Vote 3

Provincial Treasury

	2012/13 To be appropriated	2013/14	2014/15
MTEF allocations	**R154 286 000**	**R164 441 000**	**R172 665 000**
Responsible MEC	Provincial Minister of Finance, Economic Development and Tourism		
Administering Department	Provincial Treasury		
Accounting Officer	Head of Department and Head Official: Provincial Treasury		

1. Overview

Core functions and responsibilities

The core functions, powers and responsibilities of the Provincial Treasury are captured in section 18 of the PFMA and section 5 of the MFMA. Within this legislative context, and giving effect to National Strategic Outcomes 9 and 12 and Provincial Strategic Objective 12 of building the best run regional government in the world, the Treasury within the two delivery branches i.e. Fiscal and Economic Services and Governance and Asset Management will execute the following core functions and responsibilities:

Improve financial management by emphasising conformance to all relevant prescripts of financial management, and

Improve fiscal performance to ensure the highest level of maturity rating in planning, budgeting, monitoring, and evaluation and reporting to improve the allocation and the application of financial resources.

Vision

Change agent in resource allocation and utilisation practices in pursuing the systematic reduction in social and economic disparities.

Mission

To obtain financial supportive means and foster the optimal utilisation of resources by means of sound governance practices.

Main services

Within the legislative context of section18 of the PFMA and Section 5 of the MFMA, the main services to be provided by the Provincial Treasury include the following:

Internally:

- To assist the member of the Executive Council i.e. the Minister of Finance, Economic Development and Tourism and the Head of Department with the delivery of the assigned functions to them.
- Effective financial management of the department up to a level 3+ financial capability rating (full conformance to all relevant prescripts).

Transversally or externally:

- To ensure revenue adequacy, optimisation and efficiency of revenue collection for departments and municipalities to achieve a level 3+ financial capability rating.
- Monitor and evaluate cash flow and investment management so that it is sustainable and credible and will enhance service delivery and improve liquidity in departments and municipalities.
- Compile responsive budgets for all provincial departments, municipalities and entities to achieve a level 3+ financial capability rating.
- Promote credible budgets within departments, municipalities and entities to achieve a level 3+ financial capability rating.
- Increase the level of infrastructure delivery to achieve a level 3+ financial capability rating (departments of Education, Health, Transport and Public Works, Human Settlements and municipalities) and the sound management of PPP projects.
- Enhance departmental and municipal capacity and performance to achieve a level 3+ financial capability rating for SCM and moveable asset management.
- Ensure the effective and efficient management, utilisation and implementation of financial systems to achieve a level 3+ financial capability rating within provincial departments and selected entities.
- Ensure the development of accounting practices within provincial and local government that will promote effective and efficient capturing of REAL movements/accountability and contribute towards attaining level 3 and higher auditable organisations.
- Enable departments and municipalities to achieve a level 3+ financial management capability over the next 5 years.

Demands and changes in service

Given the two high level outcomes to be strived for as taken up in the PSO 12, i.e. full conformance by the end of the 2012 MTEF period across all major functional areas of the Treasury (strategic budget planning and performance management, Expenditure and Revenue Management, Management accounting, Financial accounting, Supply chain management, Asset management, Infrastructure management and Internal controls), or achievement of level 3 financial management maturity ratings by all departments, entities and municipalities by 2014/15. Secondly, fiscal performance management, similarly across all functional areas and again in both spheres i.e. financial management maturity ratings: level 3+ by 2014/15, level 4 by 2016, and level 6 by 2021, required a completely fresh look at how our services are to be delivered.

The following are some of the major service delivery changes that the Treasury will embark upon in delivering on what is envisaged in PSO 12:

- A prescribed legislative regime that informs financial management policy and procedures and a robust control environment;
- Improved institutional memory by way of provincial policy, the development of standard operating procedures and guidelines that create a culture of compliance, assistance and guidance;
- An integrated, financial management system or solution that would assist in the efficient management of internal control, data integrity and reporting;
- Adequate financial management structures (internal control, management accounting and financial accounting and SCM) to support the regulatory competencies required for the effective and efficient management of financial resources;
- Frameworks and transversal policies in respect of control activities to address risks in departments;
- Adequate training that supports capacity building and the development of robust skills and knowledge that would improve financial management;
- Improved revenue management, cash flow management, expenditure management and supply chain management (including reforms and policies);
- Responsive budgets to the Provincial Strategic Objectives and to socio-economic needs;
- Supply chain and movable asset management reform and policies;
- Improved financial systems and reporting; and
- Improved performance monitoring, evaluation and reporting.

Acts, rules and regulations

The legislative mandate, within which the Provincial Treasury operates, mainly consists of the following mix of national and provincial legislation:

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 for regulatory prescripts, in addition to the Public Service Act, 1994 and the Public Service Regulations, 2001, regarding the employment conditions for public servants.

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.

Executives' Members Ethics Act (Act 82 of 1998)

To provide for a code of ethics governing the conduct of members of provincial Executive Councils, and to provide for matters connected therewith.

Government Employees Pension Law, 1996 (Act 21 of 1996)

To make provision for the payment of pensions and certain other benefits to employees, their dependants or nominees, and to provide for matters incidental thereto.

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

To provide a uniform framework for the management of immoveable assets that are held or used by provincial (in this case) departments and to ensure the optimal coordination of the use of such immoveable assets within the context of the departmental service delivery objectives.

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

To define amongst others the role of the Minister of Finance, Economic Development and Tourism and that of the Treasury as representative of the Provincial Government; promoting co-operation between 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.

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

To establish a framework for the national government, provincial governments and local governments to promote and facilitate intergovernmental relations; to provide for mechanisms and procedures to facilitate the settlement of intergovernmental disputes; and to provide for matters connected 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)

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, apart from assigning certain powers, responsibilities and functions to Treasuries in this respect.

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.

Public Audit Act, 2004 (Act 25 of 2004)

To provide assistance to the Auditor-General's Office in the recovering of outstanding audit fees, to appropriately respond or intervene (as the case may be) on matters arising from audit reports 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 national and provincial spheres to ensure that all revenue, expenditure, assets and liabilities are managed efficiently and effectively; to provide for the responsibilities of persons entrusted with financial management within the Treasury and to provide for matters connected therewith. In addition, it describes the powers and functions of Treasuries and to direct their responsibilities with respect to other departments and public entities.

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

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.

Remuneration of Public Office Bearers Act (Act 20 of 1998)

To provide for a framework for determining the upper limit of salaries and allowances of Premiers, members of Executive Councils, members of provincial legislatures and members of Municipal Councils; to provide for a framework for determining pension and medical aid benefits of public office bearers; to provide for the repeal of certain laws; and to provide for 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 Adjustments Appropriation Act, 2011 (Act 8 of 2011)

To appropriate adjusted amounts of money from the Provincial Revenue Fund for the requirements of the Province of the Western Cape in respect of the financial year ending 31 March 2012; to amend the Western Cape Appropriation Act, 2011 in respect of certain grants; and to provide 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, the Constitution of the Western Cape, 1997 (Act 1 of 1998) and the Public Finance Management Act, 1999 (Act 1 of 1999), and for matters incidental thereof.

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

To provide regulatory prescripts to support the responsible Member of the Executive Council responsible for the Act to ensure sound financial administration by the Western Cape Gambling and Racing Board, in regulating the gambling activities in the Province and to provide for matters connected therewith.

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 Provincial Parliament when necessary in meeting their financial responsibilities as set out in legislation.

Budget decisions

The allocated budget for the 2012 MTEF, is aligned and prioritised towards Treasury's role within Provincial Strategic Objective 12, the other 11 Provincial Strategic Objectives and National Government's 12 national outcomes. The 2012/13 MTEF budget allocation provides for the requested establishment changes under the reconfiguration 3 initiative, but funded only from 1 July 2012. The proposed establishment changes by the National Treasury/Provincial Organisational Design Infrastructure Development Improvement Plan (IDIP) work team to the infrastructure component in Public Finance have not been included as yet.

Given the constrained budget allocation, in order to balance the budget, the Department instituted ceilings spread across the different programmes in the cost of employment and goods and services budgets, providing for an overall personnel vacancy rate of around 13 per cent and economising on goods and services and transfer payments of around R2 million. Implementing this budget will require tight monitoring and oversight by the Department.

Aligning departmental budgets to achieve government's prescribed outcomes

Nationally, the two outcomes being responded to are respectively: Outcomes 9: A responsive, accountable, effective and efficient local government system; and Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.

Provincially, both these national outcomes have been incorporated in Provincial Strategic Outcome (PSO) 12: Building the best run regional government in the world.

The current and planned activities, as espoused in the 2012 Annual Performance Plan for Provincial Treasury, reflects strong alignment to both National Outcomes 9 and 12, and includes detailed information on how PSO 12 will be implemented over time.

For these purposes, the Department is allocated a budget of R154.286 million in 2012/13, R164.441 million for 2013/14 and R172.665 million in 2014/15.

The proportional allocation across the four programmes of the Department is as follows:

R33.243 million (21.54 per cent) of the 2012/13 budget is allocated to **Programme 1: Administration** to give strategic direction and to provide quality financial and other support and logistical services to the Minister, the Head of Department and Treasury as a whole.

R68.204 million (44.21 per cent) of the 2012/13 budget is allocated to **Programme 2: Sustainable Resource Management** to inform financial resource allocations, to manage the provincial budget and financial assets, and to monitor the implementation of provincial, municipal and entity budgets so as to enhance the effective utilisation of available fiscal and other resources.

R30.639 million (19.86 per cent) of the 2012/13 budget is allocated to **Programme 3: Assets and Liabilities Management** to provide policy direction and to facilitate and enforce the effective and efficient management of financial systems, physical assets and supply chain management within the provincial and municipal spheres.

R22.220 million (14.39 per cent) of the 2012/13 budget is allocated to **Programme 4: Financial Governance** to develop accounting and financial management practices and maturity within provincial and local governments that will contribute towards attaining level 3 and higher auditable and maturity organisations.

2. Review 2011/12

The intent of the 2011/12 budget was to promote the optimal use of provincial and municipal financial resources and to further strengthen financial governance practices, taking into account national and provincial government's desired outcomes. Some of the key achievements in 2011/12 were:

Continuing on the performance in 2009/10 financial year where all provincial departments and entities received unqualified audits, all departments and entities, bar the Housing Development Fund, received unqualified audits for the 2010/11 financial year.

Revenue and cash management arrangements in the province and municipalities have been strengthened, inclusive of improvements in the credibility and sustainability of cash flow management arrangements and liquidity in provincial departments and municipalities.

The provincial bank tender for the provision of banking and associated services for the next 5 years has been successfully concluded during the year.

A great deal of effort has gone into the development of responsive departmental, municipal and entity budgets that can contribute to improvements in socio–economic outcomes, similarly into economic and other analysis that informed planning and budgeting, budget policy formulation and better monitoring of financial and service delivery performance, in liaison with the Departments of the Premier and Local Government.

The Provincial Economic Review and Outlook 2011 (PERO) and the Medium Term Budget Statement 2012 – 2015 (MTBPS) were both tabled. These provided the basis for the crafting and tabling more responsive budgets with better alignment to the 12 PSOs.

Expenditure and revenue management and monitoring of budget implementation to improve the sustainability and credibility of provincial, municipal and entity budgets has significantly improved and included steps that were introduced to enhance operational efficiency, targeting, and delivery on annual plans.

The level of infrastructure delivery, in liaison with key provincial departments, has improved and included a process that enhanced planning and more efficient procurement methodologies. The WC-IDMS has been developed and approved by Cabinet and this will set the basis for a structured approach to infrastructure delivery in the Province.

Concerted efforts have been made to develop, drive, assess and assist departments, entities and municipalities in the effective and efficient management of supply chain and moveable asset management. Virtuous cycle SCM assessments covering the whole cycle of supply chain management, from demand to disposal, inclusive of corrective actions identified for implementation, have been conducted at departments and municipalities and included strengthened support to departments and municipalities via training, assistance and guidance. This has resulted in the improvement of both supply and moveable asset management processes.

In respect of systems, efforts to improve financial system management were targeted on ensuring that system users are appropriately trained in accordance with their system profiles and that effective user account management was maintained. The current electronic purchasing system is being amended in liaison with the service provider and due for implementation in the new financial year. This system will lay the basis for improving the efficiency and effectiveness of SCM in provincial departments.

Within provincial departments, entities and municipalities concerted efforts were made to improve the standards of accounting and financial reporting. This included the roll-out of the latest Generally Recognised Accounting Practice (GRAP) standards within municipalities and the latest accounting policy framework for provincial departments. Initiatives to further improve the integrity of financial data as well as the competency and staffing of the financial accounting sections within CFO offices have been initiated.

Overall, the capacity in CFO offices is on the rise and this contributed to the improvement in overall financial management capabilities and governance.

The Treasury also monitored the effectiveness of financial governance structures and processes in departments and municipalities and provided assistance and training where required.

The Treasury also executed its oversight functions over the Western Cape Gambling and Racing Board (WCGRB) and asserted that the public entity in achieving its financial and non-financial targets during 2011/12.

3. Outlook for 2012/13

The main thrust of the 2012/13 Budget will be on giving effect to what is envisaged in PSO 12. Overall, the emphasis will fall on the systematic or progressive improvement of financial management practices in the Province. In this regard, Treasury's efforts will be firstly to: ensure conformance to all relevant prescripts of financial management, a prerequisite for the second outcome, which is to improve fiscal performance management. The ultimate aim is to ensure that departments, entities and municipalities achieve their intended purpose.

In respect of improving conformance and performance, the target is to achieve a level 3 financial management maturity over the 2012 MTEF, while a level 4 financial management maturity is targeted to be achieved by 2013/14 and a level 6 financial management maturity by 2021. Key performance areas towards achieving both financial conformance and performance include:

Fiscal Policy (Provincial and Local Government)

A proactive approach to ensure that the Province receives its due allocation from nationally raised revenues. In like vein, that departments and entities collect all own receipts due to them and to explore options for increasing the Province's own revenue base. Efforts will be directed to research the national transfer system and funding models, to proactively influence the thinking on the allocation of resources at a national level, contribute to improving the flexibility of the fiscal transfer system and giving special attention to equitable share and conditional grants allocations to the Province and municipalities.

Key research initiatives include the role that provinces play in economic development, the policy and data informants of the Provincial Equitable Share and conditional grant formulae, updating of research on the fuel levy and proposals on the Casino tax exclusivity regime and associated tax rates, and the funding model as it relates to Government Motor Transport.

Cash flow management policies, guidelines and practices will be improved within departments, municipalities and entities with the aim of improving liquidity and budgets that are credible and sustainable.

Budget Management (Provincial and Local Government)

The development of responsive departmental, municipal and entity budgets that address government priorities and contribute to improvements of selected socio–economic outcomes will be another key focus area.

Research into the provincial economy and socio-economic situation through the annual publication of the Provincial Economic Review and Outlook (PER&O) will continue to provide the backdrop for the Western Cape Medium Term Budget Policy Statement and the link between the intention/plans of the Western Cape Government to facilitate an economic environment, conducive to economical growth and the sharing of the benefits thereof to as a wide spectrum of citizens through in particular job creation.

A Municipal Economic Review and Outlook (MERO) will be published for the first time in 2012/13, which will build on the PER&O and provide for the scaffolding of economic information from a provincial level down to a municipal district level. The MERO will be done in collaboration with municipalities with existing research collaboration assisting to improve municipal planning to achieve the desired socio economic impact at a municipal level as taken up in their Integrated Development and Service Delivery and Budget Implementation Plans and budgets of municipalities.

Public Finance (Provincial and Local Government)

The aim will be improved expenditure management in provincial departments and municipalities. The efforts will ensure that expenditure is a true reflection of goods and services bought. Minimum standards will be developed for the institutionalisation of expenditure management in departments and municipalities. Further focus will be on improving conformance, accountability, data integrity, monitoring the implementation of budgets, ensuring that budgets are spent on its intended purpose. Furthermore, that budgets are spent in the most cost effective manner with no overspending, i.e. good fiscal discipline.

Support to especially the most vulnerable municipalities will continue, but this will be bespoke and based on the outcomes and recommendations of both the LG-FGRO processes driven by Programmes 3 and 4 and the LGMTEC 3 or budget assessment process driven by Programme 2.

Immoveable Asset Management

In building on the initiatives started during 2011/12, a best practice framework for infrastructure procurement that is aligned to the latest Construction Industry Development Board (CIDB) recommendations will be further developed to improve the institutional environment. Efforts to institutionalise and implement the Western Cape Infrastructure Delivery Management System will continue, inclusive of assisting departments and entities with the development and improvement of quality User-Asset Management (U-AMP) and Custodian-Asset Management (C-AMP) plans, in line with the Government Immoveable Asset Management Act (GIAMA).

Given the focus of the 2012/13 MTEF budget, strengthening the PPP unit is key to ensure the required due diligence is conducted, value for money is achieved and infrastructure budgets implemented in an efficient, effective and economic manner whilst ensuring that environmental issues are also addressed.

Business Information and Data Management (Provincial and Local Government)

The main task will be the establishment of the nascent Business Information and Data Management unit to ensure adherence to the relevant Archives and Record Services prescripts and the implementation of systems to promote organisational sustainability and to provide for an institutional memory of Treasury activities and afford newly appointed Provincial Treasury staff the opportunity to get acquainted with the work content in a relatively short period of time. This unit will also focus on improving internal coordination within Treasury and on the improvement of intergovernmental coordination between the Province (Provincial Treasury and Local Government) and municipalities.

Moveable Asset Management (Provincial and Local Government)

Better procurement planning through strategic sourcing will be promoted, fostering closer linkages between budget planning that informs procurement planning for both municipalities and provincial departments so as to increase efficiency in spending and value for money. Best practice guidelines to address value for money and efficiency in procurement for both municipalities and provincial departments will be further developed. Ensuring data integrity of the Western Cape Supplier Database and transparency on SCM systems will be one of the focus areas, inclusive of promoting supplier support, capacity building and development through structured supplier open-days and the maintenance of a supplier helpdesk.

Supporting and Interlinked Financial Systems

The management and utilisation of financial systems by provincial departments and selected entities, including the requisite internal controls, will be strengthened. Financial systems management will be improved by ensuring that system users are appropriately trained, skilled and capacitated in accordance with their system profiles, as well ensuring compliance to user requirement statements and effective user account management.

Accounting (Provincial and Local Government)

The focus will be on improving the quality and integrity of financial accounting and reporting to fully reflect all transactions and the values and extent of all assets owned by government. The implementation of the latest accounting standards and monitoring the implementation of the transitional provisions within provincial departments and municipalities of the Western Cape, will be key. Provincial departments will be assisted with the preparation and assessment of Interim and Annual Financial Statements. The annual production of the Financial Governance Review & Outlook (Provincial Government and Local Government) on the financial governance of departments and municipalities will be further institutionalised.

Corporate Governance

A generic set of corporate governance norms and standards for departments, municipalities and entities that are responsive to and compliant with the relevant financial legislative framework will be developed, implemented and enforced. It will include the adaptation of a generic set of governance norms and standards to meet the particular requirements of individual departments.

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 appro-priation	Adjusted appro-priation	Revised estimate	Medium-term estimate			
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2011/12	2013/14	2014/15
Treasury funding										
Equitable share	(13 480)	(1 183)	(21 070)	79 755	78 199	26 376	**89 065**	237.67	99 220	107 444
Financing		5 075								
Provincial Revenue Fund		5 075								
Own receipts - Provincial Treasury (allocated to other votes)	(251 252)	(232 512)	(233 041)	(233 041)	(233 041)	(233 041)	**(233 041)**		(233 041)	(233 041)
Total Treasury funding	120 950	138 371	127 500	144 976	143 420	142 920	**154 286**	7.95	164 441	172 665
Departmental receipts										
Tax receipts	323 728	308 373	322 644	297 000	297 000	343 042	**297 000**	**(13.42)**	297 000	297 000
Sales of goods and services other than capital assets	1 346	1 444	1 907	1 214	1 214	1 820	**1 214**	(33.30)	1 214	1 214
Transfers received				1	1	1	**1**		1	1
Fines, penalties and forfeits	380	1 147	459			627		**(100.00)**		
Interest, dividends and rent on land	52 948	53 980	53 986							
Financial transactions in assets and liabilities	7 280	2 047	2 615	47	47	4 095	**47**	**(98.85)**	47	47
Total departmental receipts	385 682	366 991	381 611	298 262	298 262	349 585	**298 262**	(14.68)	298 262	298 262
Total receipts	120 950	138 371	127 500	144 976	143 420	142 920	**154 286**	7.95	164 441	172 665

Summary of receipts:

Total receipts increase by R11.366 million or 7.95 per cent from R142.920 million (revised estimates) in 2011/12 to R154.286 million in 2012/13. This increase is due to the finalisation of the reconfiguration process. This increased the number of posts from a total establishment of 275 in 2011/12 to 324 posts in 2012/13.

Treasury funding of which:

Equitable share amounts equal to R89.065 million in 2012/13, R99.220 million in 2013/14 and R107.444 million in 2014/15.

Total departmental receipts for 2012/13 of R298.262 million will be allocated between the Department of the Premier (R233.041 million) and Provincial Treasury (R65.221 million). The Provincial Treasury allocates these funds to the Department of the Premier as it is also part of the Governance and Administration cluster.

Details of Departmental receipts:

The departmental own receipts decreased from R349.585 million in 2011/12 (revised estimate) to R298.262 million in 2012/13. The main source of income is in respect of tax receipts.

Tax receipts, of which casino and horse racing taxes are the main contributors, decreased by R46.042 million or 13.42 per cent from a revised estimate of R343.042 million in 2011/12 to R297 million in 2012/13. The tax receipts over the MTEF shows no further growth due to the slowdown in the economy and therefore a conservative approach was taken in budgeting for casino tax revenues.

Since 2011/12 interest, dividends and rent on land are no longer accounted for within Vote 3: Provincial Treasury but are now catered for directly within the Provincial Revenue Fund.

Donor funding (excluded from vote appropriation) – None

5. Payment summary

Key assumptions

Adjustments for salary increases are based on the National Treasury assumption that wage agreements will result in salary increases of 7.8 per cent for 2012/13, 8 per cent for 2013/14 and 7.5 per cent for 2014/15, inclusive of the 2 per cent pay progression provision in each financial year. Adjustments for the majority of the non-personnel expenditure items, classified as goods and services and payments for capital assets, are based on CPI head-line estimates of 5.3 per cent in 2012/13, 5.5 per cent in 2013/14 and 5 per cent 2014/15.

National and provincial priorities

Nationally, the two outcomes being responded to are respectively, Outcomes (NSOs) 9: A responsive, accountable, effective and efficient local government system; and 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.

Provincially, both these national outcomes have been incorporated in the Provincial Strategic Objective 12 (PSO 12): Building the best run regional government in the world.

Programme summary

Table 5.1 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						Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11	Main appro-priation 2011/12	Adjusted appro-priation 2011/12	Revised estimate 2011/12	2012/13	% Change from Revised estimate 2011/12	2013/14	2014/15
1. Administration [a]	40 141	39 359	33 214	36 187	31 376	31 160	**33 243**	6.68	37 125	38 751
2. Sustainable Resource Management	21 346	36 531	42 327	59 363	61 782	61 697	**68 204**	10.55	69 526	73 381
3. Asset and Liabilities Management	22 348	27 526	33 710	28 781	30 162	29 805	**30 639**	2.80	32 729	33 692
4. Financial Governance	37 115	34 955	18 249	20 645	20 100	20 258	**22 200**	9.59	25 061	26 841
Total payments and estimates	120 950	138 371	127 500	144 976	143 420	142 920	**154 286**	7.95	164 441	172 665

[a] MEC total remuneration package: R1 566 089 with effect from 1 April 2011.

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 2008/09	Audited 2009/10	Audited 2010/11	Main appro-priation 2011/12	Adjusted appro-priation 2011/12	Revised estimate 2011/12	2012/13	% Change from Revised estimate 2011/12	2013/14	2014/15
Current payments	118 105	134 643	124 331	141 559	137 587	137 073	**148 669**	8.46	160 990	170 075
Compensation of employees	71 482	93 902	89 297	106 534	96 456	95 942	**113 109**	17.89	121 819	129 985
Goods and services	46 623	40 741	35 034	35 025	41 131	41 131	**35 560**	(13.54)	39 171	40 090
Transfers and subsidies to	267	419	736	500	4 153	4 153	**4 100**	(1.28)	845	892
Provinces and municipalities	80				3 450	3 450	**3 500**	1.45		
Non-profit institutions	50	100	102							
Households	137	319	634	500	703	703	**600**	(14.65)	845	892
Payments for capital assets	2 541	3 106	2 321	2 917	1 668	1 668	**1 517**	(9.05)	2 606	1 698
Machinery and equipment	2 541	2 153	2 286	2 917	1 668	1 668	**1 517**	(9.05)	2 606	1 698
Heritage assets			35							
Software and other intangible assets		953								
Payments for financial assets	37	203	112		12	26		(100.00)		
Total economic classification	120 950	138 371	127 500	144 976	143 420	142 920	**154 286**	7.95	164 441	172 665

Transfers to public entities

Only one entity, namely the Western Cape Gambling and Racing Board (WCGRB) falls within the jurisdiction of the Provincial Treasury. Although the WCGRB is currently self-funded, financial sustainability is at risk due to the loss of exclusivity fees. The revision of the current exclusivity and tax regime will be introduced in Parliament in 2012/13 which will, amongst others, try to address this sustainability risk.

Transfers to development corporations - None

Transfers to local government

Table 5.3 Summary of departmental transfers to local government by category

Departmental transfers R'000	Outcome			Main appro-priation	Adjusted appro-priation	Revised estimate	Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11	2011/12	2011/12	2011/12	2012/13	% Change from Revised estimate 2011/12	2013/14	2014/15
Category B					3 300	3 300		(100.00)		
Category C					150	150		(100.00)		
Other (unallocated)							**3 500**			
Total departmental transfers to local government					3 450	3 450	**3 500**	1.45		

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue, especially to the most vulnerable municipalities. R3.5 million has been reserved for this purpose, and although reflected as unallocated at this stage, the allocations in the 2012/13 Adjustments Estimate will be bespoke and based on the outcomes and recommendations of both the LG FGR&O and LG MTEC 3 processes.

Departmental Public Private Partnership (PPP) projects

The Provincial Treasury does not have any departmental Public Private Partnership (PPP) projects.

The Provincial Treasury's responsibilities for PPPs within the Province are set under Sub-programme, Public Finance (Element: Immoveable Assets). These are currently targeted to monitoring previously awarded PPPs, but with a number of major projects being entertained by the Departments of Transport and Public Works and Economic Development and Tourism, a ramp-up in capacity is planned for during 2012/13 to be able to play a stronger support and guiding role.

6. Programme description

Programme 1: Administration

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

Analysis per sub-programme

Sub-programme 1.1: Office of the Minister

assist the member of the Provincial Cabinet with those functions as assigned by legislation and/or the Premier

Sub-programme 1.2: Management Services

assist the Head of the Department with the delivery of functions and responsibilities assigned either by legislation and/or by the Minister

Sub-programme 1.4: Financial Management

provide for the effective financial management of the department up to a level 3+ financial capability rating

Policy developments

No specific policy changes are currently being considered.

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

Changes being made in 2012/13 involve the changes as a result of the approved reconfiguration 3 process i.e. the records management function in Programme 1 has been shifted to the Business Information and Data Management Unit in Programme 2 to form the co-nucleus of a revamped information management unit. The internal control, supply chain and asset management units will be strengthen to meet the heightened expectations and requirements whilst strategic planning and coordination will henceforth resort under the sub-programme: Management Services.

Strategic goal as per Strategic Plan

Programme 1: Administration

Effective financial management of the department up to a level 3+ financial capability rating.

Strategic objectives as per Annual Performance Plan

Sub-programme 1.1: Office of the Minister

Provide support services.

Render communication services to the Ministry.

Assist Minister with Executive role and responsibilities.

Sub-programme 1.2: Management Services

Build competencies and enhance and maintain strategic support services.

Provide effective and efficient support in the management of the working relationship between the department and the Corporate Services Centre (CSS).

Sub-programme 1.4: Financial Management

Responsive and credible budget composition and delivery for the department.

Full and accurate reflection of all financial transactions for the department.

Level 3 plus auditable supply chain and asset management services.

Effective internal control measures and risk mitigation.

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

Sub-programme R'000	Outcome			Main appro-priation	Adjusted appro-priation	Revised estimate	Medium-term estimate			
	Audited	Audited	Audited					% Change from Revised estimate		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2011/12	2013/14	2014/15
1. Office of the Minister [a]	3 595	4 410	4 776	5 188	5 311	5 322	**5 522**	3.76	5 913	6 340
2. Management Services	2 576	3 278	5 818	8 435	7 922	7 820	**9 000**	15.09	9 917	10 470
3. Corporate Services	13 676	11 077	3 602							
4. Financial Management	20 294	20 594	19 018	22 564	18 143	18 018	**18 721**	3.90	21 295	21 941
Total payments and estimates	40 141	39 359	33 214	36 187	31 376	31 160	**33 243**	6.68	37 125	38 751

[a] MEC total remuneration package: R1 566 089 with effect from 1 April 2011.

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		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2011/12	2013/14	2014/15
Current payments	37 455	36 684	30 045	32 770	28 993	28 763	**31 126**	8.22	33 674	36 161
Compensation of employees	17 626	21 520	19 514	20 488	18 482	18 252	**20 089**	10.06	21 523	22 977
Goods and services	19 829	15 164	10 531	12 282	10 511	10 511	**11 037**	5.00	12 151	13 184
Transfers and subsidies to	108	319	736	500	703	703	**600**	(14.65)	845	892
Non-profit institutions			102							
Households	108	319	634	500	703	703	**600**	(14.65)	845	892
Payments for capital assets	2 541	2 153	2 321	2 917	1 668	1 668	**1 517**	(9.05)	2 606	1 698
Machinery and equipment	2 541	2 153	2 286	2 917	1 668	1 668	**1 517**	(9.05)	2 606	1 698
Heritage assets			35							
Payments for financial assets	37	203	112		12	26		(100.00)		
Total economic classification	40 141	39 359	33 214	36 187	31 376	31 160	**33 243**	6.68	37 125	38 751

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		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2011/12	2013/14	2014/15
Transfers and subsidies to (Current)	108	319	736	500	703	703	**600**	(14.65)	845	892
Non-profit institutions			102							
Households	108	319	634	500	703	703	**600**	(14.65)	845	892
Other transfers to households	108	319	634	500	703	703	**600**	(14.65)	845	892

Expenditure trends analysis

The decrease of R8.981 million from R40.141 million in 2008/09 to R31.160 million in 2011/12 (revised estimate), equates to an average nominal decrease of 8.1 per cent per annum (three year period). The annual average nominal growth of 7.54 per cent from the revised estimate of R31.160 million in 2011/12 to R38.751 million in 2014/15, is due to mainly inflation adjustments. Limited provision has also been made for strengthening core corporate requirements towards meeting increasing demands bestowed on the Department. The bulk of the transfers are for external bursars. Due to the lower allocation in the 2012/13, transfers were reduced subsequently.

Programme 2: Sustainable Resource Management

Purpose: To inform financial resource allocation, to manage the provincial budget and to monitor the implementation of provincial, municipal and entity budgets to enhance the effective utilisation of available fiscal resources.

Analysis per sub-programme

Sub-programme 2.1: Programme Support

provide management and administrative support to the programme

Sub-programme 2.2: Fiscal Policy

provide for the effective and efficient development of revenue streams, cash and liability management

Sub-programme 2.3: Budget Management

Provincial Government Budgets

provide for provincial economic analysis and advice that informs fiscal policy and the budget allocation process

provide guidance and assistance, assess and report on provincial budget performance

Local Government Budgets

provide for local government economic analysis and advice that informs fiscal policy and budget allocation decisions and associated remedial steps

assist, assess and report on policy attainment across the local government sphere and introduce associated remedial steps

Sub-programme 2.4: Public Finance

Provincial Government Finance

compile a credible and sustainable main and adjustments budget and to monitor the efficient implementation thereof

assist, assess and report on provincial departmental and entity expenditure management and introduce associated remedial steps

Local Government Finance (Groups 1 and 2)

assist, assess and report on municipal and entity budgets, revenue and expenditure management, financial management and introduce associated remedial steps

effective participation in local government IGR engagement processes

drive the implementation of the Municipal Finance Management Act, 2003 (Act 56 of 2003)

Immoveable Asset Management

increase the level of infrastructure delivery to a level 3+ financial capability rating (Departments of Education, Health, Transport and Public Works, Human Settlements and CapeNature) and to provide advice and assistance towards the sound management of PPP projects

Business Information and Data Management

render a client interface, data collating and data information and records management services to the Provincial Treasury

Policy developments

Policy developments that will receive further attention in 2012/13 are:

To improve financial conformance, a tighter legislative regime that informs financial management policy and procedure and a robust control environment will be developed and implemented.

Standard operating procedures and guidelines that creates a culture of compliance, assistance and guidance will be developed and institutionalised.

Adequate financial management structures for management accounting will be put in place to support the regulatory competencies required for the effective and efficient financial management performance.

Adequate training that supports capacity building and the development of robust skills and knowledge will be provided.

Development of cash flow management guidelines, improved cash flow planning and implementation particularly as it relates to conditional grant funding would be pursued.

Development of policies around municipal investment and borrowing.

Performance information (indicators, good ‘proxy’ indicators, focus on theory of change, targets) in departments in their annual performance plans (as well as quarterly performance reviews and annual reports) will be improved.

Regular assessments and reports on fiscal performance across the provincial and local government sphere and remedial steps to address fiscal performance related challenges.

Improved expenditure management practices to ensure the sustainability and credibility of provincial, municipal and entity budgets through:

- Ensuring that expenditure is a true reflection of goods and services bought;
- Developing minimum standards for the institutionalisation of expenditure management, and
- Monitoring the implementation of budgets to enhance x-efficiency, financial prudence and fiscal discipline.

Best practice infrastructure procurement mechanisms will be explored i.e. the Western Cape Infrastructure Delivery Management System (WC-IDMS) will be implemented and quality User-Asset Management (U-AMP) and Custodian-Asset Management (C-AMP) plans will be institutionalised.

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

Changes being made in 2012/13 involve the changes as a result of the approved reconfiguration 3 process i.e. two separate chief directorates, one for departments and one for municipalities to better focus on either PFMA or MFMA issues has been established. The creation of a new directorate that will focus exclusively on business information and data management to form the co-nucleus of a revamped information management unit, inclusive of the shift of the current records management function from Programme 1 to this unit. The further strengthening of the Liabilities and Cash Management units to cater for MFMA responsibilities.

Strategic goals as per Strategic Plan

Programme 2: Sustainable Resource Management

Revenue adequacy, optimisation and efficiency of revenue collection and enhancing service delivery and improve liquidity for departments and municipalities to achieve a level 3+ financial capability rating.

Monitor and evaluate cash flow and investment management so that it is sustainable and credible and will enhance service delivery and improve liquidity in departments and municipalities.

Responsive budgets for all provincial departments, municipalities and entities to achieve a level 3+ financial capability rating.

Credible budgets within departments, municipalities and entities to achieve a level 3+ financial capability rating.

Increase the level of infrastructure delivery to achieve a level 3+ financial capability rating (departments of Education, Health, Transport and Public Works, Human Settlements and municipalities) and the sound management of PPP projects.

Strategic objectives as per Annual Performance Plan

Sub-programme 2.1: Programme support

Build competencies and enhance and maintain the delivery of the programme.

Sub-programme 2.2: Fiscal Policy

Fiscal transfer system responsive to provincial and municipal needs in enhancing economic growth, efficient and effective service.

mechanisms for revenue collections in provincial and local governments that are optimum inclusive of cash management arrangements

Sub-programme 2.3: Budget Management

Provincial Government Budgets

Improve the conformance and responsiveness of budgets within provincial departments and entities.

Apply economic and other analysis to inform provincial planning and budgeting processes.

Local Government Budgets

To improve the conformance and responsiveness of municipal budgets.

Apply economic and other analysis to inform municipal planning and budgeting processes.

Sub-programme 2.4: Public Finance

Provincial Government Finance

Evaluate and improve the conformance, credibility and sustainability of the budget.

Monitor the implementation of the budget in terms of accountability, data integrity and efficiency.

Local Government Finance (Groups 1 and 2)

Improve conformance, credibility and sustainability of budgets.

Monitor the implementation of the budget in terms of conformance, accountability, data integrity and efficiency.

Coordinate MFMA implementation to improve conformance and performance in municipalities.

Immoveable Asset Management

Entrenching built-environment business principles and processes for effective infrastructure delivery that contributes to optimal utilisation of government immoveable assets.

Business Information and Data Management

Render an effective records management service that accurately reflects financial information and ensure that economic data and information are available

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

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11	Main appro-priation 2011/12	Adjusted appro-priation 2011/12	Revised estimate 2011/12	2012/13	% Change from Revised estimate 2011/12	2013/14	2014/15
1. Programme Support	1 605	2 438	3 024	5 431	3 520	3 835	**5 666**	47.74	6 073	6 500
2. Fiscal Policy [Note]	662	5 240	3 663	8 870	6 431	6 287	**7 771**	23.60	8 214	8 795
3. Budget Management	8 974	10 004	13 749	16 148	17 232	17 014	**16 167**	26.65	17 244	18 257
Provincial Government Budgets		6 381	8 606	10 615	11 204	11 004	**9 135**	(16.98)	9 842	10 460
Local Government Budgets		3 623	5 143	5 533	6 028	6 010	**7 032**	17.00	9 402	7 797
4. Public Finance	10 105	18 849	21 891	28 914	34 599	34 561	**38 600**	11.69	37 995	39 829
Provincial Government Finance	3 157	10 659	12 832	9 769	11 586	11 641	**8 502**	(26.97)	8 981	9 730
Local Government Finance: Group 1	6 948	4 317	4 154	7 667	8 460	8 365	**9 132**	9.17	10 313	10 498
Local Government Finance: Group 2		3 873	4 905	5 454	8 612	8 652	**10 151**	17.33	7 052	7 126
Immoveable Asset Management [Note]				6 024	5 941	5 903	**6 070**	2.83	6 516	6 980
Business Information and Data Management							**4 745**		5 133	5 495
Total payments and estimates	21 346	36 531	42 327	59 363	61 782	61 697	**68 204**	10.55	69 526	73 381

Note: Prior to 2011/12 the estimates for Immoveable Asset Management and Liability Management included under Fiscal Policy are reflected under Programme 3, Table 6.3.

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		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2011/12	2013/14	2014/15
Current payments	21 296	36 431	42 327	59 363	58 332	58 247	**64 704**	11.09	69 526	73 381
Compensation of employees	17 153	21 708	28 360	44 834	40 456	40 371	**48 880**	21.08	52 211	55 849
Goods and services	4 143	14 723	13 967	14 529	17 876	17 876	**15 824**	(11.48)	17 315	17 532
Transfers and subsidies to	50	100			3 450	3 450	**3 500**	1.45		
Provinces and municipalities					3 450	3 450	**3 500**	1.45		
Non-profit institutions	50	100								
Total economic classification	21 346	36 531	42 327	59 363	61 782	61 697	**68 204**	10.55	69 526	73 381

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		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2011/12	2013/14	2014/15
Transfers and subsidies to (Current)	50	100			3 450	3 450	**3 500**	1.45		
Provinces and municipalities					3 450	3 450	**3 500**	1.45		
Municipalities					3 450	3 450	**3 500**	1.45		
Non-profit institutions	50	100								

Expenditure trends analysis

The programme has increased from R21.346 million in 2008/09 to R61.697 million in 2011/12 (revised estimate), which equates to an average nominal growth of 42.45 per cent per annum. The growth inter alia relates to the increasing implementation requirements of the Municipal Financial Management Act (MFMA) and associated provisioning of resources to enhance fiscal prudence. The allocation over the MTEF period will further increase from R61.697 million in 2011/12 revised estimate to R68.204 million in 2012/13 as a result of the creation of the Business Information and Data Management unit under the sub-programme: Public Finance. The growth from 2011/12 (revised estimate) of R61.697 million to R73.381 million in 2014/15 reflects an annual average growth of 5.95 per cent over the three year period.

Programme 3: Asset and Liabilities Management

Purpose: To provide policy direction and to facilitate and enforce the effective and efficient management of financial systems, physical and financial assets, and the supply chain management within the provincial and municipal spheres.

Analysis per sub-programme

Sub-programme 3.1: Programme Support

provide management and administrative support to the programme

Sub-programme 3.2: Asset Management

Moveable Asset Management (Provincial Government)

enhance departmental and entity capacity and performance to a level 3+ financial capability for supply chain (SCM) and moveable asset management

Moveable Asset Management (Local Government)

enhance municipal capacity and performance to a level 3+ financial capability for supply chain (SCM) and moveable asset management

Sub-programme 3.3: Supporting and Interlinked Financial Systems

provide for the implementation, management and oversight of existing provincially operated financial systems and the transition to new appropriate systems

Policy developments

Policy developments that will receive further attention in 2012/13 are:

To improve financial conformance, a prescribed legislative regime for financial systems and SCM that informs financial management policy and procedure and a robust control environment will be developed and implemented.

Standard operating procedures and guidelines for financial systems and SCM that creates a culture of compliance, assistance and guidance will be developed and institutionalised.

An integrated financial management system or solution will be investigated that would assist in the efficient management of internal control, data integrity and reporting.

Adequate financial management structures in SCM and financial systems will be put in place to support the regulatory competencies required for the effective and efficient financial management performance.

Regulatory frameworks and transversal policies in respect of control activities to address Systems and SCM risks in departments will be developed.

Adequate Financial Systems and SCM training that supports capacity building and the development of robust skills and knowledge will be provided.

Improved supply chain and moveable asset management in provincial departments, entities and municipalities by:

- Implementing mandatory budget, planning that informs procurement planning for both municipalities and provincial departments;
- Implementing best practice guidelines to address value for money and efficiency in procurement for both municipalities and provincial departments; and
- Ensuring data integrity and transparency on SCM systems.

Improved financial systems within provincial departments and selected entities by:

- Financial systems management will be improved by ensuring that system users are appropriately trained, skilled and capacitated in accordance with their system profiles, as well as ensuring compliance to user requirement statements;
- Maintaining effective user account management; and
- Promoting integrated financial management solutions that support data integrity, transparency and accountability, and that are compliant with statutory and user requirements.

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

Changes being made in 2012/13 involve the changes as a result of the approved reconfiguration 3 process i.e. the creation of a new directorate Moveable Asset Management Local Government that will exclusively focus on SCM within the municipal environment and the further strengthening of Supporting and Interlinked Financial Systems to improve the efficacy of financial systems.

Strategic goals as per Strategic Plan

Programme 3: Asset and Liabilities Management

Enhance departmental and municipal capacity and performance to achieve a level 3+ financial capability rating for SCM and moveable asset management.

Management, utilisation and implementation of financial systems to achieve a level 3+ financial capability rating within provincial departments and selected entities.

Strategic objectives as per Annual Performance Plan

Sub-programme 3.1: Programme Support

Build competencies and enhance and maintain the delivery of the programme.

Sub-programme 3.2: Asset Management

Moveable Asset Management: Provincial Government

Drive, assess and assist departments in the effective and efficient management of supply chain and moveable assets.

Moveable Asset Management: Local Government

Drive, assess and assist municipalities in the efficient and effective management of supply chain and moveable assets.

Sub-programme 3.3: Supporting and Interlinked Financial Systems

Financial system management improvement to achieve a level 3+ financial capability rating.

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

Sub-programme R'000	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11	2011/12	2011/12	2011/12	2012/13	% Change from Revised estimate 2011/12	2013/14	2014/15
1. Programme Support	840	1 233	998	2 734	1 582	1 225	**2 191**	78.86	2 686	2 871
2. Asset Management	8 622	11 420	15 373	9 876	10 314	10 367	**11 773**	13.56	12 341	13 231
Moveable Asset Management: Provincial Government	5 223	7 016	8 924	9 875	10 313	10 366	**7 409**	(28.53)	7 878	8 443
Moveable Asset Management: Local Government			1	1	1	1	**4 364**		4 463	4 788
Immoveable Asset Management	3 399	4 404	6 448							
3. Liabilities Management	1 652	2 313	2 535							
4. Supporting and Interlinked Financial Systems	11 234	12 560	14 804	16 171	18 266	18 213	**16 675**	(8.44)	17 702	17 590
Total payments and estimates	22 348	27 526	33 710	28 781	30 162	29 805	**30 639**	2.80	32 729	33 692

Table 6.3.1 Summary of provincial payments and estimates by economic classification – Programme 3: Asset and Liabilities Management

Economic classification R'000	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11	2011/12	2011/12	2011/12	2012/13	% Change from Revised estimate 2011/12	2013/14	2014/15
Current payments	22 348	27 526	33 710	28 781	30 162	29 805	**30 639**	2.80	32 729	33 692
Compensation of employees	16 270	21 136	25 201	23 172	20 177	19 820	**24 623**	24.23	26 228	27 699
Goods and services	6 078	6 390	8 509	5 609	9 985	9 985	**6 016**	(39.75)	6 501	5 993
Total economic classification	22 348	27 526	33 710	28 781	30 162	29 805	**30 639**	2.80	32 729	33 692

Details of transfers and subsidies - None

Expenditure trends analysis

The increase of R7.457 million from R22.348 million in 2008/09 to R29.805 million (revised estimate) in 2011/12 is due to the steps that were taken to increase the oversight and guidance over supply chain moveable assets and financial systems management. This equates to nominal growth of 10.05 per cent over the full period with allocation increasing from a revised estimate base of R29.805 million in 2011/12 to R33.692 million in 2014/15.

Programme 4: Financial Governance

Purpose: Development of accounting and financial management practices within provincial and local governments that will contribute towards attaining level 3 and higher auditable organisations.

Analysis per sub-programme

Sub-programme 4.1: Programme Support

provide management and administrative support to the programme

Sub-programme 4.2: Accounting Services

Local Government Accounting

improve the standards of accounting and financial reporting within municipalities and their entities to higher levels of financial management capability maturities; the target for 2015 being a level 3+ auditable organisation

Provincial Government Accounting

improve the standards of accounting and financial reporting by departments and provincial entities to higher levels of financial management capability and gearing department to a state of readiness for accrual accounting

Sub-programme 4.3: Norms and Standards

enable departments and municipalities to achieve a general level 3+ financial management capability maturity

Policy developments

Policy developments that will receive further attention in 2012/13 are:

Standard operating procedures and guidelines in accounting and financial governance that create a culture of compliance, assistance and guidance will be developed and institutionalised.

Adequate financial management structures in financial accounting and governance will be put in place to support the regulatory competencies required for the effective and efficient financial management performance.

Regulatory frameworks and transversal policies in respect of control activities in accounting and financial governance to address risks in departments will be developed.

Adequate accounting and financial governance training that supports capacity building and the development of robust skills and knowledge will be provided.

Government accounting reforms in provincial departments, entities and municipalities to improve the quality and integrity of financial accounting by:

- Continuous assessments and support in the preparation and assessment of Interim and Annual Financial Statements.
- Roll-out and implement accounting policy frameworks (GRAP and Modified Cash Basis) by departments and municipalities.

- Providing credible information in the Annual Financial Statements for decision making by implementing accrual accounting in departments.
- Monitoring, assessing and reporting annually in the Financial Governance Review & Outlook on the financial governance of departments and municipalities.

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

Changes being made in 2012/13 involve the changes as a result of the approved reconfiguration 3 process i.e. the further bolstering of the Local Government Accounting unit to cater for MFMA responsibilities.

Strategic goals as per Strategic Plan

Programme 4: Financial Governance

Ensure the development of accounting practices within provincial and local government that will promote effective and efficient capturing of REAL movements/accountability and contribute towards attaining level 3 and higher auditable organisations.

Enable departments and municipalities to achieve a level 3+ financial management capability over the next 5 years.

Strategic objectives as per Annual Performance Plan

Sub-programme 4.1: Programme Support

Build competencies and enhance and maintain the delivery of the programme.

Sub-programme 4.2: Accounting Services

Local Government Accounting

Improving the standards of accounting and financial reporting within municipalities and municipal entities to a level 3+ Financial Management Capability (FMC).

Provincial Government Accounting

Improving the standard of accounting and financial reporting within all votes to a level 3+ Financial Management Capability (FMC).

Sub-programme 4.3: Corporate Governance

Drive departmental and municipal CFO offices to function at a level 3 financial management capability rating.

Develop and facilitate the implementation of an effective assurance framework towards attaining level 3 financial management capability (FMC) rating.

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

Sub-programme R'000	Outcome Audited 2008/09	Audited 2009/10	Audited 2010/11	Main appro-priation 2011/12	Adjusted appro-priation 2011/12	Revised estimate 2011/12	Medium-term estimate 2012/13	% Change from Revised estimate 2011/12	2013/14	2014/15
1. Programme Support	1 581	1 777	1 452	1 870	1 323	1 533	**1 791**	16.83	1 900	2 030
2. Accounting Services	5 272	7 292	7 844	9 973	10 354	10 377	**11 046**	6.45	12 870	13 779
Provincial Government Accounting		4 619	4 619	5 207	5 604	5 605	**5 625**	0.36	6 420	6 867
Local Government Accounting		2 673	3 225	4 766	4 750	4 772	**5 421**	13.60	6 450	6 912
3. Norms and Standards	3 426	4 664	7 516	8 802	8 423	8 348	**9 363**	12.16	10 291	11 032
4. Risk Management	2 276	2 721								
5. Provincial Internal Audit	24 560	18 501	1 437							
Sub-programme Support		4 570								
G&A Cluster		4 941								
Economic Cluster		5 630								
Social Cluster		3 360								
Total payments and estimates	37 115	34 955	18 249	20 645	20 100	20 258	**22 200**	9.59	25 061	26 841

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

Economic classification R'000	Outcome Audited 2008/09	Audited 2009/10	Audited 2010/11	Main appro-priation 2011/12	Adjusted appro-priation 2011/12	Revised estimate 2011/12	Medium-term estimate 2012/13	% Change from Revised estimate 2011/12	2013/14	2014/15
Current payments	37 006	34 002	18 249	20 645	20 100	20 258	**22 200**	9.59	25 061	26 841
Compensation of employees	20 433	29 538	16 222	18 040	17 341	17 499	**19 517**	11.53	21 857	23 460
Goods and services	16 573	4 464	2 027	2 605	2 759	2 759	**2 683**	(2.75)	3 204	3 381
Transfers and subsidies to	109									
Provinces and municipalities	80									
Households	29									
Payments for capital assets		953								
Software and other intangible assets		953								
Total economic classification	37 115	34 955	18 249	20 645	20 100	20 258	**22 200**	9.59	25 061	26 841

Details of transfers and subsidies

Economic classification R'000	Outcome			Main appro-priation	Adjusted appro-priation	Revised estimate	Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11	2011/12	2011/12	2011/12	2012/13	% Change from Revised estimate 2011/12	2013/14	2014/15
Transfers and subsidies to (Current)	109									
Provinces and municipalities	80									
Municipalities	80									
Municipalities	80									
Households	29									
Other transfers to households	29									

Note: R109 000 consisted of transfer for the Youth Commission in 2008/09.

Expenditure trends analysis

The decrease of R16.857 million from R37.115 million in 2008/09 to R20.258 million in 2011/12 (revised estimate) is mainly to due to the shared Internal Audit functions that were shifted to the Department of the Premier during the 2010/11 financial year. This is an annual average decrease of 18.28 per cent over the three year period. Over the period 2011/12 (revised estimate) to 2014/15, the total nominal growth for the programme is 9.83 per cent, which was a result of mainly the reconfiguration posts that were created.

7. Other programme information

Personnel numbers and costs

Table 7.1 Personnel numbers and costs

Programme R'000	As at 31 March 2009	As at 31 March 2010	As at 31 March 2011	As at 31 March 2012	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015
1. Administration	72	71	55	52	65	65	65
2. Sustainable Resource Management	64	61	95	96	132	132	132
3. Asset and Liabilities Management	63	67	54	52	76	76	76
4. Financial Governance	81	101	44	49	51	51	51
Total personnel numbers	280	300	248	249	324	324	324
Total personnel cost (R'000)	71 482	93 902	89 297	95 942	113 109	121 819	129 985
Unit cost (R'000)	255	313	360	385	349	376	401

Table 7.2 Departmental personnel number and cost

Description	Outcome			Main appro-priation	Adjusted appro-priation	Revised estimate	Medium-term estimate			
	Audited	Audited	Audited					% Change from Revised estimate		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2011/12	2013/14	2014/15
Total for department										
Personnel numbers (head count)	280	300	248	312	249	249	**324**	30.12	324	324
Personnel cost (R'000)	71 482	93 902	89 297	106 534	96 456	95 942	**113 109**	17.89	121 819	129 985
of which										
Human resources component										
Personnel numbers (head count)	28	24								
Personnel cost (R'000)	5 240	6 289	2 896							
Head count as % of total for department	10.00	8.00								
Personnel cost as % of total for department	7.33	6.70	3.24							
Finance component										
Personnel numbers (head count)	36	32	39	42	42	42	**34**	(19.05)	34	34
Personnel cost (R'000)	6 084	7 168	8 009	9 476	9 476	9 476	**9 147**	(3.47)	9 867	10 534
Head count as % of total for department	12.86	10.67	15.73	13.46	16.87	16.87	**10.49**		10.49	10.49
Personnel cost as % of total for department	8.51	7.63	8.97	8.89	9.82	9.88	**8.09**		8.10	8.10
Full time workers										
Personnel numbers (head count)	272	293	245	309	246	246	**324**	31.71	324	324
Personnel cost (R'000)	69 811	91 797	88 747	105 943	95 865	95 351	**113 109**	18.62	121 819	129 985
Head count as % of total for department	97.14	97.67	98.79	99.04	98.80	98.80	**100.00**		100.00	100.00
Personnel cost as % of total for department	97.66	97.76	99.38	99.45	99.39	99.38	**100.00**		100.00	100.00
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)	8	7	3	3	3	3		(100.00)		
Personnel cost (R'000)	1 671	2 105	550	591	591	591		(100.00)		
Head count as % of total for department	2.86	2.33	1.21	0.96	1.20	1.20				
Personnel cost as % of total for department	2.34	2.24	0.62	0.55	0.61	0.62				

Training

Table 7.3 Payments on training

Programme R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main appro-priation	Adjusted appro-priation	Revised estimate		% Change from Revised estimate		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2011/12	2013/14	2014/15
1. Administration	3 569	3 574	652	1 063	1 063	1 063	**1 042**	(1.98)	1 201	1 201
of which										
Payments on tuition	1 762	2 020	197	306	306	306	**375**	22.55	396	396
Other	1 807	1 554	455	757	757	757	**667**	(11.89)	805	805
2. Sustainable Resource Management			532	1 115	1 115	1 115	**1 187**	6.46	1 262	1 262
Payments on tuition			306	471	471	471	**498**	5.73	525	525
Other			226	644	644	644	**689**	6.99	737	737
3. Asset and Liabilities Management			237	420	420	420	**444**	5.71	468	468
of which										
Payments on tuition			237	420	420	420	**444**	5.71	468	468
4. Asset and Liabilities	52	674	612	673	673	673	**717**	6.54	762	762
of which										
Payments on tuition		195	535	416	416	416	**440**	5.77	465	465
Other	52	479	77	257	257	257	**277**	7.78	297	297
Total payments on training	3 621	4 248	2 033	3 271	3 271	3 271	**3 390**	3.64	3 693	3 693

Table 7.4 Information on training

Description	Outcome						Medium-term estimate			
				Main appro-priation	Adjusted appro-priation	Revised estimate		% Change from Revised estimate		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2011/12	2013/14	2014/15
Number of staff	280	300	248	312	312	249	**324**	30.12	324	324
Number of personnel trained	350	115	112	200	200	200	**200**		200	200
of which										
Male	170	51	58	100	100	100	**100**		100	100
Female	180	64	54	100	100	100	**100**		100	100
Number of training opportunities	389	277	189	266	266	266	**266**		266	266
of which										
Tertiary	93	71	26	69	69	69	**69**		69	69
Workshops	134	25	30	45	45	45	**45**		45	45
Seminars	13	3	15	22	22	22	**22**		22	22
Other	149	178	118	130	130	130	**130**		130	130
Number of bursaries offered	30	16	26	26	26	26	**26**		26	26
Number of interns appointed	39	15	8	18	18	18	**18**		18	18
Number of learnerships appointed	17	17								
Number of days spent on training	177	11	120	120	120	120	**120**		120	120

Reconciliation of structural changes – None

Annexure A to Vote 3

Table A.1 Specification of receipts

Receipts R'000	Outcome			Main appro-priation	Adjusted appro-priation	Revised estimate	Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11	2011/12	2011/12	2011/12	2012/13	% Change from Revised estimate 2011/12	2013/14	2014/15
Tax receipts (Casino and LGM taxes)	323 728	308 373	322 644	297 000	297 000	343 042	**297 000**	(13.42)	297 000	297 000
Casino and LGM taxes	301 100	284 528	296 313	277 000	277 000	315 913	**277 000**	(12.32)	277 000	277 000
Horseracing taxes	22 628	23 845	26 331	20 000	20 000	27 129	**20 000**	(26.28)	20 000	20 000
Sales of goods and services other than capital assets	1 346	1 444	1 907	1 214	1 214	1 820	**1 214**	(33.30)	1 214	1 214
Sales of goods and services produced by department (excluding capital assets)	1 345	1 444	1 907	1 213	1 213	1 819	**1 213**	(33.32)	1 213	1 213
Administrative fees	1 301	1 425	1 888	1 201	1 201	1 807	**1 201**	(33.54)	1 201	1 201
Agricultural activities			1 888							
Licences or permits	1 301	1 405								
Other		20		1 201	1 201	1 807	**1 201**	(33.54)	1 201	1 201
Other sales	44	19	19	12	12	12	**12**		12	12
of which										
Commission on insurance	44	19	19							
Other				12	12	12	**12**		12	12
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	1			1	1	1	**1**		1	1
Transfers received from				1	1	1	**1**		1	1
Households and non-profit institutions				1	1	1	**1**		1	1
Fines, penalties and forfeits	380	1 147	459			627		(100.00)		
Interest, dividends and rent on land	52 948	53 980	53 986							
Interest	52 948	53 980	53 986							
Financial transactions in assets and liabilities	7 280	2 047	2 615	47	47	4 095	**47**	(98.85)	47	47
Recovery of previous year's expenditure	165	1 846								
Staff debt		5								
Unallocated credits		186								
Cash surpluses	7 115	10								
Other			2 615	47	47	4 095	**47**	(98.85)	47	47
Total departmental receipts	385 682	366 991	381 611	298 262	298 262	349 585	**298 262**	(14.68)	298 262	298 262

Annexure A to Vote 3

Table A.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 2008/09	Audited 2009/10	Audited 2010/11	2011/12	2011/12	2011/12	2012/13	% Change from Revised estimate 2011/12	2013/14	2014/15
Current payments	118 105	134 643	124 331	141 559	137 587	137 073	**148 669**	8.46	160 990	170 075
Compensation of employees	71 482	93 902	89 297	106 534	96 456	95 942	**113 109**	17.89	121 819	129 985
Salaries and wages	62 553	81 954	77 761	93 416	84 241	83 776	**99 336**	18.57	106 828	113 906
Social contributions	8 929	11 948	11 536	13 118	12 215	12 166	**13 773**	13.21	14 991	16 079
Goods and services	46 623	40 741	35 034	35 025	41 131	41 131	**35 560**	(13.54)	39 171	40 090
of which										
Administrative fees	57	90	63	90	108	108	**90**	(16.67)	95	100
Advertising	3 640	953	463	1 080	1 208	1 199	**30**	(97.50)	31	33
Assets <R5 000	762	419	394	1 184	476	476	**550**	15.55	579	611
Audit cost: External	2 875	10 066	9 722	6 621	7 999	7 950	**5 275**	(33.65)	6 304	7 001
Bursaries (employees)	361	484	231	541	541	540	**600**	11.11	782	825
Catering: Departmental activities	642	369	376	428	404	408	**420**	2.94	484	510
Communication	1 698	1 831	1 059	2 161	962	954	**1 155**	21.07	1 215	1 281
Computer services	1 781	2 454	2 574	1 392	3 964	3 964	**565**	(85.75)	595	628
Cons/prof: Business and advisory services	14 495	12 079	8 986	9 671	10 385	10 421	**13 884**	33.23	16 245	15 450
Cons/prof: Legal costs	50		224		5	5		(100.00)		
Contractors	680	438	543	405	555	555	**525**	(5.41)	553	582
Agency and support/ outsourced services	8 284	119	46		14	15		(100.00)		
Entertainment	86	135	91	232	232	232	**236**	1.72	241	254
Inventory: Food and food supplies	56	83	71	72	86	88	**123**	39.77	125	132
Inventory: Learner and teacher support material	45	16	64	106						
Inventory: Material and supplies			1							
Inventory: Other consumables	23	77	17	34	55	64	**46**	(28.13)	48	51
Inventory: Stationery and printing	2 665	3 021	4 296	2 712	3 978	3 979	**3 448**	(13.35)	4 001	4 277
Lease payments	334	291	220	318	1 018	934	**900**	(3.64)	948	1 000
Property payments	217	1 572	22	812	174	259	**300**	15.83	316	333
Transport provided: Departmental activity	13	2	6		30	38		(100.00)		
Travel and subsistence	4 818	4 151	3 601	5 507	4 951	4 954	**4 389**	(11.40)	4 508	4 804
Training and development	1 402	1 368	852	1 072	621	621	**1 136**	82.93	1 204	1 271
Operating expenditure	717	304	466	423	2 549	2 541	**1 298**	(48.92)	118	125
Venues and facilities	922	419	646	164	816	826	**590**	(28.57)	779	822
Transfers and subsidies to	267	419	736	500	4 153	4 153	**4 100**	(1.28)	845	892
Provinces and municipalities	80				3 450	3 450	**3 500**	1.45		
Municipalities	80				3 450	3 450	**3 500**	1.45		
Municipalities	80				3 450	3 450	**3 500**	1.45		
Non-profit institutions	50	100	102							
Households	137	319	634	500	703	703	**600**	(14.65)	845	892
Other transfers to households	137	319	634	500	703	703	**600**	(14.65)	845	892
Payments for capital assets	2 541	3 106	2 321	2 917	1 668	1 668	**1 517**	(9.05)	2 606	1 698
Machinery and equipment	2 541	2 153	2 286	2 917	1 668	1 668	**1 517**	(9.05)	2 606	1 698
Transport equipment		13	619							
Other machinery and equipment	2 541	2 140	1 667	2 917	1 668	1 668	**1 517**	(9.05)	2 606	1 698
Heritage assets			35							
Software and other intangible assets		953								
Payments for financial assets	37	203	112		12	26		(100.00)		
Total economic classification	120 950	138 371	127 500	144 976	143 420	142 920	**154 286**	7.95	164 441	172 665

Annexure A to Vote 3

Table A.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		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2011/12	2013/14	2014/15
Current payments	37 455	36 684	30 045	32 770	28 993	28 763	**31 126**	8.22	33 674	36 161
Compensation of employees	17 626	21 520	19 514	20 488	18 482	18 252	**20 089**	10.06	21 523	22 977
Salaries and wages	15 497	18 900	17 021	17 961	16 128	15 927	**17 681**	11.01	18 899	20 157
Social contributions	2 129	2 620	2 493	2 527	2 354	2 325	**2 408**	3.57	2 624	2 820
Goods and services	19 829	15 164	10 531	12 282	10 511	10 511	**11 037**	5.00	12 151	13 184
of which										
Administrative fees	57	90	55	90	98	98	**90**	(8.16)	95	100
Advertising	2 860	869	322	21	333	324	**30**	(90.74)	31	33
Assets <R5 000	762	419	394	1 184	476	476	**550**	15.55	579	611
Audit cost: External	2 586	2 089	2 700	2 394	2 067	2 018	**2 500**	23.89	2 982	3 347
Bursaries (employees)	361	494	80	106	106	106	**600**	466.04	782	825
Catering: Departmental activities	213	106	139	95	95	95	**55**	(42.11)	95	100
Communication	1 654	1 768	1 017	2 041	842	837	**1 048**	25.21	1 104	1 164
Computer services	1 121	762	703	553	653	653	**565**	(13.48)	595	628
Cons/prof: Business and advisory services	150	1 827	1 226	573	963	999	**1 240**	24.12	1 556	1 696
Cons/prof: Legal costs			28							
Contractors	382	320	438	165	315	315	**270**	(14.29)	284	299
Agency and support/ outsourced services	2 877	99	46			1		(100.00)		
Entertainment	53	83	37	80	80	80	**77**	(3.75)	74	78
Inventory: Food and food supplies	17	22	18	20	21	22	**63**	186.36	63	66
Inventory: Learner and teacher support material	45	16	64	106						
Inventory: Material and supplies			1							
Inventory: Other consumables	23	58	14	34	55	64	**46**	(28.13)	48	51
Inventory: Stationery and printing	2 030	1 428	789	812	814	816	**758**	(7.11)	798	903
Lease payments	334	291	220	318	1 018	934	**900**	(3.64)	948	1 000
Property payments	217	1 572	22	812	174	259	**300**	15.83	316	333
Transport provided: Departmental activity	7	2	4		30	38		(100.00)		
Travel and subsistence	1 724	1 603	1 727	2 255	1 395	1 398	**1 346**	(3.72)	1 425	1 553
Training and development	1 402	931	268	200	100	100	**242**	142.00	263	278
Operating expenditure	665	204	188	423	805	805	**357**	(55.65)	113	119
Venues and facilities	289	111	31		71	73		(100.00)		
Transfers and subsidies to	108	319	736	500	703	703	**600**	(14.65)	845	892
Non-profit institutions			102							
Households	108	319	634	500	703	703	**600**	(14.65)	845	892
Other transfers to households	108	319	634	500	703	703	**600**	(14.65)	845	892
Payments for capital assets	2 541	2 153	2 321	2 917	1 668	1 668	**1 517**	(9.05)	2 606	1 698
Machinery and equipment	2 541	2 153	2 286	2 917	1 668	1 668	**1 517**	(9.05)	2 606	1 698
Transport equipment		13	619							
Other machinery and equipment	2 541	2 140	1 667	2 917	1 668	1 668	**1 517**	(9.05)	2 606	1 698
Heritage assets			35							
Payments for financial assets	37	203	112		12	26		(100.00)		
Total economic classification	40 141	39 359	33 214	36 187	31 376	31 160	**33 243**	6.68	37 125	38 751

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Table A.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 2008/09	Audited 2009/10	Audited 2010/11	2011/12	2011/12	2011/12	2012/13	% Change from Revised estimate 2011/12	2013/14	2014/15
Current payments	21 296	36 431	42 327	59 363	58 332	58 247	**64 704**	11.09	69 526	73 381
Compensation of employees	17 153	21 708	28 360	44 834	40 456	40 371	**48 880**	21.08	52 211	55 849
Salaries and wages	15 054	19 063	24 999	39 555	35 598	35 500	**43 175**	21.62	46 079	49 293
Social contributions	2 099	2 645	3 361	5 279	4 858	4 871	**5 705**	17.12	6 132	6 556
Goods and services	4 143	14 723	13 967	14 529	17 876	17 876	**15 824**	(11.48)	17 315	17 532
of which										
Advertising	778	84	141	1 059	275	275		(100.00)		
Audit cost: External	289	7 204	6 433	3 620	5 325	5 325	**2 375**	(55.40)	2 501	2 788
Bursaries (employees)			14	141	141	140		(100.00)		
Catering: Departmental activities	295	98	140	154	130	134	**158**	17.91	171	180
Communication	15	16	10	66	66	63	**60**	(4.76)	65	69
Computer services		48	6							
Cons/prof: Business and advisory services		4 980	2 863	5 619	5 839	5 839	**8 420**	44.20	9 516	9 162
Cons/prof: Legal costs	36									
Contractors	87	45	44	119	119	119	**128**	7.56	135	141
Agency and support/ outsourced services	542									
Entertainment	14	21	32	98	98	98	**105**	7.14	110	116
Inventory: Food and food supplies	11	17	28	27	31	32	**30**	(6.25)	31	33
Inventory: Other consumables		8	2							
Inventory: Stationery and printing	246	874	2 980	1 364	2 547	2 546	**2 038**	(19.95)	2 568	2 705
Travel and subsistence	1 448	1 172	747	1 900	2 148	2 148	**1 713**	(20.25)	1 695	1 786
Training and development			219	330	180	180	**417**	131.67	439	463
Operating expenditure			202		884	876	**300**	(65.75)		
Venues and facilities	382	156	106	32	93	101	**80**	(20.79)	84	89
Transfers and subsidies to	50	100			3 450	3 450	**3 500**	1.45		
Provinces and municipalities					3 450	3 450	**3 500**	1.45		
Municipalities					3 450	3 450	**3 500**	1.45		
Municipalities					3 450	3 450	**3 500**	1.45		
Non-profit institutions	50	100								
Total economic classification	21 346	36 531	42 327	59 363	61 782	61 697	**68 204**	10.55	69 526	73 381

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Table A.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		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2011/12	2013/14	2014/15
Current payments	22 348	27 526	33 710	28 781	30 162	29 805	**30 639**	2.80	32 729	33 692
Compensation of employees	16 270	21 136	25 201	23 172	20 177	19 820	**24 623**	24.23	26 228	27 699
Salaries and wages	14 010	18 119	21 587	20 060	17 352	17 029	**21 358**	25.42	22 634	23 835
Social contributions	2 260	3 017	3 614	3 112	2 825	2 791	**3 265**	16.98	3 594	3 864
Goods and services	6 078	6 390	8 509	5 609	9 985	9 985	**6 016**	(39.75)	6 501	5 993
of which										
Advertising	2				600	600		(100.00)		
Audit cost: External		277	312							
Bursaries (employees)		(7)	53	125	125	125		(100.00)		
Catering: Departmental activities	54	53	49	108	93	93	**120**	29.03	126	133
Communication	17	18	12	29	29	29	**25**	(13.79)	23	24
Computer services		1 196	1 433	389	3 289	3 289		(100.00)		
Cons/prof: Business and advisory services	51	3 735	4 842	3 479	3 477	3 477	**3 814**	9.69	4 425	3 803
Cons/prof: Legal costs			196		5	5		(100.00)		
Contractors	70	46	44	71	71	71	**76**	7.04	80	85
Agency and support/ outsourced services	4 773	20			14	14		(100.00)		
Entertainment	8	13	13	27	27	27	**27**		28	30
Inventory: Food and food supplies	10	17	18	14	20	20	**19**	(5.00)	20	21
Inventory: Other consumables		6	1							
Inventory: Stationery and printing	188	238	234	207	234	234	**258**	10.26	220	231
Transport provided: Departmental activity			2							
Travel and subsistence	841	714	680	785	722	722	**643**	(10.94)	665	702
Training and development			176	295	194	194	**283**	45.88	298	314
Operating expenditure					484	484	**321**	(33.68)	5	6
Venues and facilities	64	64	444	80	601	601	**430**	(28.45)	611	644
Total economic classification	22 348	27 526	33 710	28 781	30 162	29 805	**30 639**	2.80	32 729	33 692

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Table A.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		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2011/12	2013/14	2014/15
Current payments	37 006	34 002	18 249	20 645	20 100	20 258	**22 200**	9.59	25 061	26 841
Compensation of employees	20 433	29 538	16 222	18 040	17 341	17 499	**19 517**	11.53	21 857	23 460
Salaries and wages	17 992	25 872	14 154	15 840	15 163	15 320	**17 122**	11.76	19 216	20 621
Social contributions	2 441	3 666	2 068	2 200	2 178	2 179	**2 395**	9.91	2 641	2 839
Goods and services	16 573	4 464	2 027	2 605	2 759	2 759	**2 683**	(2.75)	3 204	3 381
of which										
Administrative fees			8		10	10		(100.00)		
Audit cost: External		496	277	607	607	607	**400**	(34.10)	821	866
Bursaries (employees)		(3)	84	169	169	169		(100.00)		
Catering: Departmental activities	80	112	48	71	86	86	**87**	1.16	92	97
Communication	12	29	20	25	25	25	**22**	(12.00)	23	24
Computer services	660	448	432	450	22	22		(100.00)		
Cons/prof: Business and advisory services	14 294	1 537	55		106	106	**410**	286.79	748	789
Cons/prof: Legal costs	14									
Contractors	141	27	17	50	50	50	**51**	2.00	54	57
Agency and support/ outsourced services	92									
Entertainment	11	18	9	27	27	27	**27**		29	30
Inventory: Food and food supplies	18	27	7	11	14	14	**11**	(21.43)	11	12
Inventory: Other consumables		5								
Inventory: Stationery and printing	201	481	293	329	383	383	**394**	2.87	415	438
Transport provided: Departmental activity	6									
Travel and subsistence	805	662	447	567	686	686	**687**	0.15	723	763
Training and development		437	189	247	147	147	**194**	31.97	204	216
Operating expenditure	52	100	76		376	376	**320**	(14.89)		
Venues and facilities	187	88	65	52	51	51	**80**	56.86	84	89
Transfers and subsidies to	109									
Provinces and municipalities	80									
Municipalities	80									
Municipalities	80									
Households	29									
Other transfers to households	29									
Payments for capital assets		953								
Software and other intangible assets		953								
Total economic classification	37 115	34 955	18 249	20 645	20 100	20 258	**22 200**	9.59	25 061	26 841

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

R'000	Outcome			Estimated outcome	Medium-term estimate		
	Audited	Audited	Audited				
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Revenue							
Non-tax revenue	**32 812**	**31 800**	**33 945**	**32 405**	**30 583**	**30 597**	**31 643**
Sale of goods and services other than capital assets	31 297	30 688	32 319	31 325	29 503	29 497	30 543
Of which:							
Admin fees	31 297	30 688	32 319	31 325	29 503	29 497	30 543
Other non-tax revenue	1 515	1 112	1 626	1 080	1 080	1 100	1 100
Total revenue	**32 812**	**31 800**	**33 945**	**32 405**	**30 583**	**30 597**	**31 643**
Expenses							
Current expense	**27 769**	**26 686**	**28 155**	**41 200**	**42 438**	**45 019**	**47 384**
Compensation of employees	16 629	17 949	19 589	24 701	25 672	27 299	28 809
Goods and services	10 081	7 598	7 350	15 813	16 080	17 035	17 889
Depreciation	1 059	1 139	1 216	686	686	686	686
Transfers and subsidies	**393**	**443**	**444**	**585**	**590**	**623**	**654**
Total expenses	**28 162**	**27 129**	**28 599**	**41 785**	**43 028**	**45 642**	**48 039**
Surplus/(Deficit)	**4 650**	**4 671**	**5 346**	**(9 380)**	**(12 445)**	**(15 045)**	**(16 396)**
Cash flow summary							
Adjust surplus/(deficit) for accrual transactions	**(456)**	**110**	**112**	**(662)**	**(662)**	**(662)**	**(662)**
Adjustments for:							
Depreciation	1 060	1 139	1 216	686	686	686	686
Interest	(1 301)	(1 025)	(1 099)	(1 348)	(1 348)	(1 348)	(1 348)
Net (profit)/loss on disposal of fixed assets	(215)	(4)	(5)				
Operating surplus/ deficit) before changes in working capital	**4 194**	**4 781**	**5 458**	**(10 042)**	**(13 107)**	**(15 707)**	**(17 058)**
Changes in working capital	**(2 393)**	**1 239**	**1 150**	**(465)**	**(465)**	**(465)**	**(465)**
(Decrease)/increase in accounts payable	(1 783)	647	1 360	(930)	(930)	(930)	(930)
Decrease/(increase) in accounts receivable	(610)	592	(210)	465	465	465	465
Cash flow from operating activities	**1 801**	**6 020**	**6 608**	**(10 507)**	**(13 572)**	**(16 172)**	**(17 523)**
Cash flow from investing activities	**960**	**343**	**607**	**634**	**408**	**1 068**	**1 128**
Acquisition of Assets	*(583)*	*(698)*	*(518)*	*(714)*	*(940)*	*(280)*	*(220)*
Other flows from Investing Activities	1 543	1 041	1 125	1 348	1 348	1 348	1 348
Cash flow from financing activities	**(4 722)**	**510**	**875**	**1 932**	**1 932**	**1 932**	**1 932**
Net increase/decrease) in cash and cash equivalents	**(1 961)**	**6 873**	**8 090**	**(7 941)**	**(11 232)**	**(13 172)**	**(14 463)**
Balance Sheet Data							
Carrying Value of Assets	**2 403**	**1 950**	**1 231**	**1 710**	**1 660**	**1 660**	**1 660**
Cash and Cash Equivalents	**12 562**	**18 026**	**23 624**	**10 003**	**10 003**	**10 003**	**10 003**
Receivables and Prepayments	**1 591**	**1 029**	**1 160**	**830**	**830**	**830**	**830**
Inventory		**35**	**37**				
Total Assets	**16 556**	**21 040**	**26 052**	**12 543**	**12 493**	**12 493**	**12 493**
Capital & Reserves	**633**	**8 000**	**9 410**	**(9 380)**	**(10 656)**	**(12 024)**	**(12 024)**
Trade and Other Payables	**8 513**	**5 121**	**6 504**	**14 923**	**16 149**	**17 517**	**17 517**
Managed Funds	**7 410**	**7 919**	**10 138**	**7 000**	**7 000**	**7 000**	**7 000**
Total Equity and Liabilities	**16 556**	**21 040**	**26 052**	**12 543**	**12 493**	**12 493**	**12 493**

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

Municipalities R'000	Outcome			Main appro-priation	Adjusted appro-priation	Revised estimate	Medium-term estimate			
	Audited	Audited	Audited					% Change from Revised estimate		
	2008/09	2009/10	2010/11	2011/12	2011/12	2011/12	2012/13	2011/12	2013/14	2014/15
Total departmental transfers/grants										
Category B					3 300	3 300		(100.00)		
Beaufort West					300	300		(100.00)		
Bitou					200	200		(100.00)		
Cape Agulhas					200	200		(100.00)		
George					200	200		(100.00)		
Kannaland					100	100		(100.00)		
Laingsburg					300	300		(100.00)		
Matzikama					300	300		(100.00)		
Mossel Bay					200	200		(100.00)		
Oudtshoorn					100	100		(100.00)		
Prince Albert					200	200		(100.00)		
Saldanha Bay					200	200		(100.00)		
Swartland					300	300		(100.00)		
Theewaterskloof					400	400		(100.00)		
Witzenberg					300	300		(100.00)		
Other (unallocated)										
Category C					150	150		(100.00)		
Overberg					150	150		(100.00)		
Other (unallocated) Note							**3 500**			
Total transfers to local government					3 450	3 450	**3 500**	1.45		

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue, especially to the most vulnerable municipalities. R3.5 million has been reserved for this purpose, and although reflected as unallocated at this stage, the allocations in the 2012/13 Adjustments Estimate will be bespoke and based on the outcomes and recommendations of both the LG FGR&O and LG MTEC 3 processes.

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Table A.4.1 Transfers to local government by transfers/grant type, category and municipality

Municipalities R'000	Outcome						Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11	Main appro-priation 2011/12	Adjusted appro-priation 2011/12	Revised estimate 2011/12	2012/13	% Change from Revised estimate 2011/12	2013/14	2014/15
Financial Management Support Grant					3 450	3 450	**3 500**	1.45		
Category B					3 300	3 300		(100.00)		
Beaufort West					300	300		(100.00)		
Bitou					200	200		(100.00)		
Cape Agulhas					200	200		(100.00)		
George					200	200		(100.00)		
Kannaland					100	100		(100.00)		
Laingsburg					300	300		(100.00)		
Matzikama					300	300		(100.00)		
Mossel Bay					200	200		(100.00)		
Oudtshoorn					100	100		(100.00)		
Prince Albert					200	200		(100.00)		
Saldanha Bay					200	200		(100.00)		
Swartland					300	300		(100.00)		
Theewaterskloof					400	400		(100.00)		
Witzenberg					300	300		(100.00)		
Other										
Category C					150	150		(100.00)		
Overberg					150	150		(100.00)		
Other (unallocated)							**3 500**			

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue, especially to the most vulnerable municipalities. R3.5 million has been reserved for this purpose, and although reflected as unallocated at this stage, the allocations in the 2012/13 Adjustments Estimate will be bespoke and based on the outcomes and recommendations of both the LG FGR&O and LG MTEC 3 processes.

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited 2008/09	Audited 2009/10	Audited 2010/11	Main appro-priation 2011/12	Adjusted appro-priation 2011/12	Revised estimate 2011/12	2012/13	% Change from Revised estimate 2011/12	2013/14	2014/15
Cape Town Metro	120 950	138 371	127 500	144 976	143 420	142 920	**154 286**	7.95	164 441	172 665
Total provincial expenditure by district and local municipality	120 950	138 371	127 500	144 976	143 420	142 920	**154 286**	7.95	164 441	172 665