Vote 3

Provincial Treasury

	2008/09 To be appropriated	2009/10	2010/11
MTEF allocations	**R120 596 000**	**R132 822 000**	**R140 132 000**
Responsible MEC	Provincial Minister of Finance and Tourism		
Administering Department	Provincial Treasury		
Accounting Officer	Head Official: Provincial Treasury		

1. Overview

Core functions and responsibilities

To provide strategic leadership in financial matters, provide support to the Minister and ensure sound departmental financial and human resource management.

Enhance the financial resources available to the Province, better targeting of these to achieve desired socio-economic and governance outcomes as well as improve alignment with municipal budgetary processes.

Promote the effective and efficient management of physical and financial assets, liabilities, supply chain systems and public-private partnerships, both within the Province and municipalities.

Promote financial governance, accountability, performance oriented financial management, accurate and full reflection of the Province's financial activities and processes.

Vision

Systematically endeavour to improve social and economic equity in the Province via our change agent role in financial resource allocation, guidance of expenditures and promotion of better corporate governance in both the provincial and municipal spheres.

Mission

To obtain the required financial and other supportive means and to utilise these optimally in pursuit of Treasury's vision and supporting strategic goals.

Main services

Describing the socio-economic environment and the formulation of appropriate fiscal (revenue and expenditure) and associated policies to address these.

Fostering the attainment of value for money spending, inclusive of risk and financial management practices to enhance efficacy.

Promoting the effective utilisation and safeguarding of provincial assets, appropriate purchasing of goods and services and providing proper transversal financial systems.

Facilitating the full disclosure of provincial and municipal financial transactions and associated reporting on their attainments.

Demands and changes in service

The responsibility to improve the state's fiscal and service delivery performance continues unabated with provincial treasuries having to play a key role in this respect in partnership with primarily the National Treasury and the Departments of the Premier and Local Government and Housing.

The necessity for the sharpening and efficacy of the Provincial Treasury's policy objectives similarly remain and indeed has become more acute. These include the formulation and implementation of expenditure policy in more finite detail, improving spending efficacy, prevention of inappropriate expenditures, more efficient acquisition and application of assets and resources, capacity building and fostering of intergovernmental relations.

Entrench the principles of good financial governance across the provincial and local government spheres in line with the framework evolved. In the same light, to maximise returns on resources deployed and achieving practical integration of strategies and service delivery outputs between departments and municipalities.

Appropriate adjustments and refinements to treasury's internal structure, the methodology of operation was necessary to improve responsiveness and better utilisation of its human resources. The new year also sees the first decentralisation of the operational aspects of Internal Audit to the Departments of Education and Health. This is part of the five-step programme that was introduced in the previous financial year. Generally the recruitment and retention of professional staff remains a challenge.

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.

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

To provide for a uniform framework for the management of an immovable asset that is held or used by a provincial department and to ensure the coordination of the use of an immovable asset with the service delivery objectives of a provincial department.

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

To define the role of the Minister of Finance and Tourism 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 secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government; to establish treasury norms and standards for the local sphere of government; 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 persons 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

During the past financial year the Provincial Treasury went through a re-configuration exercise so that the units are better positioned to respond to the challenges of assessing financial governance and the sustainability and credibility of budgets in both the provincial and local government spheres. The distribution of financial allocations across the various sub-programmes has been amended to take account of this further refinement of its transformational structural process that began 5 years ago.

2. Review 2007/08

Much of the year was spent on the further refinement and deepening of Treasury's systems dealing with credible medium term fiscal management, socio-economic analysis and implementation of good financial governance. A number of challenges arose relative to sustainable and efficient spending that had to be tackled.

In tandem with putting a credible fiscal framework in place, the Provincial Treasury introduced a Financial Management Improvement Plan that based its analysis on audit outcomes and other assessment processes within provincial departments. The ultimate objective is to achieve a level 4 auditable organisation throughout the Province.

The relationships with municipalities were further strengthened via the Local Government MTEC processes and on site interactions with most municipalities, the latter associated with improvements that had to be made to in-year financial monitoring, supply chain and annual financial statement management processes.

Apart from the reconfiguration exercise, the year under review also saw the approval for the significant expansion of internal audit, heralding in a five-year roll out of expanded and intensified internal services within the Province. This obviously bumped up the vacancy rate in Treasury to reach roundabout 32 per cent by year end with some 275 staff members employed, each bringing his or her unique skills into the workplace.

As has become customary, the Provincial Economic Review and Outlook 2007 and the Medium Term Budget Policy Statement (MTBPS) 2008 – 2011, respectively again sketched the enormous socio-economic challenges and the proposed associated response thereto.

Accommodation pressures necessitated the acquisition of additional office space in the Southern Life Building to house the Internal Audit unit and part of the Asset Management component.

3. Outlook for 2008/09

The intention is to build on the foundation laid earlier and the work done in the previous financial year to further improve the credibility of the medium term fiscal framework, the applicability of socio-economic analysis and expenditure management with the emphasis on appropriateness and efficiency across the provincial and municipal spheres.

Similarly to improve the quarterly performance reporting by provincial departments and establishing a better link between the in-year revenue and expenditure monitoring processes. It's also planned to evolve and practicalise the principles of good financial governance within provincial departments and to integrate the various initiatives into a more holistic approach. Steps are also being mooted in association with the Department of Local Government and Housing to enhance the performance assessment and to improve support and assistance to municipalities.

It will also be necessary to continue to promote substantive compliance to the protocols and standards applicable to financial transactions, asset and supply chain management, across the provincial and municipal spheres.

A number of initiatives commenced in the previous financial year to further develop management and leadership skills, a range of human resource policies and practices and support to staff, will be continued with to improve internal coherence, retention and performance of the organisation.

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			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimate			
	Audited	Audited	Audited					% Change from Revised estimate		
	2004/05	2005/06	2006/07	2007/08	2007/08	2007/08	2008/09	2007/08	2009/10	2010/11
Treasury funding										
Equitable share	(282 979)	(353 103)	(8 441)	664	664	409	**3 029**	640.59	16 466	23 776
Financing			(49 033)							
Asset Finance Reserve			(49 033)							
Own receipts (Provincial Treasury)			(149 923)	(218 280)	(228 795)	(251 252)	**(251 252)**		(272 512)	(273 041)
Total Treasury funding	(282 979)	(353 103)	(207 397)	119 001	116 551	114 751	**120 596**	5.09	132 822	140 132
Departmental receipts										
Tax receipts	172 745	221 972	275 984	288 418	296 418	307 746	**314 801**	2.29	333 817	334 346
Sales of goods and services other than capital assets	896	7 233	1 207	1 022	1 022	1 171	**1 022**	(12.72)	1 022	1 022
Transfers received	4			1	66	66	**1**	(98.48)	1	1
Fines, penalties and forfeits	231	290	215			91		(100.00)		
Interest, dividends and rent on land	211 333	233 361	54 125	47 128	47 128	47 459	**52 947**	11.56	53 980	53 980
Financial transactions in assets and liabilities	103	4 522	9 802	48	48	9 061	**48**	(99.47)	48	48
Total departmental receipts	385 312	467 378	341 333	336 617	344 682	365 594	**368 819**	0.88	388 868	389 397
Total receipts	102 333	114 275	133 936	119 001	116 551	114 751	**120 596**	5.09	132 822	140 132

Summary of receipts:

Total receipts increase by R5.845 million or 5.1 per cent from R114.751 million in 2007/08 to R120.596 million in 2008/09.

Treasury funding of which:

Equitable share amounts to R3.029 million in 2008/09 and over the MTEF it is R16.466 million in 2009/10 and R23.776 million in 2010/11.

Financing from Provincial Treasury funding of R251.252 million in 2007/08 and 2008/09, R272.512 million in 2009/10 and R273.041 million in 2010/11 is allocated to the Department of the Premier.

Details of Departmental receipts:

Total departmental own receipts increase by R3.225 million or 0.9 per cent from R365.594 million in 2007/08 to R368.819 million in 2008/09. The main sources of income are in respect of tax receipts and interest, dividends and rent on land. Tax receipts, of which casino taxes and horseracing are the main contributors, increase by R7.055 million or 2.3 per cent from R307.746 million in 2007/08 to R314.801 million in 2008/09. The estimated increase in tax receipts is mainly due to the expansion of the gambling industry.

Interest, dividends and rent on land, of which interest is the main contributor, increases by R5.488 million or 11.6 per cent from R47.459 million in 2007/08 to R52.947 million in 2008/09. This estimated increase is mainly due to the increase in the interest earned on the current account.

Donor funding (excluded from vote appropriation)

Table 4.2 hereunder gives the sources of donor funding and details of any terms and conditions attached to donor funds.

Table 4.2 Summary of donor funding - None

5. Payment summary

Key assumptions

Year-on-year adjustments for salary increases are based on the assumption that wage agreements will result in salary increases of 8.1 per cent from 2007/08 to 2008/09, 6.2 per cent from 2008/09 to 2009/10 and 5.1 per cent from 2009/10 to 2010/11 inclusive of the 1 per cent pay progression. Adjustments for the majority of the non-personnel expenditure items classified under Goods and Services are based on the assumption that the CPIX will be 6.1 per cent from 2007/08 to 2008/09, 4.6 per cent from 2008/08 to 2009/10 and 4.6 per cent from 2009/10 to 2010/11 as provided by National Treasury.

Programme summary

Table 5.1 below indicates the budget or estimated expenditure per programme and Table 5.2 per economic classification. 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			Main appro-priation	Adjusted appro-priation	Revised estimate	Medium-term estimate			
	Audited	Audited	Audited					% Change from Revised estimate		
	2004/05	2005/06	2006/07	2007/08	2007/08	2007/08	2008/09	2007/08	2009/10	2010/11
1. Administration [a]	21 318	23 220	28 724	30 328	34 177	33 600	**34 335**	2.19	37 082	39 024
2. Sustainable Resource Management	11 067	16 513	21 332	28 233	22 529	22 209	**23 794**	7.14	28 903	31 196
3. Asset and Liabilities Management	43 108	46 699	51 537	20 738	22 151	22 181	**23 395**	5.47	26 540	28 188
4. Financial Governance	26 840	27 843	32 343	39 702	37 694	36 761	**39 072**	6.29	40 297	41 724
Total payments and estimates	102 333	114 275	133 936	119 001	116 551	114 751	**120 596**	5.09	132 822	140 132

[a] MEC remuneration payable: Salary R618 566, Car allowance R154 641, with effect from 1 April 2007.

Summary by economic classification

Table 5.2 Summary of provincial payments and estimates by economic classification

Economic classification R'000	Outcome			Main appro-priation	Adjusted appro-priation	Revised estimate	Medium-term estimate			
	Audited	Audited	Audited					% Change from Revised estimate		
	2004/05	2005/06	2006/07	2007/08	2007/08	2007/08	2008/09	2007/08	2009/10	2010/11
Current payments	99 614	112 495	130 860	117 892	114 426	112 626	**119 357**	5.98	131 694	138 997
Compensation of employees	33 590	41 941	52 919	76 550	63 754	61 607	**73 014**	18.52	86 983	93 802
Goods and services	65 930	70 381	77 164	41 342	50 672	50 998	**46 343**	(9.13)	44 711	45 195
Financial transactions in assets and liabilities	94	173	777			21		(100.00)		
Transfers and subsidies to	723	348	392		643	643		(100.00)		
Provinces and municipalities	81	152	29							
Departmental agencies and accounts	27									
Foreign governments and international organisations	50		1							
Households	565	196	362		643	643		(100.00)		
Payments for capital assets	1 996	1 432	2 684	1 109	1 482	1 482	**1 239**	(16.40)	1 128	1 135
Buildings and other fixed structures							**669**		615	641
Machinery and equipment	1 391	1 029	2 279	989	1 362	1 362	**450**	(66.96)	388	363
Software and other intangible assets	605	403	405	120	120	120	**120**		125	131
Total economic classification	102 333	114 275	133 936	119 001	116 551	114 751	**120 596**	5.09	132 822	140 132

Transfers to public entities

Table 5.3 Summary of departmental transfers to public entities

Western Cape Gambling and Racing Board - None

Transfers to other entities

Table 5.4 Summary of departmental transfers to other entities - None

Transfers to local government

Table 5.5 Summary of departmental transfers to local government by category - None

Departmental Public-Private Partnership (PPP) projects

Table 5.6 Summary of departmental Public-Private Partnership projects – None

6. Programme description

Programme 1: Administration

Purpose: To conduct the strategic management and overall administration of the Provincial Treasury.

Analysis per sub-programme:

Sub-programme 1.1: Office of the Minister

to render secretarial, administrative and office support services

Sub-programme 1.2: Management Services

to render strategic support, coordination and communication services

Sub-programme 1.3: Corporate Services

to provide human resource management and development

Sub-programme 1.4: Financial Management

to deliver financial management and advisory services

to make limited provision and maintenance of accommodation needs

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 2004/05	Audited 2005/06	Audited 2006/07	Main appro-priation 2007/08	Adjusted appro-priation 2007/08	Revised estimate 2007/08	2008/09	% Change from Revised estimate 2007/08	2009/10	2010/11
1. Office of the Minister [a]	2 919	3 559	2 774	3 759	3 554	3 592	**3 761**	4.70	4 201	4 419
2. Management Services		1 747	2 029	2 122	2 062	2 036	**3 037**	49.17	3 325	3 503
3. Corporate Services	5 474	6 999	8 928	9 804	13 529	13 121	**12 581**	(4.12)	13 481	14 201
4. Financial Management	12 925	10 915	14 993	14 643	15 032	14 851	**14 956**	0.71	16 075	16 901
Total payments and estimates	21 318	23 220	28 724	30 328	34 177	33 600	**34 335**	2.19	37 082	39 024

[a] MEC remuneration payable: Salary R618 566, Car allowance R154 641, with effect from 1 April 2007.

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

Economic classification R'000	Outcome			Main appro-priation	Adjusted appro-priation	Revised estimate	Medium-term estimate			
	Audited	Audited	Audited					% Change from Revised estimate		
	2004/05	2005/06	2006/07	2007/08	2007/08	2007/08	2008/09	2007/08	2009/10	2010/11
Current payments	20 133	22 541	26 966	29 786	32 893	32 316	**33 216**	2.78	36 079	38 020
Compensation of employees	11 397	12 111	13 098	17 811	15 919	15 451	**18 014**	16.59	20 231	21 469
Goods and services	8 642	10 257	13 091	11 975	16 974	16 844	**15 202**	(9.75)	15 848	16 551
Financial transactions in assets and liabilities	94	173	777			21		(100.00)		
Transfers and subsidies to	185	191	143		8	8		(100.00)		
Provinces and municipalities	28	80	8							
Departmental agencies and accounts	27									
Foreign governments and international organisations	50									
Households	80	111	135		8	8		(100.00)		
Payments for capital assets	1 000	488	1 615	542	1 276	1 276	**1 119**	(12.30)	1 003	1 004
Buildings and other fixed structures							**669**		615	641
Machinery and equipment	995	475	1 615	542	1 276	1 276	**450**	(64.73)	388	363
Software and other intangible assets	5	13								
Total economic classification	21 318	23 220	28 724	30 328	34 177	33 600	**34 335**	2.19	37 082	39 024

Details of transfers and subsidies:

Economic classification R'000	Outcome			Main appro-priation	Adjusted appro-priation	Revised estimate	Medium-term estimate			
	Audited 2004/05	Audited 2005/06	Audited 2006/07	2007/08	2007/08	2007/08	2008/09	% Change from Revised estimate 2007/08	2009/10	2010/11
Transfers and subsidies to (Current)	185	191	143		8	8		(100.00)		
Provinces and municipalities	28	80	8							
Provinces		50								
Provincial agencies and funds		50								
Municipalities	28	30	8							
Municipalities	28	30	8							
of which										
Regional services council levies	28	30	8							
Departmental agencies and accounts	27									
Entities receiving transfers	27									
SETA	27									
Foreign governments and international organisations	50									
Households	80	111	135		8	8		(100.00)		
Other transfers to households	80	111	135		8	8		(100.00)		

Programme 2: Sustainable Resource Management

Purpose: To provide professional advice on economic parameters and fiscal policy, to assess and monitor municipal budgets and to manage the provincial budget.

Analysis per sub-programme:

Sub-programme 2.1: Programme support

to provide management and administrative support to the programme

Sub-programme 2.2: Economic Analysis

to provide for provincial and local government economic analysis and advice that informs fiscal policy and the budget allocative process

Sub-programme 2.3: Fiscal Policy

to provide for the effective and efficient development of revenue streams

Sub-programme 2.4: Budget Management

to compile the Provincial Medium-term Budget Policy Statement, policy proposals and associated budgetary allocations over the MTEF

to assist, assess and report on policy attainment across provincial and municipal spheres

Sub-programme 2.5: Public Finance

Provincial Government Finance

to compile the annual main and adjustments estimates and the efficient implementation thereof

to assist, assess and report on provincial revenue and expenditure management, including provincial entities

to provide oversight of the Western Cape Gambling and Racing Board

Local Government Finance

to assist, assess and report on municipal budgets, revenue and expenditure management, including municipal entities

to drive the implementation of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)

Policy developments:

Policy developments that will receive attention are:

Better assessment of provincial departments and municipalities' measurable information to improve alignment of their stated objectives towards the desired provincial socio-economic outcomes.

Introduction of measures to detect and correct inappropriate expenditures and sharpening of initiatives to improve on financial management generally and quality of spending more specifically, with the initial focus on transfer payments and consultancy costs.

Concerted efforts to improve the design of analytical instruments to assess the qualitative impact of service delivery on applicable socio-economic variables.

Further steps to enhance the research capacity within Treasury as well as the cross sphere practical collaboration to improve service delivery and financial management.

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

Further refinements were made to this programme's structural and operational reconfiguration design to promote:

The integration of revenue and expenditure management and monitoring across provincial departments and municipalities allowing for greater efficiency and deepening of in-house technical capacity.

To provide for a specialist unit focussing on fiscal research.

The integration between Economic Analysis and Budget Management to foster the links between and the applicability of socio-economic analysis with policy formulation and allocative efficiency.

Expenditure trends analysis:

Since 2004/05 no transfers have been made to the Western Cape Gambling and Racing Board due to them becoming self-sufficient. However, this might change in years to come but in the 2008/09 MTEF period no funds will be transferred. Over the period of 2004/05 to 2007/08 the programme increased from a base of R11.067 million to R22.209 million in 2007/08 (revised estimate) indicating an average nominal growth of 26.1 per cent per annum for the stated years. From 2007/08 and over the new MTEF period the allocations will increase from a base of R22.209 million in 2007/08 (revised estimate) to R31.196 million in 2010/11 with an average annual nominal growth of 12 per cent. The higher level of funding for this programme from 2006/07 onwards is meant to ensure a greater focus on resource acquisition and disbursement of provincial funds in the interests of promoting better service delivery across the provincial and local government spheres.

Table 6.2 Summary of payments and estimates – Programme 2: Sustainable Resource Management

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main appro-priation	Adjusted appro-priation	Revised estimate		% Change from Revised estimate		
	2004/05	2005/06	2006/07	2007/08	2007/08	2007/08	2008/09	2007/08	2009/10	2010/11
1. Programme Support		1 142	1 742	1 593	1 388	1 679	**1 901**	13.22	2 639	2 779
2. Economic Analysis	1 127	2 437	3 125	3 625	3 457	3 677	**3 361**	(8.59)	3 518	4 235
3. Fiscal Policy	961	66	1 163	476	286	286	**999**	249.30	2 093	2 270
4. Budget Management	2 177	6 151	6 621	8 542	7 427	6 845	**7 065**	13.15	8 065	8 544
5. Public Finance	6 802	6 717	8 681	13 997	9 971	9 722	**10 468**	7.67	12 588	13 368
Provincial Government Finance	4 812	4 758	4 553	5 818	3 660	3 444	**3 897**	13.15	4 909	5 228
Local Government Finance	1 990	1 959	4 128	8 179	6 311	6 278	**6 571**	4.67	7 679	8 140
Total payments and estimates	11 067	16 513	21 332	28 233	22 529	22 209	**23 794**	7.14	28 903	31 196

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	Adjusted appro-priation	Revised estimate	Medium-term estimate			
	Audited	Audited	Audited					% Change from Revised estimate		
	2004/05	2005/06	2006/07	2007/08	2007/08	2007/08	2008/09	2007/08	2009/10	2010/11
Current payments	10 565	16 100	21 069	28 208	22 453	22 133	**23 794**	7.50	28 903	31 196
Compensation of employees	7 351	9 332	14 931	22 942	17 235	17 065	**20 170**	18.20	25 116	27 238
Goods and services	3 214	6 768	6 138	5 266	5 218	5 068	**3 624**	(28.49)	3 787	3 958
Transfers and subsidies to	502	22	7							
Provinces and municipalities	17	22	7							
Households	485									
Payments for capital assets		391	256	25	76	76		(100.00)		
Machinery and equipment		391	219	25	76	76		(100.00)		
Software and other intangible			37							
Total economic classification	11 067	16 513	21 332	28 233	22 529	22 209	**23 794**	7.14	28 903	31 196

Details of transfers and subsidies:

Economic classification R'000	Outcome			Main appro-priation	Adjusted appro-priation	Revised estimate	Medium-term estimate			
	Audited	Audited	Audited					% Change from Revised estimate		
	2004/05	2005/06	2006/07	2007/08	2007/08	2007/08	2008/09	2007/08	2009/10	2010/11
Transfers and subsidies to (Current)	502	22	7							
Provinces and municipalities	17	22	7							
Municipalities	17	22	7							
Municipalities	17	22	7							
of which										
Regional services council levies	17	22	8							
Households	485									
Other transfers to households	485									

Programme 3: Asset and Liabilities Management

Purpose: To provide policy direction, to facilitate the effective and efficient management of financial systems, physical and financial assets, public private partnerships and liabilities within the provincial and municipal spheres.

Analysis per sub-programme:

Sub-programme 3.1: Programme Support

to provide management and administrative support

Sub-programme 3.2: Asset Management

Moveable Asset Management

to determine policy, to drive, assess and assist departments and municipalities in the attainment of effective and efficient management of moveable assets

Immoveable Asset Management

to determine policy, to drive, assess and assist departments and municipalities in the effective and efficient management of immovable assets and sustainable public private partnership projects

Sub-programme 3.3: Liabilities Management

Borrowing

to facilitate the effective and efficient management of liabilities

Financial Asset Management

to determine policy, to drive, assess and assist departments and municipalities in the effective and efficient management of financial assets

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

Policy developments:

Policy developments that will receive attention are:

Capacity building of provincial and municipal supply chain management units, value for money procurement assessments, collaboration with the Department of Economic Development and Tourism to foster preferential procurement and SMME development and steps to improve Movable and Immovable Asset Management in provincial departments.

Introduction of measures to detect and correct inappropriate asset management expenditure particularly with regard to built environment related spending. Associated with this, steps to improve management of provincial property and the roll out of Government Immovable Asset Management Act, 2007 in the Province and assisting the Department of Transport and Public Works with the management of rates and taxes on provincial properties.

Further deepening and roll out of the IDIP methodology within the Province and to municipalities to improve on the planning and delivery of infrastructure projects. The Public Private Partnership unit will continue to expand its activities to both municipalities and departments.

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

Further refinements were made to this programme’s structural and operational reconfiguration design to strengthen:

The monitoring and the assessment capabilities of the Movable Asset Management unit to enhance the quality of the procurement processes in departments and municipalities.

The Immovable Asset Management unit to allow it to begin to assist municipalities with both the assessment and the delivery of their infrastructure requirements.

Expenditure trends analysis:

The decrease of R20.927 million from R43.108 million in 2004/05 to R22.181 million in 2007/08 (revised estimate) is due to the decentralisation of SITA costs to provincial departments who has taken the responsibility of their own costs. This equates to an annual average decrease in nominal terms of 19.9 per cent. The annual average nominal growth of 8.3 per cent from the revised estimate figure of R22.181 million in 2007/08 to the 2010/11 figure of R28.188 million will be as a result of the strengthening of the monitoring and evaluation of municipal infrastructure and supply chain management.

Table 6.3 Summary of payments and estimates – Programme 3: Asset and Liabilities Management

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited 2004/05	Audited 2005/06	Audited 2006/07	Main appro-priation 2007/08	Adjusted appro-priation 2007/08	Revised estimate 2007/08	2008/09	% Change from Revised estimate 2007/08	2009/10	2010/11
1. Programme Support		699	898	858	878	910	**1 357**	49.12	1 759	1 852
2. Asset Management	4 356	6 084	7 582	8 100	8 191	8 071	**9 295**	15.17	11 091	11 905
Moveable Asset Management	4 071	4 458	4 923	5 246	5 041	5 119	**5 749**	12.31	6 649	7 097
Immovable Asset Management	285	1 626	2 659	2 854	3 150	2 952	**3 546**	20.12	4 442	4 808
3. Liabilities Management	1 071	920	1 048	1 614	1 492	1 526	**1 802**	18.09	1 974	2 072
Borrowing				1	1	1	**1**		1	1
Financial Asset Management	1 071	920	1 048	1 613	1 491	1 525	**1 801**	18.10	1 973	2 071
4. Supporting and Interlinked Financial Systems	37 681	38 996	42 009	10 166	11 590	11 674	**10 941**	(6.28)	11 716	12 359
Total payments and estimates	43 108	46 699	51 537	20 738	22 151	22 181	**23 395**	5.47	26 540	28 188

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			
	Audited 2004/05	Audited 2005/06	Audited 2006/07	Main appro-priation 2007/08	Adjusted appro-priation 2007/08	Revised estimate 2007/08	2008/09	% Change from Revised estimate 2007/08	2009/10	2010/11
Current payments	42 691	46 631	51 048	20 716	21 516	21 546	**23 395**	8.58	26 540	28 188
Compensation of employees	8 498	11 725	13 018	16 031	15 589	15 217	**18 566**	22.01	21 481	22 918
Goods and services	34 193	34 906	38 030	4 685	5 927	6 329	**4 829**	(23.70)	5 059	5 270
Transfers and subsidies to	21	29	235		635	635		(100.00)		
Provinces and municipalities	21	29	7							
Foreign governments and international organisations			1							
Households			227		635	635		(100.00)		
Payments for capital assets	396	39	254	22						
Machinery and equipment	396	39	254	22						
Total economic classification	43 108	46 699	51 537	20 738	22 151	22 181	**23 395**	5.47	26 540	28 188

Details of transfers and subsidies:

Economic classification R'000	Outcome			Main appro-priation	Adjusted appro-priation	Revised estimate	Medium-term estimate			
	Audited 2004/05	Audited 2005/06	Audited 2006/07	2007/08	2007/08	2007/08	2008/09	% Change from Revised estimate 2007/08	2009/10	2010/11
Transfers and subsidies to (Current)	21	29	235		635	635		(100.00)		
Provinces and municipalities	21	29	7							
Municipalities	21	29	7							
Municipalities	21	29	7							
of which										
Regional services council levies	21	29	6							
Foreign governments and international organisations			1							
Households			227		635	635		(100.00)		
Other transfers to households			227		635	635		(100.00)		

Programme 4: Financial Governance

Purpose: To promote financial management improvement, accountability and efficiency within the provincial and municipal spheres.

Analysis per sub-programme:

Sub-programme 4.1: Programme Support

to provide management and administrative support to the programme

Sub-programme 4.2: Accounting Services

accounting practices within departments, municipalities and entities that will enable the accurate reporting of revenue, expenditure, assets and liabilities in line with predetermined standards

Sub-programme 4.3: Norms and Standards

to develop, implement and monitor compliance with financial norms and standards within departments, municipalities and entities

Sub-programme 4.4: Risk Management

to develop and implement a system of risk management and financial governance in departments

Sub-programme 4.5: Provincial Internal Audit

work performed to evaluate the effectiveness of risk management, control and governance processes in departments

to assist municipalities in the development and implementation of effective internal audit functions

Policy developments:

Policy developments that will receive attention are:

Further development of steps, assessments and supporting measures that would raise the level of provincial management performance to a level 4 auditable organisation in time to come.

Steps to enhance the further roll out and development of GRAP specific standards to departments, municipalities and entities together with capacity building measures.

Evolve and entrench the principles of good financial governance in departments, municipalities and entities in accordance with the compiled framework.

Further strengthening and roll out of internal audit in the Province both in-house and association with external service providers. In addition, consideration to be given to the development of an advisory capacity to municipalities.

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

Further refinements were made to this programme's structural and operational configuration design to promote:

The intensification and build up of in-house internal audit capacity. This resulted in a substantive expansion of the current establishment within Treasury together with the decentralisation of operational internal audit services from the beginning of the 2008/09 financial year.

Initiatives meant to better integrate the activities related to norms and standards with financial governance improvement and risk management, as well as to enhance accounting services' support to municipalities.

Expenditure trends analysis:

The increase of R9.921 million from R26.840 million in 2004/05 to R36.761 million in 2007/08 (revised estimate) is due to the build-up of the internal audit function, which resulted in an increase in expenditure under consulting and specialised services (accounting and auditors). This trend is sustained over the MTEF with an average nominal annual increase of 4.3 per cent from the revised estimate figure of R36.761 million in 2007/08 to the 2010/11 MTEF figure of R41.724 million. Coupled to this is a concomitant decrease in Goods and services to Compensation of employees as posts are filled over the MTEF.

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

Sub-programme R'000	Outcome			Main appro-priation	Adjusted appro-priation	Revised estimate	Medium-term estimate			
	Audited	Audited	Audited					% Change from Revised estimate		
	2004/05	2005/06	2006/07	2007/08	2007/08	2007/08	2008/09	2007/08	2009/10	2010/11
1. Programme Support		1 039	1 169	1 333	1 103	1 123	**1 331**	18.52	1 449	1 525
2. Accounting Services	2 005	2 721	3 735	4 200	4 051	3 936	**4 908**	24.70	5 224	5 492
3. Norms and Standards	5 717	2 375	3 118	3 893	3 657	3 604	**3 854**	6.94	4 410	4 636
4. Risk Management		1 704	2 926	2 750	2 194	2 097	**2 457**	17.17	2 913	3 058
5. Provincial Internal Audit	19 118	20 004	21 395	27 526	26 689	26 001	**26 522**	2.00	26 301	27 013
Total payments and estimates	26 840	27 843	32 343	39 702	37 694	36 761	**39 072**	6.29	40 297	41 724

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

Economic classification R'000	Outcome			Main appro-priation	Adjusted appro-priation	Revised estimate	Medium-term estimate			
	Audited	Audited	Audited					% Change from Revised estimate		
	2004/05	2005/06	2006/07	2007/08	2007/08	2007/08	2008/09	2007/08	2009/10	2010/11
Current payments	26 225	27 223	31 777	39 182	37 564	36 631	**38 952**	6.34	40 172	41 593
Compensation of employees	6 344	8 773	11 872	19 766	15 011	13 874	**16 264**	17.23	20 155	22 177
Goods and services	19 881	18 450	19 905	19 416	22 553	22 757	**22 688**	(0.30)	20 017	19 416
Transfers and subsidies to	15	106	7							
Provinces and municipalities	15	21	7							
Households		85								
Payments for capital assets	600	514	559	520	130	130	**120**	(7.69)	125	131
Machinery and equipment		124	191	400	10	10		(100.00)		
Software and other intangible	600	390	368	120	120	120	**120**		125	131
Total economic classification	26 840	27 843	32 343	39 702	37 694	36 761	**39 072**	6.29	40 297	41 724

Details of transfers and subsidies:

Economic classification R'000	Outcome			Main appro-priation	Adjusted appro-priation	Revised estimate	Medium-term estimate			
	Audited 2004/05	Audited 2005/06	Audited 2006/07	2007/08	2007/08	2007/08	2008/09	% Change from Revised estimate 2007/08	2009/10	2010/11
Transfers and subsidies to (Current)	15	106	7							
Provinces and municipalities	15	21	7							
Municipalities	15	21	7							
Municipalities	15	21	7							
of which										
Regional services council levies	15	21	7							
Households		85								
Other transfers to households		85								

7. Service delivery measures

Programme/Sub-programme/Performance Measures	Target for 2008/09 as per Annual Performance Plan
PROGRAMME PERFORMANCE MEASURES (Non-customised)	
QUARTERLY OUTPUTS	
Programme 2: Sustainable Resource Management	
2.4 Budget Management	
Number of quarterly budget performance reviews of departments.	4 reviews for each of the 13 Votes
2.5 Public Finance	
2.5.1 Provincial Government Finance	
Maximum turnaround time on the provision of advice.	10 working days
SCoA, sub-programme and programme allocations in line with actual requirements.	Health, Education, Social Development and Transport and Public Works
Efficiency analysis and intervention on selected expenditure items.	Transfer payments at Votes 4, 7, 12 and 13. Consultancy spent at Votes 1, 5 and 6
2.5.2 Local Government Finance	
Maximum turnaround time on the provision of advice.	10 working days
Number of gazetted expenditure reports submitted to Cabinet and tabled in Provincial Parliament.	4 gazetted reports
Number of CFO Forums.	4 quarterly CFO Forum meetings
Programme 3: Asset and Liabilities Management	
3.2 Asset Management	
3.2.1 Movable Asset Management	
Number of training interventions arranged on SCM for departments.	4 training interventions
Number of training interventions arranged on SCM for municipalities.	2 training interventions
Number of SCM value for money and asset management assessments of provincial departmental sites.	12 assessments
Number of value for money SCM assessments of municipalities.	5 assessments
3.2.2 Immovable Asset Management	
Number of infrastructure reports compiled and compliant to NT Guidelines.	4
Provision of advisory service on non-assets solutions and alternative options analysis to departments and municipalities.	12 interactions
Number of training sessions/workshops.	2 training sessions
3.3 Liabilities Management	
3.3.1 Borrowings	
Number of training sessions/workshops.	6 training sessions

Programme/Sub-programme/Performance Measures	Target for 2008/09 as per Annual Performance Plan
3.3.2 Financial Asset Management	
Prime rate minus 4 per cent on investments over 30 days.	Prime rate minus 4 per cent
Monthly variance between transfers and actual expenditure less than 1 per cent.	Less than 1 per cent
Assessments of the IYM submitted by municipalities in respect of cash flow management and provide feedback and guidance.	20 municipalities
3.4 Supporting and Interlinked Financial Systems	
System functionality as measured by an average of 98 per cent uptime and a .10 second screen refresh rate.	98 per cent uptime and a .10 second screen refresh rate on average
Accessibility to a fully operational helpdesk managed by skilled staff rendering service to all users.	9 hours per day
Number of officials appropriately trained on the various financial systems.	1 400 officials with a 70 per cent pass rate
Programme 4: Financial Governance	
4.3 Norms and Standards	
Number of departments and entities assessed and corrective steps recommended to address deficiencies identified.	26 reports
4.4 Risk Management	
Number of departmental risk management staff trained in risk management framework and tools.	40
Number of departments assessed quarterly for compliance with risk management framework.	13
4.5 Provincial Internal Audit	
Number of votes and entities' internal audit plans executed by the end of the financial year as approved by the relevant Audit Committee.	13 votes and 5 entities
Number of critical and significant findings reported in the previous audit cycle followed-up.	All critical and significant audit findings followed-up
Providing a guidance and advisory service.	Define and agree role for 2 Districts and 2 Public Entities
Number of posts filled and interns employed on the establishment.	46
ANNUAL OUTPUTS	
Programme 2: Sustainable Resource Management	
2.2 Economic Analysis	
Publication of the Annual Provincial Economic Review and Outlook (PER&O).	PER&O 2008 to be published on 30 August 2008 plus preparatory work for PER&O 2009
Publication of the Socio Economic Profile of Local Government (SEP-LG).	November 2008
Periodic economic reviews.	1 review
Number of effective stakeholder engagements.	30 Municipalities and 12 Departments and 5 selected external stakeholders
2.3 Fiscal Policy	
Research into and improving the fiscal transfer mechanism to provincial and local governments.	Input into new provincial fiscal framework
Research into additional revenue sources for provincial and local governments.	Refinement of current research
Improvement of the system and credibility of revenue collection, estimation and forecasting for provincial and local governments.	Models finalised and implemented
2.4 Budget Management	
Publishing of the Medium Term Budget Policy Statement.	WC-MTBPS 2009 – 2012 tabled in Nov 2008
Finalisation of the Annual MTEF allocations.	February 2009
Number of draft municipal budget assessments focussing on responsiveness.	30 Recommendations made through the LGMTEC processes
Number of mid year assessment of municipal budget performance.	30
2.5 Public Finance	
2.5.1 Provincial Government Finance	
Review of the tax regime.	Commence and finalise update of tax regime, inclusive of changes to license/bid/exclusivity fees

Programme/Sub-programme/Performance Measures	Target for 2008/09 as per Annual Performance Plan
2.5.2 Local Government Finance	
Number of draft municipal budget assessments focussing on sustainability and credibility.	30 Recommendations made through the LGMTEC processes
Programme 3: Asset and Liabilities Management	
3.2 Asset Management	
3.2.1 Movable Asset Management	
Develop and promote a BBBEE/SMME supplier development programme for departments in liaison with the Department of Economic Development and Tourism.	Programme in place
3.2.2 Immovable Asset Management	
Full implementation of IDIP in Health, Education and Transport and Public Works.	100% in Education, 80% in Public Works and 50% in Health
Implementation of IDIP in 3 municipalities.	30%
Compile and update provincial asset management guidelines according to GIAMA.	Finalise and issue guidelines
Development of property utilisation indicators.	Set of property indicators finalised
Programme 4: Financial Governance	
4.2 Accounting Services	
The number of departments and entities compliant with the approved AFS Accounting Standards.	13 Votes and 14 entities
The number of municipalities and entities compliant with the approved AFS Accounting Standards.	24
Publishing of Annual Consolidated Financial Statements.	31 October 2008
Publishing of the Annual Financial Governance Review and Outlook.	November 2008
4.3 Norms and Standards	
Number of departments and entities compliant with NT and PT guidelines for Annual reporting.	6 departments and 3 entities
Number of municipalities compliant with NT and PT guidelines for Annual reporting.	10
Number of Auditor-General's report assessed and corrective steps recommended.	30
4.4 Risk Management	
Finalise and implement corporate governance framework.	31 March 2009 finalised and implemented in 4 departments
Transversal risks areas identified and allocated to transversal risk owners.	4
4.5 Provincial Internal Audit	
Decentralising of operational internal audit services to Health and Education.	Health and Education completed

8. Other programme information

Personnel numbers and costs

Table 8.1 Personnel numbers and costs

Programme R'000	As at 31 March 2005	As at 31 March 2006	As at 31 March 2007	As at 31 March 2008	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011
1. Administration	58	54	68	78	86	90	90
2. Sustainable Resource Management	33	61	62	64	74	82	87
3. Asset and Liabilities Management	49	46	62	68	73	76	80
4. Financial Governance	34	50	54	65	81	112	117
Total personnel numbers	174	211	246	275	314	360	374
Total personnel cost (R'000)	33 590	41 941	52 919	61 607	73 014	86 983	93 802
Unit cost (R'000)	193	199	215	224	233	242	251

Table 8.2 Departmental personnel number and cost

Description	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimate			
	Audited	Audited	Audited					% Change from Revised estimate		
	2004/05	2005/06	2006/07	2007/08	2007/08	2007/08	2008/09	2007/08	2009/10	2010/11
Total for department										
Personnel numbers (head count)	174	211	246	332	290	275	**314**	14.18	360	374
Personnel cost (R'000)	33 590	41 941	52 919	76 550	63 754	61 607	**73 014**	18.52	86 983	93 802
of which										
Human resources component										
Personnel numbers (head count)	26	28	24	29	29	35	**38**	8.57	41	41
Personnel cost (R'000)	3 343	3 980	4 275	4 997	6 211	5 871	**7 091**	20.78	7 743	8 205
Head count as % of total for department	14.94	13.27	9.76	8.73	10.00	12.73	**12.10**		11.39	10.96
Personnel cost as % of total for department	9.95	9.49	8.08	6.53	9.74	9.53	**9.71**		8.90	8.75
Finance component										
Personnel numbers (head count)	28	36	38	40	40	30	**35**	16.67	39	39
Personnel cost (R'000)	4 115	4 359	4 987	6 376	5 158	4 999	**6 368**	27.39	7 102	7 525
Head count as % of total for department	16.09	17.06	15.45	12.05	13.79	10.91	**11.15**		10.83	10.43
Personnel cost as % of total for department	12.25	10.39	9.42	8.33	8.09	8.11	**8.72**		8.16	8.02
Full time workers										
Personnel numbers (head count)	153	193	240	326	284	269	**308**	14.50	354	368
Personnel cost (R'000)	31 149	39 404	51 524	74 391	61 595	59 448	**70 725**	18.97	84 557	91 230
Head count as % of total for department	87.93	91.47	97.56	98.19	97.93	97.82	**98.09**		98.33	98.40
Personnel cost as % of total for department	92.73	93.95	97.36	97.18	96.61	96.50	**96.86**		97.21	97.26
Part-time workers										
Personnel numbers (head count)										
Personnel cost (R'000)										
Head count as % of total for department										
Personnel cost as % of total for department										
Contract workers										
Personnel numbers (head count)	21	18	6	6	6	6	**6**		6	6
Personnel cost (R'000)	2 441	2 537	1 395	2 159	2 159	2 159	**2 289**	6.02	2 426	2 572
Head count as % of total for department	12.07	8.53	2.44	1.81	2.07	2.18	**1.91**		1.67	1.60
Personnel cost as % of total for department	7.27	6.05	2.64	2.82	3.39	3.50	**3.14**		2.79	2.74

Training

Table 8.3 Payments on training

Programme R'000	Outcome Audited 2004/05	Audited 2005/06	Audited 2006/07	Main appro-priation 2007/08	Adjusted appro-priation 2007/08	Revised estimate 2007/08	Medium-term estimate 2008/09	% Change from Revised estimate 2007/08	2009/10	2010/11
1. Administration	296	333	998	700	1 133	950	**1 007**	6.00	1 067	1 131
of which										
Payments on tuition	296	333	998	700	1 133	950	**1 007**	6.00	1 067	1 131
2. Sustainable Resource Management		186								
of which										
Payments on tuition		186								
3. Asset and Liabilities Management		17								
of which										
Payments on tuition		17								
4. Asset and Liabilities		92								
of which										
Payments on tuition		92								
Total payments on training	296	628	998	700	1 133	950	**1 007**	6.00	1 067	1 131

Note: Human resource development was centralised under programme 1 from 2006/07. The amounts under programme 1 for 2004/05 and beyond include bursaries.

Table 8.4 Information on training

Description	Outcome 2004/05	2005/06	2006/07	Main appro-priation 2007/08	Adjusted appro-priation 2007/08	Revised estimate 2007/08	Medium-term estimate 2008/09	% Change from Revised estimate 2007/08	2009/10	2010/11
Number of staff	174	211	246	332	290	275	**314**	14.18	360	374
Number of personnel trained	165	205	246	237	237	237	**237**		237	237
of which										
Male	86	106	124	124	124	124	**124**		124	124
Female	79	99	122	113	113	113	**113**		113	113
Number of training opportunities	115	144	166	166	166	166	**166**		166	166
of which										
Tertiary	50	62	85	95	95	95	**95**		95	95
Workshops	21	45	29	20	20	20	**20**		20	20
Seminars	20	22	27	26	26	26	**26**		26	26
Other	24	15	25	25	25	25	**25**		25	25
Number of bursaries offered	70	91	121	105	105	105	**105**		105	105
Number of interns appointed	6	6	12	21	21	21	**21**		21	21
Number of learnerships appointed	10	10	10	10	10	10	**10**		10	10
Number of days spent on training	412	550	620	680	680	680	**680**		680	680

Reconciliation of structural changes

Table 8.5 Reconciliation of structural changes

	Programme for 2007/08				Programme for 2008/09		
	Programme R'000	2008/09 Equivalent Pro-gramme	2008/09 Equivalent Sub-pro-gramme		Programme R'000	Pro-gramme	Sub-pro-gramme
2.	**Sustainable Resource Management**	**11 467**		**2.**	**Sustainable Resource Management**	**11 467**	
	Fiscal Policy: Provincial Government		2 276		Fiscal Policy		999
	Fiscal Policy: Local Government		2 542		Public Finance		10 468
	Provincial Government Finance		2 621		Provincial Government Finance		3 897
	Local Government Finance		4 029		Local Government Finance		6 571
3.	**Assets and Liabilities Management**	**11 097**		**3.**	**Assets and Liabilities Management**	**11 097**	
	Financial Asset Management		1 801		Asset Management		9 295
	Moveable Asset Management		5 749		Moveable Asset Management		5 749
	Immoveable Asset Management		3 546		Immoveable Asset Management		3 546
	Liabilities Management		1		Liabilities Management		1 802
					Borrowing		1
					Financial Asset Management		1 801
		22 564				22 564	

Table B.1 Specification of receipts

Receipts R'000	Outcome			Main appro-priation	Adjusted appro-priation	Revised estimate	Medium-term estimate			
	Audited 2004/05	Audited 2005/06	Audited 2006/07	2007/08	2007/08	2007/08	2008/09	% Change from Revised estimate 2007/08	2009/10	2010/11
Tax receipts (Casino and LGM taxes)	172 745	221 972	275 984	288 418	296 418	307 746	**314 801**	2.29	333 817	334 346
Casino and LGM taxes	157 611	205 318	256 616	269 942	277 942	286 596	**295 955**	3.27	314 594	315 123
Horseracing taxes	15 134	16 654	19 368	18 476	18 476	21 150	**18 846**	(10.89)	19 223	19 223
Sales of goods and services other than capital assets	896	7 233	1 207	1 022	1 022	1 171	**1 022**	(12.72)	1 022	1 022
Sales of goods and services produced by department (excluding capital assets)	896	7 233	1 207	1 021	1 021	1 170	**1 021**	(12.74)	1 021	1 021
Administrative fees	896	7 220	1 207	1 009	1 009	1 158	**1 009**	(12.87)	1 009	1 009
Licences or permits			1 207	1 008	1 008	1 157	**1 008**	(12.88)	1 008	1 008
Request for information				1	1	1	**1**		1	1
Other	896	7 220								
Other sales		13		12	12	12	**12**		12	12
of which										
Commission on insurance				12	12	12	**12**		12	12
Other		13								
Sales of scrap, waste, arms and other used current goods (excluding capital assets)				1	1	1	**1**		1	1
Transfers received from	4			1	66	66	**1**	(98.48)	1	1
Public corporations and private enterprises					65	65		(100.00)		
Households and non-profit institutions	4			1	1	1	**1**		1	1
Fines, penalties and forfeits	231	290	215			91		(100.00)		
Interest, dividends and rent on land	211 333	233 361	54 125	47 128	47 128	47 459	**52 947**	11.56	53 980	53 980
Interest	211 333	233 361	54 125	47 128	47 128	47 459	**52 947**	11.56	53 980	53 980
Financial transactions in assets and liabilities	103	4 522	9 802	48	48	9 061	**48**	(99.47)	48	48
Recovery of previous year's expenditure		2 407	1	36	36	36	**36**		36	36
Staff debt		28	98	12	12	12	**12**		12	12
Cash surpluses		2 087	9 703			9 013		(100.00)		
Other	103									
Total departmental receipts	385 312	467 378	341 333	336 617	344 682	365 594	**368 819**	0.88	388 868	389 397

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

Economic classification R'000	Outcome			Main appro-priation	Adjusted appro-priation	Revised estimate	Medium-term estimate			
	Audited	Audited	Audited					% Change from Revised estimate		
	2004/05	2005/06	2006/07	2007/08	2007/08	2007/08	2008/09	2007/08	2009/10	2010/11
Current payments	99 614	112 495	130 860	117 892	114 426	112 626	**119 357**	5.98	131 694	138 997
Compensation of employees	33 590	41 941	52 919	76 550	63 754	61 607	**73 014**	18.52	86 983	93 802
Salaries and wages	29 101	36 738	46 148	66 870	55 781	54 056	**64 089**	18.56	76 109	82 189
Social contributions	4 489	5 203	6 771	9 680	7 973	7 551	**8 925**	18.20	10 874	11 613
Goods and services	65 930	70 381	77 164	41 342	50 672	50 998	**46 343**	(9.13)	44 711	45 195
of which										
Audit fees	443	133	185	194						
Audit fees: external	1 976	2 433	2 351	1 800	1 889	2 108	**2 180**	3.42	2 278	2 381
Consultants and specialised services	26 258	28 335	29 822	24 730	31 376	32 410	**29 916**	(7.70)	27 544	27 254
Information Technology expenses	25 223	26 427	28 585							
Operating Leases	271	436	456	480	480	480	**500**	4.17	521	546
Printing and publications	308	958	1 381	1 226	1 152	1 014	**1 250**	23.27	1 306	1 365
Training	126	628	998	700	1 133	950	**1 007**	6.00	1 067	1 131
Travel and subsistence	2 483	2 961	3 605	3 831	4 265	4 145	**4 057**	(2.12)	4 241	4 431
Financial transactions in assets and liabilities	94	173	777			21		(100.00)		
Transfers and subsidies to	723	348	392		643	643		(100.00)		
Provinces and municipalities	81	152	29							
Provinces		50								
Provincial agencies and funds		50								
Municipalities	81	102	29							
Municipalities	81	102	29							
of which										
Regional services council levies	81	102	29							
Departmental agencies and accounts	27									
Entities receiving transfers	27									
SETA	27									
Foreign governments and international organisations	50		1							
Households	565	196	362		643	643		(100.00)		
Other transfers to households	565	196	362		643	643		(100.00)		
Payments for capital assets	1 996	1 432	2 684	1 109	1 482	1 482	**1 239**	(16.40)	1 128	1 135
Buildings and other fixed structures							**669**		615	641
Other fixed structures							**669**		615	641
Machinery and equipment	1 391	1 029	2 279	989	1 362	1 362	**450**	(66.96)	388	363
Other machinery and equipment	1 391	1 029	2 279	989	1 362	1 362	**450**	(66.96)	388	363
Software and other intangible assets	605	403	405	120	120	120	**120**		125	131
Total economic classification	102 333	114 275	133 936	119 001	116 551	114 751	**120 596**	5.09	132 822	140 132

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

Economic classification R'000	Outcome			Main appro-priation	Adjusted appro-priation	Revised estimate	Medium-term estimate			
	Audited	Audited	Audited					% Change from Revised estimate		
	2004/05	2005/06	2006/07	2007/08	2007/08	2007/08	2008/09	2007/08	2009/10	2010/11
Current payments	20 133	22 541	26 966	29 786	32 893	32 316	**33 216**	2.78	36 079	38 020
Compensation of employees	11 397	12 111	13 098	17 811	15 919	15 451	**18 014**	16.59	20 231	21 469
Salaries and wages	9 949	10 718	11 477	15 668	14 108	13 704	**15 984**	16.64	17 772	18 893
Social contributions	1 448	1 393	1 621	2 143	1 811	1 747	**2 030**	16.20	2 459	2 576
Goods and services	8 642	10 257	13 091	11 975	16 974	16 844	**15 202**	(9.75)	15 848	16 551
of which										
Audit fees: external	1 976	2 433	2 351	1 800	1 889	2 108	**2 180**	3.42	2 278	2 381
Consultants and specialised services	181	764	1 951	2 156	3 780	3 983	**3 817**	(4.17)	3 950	4 118
Operating Leases	271	436	456	480	480	480	**500**	4.17	521	546
Printing and publications	308	958	1 381	1 226	1 152	1 014	**1 250**	23.27	1 306	1 365
Training	126	333	998	700	1 133	950	**1 007**	6.00	1 067	1 131
Travel and subsistence	1 004	1 228	1 058	1 127	1 699	1 643	**1 558**	(5.17)	1 629	1 702
Financial transactions in assets and liabilities	94	173	777			21		(100.00)		
Transfers and subsidies to	185	191	143		8	8		(100.00)		
Provinces and municipalities	28	80	8							
Provinces		50								
Provincial agencies and funds		50								
Municipalities	28	30	8							
Municipalities	28	30	8							
of which										
Regional services council levies	28	30	8							
Departmental agencies and accounts	27									
Entities receiving transfers	27									
SETA	27									
Foreign governments and international organisations	50									
Households	80	111	135		8	8		(100.00)		
Other transfers to households	80	111	135		8	8		(100.00)		
Payments for capital assets	1 000	488	1 615	542	1 276	1 276	**1 119**	(12.30)	1 003	1 004
Buildings and other fixed structures							**669**		615	641
Other fixed structures							**669**		615	641
Machinery and equipment	995	475	1 615	542	1 276	1 276	**450**	(64.73)	388	363
Other machinery and equipment	995	475	1 615	542	1 276	1 276	**450**	(64.73)	388	363
Software and other intangible assets	5	13								
Total economic classification	21 318	23 220	28 724	30 328	34 177	33 600	**34 335**	2.19	37 082	39 024

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

Economic classification R'000	Outcome			Main appro-priation	Adjusted appro-priation	Revised estimate	Medium-term estimate			
	Audited	Audited	Audited					% Change from Revised estimate		
	2004/05	2005/06	2006/07	2007/08	2007/08	2007/08	2008/09	2007/08	2009/10	2010/11
Current payments	10 565	16 100	21 069	28 208	22 453	22 133	**23 794**	7.50	28 903	31 196
Compensation of employees	7 351	9 332	14 931	22 942	17 235	17 065	**20 170**	18.20	25 116	27 238
Salaries and wages	6 365	8 245	13 139	20 171	15 143	15 012	**17 854**	18.93	22 117	24 015
Social contributions	986	1 087	1 792	2 771	2 092	2 053	**2 316**	12.81	2 999	3 223
Goods and services	3 214	6 768	6 138	5 266	5 218	5 068	**3 624**	(28.49)	3 787	3 958
of which										
Consultants and specialised services	2 517	2 818	2 830	2 286	1 731	1 826	**1 003**	(45.07)	1 048	1 095
Training		186								
Travel and subsistence	671	798	1 144	852	1 125	1 111	**1 153**	3.78	1 205	1 259
Transfers and subsidies to	502	22	7							
Provinces and municipalities	17	22	7							
Municipalities	17	22	7							
Municipalities	17	22	7							
of which										
Regional services council levies	17	22	8							
Households	485									
Other transfers to households	485									
Payments for capital assets		391	256	25	76	76		(100.00)		
Machinery and equipment		391	219	25	76	76		(100.00)		
Other machinery and equipment		391	219	25	76	76		(100.00)		
Software and other intangible assets			37							
Total economic classification	11 067	16 513	21 332	28 233	22 529	22 209	**23 794**	7.14	28 903	31 196

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

Economic classification R'000	Outcome			Main appro-priation	Adjusted appro-priation	Revised estimate	Medium-term estimate			
	Audited	Audited	Audited					% Change from Revised estimate		
	2004/05	2005/06	2006/07	2007/08	2007/08	2007/08	2008/09	2007/08	2009/10	2010/11
Current payments	42 691	46 631	51 048	20 716	21 516	21 546	**23 395**	8.58	26 540	28 188
Compensation of employees	8 498	11 725	13 018	16 031	15 589	15 217	**18 566**	22.01	21 481	22 918
Salaries and wages	7 321	10 139	11 212	13 829	13 361	13 082	**16 052**	22.70	18 619	19 908
Social contributions	1 177	1 586	1 806	2 202	2 228	2 135	**2 514**	17.75	2 862	3 010
Goods and services	34 193	34 906	38 030	4 685	5 927	6 329	**4 829**	(23.70)	5 059	5 270
of which										
Consultants and specialised services	7 631	7 399	5 230	3 751	4 771	5 068	**3 774**	(25.53)	3 957	4 118
Information Technology expenses	25 223	26 427	28 585							
Training		17								
Travel and subsistence	576	588	840	741	843	916	**742**	(19.00)	776	811
Transfers and subsidies to	21	29	235		635	635		(100.00)		
Provinces and municipalities	21	29	7							
Municipalities	21	29	7							
Municipalities	21	29	7							
of which										
Regional services council levies	21	29	6							
Foreign governments and international organisations			1							
Households			227		635	635		(100.00)		
Other transfers to households			227		635	635		(100.00)		
Payments for capital assets	396	39	254	22						
Machinery and equipment	396	39	254	22						
Other machinery and equipment	396	39	254	22						
Total economic classification	43 108	46 699	51 537	20 738	22 151	22 181	**23 395**	5.47	26 540	28 188

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

Economic classification R'000	Outcome			Main appro-priation	Adjusted appro-priation	Revised estimate	Medium-term estimate			
	Audited	Audited	Audited					% Change from Revised estimate		
	2004/05	2005/06	2006/07	2007/08	2007/08	2007/08	2008/09	2007/08	2009/10	2010/11
Current payments	26 225	27 223	31 777	39 182	37 564	36 631	**38 952**	6.34	40 172	41 593
Compensation of employees	6 344	8 773	11 872	19 766	15 011	13 874	**16 264**	17.23	20 155	22 177
Salaries and wages	5 466	7 636	10 320	17 202	13 169	12 258	**14 199**	15.83	17 601	19 373
Social contributions	878	1 137	1 552	2 564	1 842	1 616	**2 065**	27.78	2 554	2 804
Goods and services	19 881	18 450	19 905	19 416	22 553	22 757	**22 688**	(0.30)	20 017	19 416
of which										
Audit fees	443	133	185	194						
Consultants and specialised services	15 929	17 354	19 811	16 537	21 094	21 533	**21 322**	(0.98)	18 589	17 923
Training		92								
Travel and subsistence	232	347	563	1 111	598	475	**604**	27.16	631	659
Transfers and subsidies to	15	106	7							
Provinces and municipalities	15	21	7							
Municipalities	15	21	7							
Municipalities	15	21	7							
of which										
Regional services council levies	15	21	7							
Households		85								
Other transfers to households		85								
Payments for capital assets	600	514	559	520	130	130	**120**	(7.69)	125	131
Machinery and equipment		124	191	400	10	10		(100.00)		
Other machinery and equipment		124	191	400	10	10		(100.00)		
Software and other intangible assets	600	390	368	120	120	120	**120**		125	131
Total economic classification	26 840	27 843	32 343	39 702	37 694	36 761	**39 072**	6.29	40 297	41 724

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

R'000	Outcome				Medium-term estimate		
	Audited	Audited	Audited	Estimated outcome			
	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11
Revenue							
Non-tax revenue	**20 966**	**26 070**	**28 538**	**28 894**	**29 070**	**29 763**	**30 593**
Sale of goods and services other than capital assets	20 143	25 229	27 345	27 740	27 870	28 491	29 245
Of which:							
Admin fees	20 143	25 229	27 345	27 740	27 870	28 491	29 245
Other non-tax revenue	823	841	1 193	1 154	1 200	1 272	1 348
Transfers received	**(462)**	**762**	**634**				
Total revenue	**20 504**	**26 832**	**29 172**	**28 894**	**29 070**	**29 763**	**30 593**
Expenses							
Current expense	**18 159**	**16 947**	**20 036**	**23 686**	**28 268**	**29 835**	**31 794**
Compensation of employees	10 518	10 850	11 910	14 780	18 263	19 907	21 101
Goods and services	7 077	5 296	7 307	8 063	9 319	9 242	10 007
Depreciation	564	801	819	843	686	686	686
Transfers and subsidies	**258**	**218**	**183**	**296**	**428**	**454**	**487**
Total expenses	**18 417**	**17 165**	**20 219**	**23 982**	**28 696**	**30 289**	**32 281**
Surplus/(Deficit)	**2 087**	**9 667**	**8 953**	**4 912**	**374**	**(526)**	**(1 688)**
Cash flow summary							
Adjust surplus/(deficit) for accrual transactions	**(153)**	**71**	**(329)**	**(268)**	**(514)**	**(586)**	**(662)**
Adjustments for:							
Depreciation	564	801	753	843	686	686	686
Interest	(707)	(730)	(1 066)	(1 111)	(1 200)	(1 272)	(1 348)
Net (profit)/loss on disposal of fixed assets	(10)		(16)				
Operating surplus/ deficit) before changes in working capital	**1 934**	**9 738**	**8 624**	**4 644**	**(140)**	**(1 112)**	**(2 350)**
Changes in working capital	**1 719**	**(2 167)**	**1 223**	**(671)**	**712**	**926**	**(465)**
(Decrease)/increase in accounts payable	2 932	(2 597)	351	294	810	1 116	(930)
Decrease/(increase) in accounts receivable	(1 080)	299	598	(840)	105	(65)	465
Decrease/(increase) in inventory	(167)	145	(38)	76	64		
(Decrease)/increase in provisions	34	(14)	312	(201)	(267)	(125)	
Cash flow from operating activities	**3 653**	**7 571**	**9 847**	**3 973**	**572**	**(186)**	**(2 815)**
Cash flow from investing activities	**(309)**	**391**	**469**	**525**	**735**	**807**	**883**
Acquisition of Assets	*(1 090)*	*(339)*	*(618)*	*(586)*	*(465)*	*(465)*	*(465)*
Other flows from Investing Activities	781	730	1 087	1 111	1 200	1 272	1 348
Cash flow from financing activities	**(1 378)**	**(2 272)**	**(8 769)**	**(8 005)**	**(6 543)**	**(621)**	**1 932**
Net increase/decrease) in cash and cash equivalents	**1 966**	**5 690**	**1 547**	**(3 507)**	**(5 236)**		
Balance Sheet Data							
Carrying Value of Assets	**2 560**	**2 097**	**1 956**	**1 700**	**1 479**	**1 258**	**1 037**
Cash and Cash Equivalents	**7 508**	**13 198**	**14 746**	**11 239**	**6 003**	**6 003**	**6 003**
Receivables and Prepayments	**1 613**	**1 168**	**608**	**1 372**	**1 203**	**1 268**	**803**
Total Assets	**11 681**	**16 463**	**17 310**	**14 311**	**8 685**	**8 529**	**7 843**
Capital & Reserves	**4 646**	**11 465**	**10 117**	**5 802**	**1 374**	**274**	**(888)**
Trade and Other Payables	**3 944**	**1 345**	**1 699**	**1 990**	**2 800**	**3 916**	**2 986**
Provisions	**672**	**657**	**969**	**1 042**	**775**	**650**	**650**
Managed Funds	**2 419**	**2 996**	**4 525**	**5 477**	**3 736**	**3 689**	**5 095**
Total Equity and Liabilities	**11 681**	**16 463**	**17 310**	**14 311**	**8 685**	**8 529**	**7 843**

Table B.4 Transfers to local government by transfers/grant type, category and municipality - None

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

Municipalities R'000	Outcome			Main appro-priation	Adjusted appro-priation	Revised estimate	Medium-term estimate			
	Audited 2004/05	Audited 2005/06	Audited 2006/07	2007/08	2007/08	2007/08	2008/09	% Change from Revised estimate 2007/08	2009/10	2010/11
Cape Town Metro	102 333	114 275	133 936	119 001	116 551	114 751	**120 596**	5.09	132 822	140 132
Total provincial expenditure by district and local municipality	102 333	114 275	133 936	119 001	116 551	114 751	**120 596**	5.09	132 822	140 132