.	Refine cash flow to include such loan and/or guarantee repayments.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	100% achieved.
To strengthen and provide technical and strategic support for the institutional capacity of provincial and local government to ensure capacity with regard to liabilities management.	Percentage achieved.	Appoint suitably qualified personnel and build capacity amongst existing staff.	Not applicable.	Not applicable.	Not applicable.	50% achieved.	100% achieved.
	Percentage achieved.	Provincial Treasury to assist and / or establish suitable monitoring mechanisms for loans and for guarantees.	Not applicable.	Not applicable.	Not applicable.	50% compliance.	100% compliance.
Compliance to prescripts.	Percentage achieved.	All loans and / or guarantees are administered and repaid strictly in terms of relevant legislation.	Not applicable.	Not applicable.	Not applicable.	100% compliance.	100% compliance.
	Percentage achieved.	Accurate reporting in terms of annual financial statements of all loans and / or guarantees.	Not applicable.	Not applicable.	Not applicable.	100% achieved.	100% achieved.



**Sub-programme 3.3: Liabilities management**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Establish the necessary structures to ensure accurate reporting and servicing capabilities in respect of liabilities.	Percentage achieved.	Create and implement suitable mechanisms to facilitate accurate reporting, monitoring, administering and repayment of loans and/or guarantees.	Not applicable.	Not applicable.	Not applicable.	50% achieved.	100% achieved.

**Sub-programme 3.4: Supporting and interlinked financial systems**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Effectively, efficiently and economically implemented and managed financial systems.	The daily monitoring of the existing systems to ensure that all exceptions, rejections and audit reports are cleared within 7 days.	Acceptance by the Executive and the National Treasury of a policy framework dealing with the evolution and deployment of financial systems utilisation of LOGIS in all provincial departments.	As part of the TCF workgroup on a new Integrated Financial Management System, a position paper was completed by 31 December 2003.	Obtain approval from the TCF and Budget Council for phase 2 of the project.	100% compliance.	100% compliance.	100% compliance.
	The proper interfaces between sub-systems and BAS achieved.		Not applicable.	90% achieved.	100% achieved.	100% achieved.	100% achieved.
	Logistical information system (LOGIS) fully rolled out to the remaining 9 Institutions (5 Departments and 4 Health Institutions) and integrated into the supply chain management system with fully capacitated personnel.		21 sites successfully implemented.	7 sites successfully implemented.	9 institutions fully implemented.	Not applicable.	Not applicable.
	The roll out of Vulindlela (WEB application) to all departments, regions and institutions to ensure the availability of updated management information.	The availability of up to date management information.	Not applicable.	Not applicable.	100 % completion of the application to all 14 head office components of departments as well as 40 regional/ district offices.	100 % completion of the application to all provincial institutions.	Not applicable.

**Sub-programme 3.4: Supporting and interlinked financial systems**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
The smooth and cost-effective transition to the Integrated Financial Management Systems (IFMS).	<p>Provincial Treasury to play an integral role in planning, development, testing and implementation phases.</p> <p>Data preparation and implementation of the various IFMS modules.</p>	<p>All Western Cape user requirements accommodated and tested prior to implementation.</p> <p>Successful and smooth migration from the current to the new IFMS.</p>	<p>The compilation of user requirements for the IFMS.</p> <p>Not applicable.</p>	<p>Attendance of quarterly national workgroup on the IFMS.</p> <p>Not applicable.</p>	<p>On completion of phase 2 of the project, proceed with the planning, development and testing phases of the project.</p> <p>Not applicable.</p>	<p>The development and testing of the SCM module of IFMS and the further planning of the remaining modules.</p> <p>Not applicable.</p>	<p>Implementation phase of the SCM module and development of the remaining IFMS modules.</p> <p>100% achievement of the data preparation of the 71 current Logis sites as well as the 3 Central Hospitals and commencement of the migration to the new SCM module of IFMS.</p> <p>Possible re-training of 2000 core and non-core users depending on the complexity of the proposed application.</p>
Availability stability and accessibility of existing financial systems.	Availability and stability of existing financial systems to ensure an up-time of at least 95%.	Ensure availability of the systems and information.	97% up-time.	96% up-time.	95% up-time.	95% up-time.	95% up-time.
System functionalities comply to norms and standards.	Needs assessment conducted and enhancements effected.	User requirements timeously addressed.	User requirements timeously addressed and implemented.	User requirements timeously addressed and implemented.	All user requirements submitted to National Treasury and rolled out within 2 weeks after release.	All user requirements submitted to National Treasury and rolled out within 2 weeks after release.	All user requirements submitted to National Treasury and rolled out within 2 weeks after release.

**Sub-programme 3.4: Supporting and interlinked financial systems**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Fully skilled and capacitated system users.	Fully operational helpdesk managed by skilled staff rendering service to 7000 users.  Percentage officials appropriately trained on the various financial systems of a target market of 7000.	Ensure effective user support to all users.  Provide functional financial training according to an approved training programme and in the case of BAS, PERSAL, Vulindlela and LOGIS according to the project plans.	100% accessibility and availability of the helpdesk on a daily basis.  1346 LOGIS and 1600 BAS users trained.	100% accessibility and availability of the helpdesk on a daily basis  50% of target market.	100% accessibility and availability of the helpdesk on a daily basis.  70% of target market.	100% accessibility and availability of the helpdesk on a daily basis.  90% of target market.	100% accessibility and availability of the helpdesk on a daily basis.  90% of target market.
A cost effective system.	Percentage deviation between actual expenditure and approved budget.	Optimal management of cost drivers of all State Information Technology Agency (SITA) accounts to stay within budget.	Not applicable.	Expenditure within approved budget.	No more than 2% deviation between actual expenditure and approved budget.	No more than 2% deviation between actual expenditure and approved budget.	No more than 2% deviation between actual expenditure and approved budget.

**Table 6.3 Summary of payments and estimates – Programme 3: Asset and liabilities management**

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04				% Change from Revised estimate			
				Main appro- piation 2004/05	Adjusted appro- piation 2004/05	Revised estimate 2004/05	2005/06	2004/05	2006/07	2007/08
1. Programme support							974		1 024	1 075
2. Asset management	3 683	4 481	5 599	7 379	6 182	5 653	6 538	15.66	9 151	9 289
3. Liabilities management							1		1	1
4. Supporting and interlinked financial systems	10 804	14 467	16 335	37 897	39 349	38 983	41 644	6.83	38 608	40 538
Total payments and estimates	14 487	18 948	21 934	45 276	45 531	44 636	49 157	10.13	48 784	50 903

**Table 6.3.1 Summary of provincial payments and estimates by economic classification – Programme 3: Asset and liabilities management**

Economic classification R'000	Outcome						Medium-term estimate			
							% Change from Revised estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04	Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	2005/06	2004/05	2006/07	2007/08
Current payments	13 759	15 628	14 167	40 104	40 820	40 543	48 948	20.73	48 567	50 675
Compensation of employees	7 276	8 593	8 940	14 278	9 005	8 605	13 262	54.12	13 102	13 757
Goods and services	6 483	7 035	5 227	25 826	31 815	31 938	35 686	11.74	35 465	36 918
Interest and rent on land										
Financial transactions in assets and liabilities										
Unauthorised expenditure										
Transfers and subsidies to	18	21	21	27	22	26	32	23.08	31	33
Provinces and municipalities	18	21	21	27	22	26	32	23.08	31	33
Departmental agencies and accounts										
Universities and technikons										
Public corporations and private enterprises										
Foreign governments and international organisations										
Non-profit institutions										
Households										
Payments for capital assets	710	3 299	7 746	5 145	4 689	4 067	177	( 95.65)	186	195
Buildings and other fixed structures										
Machinery and equipment	710	3 299	7 746	5 145	4 689	4 067	177	( 95.65)	186	195
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
Total economic classification	14 487	18 948	21 934	45 276	45 531	44 636	49 157	10.13	48 784	50 903

## **Programme 4: Financial Governance**

**Purpose:** To promote accountability through substantive reflection of financial activities of the province as well as compliance with financial norms and standards.

### **Analysis per sub-programme:**

#### **Sub-programme 4.1: Programme support**

to facilitate the efficient and coordinated administration and management of the programme

#### **Sub-programme 4.2: Accounting services**

to ensure the effective implementation of accounting practices in line with Generally Recognised Accounting Practice; prepare consolidated financial statements that reflect the financial position of the province

#### **Sub-programme 4.3: Norms and standards**

to develop, implement and monitor compliance with financial norms and standards

to ensure effective communication and information management

#### **Sub-programme 4.4: Risk management**

to facilitate the establishment of risk management capacity and financial governance systems in the Provincial Government

#### **Sub-programme 4.5: Provincial internal audit**

to perform risk-based internal audit services and coordinate the activities of internal audit committees

### **Policy developments:**

In ensuring a progressive and sustainable achievement of substantive compliance to the Public Finance Management Act, 1999, a new component, Financial governance, was established in August 2003. The component's aim is to enhance performance oriented financial management through setting of norms and standards and to monitor achievement thereof, effective internal and external communication and instituting effective internal audit processes. During the year further effort would be made to enhance corporate governance and risk management in the Provincial Government Western Cape (PGWC) to contribute towards effective financial governance.

### **Changes: policy, structure, service establishment, etc. Geographic distribution of services:**

Due to limited internal capacity and the risks inherent in the PGWC which has an estimated annual budget of around R16 billion and a staff compliment of approximately 68 000 officials, it was decided to co-source the internal audit service. A further benefit would also be that the compilation of inherent risk assessments and effective internal audit services would result in efficiency gains which would augment the limited financial resources of the PGWC.

### **Expenditure trends analysis:**

This programme was established in 2003/04 during the transformation of the Provincial Treasury, with amongst others the shift of the sub-programme Internal audit from the Department of the Provincial Administration (now known as Department of the Premier) to the Provincial Treasury and consisted of two sub-programmes namely, Financial management and communication and Internal audit development. To cater for the extended functions of this programme, it has been restructured and currently consist of five sub-programmes namely, Programme support, Accounting services, Norms and standards, Risk management and Provincial internal audit of which all provide for the implementation of the Municipal Finance Management Act (MFMA). The co-sourced internal audit service and four Audit Committees will only become fully operational during the 2004/05 - 2006/07 period while it is expected that expenditure will on average increase with just over 10,8% per annum over this period or 8,7% for the new MTEF period. The increase from R8,863 million in 2003/04 to R28,753 million in 2004/05 (revised estimate) is an indication of the phasing in of the functions of this programme to become fully operational over the MTEF.

## Service delivery measures:

### PROGRAMME 4: FINANCIAL GOVERNANCE

#### Sub-programme 4.1: Programme support

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Smooth and effective functioning of the component.	Percentage compliance.	Compliance with relevant rules and regulations.	Not applicable.	Not applicable.	100% compliance.	100% compliance.	100% compliance.
	Percentage compliance.	Compliance to acceptable norms/standards of service delivery.	Not applicable.	Not applicable.	70% achieved.	100% achieved.	100% achieved.
	Hours turn around time.	Short turn around time for management of operational finances and human resource and other logistical issues.	Not applicable.	48 hours	48 hours	24 hours	24 hours
Trained and capacitated administrative support and line function staff.	Number of vacant posts filled.	Vacant post filled.	Not applicable.	Not applicable.	50% achieved.	100% achieved.	100% achieved.
	Percentage of staff complement trained.	Training according to IDPs.	Not applicable.	Not applicable.	50% achieved.	100% achieved.	100% achieved.
Achievement of iKapa Elihlumayo goals.	Percentage support rendered.	Support and promotion of goals in work environment.	Not applicable.	Not applicable.	100% support achieved.	100% support achieved.	100% support achieved.
	Percentage procurement in terms of BEE.	Procurement to achieve optimal BEE targets.	Not applicable.	Not applicable.	40%	50%	60%

#### Sub-programme 4.2: Accounting services

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
All transactions recorded and Financial Statements in line with formats and guidelines.	Compliance with statutory due dates and timely corrective measures.	Documented programme communicating procedures and due dates. Documented monitoring mechanism.	100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.
	Percentage qualified Auditor-General reports.	Unqualified Auditor-general reports.	<10% qualified.	<10% qualified.	Analyse reports of Auditor-General and take corrective steps.	Analyse reports of Auditor-General and take corrective steps.	Analyse reports of Auditor-General and take corrective steps.
	Percentage compliance with Generally Recognised Accounting Practice (GRAP) requirements.	Statements in terms of GRAP.	100% compliance.	100% compliance.	100% compliance.	100% compliance.	100% compliance.

**Sub-programme 4.2: Accounting services**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
	Accounting procedures to be established to close down the Western Cape Housing Development Fund and Provincial Capital Fund Ordinance, 1962 (Ordinance 3 of 1962).	Balances cleared.	Accounting procedures to be established.	Accounting procedures to be established.	Accounting procedures to be established.	Finalised.	Finalised.
	Roll out Standard Chart of Accounts (SCoA) to public entities.	SCoA Functional.	National Treasury advised of requirement of Province.	Roll-out.	Monitor.	Monitor.	Monitor.
	Clear old balances inherited from previous government dispensations.	Balances cleared.	Balances transferred to Provincial Treasury (Department U7).	Accounts on Provincial Treasury (Department U7) followed up.	Accounts on Provincial Treasury (Department U7) followed up.	Accounts on Provincial Treasury (Department U7) followed up.	Finalised.
Financial data analysed and interpreted.	Percentage compliance with and a 18 day turn around time for Provincial Treasury's interpretive narrative responses on departmental in-year monitoring reports.	Monthly input towards Provincial Treasury narrative report.	Target achieved.	Target achieved.	Target achieved.	Target achieved.	Target achieved.
	Produce an Accounting Review within deadline.	Annual Accounting Review.	Publish November.	Publish November.	Publish November.	Publish November.	Publish November.
	Provide training on the interpretation of annual financial statements to CFO's.	Chief Financial Officer (CFO's) trained.	Target achieved.	Target achieved.	Target achieved.	Target achieved.	Target achieved.
	Improve the disclosure of the values of PPP BEE and infrastructure transactions in terms of Revenue, Expenditure, Assets and Liabilities (REAL).	Disclosures notes included in Annual Financial Statements (AFS).	Not applicable.	Not applicable.	Disclosure notes developed.	Disclosure notes introduced.	Disclosure notes assessed.
	Percentage compliance with statutory due dates and timely corrective measures.	Documented programme communicating procedures and due dates. Documented monitoring mechanism.	100%	100%	100%	100%	100%

**Sub-programme 4.3: Norms and standards**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Determination and implementation of financial management norms and standards to facilitate excellence in service delivery.	<p>The assessment of both nominal and substantive compliance in departments, public entities and municipalities.</p> <p>Percentage compliance with National Treasury guidelines on annual reports.</p> <p>Compilation and issuing of generic norms and standards to address deficiencies identified in internal audit reports.</p>	<p>Normative questionnaire. Assessment report.</p> <p>Documented programme communicating procedures and due dates.</p> <p>Documented monitoring mechanism.</p> <p>Issued Provincial Treasury Instructions, guidelines or practice notes.</p>	<p>95% nominal compliance.</p> <p>100% compliance.</p> <p>Not applicable.</p>	<p>98% nominal compliance and 30% substantive compliance with set benchmarks.</p> <p>100% compliance.</p> <p>15%</p>	<p>100% nominal compliance and 45% substantive compliance with set benchmarks.</p> <p>100% compliance.</p> <p>25%</p>	<p>100% nominal compliance and 60% substantive compliance with set benchmarks.</p> <p>100% compliance.</p> <p>35%</p>	<p>100% nominal compliance and 80% substantive compliance with set benchmarks.</p> <p>100% compliance.</p> <p>45%</p>
Ensuring the existence of an appropriate and dynamic financial legislative framework.	<p>The assessment and proposal of amendments to financial legislation to ensure continued relevance.</p> <p>Compilation and maintenance of a database of all financial legislation and associated instructions and directives.</p>	<p>Amended legislation or new legislation promulgated.</p> <p>Functional database.</p>	<p>100% wrt proposed financial legislation.</p> <p>Not applicable.</p>	<p>100% wrt proposed financial legislation.</p> <p>60% completion.</p>	<p>100% wrt proposed financial legislation and 15% wrt existing financial legislation.</p> <p>100% completion.</p>	<p>100% wrt proposed financial legislation and 15% wrt existing financial legislation.</p> <p>Database updated.</p>	<p>100% wrt proposed financial legislation and 15% wrt existing financial legislation.</p> <p>Database updated.</p>
Phasing in the Provincial Treasury's normative responsibilities of the Local Government: Municipal Finance Management Act, 2003.	<p>Percentage nominal and substantive compliance by municipalities.</p> <p>Percentage nominal and substantive compliance by provincial departments.</p> <p>Percentage development of municipal capacity.</p>	<p>Normative questionnaire. Assessment report.</p> <p>Normative questionnaire. Assessment report.</p> <p>Developed capacity building programme.</p>	<p>Not applicable.</p> <p>Not applicable.</p> <p>Not applicable.</p>	<p>Not applicable.</p> <p>Not applicable.</p> <p>Not applicable.</p>	<p>40% nominal compliance.</p> <p>40% nominal compliance.</p> <p>50% functional.</p>	<p>60% nominal compliance.</p> <p>60% nominal compliance.</p> <p>70% functional.</p>	<p>80% nominal compliance.</p> <p>80% nominal compliance.</p> <p>90% functional.</p>



**Sub-programme 4.3: Norms and standards**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
<b>Information Management and Communication</b>							
Effective internal and external communication systems and strategies.	Number of informed citizens.	Documented strategy.	Not applicable.	580 000 households.	700 000 households.	1 million households.	1.2 million households.
	Level of informed Provincial Government personnel.	Documented strategy.	SMS staff.	All middle management.	All staff.	All staff.	All staff.
Effective information management.	Establish Provincial Treasury database.	Functional database.	Not applicable.	Start preparation.	Implement with norms.	Updated database.	Updated database.

**Sub-programme 4.4: Risk management**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Developed and implemented risk management and government governance capacity within the provincial government.	Departments have approved risk management structures.	Organisational structures approved by Cabinet.	Not applicable.	Not applicable.	All departments with approved structures.	All departments with approved structures and 50% capacitated.	All departments with approved structures and 100% capacitated.
	Percentage departmental risk management staff trained in RM framework and all existing tools.	Documented training manuals and training programme.	Not applicable.	Not applicable.	70% trained in all aspects.	100% trained in all aspects.	100% trained in all aspects.
	Percentage nominal compliance by all departments with the risk management framework.	Normative questionnaire. Assessment report.	Not applicable.	Not applicable.	50% nominal compliance.	100% nominal compliance.	100% nominal compliance.
	Percentage nominal compliance by all departments with the government governance framework.	Normative questionnaire Assessment report.	Not applicable.	Not applicable.	70% nominal compliance.	100% nominal compliance.	100% nominal compliance.
Facilitation of residual risk assessments and the availability of a risk profile per department	Percentage risk assessments reviewed within departments	Annually updated Risk Management Plan.	Not applicable.	Not applicable.	100%	100%	100%
	Percentage process and control maps completed per department.	Updated Risk Management database.	Not applicable.	20% of processes mapped.	80% of processes mapped.	100% of processes mapped.	100% of processes mapped.

**Sub-programme 4.4: Risk management**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
	Percentage accounting Officers are supplied with updated risk profiles.	Annually updated Risk Management report.	Not applicable.	100% of departments	100% of departments	100% of departments	100% of departments
The provision of a consolidated risk profile for the provincial government as a whole and the ensuring of risk response strategies to mitigate transversal risks.	Existence of a consolidated risk profile for PGWC.	Functional consolidated Enterprise Risk Assessor (ERA) database.	Not applicable.	Not applicable.		100% of departments included in consolidation.	100% of departments included in consolidation.
	Transversal risks identified and allocated to transversal risk owners.	Transversal Risk report.	Not applicable.	Not applicable.	50% transversal risks allocated.	70% transversal risks allocated.	100% transversal risks allocated.

**Sub-programme 4.5: Provincial internal audit**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Risk-based internal audit services.	Performance of internal audit work as approved by the relevant Audit Committee.	Audit reports and quarterly and annual progress reports to the Audit Committee.	100% of audit work performed as approved by Audit Committee, however limited audit coverage achieved due to function shift and allocation of IA tender.	100% of audit work performed as approved by Audit Committee.	100% of audit work performed as approved by Audit Committee.	100% of audit work performed as approved by Audit Committee.	100% of audit work performed as approved by Audit Committee.
	Percentage of audit findings accepted by management.	Quality assured audit reports.	75% of audit findings accepted by management.	80% of audit findings accepted by management.	90% of audit findings accepted by management.	100% of audit findings accepted by management.	100% of audit findings accepted by management.
	Fully compliant external Quality Assurance Review report of the Provincial Internal Audit Function by the Institute of Internal Audit (IIA) (SA).	Quality assurance review report.	Not applicable.	Not applicable.	Not applicable.	Report submitted.	Report submitted.

**Sub-programme 4.5: Provincial internal audit**

Measurable objective	Performance measure	Output	Year-1 2003/04 (actual)	Base year 2004/05 (estimate)	Year 1 2005/06 (target)	Year 2 2006/07 (target)	Year 3 2007/08 (target)
Building internal capacity to take over activities of the Internal Audit work from the current service provider and re-engineering the internal audit organisational fit.	Percentage of posts filled.	Approved amended organisational structure.	38% of posts filled (Based on current structure).	38% of posts filled (Based on current structure).	50% of posts filled (Based on new organisational fit).	70% of posts filled (Based on new organisational fit).	100% of posts filled (Based on new organisational fit).
Fully functional, competent and independent Audit Committees under whose guidance and control Internal Audit resorts.	Number of audit plans approved and audit committee reports issued.	Approved internal audit plans.  Annual audit committee reports in departmental annual reports.	9 departments.  All departments.	5 departments.  All departments.	All departments.  All departments.	All departments.  All departments.	All departments.  All departments.
Close cooperation and coordination between all assurance providers to prevent duplication of effort.	Number of meetings and quarterly progress reports to audit committees.	Annual Strategic Planning Session and monthly meetings between assurance providers.  Quarterly progress reports by all assurance providers to the relevant Audit Committees.	3 liaison and coordination meetings per year.  Not applicable.	4 liaison and coordination meetings per year.  Not applicable.	10 liaison and coordination meetings per year.  3 quarterly and 1 annual report.	10 liaison and coordination meetings per year.  3 quarterly and 1 annual report.	10 liaison and coordination meetings per year.  3 quarterly and 1 annual report.

**Table 6.4 Summary of payments and estimates – Programme 4: Financial governance**

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04				Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	% Change from Revised estimate
				2005/06	2004/05	2006/07				2007/08
1. Programme support							1 063		1 117	1 173
2. Accounting services	5 101	3 779	1 815	2 471	2 218	2 185	2 980	36.38	3 872	3 882
3. Norms and standards			1 183	3 947	5 913	5 467	6 878	25.81	8 497	8 922
4. Risk management							2 547		2 677	2 811
5. Provincial internal audit	3 056	4 493	5 865	19 524	21 429	21 101	19 146	(9.26)	19 153	20 111
Total payments and estimates	8 157	8 272	8 863	25 942	29 560	28 753	32 614	13.43	35 316	36 899

**Table 6.4.1 Summary of provincial payments and estimates by economic classification – Programme 4: Financial governance**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04				% Change from Revised estimate			
				Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	2005/06	2004/05	2006/07	2007/08
Current payments	8 099	7 946	8 848	25 925	28 833	28 026	31 614	12.80	34 264	35 795
Compensation of employees	4 400	2 397	4 844	10 214	7 143	6 790	11 912	75.43	12 245	12 858
Goods and services	3 699	5 549	4 004	15 711	21 690	21 236	19 702	( 7.22)	22 019	22 937
Interest and rent on land										
Financial transactions in assets and liabilities										
Unauthorised expenditure										
Transfers and subsidies to	11	4	6	17	18	17	28	64.71	30	32
Provinces and municipalities	11	4	6	17	18	17	28	64.71	30	32
Departmental agencies and accounts										
Universities and technikons										
Public corporations and private enterprises										
Foreign governments and international organisations										
Non-profit institutions										
Households										
Payments for capital assets	47	321	9		710	710	972	36.90	1 022	1 072
Buildings and other fixed structures										
Machinery and equipment	47	321	9				155		163	171
Cultivated assets										
Software and other intangible assets					710	710	817	15.07	859	901
Land and subsoil assets										
Total economic classification	8 157	8 272	8 863	25 942	29 560	28 753	32 614	13.43	35 316	36 899

## 7. Other programme information

### Personnel numbers and costs

Table 7.1 Personnel numbers and costs

Programme R'000	As at 31 March 2002	As at 31 March 2003	As at 31 March 2004	As at 31 March 2005	As at 31 March 2006	As at 31 March 2007	As at 31 March 2008
1. Administration	103	66	67	58	77	77	77
2. Sustainable resource management	28	28	24	33	51	87	87
3. Asset and liabilities management	58	61	55	49	56	81	81
4. Financial governance	13	15	25	34	55	67	67
<b>Total personnel numbers</b>	<b>202</b>	<b>170</b>	<b>171</b>	<b>174</b>	<b>239</b>	<b>312</b>	<b>312</b>
Total personnel cost (R'000)	28 408	30 231	29 974	35 270	52 503	54 038	56 741
Unit cost (R'000)	141	178	175	203	220	173	182

### Training

Table 7.2 Payments on training

Programme R'000	Outcome						Medium-term estimate			
				Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	% Change from Revised estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04				2005/06	2004/05	2006/07	2007/08
1. Administration	11	599	571	703	425	425	335	(21.25)	351	369
<i>of which</i>										
Subsistence and travel										
Payments on tuition	11	599	571	703	425	425	335	(21.25)	351	369
Other										
2. Sustainable resource management							40		42	44
<i>of which</i>										
Subsistence and travel										
Payments on tuition							40		42	44
Other										
3. Asset and liabilities management							30		32	33
<i>of which</i>										
Subsistence and travel										
Payments on tuition							30		32	33
Other										
4. Financial governance							52		55	57
<i>of which</i>										
Subsistence and travel										
Payments on tuition							52		55	57
Other										
<b>Total payments on training</b>	<b>11</b>	<b>599</b>	<b>571</b>	<b>703</b>	<b>425</b>	<b>425</b>	<b>457</b>	<b>7.46</b>	<b>479</b>	<b>503</b>

Note: Human resource development was centralised under programme 1 until 2004/05.

**Table 7.3 Information on training**

Description	Outcome						Medium-term estimate			
							% Change from Revised estimate			
	2001/02	2002/03	2003/04	Main appropriation 2004/05	Adjusted appropriation 2004/05	Revised estimate 2004/05	2005/06	2004/05	2006/07	2007/08
Number of staff	202	170	171	218	227	174	239	37.36	312	312
Number of personnel trained		233	141	165	165	165	205	24.24	237	237
<i>of which</i>										
Male		90	78	86	86	86	106	23.26	124	124
Female		143	63	79	79	79	99	25.32	113	113
Number of training opportunities			104	115	115	115	144	25.22	166	166
<i>of which</i>										
Tertiary			46	50	50	50	62	24.00	85	95
Workshops			18	21	21	21	45	114.29	29	20
Seminars			15	20	20	20	22	10.00	27	26
Other			25	24	24	24	15	(37.50)	25	25
Number of bursaries offered		34	54	50	70	70	91	30.00	121	157
Number of interns appointed		6	6	6	6	6	6		6	6
Number of learnerships appointed		28	22	10	10	10	10		10	10
Number of days spent on training		312	431	412	412	412	550	33.50	620	680

## Reconciliation of structural changes

**Table 7.4 Reconciliation of structural changes**

Programme for 2004/05			Programme for 2005/06		
Programme R'000	2005/06 Equivalent		Programme R'000	Pro- gramme	Sub-pro- gramme
	Pro- gramme	Sub-pro- gramme			
1. Administration	22 100		1. Administration	26 284	
1.1 Office of the minister		3 121	1.1 Office of the minister		3 501
1.2 Financial management and specialised support services		13 090	1.2 Management services		2 535
1.3 Human resource management		5 889	1.3 Corporate services		7 617
			1.4 Financial management		12 631
2. Financial governance	27 342		2. Sustainable resource management	17 859	
2.1 Normative financial management		5 913	2.1 Programme support		2 041
2.2 Internal audit		21 429	2.2 Economic analysis		2 671
			2.3 Fiscal policy		4 141
			2.4 Budget management		3 329
			2.5 Public finance		5 677
3. Resource management	6 946		3. Assets and liabilities management	49 157	
3.1 Budget Office		2 704	3.1 Programme support		974
3.2 Macro economic analysis		1 713	3.2 Asset management		6 538
3.3 Resource acquisition		2 529	3.3 Liabilities management		1
3.4 Western cape gambling and racing board			3.4 Supporting interlinked financial systems		41 644
4. Public finance and accounting	7 060		4. Financial governance	32 614	
4.1 Provincial government finance		3 143	4.1 Programme support		1 063
4.2 Local government finance		1 699	4.2 Accounting services		2 980
4.3 Financial accounting and reporting		2 218	4.3 Norms and Standards		6 878
			4.4 Risk management		1 730
			4.5 Provincial internal audit		19 963
5. Asset management	45 531				
5.1 Supply chain management		4 452			
5.2 Public private partnership		617			
5.3 Financial asset management		1 113			
5.4 Financial systems		39 349			
6. Contingency provision	1				
<b>Total</b>	108 980			125 914	

Table B.1 Specification of receipts

Receipts R'000	Outcome						Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04				% Change from Revised estimate			
				Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	2005/06	2004/05	2006/07	2007/08
Tax receipts	110 906	133 093	146 349	108 970	108 970	161 339	182 281	12.98	190 195	198 505
Casino taxes	85 630	111 079	132 640	98 000	98 000	147 055	168 281	14.43	176 195	184 505
Motor vehicle licences										
Horseracing	24 795	21 345	13 004	10 300	10 300	13 614	14 000	2.84	14 000	14 000
Other taxes	481	669	705	670	670	670		(100.00)		
Sales of goods and services other than capital assets	339	5 197	23	15	15	28	15	(46.43)	15	15
Sales of goods and services produced by department (excluding capital assets)	339	5 197	23	15	15	28	15	(46.43)	15	15
Sales by market establishments										
Administrative fees	326	5 182	8	15	15	28	15	(46.43)	15	15
Other sales	13	15	15							
Of which										
Boarding & Lodging										
Commission on insurance										
External exams										
Health patient fees										
House rent										
Lab services										
Letting of property										
Lost library books										
Miscellaneous Capital Receipts										
Parking										
Registration, tuition & exam fees										
Sales of agricultural products										
Sales										
Sport gatherings										
Subsidised Motor Transport										
Tender documentation										
Trading account surplus										
Tuition fees										
Vehicle repair service										
Other	13	15	15							
Sales of scrap, waste, arms and other used current goods (excluding capital assets)										



Table B.1 Specification of receipts (*continued*)

Receipts R'000	Outcome			Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04				% Change from Revised estimate 2005/06	2004/05	2006/07	2007/08
<b>Transfers received from</b>	2 024	552	1 627	1	1	5	1	(80.00)	1	1
Other governmental units	1 993	551	1 627							
Universities and technikons										
Foreign governments										
International organisations										
Public corporations and private										
Households and non-profit	31	1		1	1	5	1	(80.00)	1	1
institutions										
<b>Fines, penalties and forfeits</b>	262	232	314			183		(100.00)		
<b>Interest, dividends and rent on land</b>	184 911	250 133	240 621	61 572	61 572	137 089	<b>103 244</b>	(24.69)	91 696	102 378
Interest	184 911	250 133	240 621	61 572	61 572	137 089	<b>103 244</b>	(24.69)	91 696	102 378
Dividends										
Rent on land										
<b>Sales of capital assets</b>										
Land and subsoil assets										
Other capital assets										
<b>Financial transactions in assets and liabilities</b>										
<b>Total departmental receipts</b>	298 442	389 207	388 934	170 558	170 558	298 644	<b>285 541</b>	(4.39)	281 907	300 899

Table B.2 Summary of payments and estimates by economic classification

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04				% Change from Revised estimate			
				Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	2005/06	2004/05	2006/07	2007/08
Current payments	43 970	51 139	50 354	104 941	102 744	101 230	124 277	22.77	138 357	143 535
Compensation of employees	28 408	30 231	29 974	48 341	36 062	35 270	52 503	48.86	54 038	56 741
Salaries and wages	21 073	25 504	24 373	41 426	31 166	30 302	45 608	50.51	46 792	49 132
Social contributions	7 335	4 727	5 601	6 915	4 896	4 968	6 895	38.79	7 246	7 609
Goods and services	15 553	20 700	20 380	56 600	66 682	65 960	71 774	8.81	84 319	86 794
Of which										
Specify item										
Animal feed										
Audit fees	1 533	1 434	2 600	778	3 126	2 143	3 648	70.23	3 833	4 025
Audit fees: external										
Communication										
Computer equipment							1 094		99	104
Consultancy fees										
Consultants and specialised services	4 769	8 055	10 232	25 306	26 263	23 661	25 998	9.88	24 182	26 509
Consumables										
Contractors										
Contribution to Parmed										
Educational materials										
Infrastructure										
Inventory										
IT (Data lines)				20 693	26 648	26 922	27 198	1.03	28 585	30 015
Legal fees										
Library material										
Machinery and equipment										
Maintenance and repairs and running cost										
Medical Aid in respect of continuation members										
Medical services										
Medical supplies										
Medicine										
Operating leases	77	208	264	180	298	321	300	(6.54)	315	331
Owned and leasehold property										
Printing and publications	272	518	300	531	682	538	813	51.12	855	898
Scholar transport										
Sport and Recreation Equipment										
Training	11	599	423	399	158	122	191	56.56	201	210
Transport										
Travel and subsistence	787	1 684	2 142	2 745	2 662	2 444	2 530	3.52	2 657	2 791
Utilities (municipal services)										
Veterinary supplies										
Other										
Interest and rent on land										
Interest										
Rent on land										
Financial transactions in assets and liabilities	9	208								
Unauthorised expenditure										

Table B.2 Summary of payments and estimates by economic classification (continued)

Economic classification R'000	Outcome			Main appropriation 2004/05	Adjusted appropriation 2004/05	Revised estimate 2004/05	Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04				% Change from Revised estimate 2004/05	2005/06	2006/07	2007/08
<b>Transfers and subsidies to</b>	6 069	4 122	4 915	3 318	321	314	176	(43.95)	183	193
Provinces and municipalities	69	70	67	86	92	91	126	38.46	130	138
Provinces										
Provincial agencies and funds										
Municipalities	69	70	67	86	92	91	126	38.46	130	138
Municipalities	69	70	67	86	92	91	126	38.46	130	138
of which										
Regional services council levies	69	70	67	86	92	91	126	38.46	130	138
Municipal agencies and funds										
Departmental agencies and accounts	6 000	4 000	4 700	2 928	150	150	50	(66.67)	53	55
Social security funds										
Provide list of entities receiving transfers										
CMD Capital Augmentation										
Conservation Board										
Heritage Western Cape										
Environmental Commissioner										
Independent Development Trust										
SETA				343	150	150	50	(66.67)	53	55
Western Cape Cultural Commission										
Western Cape Gambling and Racing Board	6 000	4 000	4 700	2 585						
Western Cape Language Committee										
Western Cape Nature										
Universities and technikons										
Public corporations and private enterprises										
Public corporations										
Subsidies on production										
Other transfers										
Private enterprises										
Subsidies on production										
Other transfers										
Foreign governments and international organisations										
Non-profit institutions										
Households		52	148	304	79	73		(100.00)		
Social benefits										
Other transfers to households		52	148	304	79	73		(100.00)		
<b>Payments for capital assets</b>	1 237	5 272	10 152	5 427	5 916	5 383	1 461	(72.86)	1 537	1 612
Buildings and other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment	1 237	5 272	10 152	5 427	5 206	4 673	644	(86.22)	678	711
Transport equipment										
Other machinery and equipment	1 237	5 272	10 152	5 427	5 206	4 673	644	(86.22)	678	711
Cultivated assets										
Software and other intangible assets					710	710	817	15.07	859	901
Land and subsoil assets										
<b>Total economic classification</b>	51 276	60 533	65 421	113 686	108 980	106 927	125 914	17.76	140 077	145 340

Table B.2.1 Payments and estimates by economic classification – Programme 1: Administration

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04				% Change from Revised estimate			
				Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	2005/06	2004/05	2006/07	2007/08
Current payments	17 248	19 437	17 614	21 567	21 326	20 750	25 994	25.27	26 987	29 155
Compensation of employees	12 775	13 890	11 338	13 975	11 917	11 764	14 111	19.95	14 799	15 539
Salaries and wages	9 107	11 986	9 819	11 761	10 397	10 122	12 205	20.58	12 796	13 436
Social contributions	3 668	1 904	1 519	2 214	1 520	1 642	1 906	16.08	2 003	2 103
Goods and services	4 464	5 544	6 276	7 592	9 409	8 986	11 883	32.24	12 188	13 616
Of which										
Specify item										
Animal feed										
Audit fees	1 533	1 434	1 260		2 348	1 422	3 616	154.29	3 800	3 990
Audit fees: external										
Communication										
Computer equipment										
Consultancy fees										
Consultants and specialised services	113	977	676	2 004	1 967	555	1 844	232.25	1 940	3 155
Consumables										
Contractors										
Contribution to Parmed										
Educational materials										
Infrastructure										
Inventory										
IT (Data lines)										
Legal fees										
Library material										
Machinery and equipment										
Maintenance and repairs and running cost										
Medical Aid in respect of continuation members										
Medical services										
Medical supplies										
Medicine										
Operating leases	77	208	264	180	298	321	300	(6.54)	315	331
Owned and leasehold property										
Printing and publications	272	518	300	531	682	538	813	51.12	855	898
Scholar transport										
Sport and Recreation Equipment										
Training	11	599	423	399	158	122	51	(58.20)	54	56
Transport										
Travel and subsistence	486	903	715	1 203	1 366	1 131	1 308	15.65	1 375	1 445
Utilities (municipal services)										
Veterinary supplies										
Other										
Interest and rent on land										
Interest										
Rent on land										
Financial transactions in assets and liabilities	9	3								
Unauthorised expenditure										

Table B.2.1 Payments and estimates by economic classification – Programme 1: Administration (continued)

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04				% Change from Revised estimate			
				2005/06	2004/05	2006/07	2007/08			
Transfers and subsidies to	30	86	176	671	258	251	84	(66.53)	89	93
Provinces and municipalities	30	34	28	24	29	28	34	21.43	36	38
Provinces										
Provincial agencies and funds										
Provincial agencies and funds										
Municipalities	30	34	28	24	29	28	34	21.43	36	38
Municipalities	30	34	28	24	29	28	34	21.43	36	38
of which										
Regional services council levies	30	34	28	24	29	28	34	21.43	36	38
Municipal agencies and funds										
Departmental agencies and accounts				343	150	150	50	(66.67)	53	55
Social security funds										
Provide list of entities receiving transfers										
CMD Capital Augmentation										
Conservation Board										
Heritage Western Cape										
Environmental Commissioner										
Independent Development Trust										
SETA				343	150	150	50	(66.67)	53	55
Western Cape Cultural Commission										
Western Cape Gambling and Racing Board										
Western Cape Language Committee										
Western Cape Nature										
Universities and technikons										
Public corporations and private enterprises										
Public corporations										
Subsidies on production										
Other transfers										
Private enterprises										
Subsidies on production										
Other transfers										
Foreign governments and international organisations										
Non-profit institutions										
Households		52	148	304	79	73		(100.00)		
Social benefits										
Other transfers to households		52	148	304	79	73		(100.00)		
Payments for capital assets	407	1 283	2 397	282	517	606	206	(66.01)	217	228
Buildings and other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment	407	1 283	2 397	282	517	606	206	(66.01)	217	228
Transport equipment										
Other machinery and equipment	407	1 283	2 397	282	517	606	206	(66.01)	217	228
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
Total economic classification	17 685	20 806	20 187	22 520	22 101	21 607	26 284	21.65	27 293	29 476

**Table B.2.2 Payments and estimates by economic classification – Programme 2: Sustainable Resource Management**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04	Main appro- piation 2004/05	Adjusted appro- piation 2004/05	Revised estimate 2004/05	% Change from Revised estimate			
							2005/06	2004/05	2006/07	2007/08
<b>Current payments</b>	4 864	8 127	9 725	17 345	11 765	11 911	<b>17 721</b>	48.78	28 539	27 910
Compensation of employees	3 957	5 351	4 852	9 874	7 997	8 111	<b>13 218</b>	62.96	13 892	14 587
Salaries and wages	2 690	4 026	3 890	8 637	6 932	7 043	<b>11 597</b>	64.66	12 189	12 798
Social contributions	1 267	1 325	962	1 237	1 065	1 068	<b>1 621</b>	51.78	1 703	1 789
Goods and services	907	2 572	4 873	7 471	3 768	3 800	<b>4 503</b>	18.50	14 647	13 323
Of which										
Specify item										
Animal feed										
Audit fees										
Audit fees: external										
Communication										
Computer equipment										
Consultancy fees										
Consultants and specialised services	30	1 157	4 101	4 845	2 965	1 912	<b>3 331</b>	74.22	3 501	3 676
Consumables										
Contractors										
Contribution to Parmed										
Educational materials										
Infrastructure										
Inventory										
IT (Data lines)										
Legal fees										
Library material										
Machinery and equipment										
Maintenance and repairs and running cost										
Medical Aid in respect of continuation members										
Medical services										
Medical supplies										
Medicine										
Operating leases										
Owned and leasehold property										
Printing and publications										
Scholar transport										
Sport and Recreation Equipment										
Training							<b>42</b>		44	46
Transport										
Travel and subsistence	108	161	436	866	717	736	<b>657</b>	(10.73)	691	725
Utilities (municipal services)										
Veterinary supplies										
Other										
Interest and rent on land										
Interest										
Rent on land										
Financial transactions in assets and liabilities		205								
Unauthorised expenditure										

**Table B.2.2 Payments and estimates by economic classification – Programme 2: Sustainable Resource Management** *(continued)*

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04				% Change from Revised estimate			
				Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	2005/06	2004/05	2006/07	2007/08
Transfers and subsidies to	6 010	4 011	4 712	2 603	23	20	32	60.00	33	35
Provinces and municipalities	10	11	12	18	23	20	32	60.00	33	35
Provinces										
Provincial agencies and funds										
Provincial agencies and funds										
Municipalities	10	11	12	18	23	20	32	60.00	33	35
Municipalities	10	11	12	18	23	20	32	60.00	33	35
of which										
Regional services council levies	10	11	12	18	23	20	32		33	35
Municipal agencies and funds										
Departmental agencies and accounts	6 000	4 000	4 700	2 585						
Social security funds										
Provide list of entities receiving transfers										
CMD Capital Augmentation										
Conservation Board										
Heritage Western Cape										
Environmental Commissioner										
Independent Development Trust										
SETA										
Western Cape Cultural Commission										
Western Cape Gambling and Racing Board	6 000	4 000	4 700	2 585						
Western Cape Language Committee										
Western Cape Nature										
Universities and technikons										
Public corporations and private enterprises										
Public corporations										
Subsidies on production										
Other transfers										
Private enterprises										
Subsidies on production										
Other transfers										
Foreign governments and international organisations										
Non-profit institutions										
Households										
Social benefits										
Other transfers to households										
Payments for capital assets	73	369					106		112	117
Buildings and other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment	73	369					106		112	117
Transport equipment										
Other machinery and equipment	73	369					106		112	117
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
Total economic classification	10 947	12 507	14 437	19 948	11 788	11 931	17 859	49.69	28 684	28 062

**Table B.2.3 Payments and estimates by economic classification – Programme 3: Asset and Liabilities management**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04	Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	% Change from Revised estimate			
							2005/06	2004/05	2006/07	2007/08
<b>Current payments</b>	13 759	15 628	14 167	40 104	40 820	40 543	<b>48 948</b>	20.73	48 567	50 675
Compensation of employees	7 276	8 593	8 940	14 278	9 005	8 605	<b>13 262</b>	54.12	13 102	13 757
Salaries and wages	5 471	7 419	6 828	12 450	7 701	7 307	<b>11 458</b>	56.81	11 206	11 766
Social contributions	1 805	1 174	2 112	1 828	1 304	1 298	<b>1 804</b>	38.98	1 896	1 991
Goods and services	6 483	7 035	5 227	25 826	31 815	31 938	<b>35 686</b>	11.74	35 465	36 918
Of which										
Specify item										
Animal feed										
Audit fees										
Audit fees: external										
Communication										
Computer equipment							<b>1 094</b>		99	104
Consultancy fees										
Consultants and specialised services	4 626	5 921	3 234	4 497	4 034	3 982	<b>5 456</b>	37.02	3 560	3 738
Consumables										
Contractors										
Contribution to Parmed										
Educational materials										
Infrastructure										
Inventory										
IT (Data lines)				20 693	26 648	26 922	<b>27 198</b>	1.03	28 585	30 015
Legal fees										
Library material										
Machinery and equipment										
Maintenance and repairs and running cost										
Medical Aid in respect of continuation members										
Medical services										
Medical supplies										
Medicine										
Operating leases										
Owned and leasehold property										
Printing and publications										
Scholar transport										
Sport and Recreation Equipment										
Training							<b>30</b>		32	33
Transport										
Travel and subsistence	193	620	855	459	378	365	<b>350</b>	(4.11)	366	385
Utilities (municipal services)										
Veterinary supplies										
Other										
Interest and rent on land										
Interest										
Rent on land										
Financial transactions in assets and liabilities										
Unauthorised expenditure										



**Table B.2.3 Payments and estimates by economic classification – Programme 3: Asset and Liabilities management (continued)**

Economic classification R'000	Outcome			Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04				% Change from Revised estimate 2005/06	2004/05	2006/07	2007/08
<b>Transfers and subsidies to</b>	18	21	21	27	22	26	32	23.08	31	33
Provinces and municipalities	18	21	21	27	22	26	32	23.08	31	33
Provinces										
Provincial agencies and funds										
Municipalities	18	21	21	27	22	26	32	23.08	31	33
Municipalities	18	21	21	27	22	26	32	23.08	31	33
of which										
Regional services council levies	18	21	21	27	22	26	32		31	33
Municipal agencies and funds										
Departmental agencies and accounts										
Social security funds										
Provide list of entities receiving transfers										
CMD Capital Augmentation										
Conservation Board										
Heritage Western Cape										
Environmental Commissioner										
Independent Development Trust										
SETA										
Western Cape Cultural Commission										
Western Cape Gambling and Racing Board										
Western Cape Language Committee										
Western Cape Nature										
Universities and technikons										
Public corporations and private enterprises										
Public corporations										
Subsidies on production										
Other transfers										
Private enterprises										
Subsidies on production										
Other transfers										
Foreign governments and international organisations										
Non-profit institutions										
Households										
Social benefits										
Other transfers to households										
<b>Payments for capital assets</b>	710	3 299	7 746	5 145	4 689	4 067	177	(95.65)	186	195
Buildings and other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment	710	3 299	7 746	5 145	4 689	4 067	177	(95.65)	186	195
Transport equipment										
Other machinery and equipment	710	3 299	7 746	5 145	4 689	4 067	177	(95.65)	186	195
Cultivated assets										
Software and other intangible assets										
Land and subsoil assets										
<b>Total economic classification</b>	14 487	18 948	21 934	45 276	45 531	44 636	49 157	10.13	48 784	50 903

Table B.2.4 Payments and estimates by economic classification – Programme 4: Financial governance

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04				% Change from Revised estimate			
				Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	2005/06	2004/05	2006/07	2007/08
Current payments	8 099	7 946	8 848	25 925	28 833	28 026	31 614	12.80	34 264	35 795
Compensation of employees	4 400	2 397	4 844	10 214	7 143	6 790	11 912	75.43	12 245	12 858
Salaries and wages	3 805	2 073	3 836	8 578	6 136	5 830	10 348	77.50	10 601	11 132
Social contributions	595	324	1 008	1 636	1 007	960	1 564	62.92	1 644	1 726
Goods and services	3 699	5 549	4 004	15 711	21 690	21 236	19 702	(7.22)	22 019	22 937
Of which										
Specify item										
Animal feed										
Audit fees			1 340	778	778	721	32	(95.56)	33	35
Audit fees: external										
Communication										
Computer equipment										
Consultancy fees										
Consultants and specialised services			2 221	13 960	17 297	17 212	15 367	(10.72)	15 181	15 940
Consumables										
Contractors										
Contribution to Parmed										
Educational materials										
Infrastructure										
Inventory										
IT (Data lines)										
Legal fees										
Library material										
Machinery and equipment										
Maintenance and repairs and running cost										
Medical Aid in respect of continuation members										
Medical services										
Medical supplies										
Medicine										
Operating leases										
Owned and leasehold property										
Printing and publications										
Scholar transport										
Sport and Recreation Equipment										
Training							68		71	75
Transport										
Travel and subsistence			136	217	201	212	215	1.42	225	236
Utilities (municipal services)										
Veterinary supplies										
Other										
Interest and rent on land										
Interest										
Rent on land										
Financial transactions in assets and liabilities										
Unauthorised expenditure										

**Table B.2.4 Payments and estimates by economic classification – Programme 4: Financial governance**  
(continued)

Economic classification R'000	Outcome			Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04				% Change from Revised estimate 2004/05	2005/06	2006/07	2007/08
<b>Transfers and subsidies to</b>	11	4	6	17	18	17	28	64.71	30	32
Provinces and municipalities	11	4	6	17	18	17	28	64.71	30	32
Provinces										
Provincial agencies and funds										
Municipalities	11	4	6	17	18	17	28	64.71	30	32
Municipalities	11	4	6	17	18	17	28	64.71	30	32
of which										
Regional services council levies	11	4	6	17	18	17	28		30	32
Municipal agencies and funds										
Departmental agencies and accounts										
Social security funds										
Provide list of entities receiving transfers										
CMD Capital Augmentation										
Conservation Board										
Heritage Western Cape										
Environmental Commissioner										
Independent Development Trust										
SETA										
Western Cape Cultural Commission										
Western Cape Gambling and Racing Board										
Western Cape Language Committee										
Western Cape Nature										
Universities and technikons										
Public corporations and private enterprises										
Public corporations										
Subsidies on production										
Other transfers										
Private enterprises										
Subsidies on production										
Other transfers										
Foreign governments and international organisations										
Non-profit institutions										
Households										
Social benefits										
Other transfers to households										
<b>Payments for capital assets</b>	47	321	9	710	710		972	36.90	1 022	1 072
Buildings and other fixed structures										
Buildings										
Other fixed structures										
Machinery and equipment	47	321	9				155		163	171
Transport equipment										
Other machinery and equipment	47	321	9				155		163	171
Cultivated assets										
Software and other intangible assets					710	710	817	15.07	859	901
Land and subsoil assets										
<b>Total economic classification</b>	8 157	8 272	8 863	25 942	29 560	28 753	32 614	13.43	35 316	36 899

Table B.3 Details on public entities – Name of Public Entity: Western Cape Gambling and Racing Board

Payments and receipts R'000	Outcome						Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04	Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	% Change from Revised estimate			
							2005/06	2004/05	2006/07	2007/08
<b>Receipts</b>										
<b>Tax receipts</b>										
<b>Non-tax receipts</b>	10 290	13 416	14 342	17 334	17 334	19 181	<b>21 839</b>	13.86	21 174	22 549
Sale of goods and services other than capital assets	7 961	10 601	11 833	15 192	15 192	19 113	<b>21 839</b>	14.26	21 174	22 549
Of which										
Admin fees										
Interest	455	619	561	480	480	630	<b>480</b>	(23.81)	500	500
Other non-tax revenue	2 329	2 815	2 509	2 142	2 142	68		(100.00)		
<b>Transfers received</b>	6 000	4 000	4 700	2 585						
<b>Sale of capital assets</b>										
<b>Total receipts</b>	16 290	17 416	19 042	19 919	17 334	19 181	<b>21 839</b>	13.86	21 174	22 549
<b>Payments</b>										
<b>Current payments</b>	14 340	15 789	16 623	22 334	22 334	19 479	<b>22 139</b>	13.66	21 617	23 025
Compensation of employees	8 886	9 460	10 350	13 073	13 073	11 161	<b>14 476</b>	29.70	15 000	15 900
Use of goods and services	3 226	4 157	4 146	7 568	7 568	7 633	<b>7 053</b>	(7.60)	6 000	6 500
Depreciation	733	706	548	700	700	550	<b>550</b>		550	550
Unauthorised expenditure										
Interest, dividends and rent on land	1 495	1 466	1 579	993	993	135	<b>60</b>	(55.56)	67	75
Interest										
Dividends										
Rent on land	1 495	1 466	1 579	993	993	135	<b>60</b>	(55.56)	67	75
<b>Transfers and subsidies</b>										
<b>Total payments</b>	14 340	15 789	16 623	22 334	22 334	19 479	<b>22 139</b>	13.66	21 617	23 025
<b>Surplus/(Deficit)</b>	1 950	1 627	2 419	(2 415)	(5 000)	(298)	<b>(300)</b>	0.67	(443)	(476)
<b>Cash flow summary</b>										
Adjust surplus/(deficit) for accrual transactions	279	76	(32)	90	90	(10)	<b>70</b>	(800.00)	50	50
Adjustments for:										
Depreciation	733	706	548	520	520	550	<b>550</b>		550	550
Interest	(455)	(619)	(561)	(500)	(500)	(630)	<b>(480)</b>	(23.81)	(500)	(500)
Net (profit)/loss on disposal of fixed assets	1	(11)	(19)	70	70	70		(100.00)		
Other										
<b>Operating surplus/(deficit) before changes in working capital</b>	2 229	1 703	2 387	(2 325)	(4 910)	(308)	<b>(230)</b>	(25.32)	(393)	(426)
Changes in working capital	369	318	26	(415)	(415)	(415)	<b>(60)</b>	(85.54)	(65)	(25)
(Decrease)/increase in accounts payable	289	66	(129)	100	100	100	<b>60</b>	(40.00)	80	90
Decrease/(increase) in accounts receivable	(131)	172	276	(500)	(500)	(500)	<b>(100)</b>	(80.00)	(120)	(90)
(Decrease)/increase in provisions	211	80	(121)	(15)	(15)	(15)	<b>(20)</b>	33.33	(25)	(25)

**Table B.3 Details on public entities – Name of Public Entity: Western Cape Gambling and Racing Board**  
(continued)

Payments and receipts R'000	Outcome						Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04	Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	% Change from Revised estimate			
							2005/06	2004/05	2006/07	2007/08
<b>Cash flow from operating</b>	2 598	2 021	2 413	( 2 740 )	( 5 325 )	( 723 )	( 290 )	(59.89)	( 458 )	( 451 )
Transfers from government	6 000	4 000	4 700	2 585						
Of which:										
Capital										
Current	6 000	4 000	4 700	2 585						
<b>Cash flow from investing activities</b>	187	101	70	( 380 )	( 380 )	1 580	670	(57.59)	670	670
<b>Acquisition of assets</b>	( 276 )	( 529 )	( 520 )	( 900 )	( 900 )	950	150	(84.21)	150	150
Land										
Dwellings										
Non-residential buildings										
Investment property										
Other structures (infrastructure assets)										
Mineral and similar non-regenerative resources										
Capital work in progress										
Heritage assets										
Biological assets										
Computer equipment	( 220 )	( 436 )	( 282 )	( 600 )	( 600 )	650	100	(84.62)	100	100
Furniture and office equipment	( 56 )	( 93 )	( 98 )	( 300 )	( 300 )	300	50	(83.33)	50	50
Other machinery and equipment										
Specialised military assets										
Transport assets			( 140 )							
Computer software										
Mastheads and publishing titles										
Patents, licences, copyrights, brand names and trademarks										
Recipes, formulae, prototypes, designs and models										
Service and operating rights										
Other intangibles										
<b>Other flows from investing activities</b>	463	630	590	520	520	630	520	(17.46)	520	520
Other 1	455	619	561	520	520	630	520	(17.46)	520	520
Other 2	8	11	29							
<b>Cash flow from financing activities</b>	( 2 479 )	( 2 169 )	( 1 176 )	( 1 218 )	( 1 218 )	( 1 220 )	( 800 )	(34.43)	( 700 )	( 750 )
Deferred income										
Borrowing activities										
Other	( 2 479 )	( 2 169 )	( 1 176 )	( 1 218 )	( 1 218 )	( 1 220 )	1 200	(198.36)	1 200	1 200
<b>Net increase/(decrease) in cash and cash equivalents</b>	306	( 47 )	1 307	( 4 338 )	( 6 923 )	( 363 )	( 420 )	15.70	( 488 )	( 531 )

**Table B.3 Details on public entities – Name of Public Entity: Western Cape Gambling and Racing Board**  
(continued)

Payments and receipts R'000	Outcome			Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04				% Change from Revised estimate			
							2005/06	2004/05	2006/07	2007/08
Balance sheet information										
Carrying value of assets	1 218	1 040	1 002	1 210	1 210	1 215	815	(32.92)	416	139
Land										
Dwellings										
Non-residential buildings										
Investment property										
Other structures (infrastructure assets)										
Mineral and similar non- regenerative resources										
Capital work in progress										
Heritage assets										
Biological assets										
Computer equipment	561	623	543	743	743	745	472	(36.64)	200	50
Furniture and office equipment	657	417	322	347	347	350	250	(28.57)	150	50
Other machinery and equipment										
Specialised military assets										
Transport assets			137	120	120	120	93	(22.50)	66	39
Computer software										
Mastheads and publishing titles										
Patents, licences, copyrights, brand names and trademarks										
Recipes, formulae, prototypes, Service and operating rights										
Other intangibles										
Long term investments										
Floating										
Current										
1<5 Years										
5<10 Years										
>10 Years										
Cash and cash equivalents	4 282	4 235	5 542	5 001	5 001	6 263	3 020	(51.78)	2 847	2 864
Bank	2 889	2 882	3 701	3 000	3 000	3 762	519	(86.20)	346	363
Cash on hand	1	1	1	1	1	1	1		1	1
Other	1 392	1 352	1 840	2 000	2 000	2 500	2 500		2 500	2 500
Other										
Receivables and prepayments	814	641	365	360	360	360	310	(13.89)	360	310
Trade receivables	445	421	178	200	200	200	150	(25.00)	200	150
Other receivables	298	212	104	100	100	100	100		100	100
Prepaid expenses	71	8	83	60	60	60	60		60	60
Accrued income										

**Table B.3 Details on public entities – Name of Public Entity: Western Cape Gambling and Racing Board**  
(continued)

Payments and receipts R'000	Outcome						Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04	Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	% Change from Revised estimate			
							2005/06	2004/05	2006/07	2007/08
<b>Inventory</b>										
Trade										
Other										
Other										
<b>Capital and reserves</b>	3 169	2 667	3 421	1 006	(3 994)	(4 292)	(9 315)	117.03	(10 337)	(11 147)
Share capital and premium										
Accumulated reserves		1 950	3 577	5 996	3 581	(1 419)	(1 717)	21.00	(2 017)	(2 460)
Surplus/(deficit)	1 950	1 627	2 419	(2 415)	(5 000)	(298)	(300)	0.67	(443)	(476)
Other	1 219	(910)	(2 575)	(2 575)	(2 575)	(2 575)	(7 298)	183.42	(7 877)	(8 211)
<b>Borrowings</b>										
Floating										
Current										
1<5 Years										
5<10 Years										
>10 Years										
<b>Post retirement benefits</b>										
Present value of funded										
Unrecognised transitional liabilities										
Other										
<b>Trade and other payables</b>	1 074	1 140	1 011	500	500	200	150	(25.00)	150	150
Trade payables	792	717	600	500	500	200	150	(25.00)	150	150
Accrued interest										
Other	282	423	411							
<b>Provisions</b>	678	758	637	650	650	500	500		500	500
Leave pay provision	558	638	637	650	650	500	500		500	500
Other 1	120	120								
Other 2										
Other 3										
Other 4										
<b>Funds managed (eg Poverty Alleviation Fund)</b>	1 392	1 352	1 840	2 000	2 000	1 600	2 500	56.25	2 500	2 500
Poverty Alleviation Fund										
Regional Development Fund										
Third Party Funds										
Other 4	1 392	1 352	1 840	2 000	2 000	1 600	2 500	56.25	2 500	2 500
<b>Contingent liabilities</b>										
Other 1										
Other 2										
Other 3										
Other 4										

**Table B.4 Transfers to local government by transfers/grant type, category and municipality**

Municipalities R'000	Outcome						Medium-term estimate		
	Audited 2001/02	Audited 2002/03	Audited 2003/04	Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	% Change from Revised estimate		
							2005/06	2004/05	2006/07
<b>Category A</b>									
City of Cape Town									
<b>Category B</b>									
Beaufort West									
Bergervier									
Bitou									
Breede River/Winlands									
Breede Valley									
Cape Agulhas									
Cederberg									
Drakenstein									
George									
Kannaland									
Knysna									
Laingsburg									
Langeberg									
Matzikama									
Mossel Bay									
Oudtshoorn									
Overstrand									
Prince Albert									
Saldanha Bay									
Stellenbosch									
Swartland									
Swellendam									
Theewaterskloof									
Witzenberg									
Unallocated									
<b>Category C</b>									
Cape Winelands									
Central Karoo									
Eden									
Overberg									
West Coast									
Unallocated									
<b>Total transfers to local government</b>									

Note: Excludes regional services council levy.



Table B.5 Provincial payments and estimates by district and local municipality

Municipalities R'000	Outcome						Medium-term estimate			
	Audited 2001/02	Audited 2002/03	Audited 2003/04	Main appro- priation 2004/05	Adjusted appro- priation 2004/05	Revised estimate 2004/05	% Change from Revised estimate			
							2005/06	2004/05	2006/07	2007/08
<b>Cape Town Metro</b>	51 276	60 533	65 421	113 686	108 980	106 927	125 914	17.76	140 077	145 340
<b>West Coast Municipalities</b>										
Matzikama										
Cederberg										
Bergrivier										
Saldanha Bay										
Swartland										
West Coast DMA										
West Coast District Municipality										
Unallocated										
<b>Cape Winelands Municipalities</b>										
Witzenberg										
Drakenstein										
Stellenbosch										
Breede Valley										
Breede River/Winelands										
Breede River DMA										
Cape Winelands District Municipality										
Unallocated										
<b>Overberg Municipalities</b>										
Theewaterskloof										
Overstrand										
Cape Agulhas										
Swellendam										
Overberg DMA										
Overberg District Municipality										
Unallocated										
<b>Eden Municipalities</b>										
Kannaland										
Langeberg										
Mossel Bay										
George										
Oudtshoorn										
Bitou										
Knysna										
Eden DMA										
Eden District Municipality										
Unallocated										
<b>Central Karoo Municipalities</b>										
Laingsburg										
Prince Albert										
Beaufort West										
Central Karoo DMA										
Central Karoo District Municipality										
Unallocated										
<b>Unallocated</b>										
<b>Total provincial expenditure by district and local municipality</b>	51 276	60 533	65 421	113 686	108 980	106 927	125 914	17.76	140 077	145 340