

Vote 3

Provincial Treasury

	2013/14 To be appropriated	2014/15	2015/16
MTEF allocations	R446 205 000	R527 734 000	R698 213 000
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. 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 branches 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

Effective governance that delivers a better life for our people.

Mission

To build a skilled and caring organisation that drives our commitment to good governance, accountability and the efficient use of our financial resources to achieve optimum service delivery impact.

Main services

Within the legislative context of section 18 of the PFMA and Section 5 of the MFMA, the main services to be provided by the Provincial Treasury include the following:

Internally:

- To become a highly efficient and effective regional government Ministry.
- To provide quality strategic and operational management support services.
- To provide sound financial administrative services to the Department.

Transversally or externally:

- To conduct research on the national fiscal transfer system.
- To monitor and promote revenue collections in provincial and local governments inclusive of cash management arrangements.
- To improve the conformance and responsiveness of budgets within provincial departments and entities.
- To apply economic and other analysis to inform provincial planning and budgeting processes.
- To improve the conformance and responsiveness of budgets within municipalities.
- To apply economic and other analysis to inform municipal planning and budgeting processes.
- To improve the credibility and sustainability of provincial budgets.
- To monitor the implementation of the budget in terms of accountability, data integrity and efficiency in departments.
- To improve the credibility and sustainability of municipal budgets.
- To monitor the implementation of the budget in terms of conformance, accountability, data integrity and efficiency in municipalities.
- To coordinate MFMA implementation to improve conformance and performance in municipalities.
- To entrench built-environment business principles and processes for effective infrastructure delivery.
- To render an effective information management services.
- To co-ordinate and provide financial support to special programmes/projects.
- To ensure compliance with the supply chain and asset management regularity regime across votes.
- To encourage municipalities to comply with the supply chain and asset management regularity regime.
- To provide for the implementation, management and oversight of existing provincially operated financial systems and the transition to new appropriate systems.
- To improve the understanding and application of accounting standards and financial reporting within municipalities.
- To improve compliance with standards of accounting and financial reporting in departments.
- To improve financial compliance in general.
- To improve institutionalisation of corporate governance in municipalities and departments.

Demands and changes in service

Continuous improvement in financial planning, management and reporting are key determinants of all successful organisations. It was also determined that an improvement in financial management capability (FMC), both fiscal conformance and fiscal performance, in provincial departments, entities and municipalities will lead to improved service delivery to all the people of the Western Cape. The basic tenets are in strong support of the objectives and main elements of the National Development Plan as espoused in the 2013 State of the Nation Address.

It is the intention of the Western Cape Government to try its utmost to further approve its level of governance proficiency and resultantly also audit outcomes. For the 2011/12 financial year, four (4) Votes received clean audit reports and nine (9) Votes financially unqualified with findings. All Votes committed to have clean audit outcomes by 2014-15. To achieve this would require the dedicated and joint efforts of all Accounting Officers, Provincial Treasury, Department of the Premier and the respective Executive Authorities. Specifically, it is required from the Treasury to fulfil its support and oversight roles more effectively, mainly driven through the CGRO process.

All municipalities have committed to the principle of clean governance and clean audit reports by the 2014/15 financial year. Four (4) municipalities committed to a clean audit report for the 2011/12 financial year; an additional eight (8) municipalities for the 2012/13 financial year; an additional sixteen (16) for 2013/14 and an additional two (2) for 2014/15. To achieve this would require the dedication and joint efforts of all Municipal Managers, Municipal Chief Financial Officers, Provincial Treasury and Department of Local Government. Specifically, it is required from the Provincial Treasury to strengthen its monitoring and support functions, mainly driven through the MGRO process.

Acts, rules and regulations

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

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

The Provincial Treasury is established in terms of section 17 of the **Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA)**. The functions and powers of the Provincial Treasury are assigned in term of section 18 of the PFMA. These function and powers *inter alia* include the following: preparing the provincial budget; exercising control over the implementation of the provincial budget; promote and enforce transparency and effective management in respect of revenue, expenditure, assets and liabilities of provincial departments and provincial public entities; ensuring that its fiscal policies do not materially and unreasonably prejudice national economic policies; issuing of provincial treasury instructions not inconsistent with the PFMA; enforcing the PFMA and any prescribed national and provincial norms and standards; complying with the annual Division of Revenue Act; monitoring and assessing the implementation of provincial entities of national and provincial norms and standards; assisting provincial departments and provincial public entities in building their capacity for efficient, effective and transparent financial management; investigating any system of financial management and internal control applied by a provincial department or a provincial public entity; intervening by taking appropriate steps to address serious or persistent material breach of the PFMA by a provincial department or provincial public entity; promptly provide any information required by National Treasury in terms of the PFMA and anything further that is necessary to fulfil its responsibilities effectively.

Local Government Municipal Finance Management Act, 2003 (Act 56 of 2003)

In terms of section 5(4) of the **Local Government Municipal Finance Management Act, 2003 (Act 56 of 2003)** (MFMA) the Provincial Treasury must *inter alia* monitor compliance with the MFMA by municipalities and municipal entities in the province, the preparation by municipalities in the province of their budgets and the monthly outcomes of the budgets and the submission of reports by municipalities in the province as required in terms of the MFMA; may assist municipalities in the province in the preparation of their budgets; may exercise any powers and must perform any duties delegated to it by the National Treasury in terms of the MFMA and may take appropriate steps if a municipality or municipal entity in the province commits a breach of the MFMA.

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.

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.

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.

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 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.

Western Cape Adjustments Appropriation Act, 2012 (Act 8 of 2012)

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 2013; to amend the Western Cape Appropriation Act, 2012 in respect of certain grants; and to provide for matters connected therewith.

Western Cape Direct Charges Act, 2000 (Act 6 of 2000) as amended

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) as amended

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 2013 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. To give effect to this, the Treasury Vote has been strengthened by an additional R29 million over the MTEF for building financial management institutional capacity to support departments and municipalities.

Given the constrained budget allocation, in order to balance the budget, the Department instituted ceilings, spread across the different programmes. This included cost determination for employment and goods and services, providing for an overall personnel vacancy rate of just below 8 per cent and economising on goods and services and transfer payments of around R2 million. Implementing this budget will require tight monitoring and oversight.

A Special Projects Sub-programme has been established within the Provincial Treasury to house the funds for programmes and projects that aim to support the outcomes of the Provincial Strategic Objectives and contribute to improving the effectiveness and efficiency of government services.

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 2013 Annual Performance Plan for Provincial Treasury, reflects strong alignment to both National Outcomes 9 and 12 and broad alignment to the vision of the National Development Plan.

For these purposes, the Department has been allocated a budget of R446.205 million in 2013/14, R527.734 million for 2014/15 and R698.213 million in 2015/16.

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

R45.476 million (10.19 per cent) of the 2013/14 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.

R336.111 million (75.33 per cent) of the 2013/14 budget is allocated to **Programme 2: Sustainable Resource Management** to inform financial resource allocations, to manage the provincial budget and financial assets, to monitor the implementation of provincial, municipal and entity budgets so as to enhance the effective utilisation of available fiscal and other resources and to oversee the roll-out of the Special Projects sub-programme within the Province.

R39.811 million (8.92 per cent) of the 2013/14 budget is allocated to **Programme 3: Asset Management** to provide policy direction and to facilitate and enforce the effective and efficient management of financial systems, supply chain management and movable assets within the provincial and municipal spheres, subject to the enabling legal environment.

R24.807 million (5.56 per cent) of the 2013/14 budget is allocated to **Programme 4: Financial Governance** to develop accounting and financial management practices and maturity within provincial and local government that will contribute towards higher levels of governance, resulting in improved audit outcomes.

2. Review 2012/13

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

In respect of improving conformance and performance, the target was to achieve a level 3 financial management maturity over the 2012 MTEF, while a level 4 financial management maturity was targeted to be achieved by 2013/14 and a level 6 financial management maturity by 2021.

Some of the key achievements in 2012/13 were:

All provincial departments and entities bar Education, received unqualified audits. The number of Votes receiving clean audits reports increased to four.

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 2012 (PERO) and the Medium Term Budget Statement 2013 – 2016 (MTBPS) were both tabled.

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, is a continuous process of improvement with the institutionalisation of the Western Cape Infrastructure Delivery Management System encouraging momentum.

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. Within the provincial sphere the regulatory regime has been standardised upon through the issuing and implementation of SCM instructions. This regime has been complemented by the development of a blueprint Accounting Officer System for SCM and standard operating procedures that depicts best practices. SCM assessments have been conducted at departments and municipalities and included support via training, assistance and guidance. These assessments were strengthened by the introduction of the CGRO and MGRO (focusing on overall improvement on governance) that particularly focus on gaps within the SCM and moveable asset environment and actions required correcting it. The establishment of SCM Forums on both the departmental and municipality level has proved to be successful in identifying best practices and promoting uniformity. The process of registering suppliers, which included road shows and workshops was highly successfully.

In respect of interlinked financial systems, further efforts on ensuring that system users are appropriately trained in accordance with their system profiles, inactive users de-activated and effective user account management was maintained. In the absence of the Integrated Financial Management Solution (IFMS), the process commenced with the roll-out of the Logistical Information System (LOGIS) to all remaining non-LOGIS institutions. Agreement was also reached with National Treasury to enhance the current legacy systems to comply with the current legislative and user requirements.

In addition, the Basic Accounting System (BAS) has to be re-implemented in respect of all departments (including Provincial Parliament and Provincial Revenue Fund) to accommodate the eight (8) new segments, Standard Chart of Accounts (SCOA). A new e-procurement solution (IPS), replacing the previous Electronic Purchasing System (EPS) has been developed and implemented at a pilot site for testing.

Within provincial departments, entities and municipalities concerted efforts were made to improve 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 support received from the Provincial Treasury.

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 assisted the public entity in achieving a clean audit outcome, its financial and non-financial targets during 2012/13.

3. Outlook for 2013/14

The main thrust of the 2013/14 Budget will be to build on improving operational efficiencies and effectiveness of the institution and externally, in giving effect to what is envisaged in PSO 12, to progressively improve financial management in departments and municipalities utilising the CGRO and MGRO initiatives. A further focus will be on strengthening the delivery capability and impact of the budget spent by provincial departments and municipalities through the structured PG MTEC and LG MTEC engagements.

Key performance areas towards achieving both financial conformance and performance include:

Fiscal Policy (Provincial and Local Government)

The Fiscal Policy unit aim to improve the sustainability of provincial and municipal revenue budgets and exploring the full use of available revenue resources. Research into the national transfer system with a specific focus on the funding formula that underpins the provincial and local government allocations will be conducted, as well as researching possible new sources of provincial own revenue. 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. Departmental oversight of the Western Cape Gambling and Racing Board to ensure financial sustainability and the effective and efficient regulation of the gaming industry in the Province will be strengthened.

Budget Management (Provincial and Local Government)

The Budget Office focuses on budget policy, planning and performance. It will promote the effective and responsive allocation of provincial resources to social and economic development objectives, national outcomes and provincial strategic objectives and priorities. Evaluations on provincial and municipal budget documentation for conformance and responsiveness will be undertaken to improve the impact and effectiveness (the attainment of desired outcomes, objectives and results) of the provincial and municipal budgets. Monitoring and evaluation on the implementation of budgets and plans against predetermined objectives will continue, focusing on the conformance of departmental accountability documents to the prescribed frameworks and guidelines, and legislative requirements.

Public Finance (Provincial and Local Government)

Public Finance will assess provincial budgets to improve the conformance, credibility and sustainability of the budget and for monitoring the implementation of budgets to enhance accountability, data integrity and efficiency. Improvements on the efficiency of expenditure management in departments will be addressed in conjunction with the departments. Assisting, assessing and reporting on municipal and municipal entity budgets, revenue and expenditure management, and introducing associated remedial steps, effective participation in local government IGR engagement processes; and driving the implementation of the MFMA is key focus of the Local Government Public Finance unit. Plans include improving general reporting requirements, including data integrity within municipalities and financial assistance will be provided to selected municipalities as informed by LG METC 3 and MGRO processes.

Infrastructure

In building on the initiatives started during 2012/13, 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 2013/14 MTEF budget, strengthening of the infrastructure 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

The main task will be the operationalisation 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. 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.

Special Projects

The purpose of the Special Projects sub-programme is to promote effective and efficient management, coordination and intergovernmental cooperation of special programmes in the Western Cape Government. Given disparate funding based on previously available provisions in departments' budgets and lack of clear roll-out plans, an add on provision will be provided under the Special Projects sub-programme in Provincial Treasury to be redistributed during the Adjustment Budget process and future MTEFs to fund projects that aim to achieve the outcomes of the Provincial Strategic Objectives and contribute to improving the effectiveness and efficiency of government services.

Supply Chain Management (Provincial and Local Government)

Better procurement planning through strategic sourcing will be promoted, fostering closer linkages between budget planning and service delivering for both municipalities and provincial departments. Best practice guidelines to address value for money and efficiency in procurement for both municipalities and provincial departments will be further developed.

Operational SCM skills and knowledge will be furthered in order to enhance the ability to analyse and translate complex legislative and policies requirements to ensure operational efficiencies and conformance.

Ensuring data integrity of the Western Cape Supplier Database and transparency on SCM systems will be a key focus area, inclusive of promoting supplier support, capacity building and development through structured supplier open-days and the maintenance of a supplier helpdesk. Specific focus will be on expanding the registration of suppliers in collaboration with the Department of Economic Development and Tourism. Ensuring data integrity and transparency on Supply Chain Management reporting will also be a focus area.

Structured support programmes will be rolled out to municipalities and departments through the Municipal Governance Review and Outlook and the Corporate Governance Review and Outlook processes. The focus will be on improving the quality and integrity of Supply Chain Management in both municipalities and departments.

Municipal policy reforms will be driven through planning and fostering better relationships with municipalities to implement better monitoring and evaluation.

Supporting and Interlinked Financial Systems

The management and optimal utilisation of financial systems by provincial departments, as well as the integrity of data will be further improved by ensuring that system users are appropriately trained, skilled and capacitated and that the required internal controls are in place to monitor the correct and optimal utilisation of the systems, effective user account management and compliance to legislative requirements.

In addition, the further roll-out of the Logistical Information System (LOGIS) to non-LOGIS institutions and enhancement of current systems, ensuring compliance to legislative and user requirements. The new developed e-procurement solution (IPS) will also be rolled out to the WCG as a whole, replacing the current Electronic Purchasing System (EPS), improving the efficiency and effectiveness of SCM in provincial departments.

Accounting (Provincial and Local Government)

The focus will be on improving the quality and integrity of financial data, accounting information and reporting to fully reflect all transactions entered into 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 and entities will be assisted with the preparation and assessment of Interim and Annual Financial Statements. The annual production of the Corporate Governance Review & Outlook (CGRO) on the financial governance maturity of departments 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. The annual production of the Municipal Governance Review & Outlook (MGRO) on the financial governance maturity of municipalities will be further institutionalised.

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			
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2012/13	2014/15	2015/16
Treasury funding										
Equitable share	(1 183)	(21 070)	18 474	89 065	90 865	80 688	370 658	359.37	452 108	622 504
Financing	5 075				6 465	6 465		(100.00)		
Provincial Revenue Fund	5 075				6 465	6 465		(100.00)		
Own receipts - Provincial Treasury (allocated to other votes)	(232 512)	(233 041)	(233 041)	(233 041)	(233 041)	(233 041)	(233 041)		(233 041)	(233 041)
Total Treasury funding	138 371	127 500	142 619	154 286	164 962	164 962	446 205	170.49	527 734	698 213
Departmental receipts										
Tax receipts	308 373	322 644	350 603	297 000	299 411	303 177	307 326	1.37	307 405	307 488
Sales of goods and services other than capital assets	1 444	1 907	2 163	1 214	1 214	1 936	1 214	(37.29)	1 214	1 214
Transfers received				1	1	2 411	1	(99.96)	1	1
Fines, penalties and forfeits	1 147	459	313			478		(100.00)		
Interest, dividends and rent on land	53 980	53 986				2		(100.00)		
Financial transactions in assets and liabilities	2 047	2 615	4 107	47	47	2 846	47	(98.35)	47	47
Total departmental receipts	366 991	381 611	357 186	298 262	300 673	310 850	308 588	(0.73)	308 667	308 750
Total receipts	138 371	127 500	142 619	154 286	164 962	164 962	446 205	170.49	527 734	698 213

Summary of receipts:

Total receipts increased by R281.243 million or 170.49 per cent from R164.962 million (revised estimates) in 2012/13 to R446.205 million in 2013/14. This increase is mainly due to the priority funding allocations that are ring fenced for special projects. This funding will be housed under a specific new sub-programme: Special Projects created under Programme 2: Sustainable Resource Management for this purpose. Based on approved implementation plans funds will be allocated to the relevant departments in the Adjusted Budgets and future MTEFs.

Treasury funding of which:

Equitable share allocations will amount to R370.658 million in 2013/14, R452.108 million in 2014/15 and R622.504 million in 2015/16.

Total departmental receipts for 2013/14 of R308.588 million will be allocated between the Department of the Premier (R233.041 million) and Provincial Treasury (R75.547 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 R310.850 million in 2012/13 (revised estimate) to R308.588 million in 2013/14. The main source of this income is in respect of tax receipts.

Tax receipts, of which casino and horse racing taxes are the main contributors, increased by R4.149 million or 1.37 per cent from a revised estimate of R303.177 million in 2012/13 to R307.326 million in 2013/14. The projected tax receipts over the MTEF shows a slight growth due to a 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 under 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 8.3 per cent for 2013/14, 8.1 per cent for 2014/15 and 6.9 per cent for 2015/16, 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 2013/14, which will increase with 4.9 per cent in 2014/15 and 4.6 per cent 2015/16.

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 2009/10	Audited 2010/11	Audited 2011/12				Main appro- priation 2012/13	Adjusted appro- priation 2012/13	Revised estimate 2012/13	% Change from Revised estimate
				2013/14	2012/13	2014/15				2015/16
1. Administration ^a	39 359	33 214	33 214	33 243	36 230	36 230	45 476	25.52	48 397	50 982
2. Sustainable Resource Management ^b	36 531	42 327	42 327	68 204	70 518	70 518	336 111	376.63	409 875	572 740
3. Asset Management	27 526	33 710	33 710	30 639	35 775	35 775	39 811	11.28	42 903	46 217
4. Financial Governance	34 955	18 249	18 249	22 200	22 439	22 439	24 807	10.55	26 559	28 274
Total payments and estimates	138 371	127 500	127 500	154 286	164 962	164 962	446 205	170.49	527 734	698 213

^a MEC total remuneration package: R1 652 224 with effect from 1 April 2012.

^b A new sub-programme: Special Projects has been included under Programme 2 to promote effective and efficient management, coordination and intergovernmental cooperation of special projects in the Province.

Summary by economic classification

Table 5.2 Summary of provincial payments and estimates by economic classification

Economic classification R'000	Outcome			Main appro- priation Adjusted appro- priation Revised estimate			Medium-term estimate			
	Audited 2009/10	Audited 2010/11	Audited 2011/12				% Change from Revised estimate			
				2012/13	2012/13	2012/13	2013/14	2012/13	2014/15	2015/16
Current payments	134 643	123 563	135 303	148 669	155 932	155 932	173 674	11.38	183 865	194 711
Compensation of employees	93 902	89 297	94 973	113 109	110 212	110 212	128 023	16.16	137 834	148 074
Goods and services	40 741	34 246	40 301	35 560	45 720	45 720	45 651	(0.15)	46 031	46 637
Interest and rent on land		20	29							
Transfers and subsidies to	419	736	4 640	4 100	6 699	6 699	267 769	3 897.15	338 305	497 682
Provinces and municipalities			3 450	3 500	3 450	3 450	256 598	7 337.62	327 014	486 270
Departmental agencies and accounts			83		2 411	2 411	10 326	328.29	10 405	10 488
Non-profit institutions	100	102	29							
Households	319	634	1 078	600	838	838	845	0.84	886	924
Payments for capital assets	3 106	3 089	2 633	1 517	2 317	2 317	4 762	105.52	5 564	5 820
Machinery and equipment	2 153	3 054	2 633	1 517	2 317	2 317	4 762	105.52	5 564	5 820
Heritage assets		35								
Software and other intangible assets	953									
Payments for financial assets	203	112	43		14	14		(100.00)		
Total economic classification	138 371	127 500	142 619	154 286	164 962	164 962	446 205	170.49	527 734	698 213

Transfers to public entities

Table 5.3 Summary of departmental transfers to public entities

Public entities R'000	Outcome			Main appro- priation 2012/13	Adjusted appro- priation 2012/13	Revised estimate 2012/13	Medium-term estimate			
	Audited 2009/10	Audited 2010/11	Audited 2011/12				% Change from Revised estimate			
							2013/14	2012/13	2014/15	2015/16
Western Cape Gambling and Racing Board			83		2 411	2 411	10 326	328.29	10 405	10 488
Total departmental transfers to public entities			83		2 411	2 411	10 326	328.29	10 405	10 488

The Western Cape Gambling and Racing Board (WCGRB) falls within the jurisdiction of the Provincial Treasury. Although the WCGRB has been self-funded over the recent past, moving forward financial sustainability is at risk due to the loss of exclusivity fees. The revision of the exclusivity and tax regime, aimed at addressing the sustainability risk will be dealt with by Parliament during 2013/14.

Transfers to development corporations

None.

Transfers to local government

Table 5.4 Summary of departmental transfers to local government by category

Departmental transfers R'000	Outcome						Medium-term estimate			
	Audited 2009/10	Audited 2010/11	Audited 2011/12				% Change from Revised estimate			
				Main appro- priation 2012/13	Adjusted appro- priation 2012/13	Revised estimate 2012/13	2013/14	2012/13	2014/15	2015/16
Category B			3 300		3 450	3 450		(100.00)		
Category C			150							
Other (unallocated)				3 500			4 000		6 000	7 000
Total departmental transfers to local government			3 450	3 500	3 450	3 450	4 000	15.94	6 000	7 000

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue, especially to the most vulnerable municipalities. R4 million has been reserved for this purpose, and although reflected as unallocated at this stage, the allocations in the 2013/14 Adjustments Estimate will be based on the outcomes and recommendations of both the MGRO 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 housed under Sub-programme: Public Finance (Element: Infrastructure). 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 2013/14 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

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

Sub-programme 1.2: Management Services

to 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 effective financial management to the Department

Policy developments

No specific policy changes are currently being considered.

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

None.

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

Strategic, administrative and communication and events support services in line with predetermined targets.

Sub-programme 1.2: Management Services

Number of directorates assisted with the implementation of departmental secretarial and administrative services standards.

Timeous publication of Annual Performance Plan.

Number of progress reports on the implementation of the Human Resource Plan.

Sub-programme 1.4: Financial Management

Clean audit outcome of the Auditor General for Financial Management.

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

Sub-programme R'000	Outcome						Medium-term estimate			
							% Change from Revised estimate			
	Audited	Audited	Audited	Main appro- p- riation	Adjusted appro- p- riation	Revised estimate				
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2012/13	2014/15	2015/16
1. Office of the Minister ^a	4 410	4 776	4 926	5 522	5 492	5 492	6 228	13.40	6 574	7 033
2. Management Services	3 278	5 818	7 766	9 000	10 793	10 793	12 253	13.53	13 091	13 959
3. Corporate Services	11 077	3 602								
4. Financial Management	20 594	19 018	18 446	18 721	19 945	19 945	26 995	35.35	28 732	29 990
Total payments and estimates	39 359	33 214	31 138	33 243	36 230	36 230	45 476	25.52	48 397	50 982

^a MEC total remuneration package: R1 652 224 with effect from 1 April 2012.

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

Economic classification R'000	Outcome						Medium-term estimate			
	% Change from Revised estimate									
	Audited 2009/10	Audited 2010/11	Audited 2011/12	Main appro- p- riation 2012/13	Adjusted appro- p- riation 2012/13	Revised estimate 2012/13	2013/14	2012/13	2014/15	2015/16
Current payments	36 684	29 277	27 279	31 126	33 070	33 070	39 869	20.56	41 947	44 238
Compensation of employees	21 520	19 514	18 356	20 089	20 378	20 378	24 318	19.33	26 100	28 037
Goods and services	15 164	9 743	8 894	11 037	12 692	12 692	15 551	22.53	15 847	16 201
Interest and rent on land		20	29							
Transfers and subsidies to	319	736	1 183	600	829	829	845	1.93	886	924
Departmental agencies and accounts			83							
Non-profit institutions		102	29							
Households	319	634	1 071	600	829	829	845	1.93	886	924
Payments for capital assets	2 153	3 089	2 633	1 517	2 317	2 317	4 762	105.52	5 564	5 820
Machinery and equipment	2 153	3 054	2 633	1 517	2 317	2 317	4 762	105.52	5 564	5 820
Heritage assets		35								
Payments for financial assets	203	112	43		14	14		(100.00)		
Total economic classification	39 359	33 214	31 138	33 243	36 230	36 230	45 476	25.52	48 397	50 982

Details of transfers and subsidies

Economic classification R'000	Outcome			Main appro- priation	Adjusted appro- priation	Revised estimate	Medium-term estimate			
	Audited 2009/10	Audited 2010/11	Audited 2011/12				% Change from Revised estimate			
							2013/14	2012/13	2014/15	2015/16
Transfers and subsidies to (Current)	319	736	1 183	600	829	829	845	1.93	886	924
Departmental agencies and accounts			83							
Entities receiving transfers			83							
Western Cape Gambling and Racing Board			83							
Non-profit institutions		102	29							
Households	319	634	1 071	600	829	829	845	1.93	886	924
Social benefits					28	28		(100.00)		
Other transfers to households	319	634	1 071	600	801	801	845	5.49	886	924

Expenditure trends analysis

The decrease of R3.129 million from R39.359 million in 2009/10 to R36.230 million in 2012/13 (revised estimate), equates to an average nominal decrease of 2.72 per cent per annum (three year period). The annual average nominal growth of 12.06 per cent from the revised estimate of R36.230 million in 2012/13 to R50.982 million in 2015/16, 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 transfers are for external bursars. The 105.52 per cent increase from R2.317 million in 2012/13 to R4.762 million in 2013/14 for capital assets is to provide for the increase in staff members of the department.

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 and to provide for special projects.

Analysis per sub-programme**Sub-programme 2.1: Programme Support**

to provide management and administrative support to the programme

Sub-programme 2.2: Fiscal Policy

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

Sub-programme 2.3: Budget Management**Provincial Government Budgets**

to provide for provincial economic analysis and advice that informs budget policy and the budget allocation process; and co-ordinate provincial budget policy, planning and performance

Local Government Budgets

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

to 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)

to assist, assess and report on municipal and municipal entity budgets, revenue and expenditure management, and introduce associated remedial steps, effective participation in local government IGR engagement processes; and drive the implementation of the MFMA

Infrastructure

to facilitate the implementation of the infrastructure delivery management system (IDMS) through the institutionalisation of good practice systems, tools and building capacity in departments and to provide advice and assistance towards the sound management of PPP projects

Business Information and Data Management

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

Sub-programme 2.5: Special Projects

to promote effective and efficient management, coordination and intergovernmental cooperation of special programmes in the Western Cape Government

Policy developments

Policy developments that will receive further attention in 2013/14 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

A Special Projects Sub-programme in Provincial Treasury was created to redistribute funds during the Adjustment Budget process and future MTEFs to fund projects that will aim to achieve the outcomes of the Provincial Strategic Objectives and contribute to improving the effectiveness and efficiency of government services.

Strategic goals as per Strategic Plan

Programme 2: Sustainable Resource Management

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.

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 and municipalities) and the sound management of PPP projects.

Strategic objectives as per Annual Performance Plan

Sub-programme 2.1: Programme Support

Number of performance plans achieved by the programme.

Sub-programme 2.2: Fiscal Policy

Number of research reports on the Fiscal Transfer System.

Number of revenue and cash management reports.

Sub-programme 2.3: Budget Management

Provincial Government Budgets

Timeous Publication of the Overview of Provincial Revenue and Expenditure.

Timeous Publication of the Medium Term Budget Policy Statement.

Local Government Budgets

Number of Municipal annual budget assessments.

Timeous Publication of the Municipal Economic Review and Outlook.

Sub-programme 2.4: Public Finance

Provincial Government Finance

Timeous tabling of the Estimates of Provincial Revenue and Expenditure.

Number of quarterly reports on the implementation of the provincial budget to Cabinet and Parliament.

Local Government Finance (Groups 1 and 2)

Number of Municipal budgets assessment reports.

Number of quarterly reports on the implementation of the municipal budget to Cabinet and Parliament.

Number of reports on MFMA implementation.

Infrastructure

Number of departments in which the WC IDMS is institutionalised.

Business Information and Data Management

The development of an information management system standard operating procedure.

Sub-programme 2.5: Special Projects

Number of strategic projects/programmes that receive financial support.

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

Sub-programme R'000	Outcome			Main appro- priation Adjusted appro- priation Revised estimate			Medium-term estimate			
	Audited 2009/10	Audited 2010/11	Audited 2011/12				% Change from Revised estimate			
				2013/14	2012/13	2014/15	2015/16			
1. Programme Support	2 438	3 024	3 848	5 666	5 925	5 925	7 038	18.78	7 548	8 075
2. Fiscal Policy	5 240	3 663	6 693	7 771	12 282	12 282	19 312	57.24	20 010	20 731
Fiscal Policy	5 240	3 663	6 693	7 771	9 871	9 871	8 986	26.65	9 605	10 243
Western Cape Gambling and Racing Board					2 411	2 411	10 326		10 405	10 488
3. Budget Management	10 004	13 749	16 784	16 167	15 534	15 534	15 949	2.67	16 074	17 184
Provincial Government	6 381	8 606	10 845	9 135	7 885	7 885	8 529	8.17	8 645	9 230
Local Government Budgets	3 623	5 143	5 939	7 032	7 649	7 649	7 420	(2.99)	7 429	7 954
4. Public Finance	18 849	21 891	34 006	38 600	36 777	36 777	41 214	12.06	45 229	47 480
Provincial Government Finance	10 659	12 832	11 310	8 502	7 245	7 245	7 576	4.57	8 133	8 709
Local Government Finance: Group 1	4 317	4 154	8 408	9 132	9 405	9 405	10 458	11.20	10 867	10 096
Local Government Finance: Group 2	3 873	4 905	8 522	10 151	9 191	9 191	10 511	14.36	12 759	14 246
Infrastructure			5 766	6 070	5 730	5 730	5 549	(3.16)	5 907	6 324
Business Information and Data Management				4 745	5 206	5 206	7 120	36.77	7 563	8 105
5. Special Projects ^{Note}							252 598		321 014	479 270
Total payments and estimates	36 531	42 327	61 331	68 204	70 518	70 518	336 111	376.63	409 875	572 740

Note: A new sub-programme: Special Projects has been included to promote effective and efficient management, coordination and intergovernmental cooperation of special projects in the Province.

Table 6.2.1 Summary of provincial payments and estimates by economic classification – Programme 2: Sustainable Resource Management

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2009/10	Audited 2010/11	Audited 2011/12				% Change from Revised estimate			
				Main appro- priation 2012/13	Adjusted appro- priation 2012/13	Revised estimate 2012/13	2013/14	2012/13	2014/15	2015/16
Current payments	36 431	42 327	57 874	64 704	64 657	64 657	69 187	7.01	72 456	75 982
Compensation of employees	21 708	28 360	39 715	48 880	47 695	47 695	54 045	13.31	58 190	62 507
Goods and services	14 723	13 967	18 159	15 824	16 962	16 962	15 142	(10.73)	14 266	13 475
Transfers and subsidies to	100		3 457	3 500	5 861	5 861	266 924	4 454.24	337 419	496 758
Provinces and municipalities			3 450	3 500	3 450	3 450	256 598	7 337.62	327 014	486 270
Departmental agencies and accounts					2 411	2 411	10 326	328.29	10 405	10 488
Non-profit institutions	100									
Households			7							
Total economic classification	36 531	42 327	61 331	68 204	70 518	70 518	336 111	376.63	409 875	572 740

Details of transfers and subsidies

Economic classification R'000	Outcome			Main appro- priation 2012/13	Adjusted appro- priation 2012/13	Revised estimate 2012/13	Medium-term estimate			
	Audited 2009/10	Audited 2010/11	Audited 2011/12				% Change from Revised estimate			
							2013/14	2012/13	2014/15	2015/16
Transfers and subsidies to (Current)	100		3 457	3 500	5 861	5 861	266 924	4454.24	337 419	496 758
Provinces and municipalities			3 450	3 500	3 450	3 450	256 598	7337.62	327 014	486 270
Provinces							252 598		321 014	479 270
Provincial agencies and funds							252 598		321 014	479 270
Municipalities			3 450	3 500	3 450	3 450	4 000	15.94	6 000	7 000
Municipalities			3 450	3 500	3 450	3 450	4 000	15.94	6 000	7 000
Departmental agencies and accounts					2 411	2 411	10 326	328.29	10 405	10 488
Entities receiving transfers					2 411	2 411	10 326	328.29	10 405	10 488
Western Cape Gambling and Racing Board					2 411	2 411	10 326	328.29	10 405	10 488
Non-profit institutions	100									
Households			7							
Other transfers to households			7							

Expenditure trends analysis

The programme has increased from R36.531 million in 2009/10 to R70.518 million in 2012/13 (revised estimate), which equates to an average nominal growth of 24.51 per cent per annum. The growth 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 R70.518 million in 2012/13 revised estimate to R336.111 million in 2013/14 as a result of the priority funding allocations that are ring fenced under the sub-programme: Special projects. The growth from 2012/13 (revised estimate) of R70.518 million to R572.740 million in 2015/16 reflects an annual average growth of 101.01 per cent over the three year period.

Programme 3: Asset Management

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

Analysis per sub-programme**Sub-programme 3.1: Programme Support**

to provide management and administrative support to the programme

Sub-programme 3.2: Supply Chain Management**Supply Chain Management (Provincial Government)**

to ensure that provincial institutions comply with the supply chain and asset management regulatory regime

Supply Chain Management (Local Government)

to assist municipalities in complying with the supply chain and asset management regulatory regime

Sub-programme 3.4: Supporting and Interlinked Financial Systems

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

Policy developments

Policy developments that will receive further attention in 2013/14 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 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

None.

Strategic goals as per Strategic Plan

Programme 3: Asset 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

Number of performance plans achieved by the programme.

Sub-programme 3.2: Supply Chain Management

Supply Chain Management: Provincial Government

Number of votes assisted to improve management of supply chain and moveable asset management.

Supply Chain Management: Local Government

Number of municipalities assisted to improve management of supply chain and moveable asset management.

Sub-programme 3.4: Supporting and Interlinked Financial Systems

Number of votes assisted to effectively utilise the suite of financial systems.

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

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited 2009/10	Audited 2010/11	Audited 2011/12				% Change from Revised estimate			
				Main appro- priation 2012/13	Adjusted appro- priation 2012/13	Revised estimate 2012/13	2013/14	2012/13	2014/15	2015/16
1. Programme Support	1 233	998	1 054	2 191	2 248	2 248	3 560	58.36	3 786	4 060
2. Supply Chain Management	11 420	15 373	9 614	11 773	10 442	10 442	11 774	12.76	12 518	13 429
Supply Chain Management: Provincial Government	7 016	8 924	9 613	7 409	6 922	6 922	7 145	3.22	7 542	8 091
Supply Chain Management: Local Government		1	1	4 364	3 520	3 520	4 629	31.51	4 976	5 338
Immoveable Asset Management	4 404	6 448								
3. Liabilities Management	2 313	2 535								
4. Supporting and Interlinked Financial Systems	12 560	14 804	20 038	16 675	23 085	23 085	24 477	6.03	26 599	28 728
Total payments and estimates	27 526	33 710	30 706	30 639	35 775	35 775	39 811	11.28	42 903	46 217

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2009/10	Audited 2010/11	Audited 2011/12				% Change from Revised estimate			
				Main appro- priation	Adjusted appro- priation	Revised estimate	2013/14	2012/13	2014/15	2015/16
				2012/13	2012/13	2012/13				
Current payments	27 526	33 710	30 706	30 639	35 771	35 771	39 811	11.29	42 903	46 217
Compensation of employees	21 136	25 201	19 815	24 623	22 851	22 851	27 533	20.49	29 708	31 922
Goods and services	6 390	8 509	10 891	6 016	12 920	12 920	12 278	(4.97)	13 195	14 295
Transfers and subsidies to					4	4		(100.00)		
Households					4	4		(100.00)		
Total economic classification	27 526	33 710	30 706	30 639	35 775	35 775	39 811	11.28	42 903	46 217

Details of transfers and subsidies

None.

Expenditure trends analysis

The programme has increased by R8.249 million from R27.526 million in 2009/10 to R35.775 million (revised estimate) in 2012/13, with an average nominal growth of 9.13 per cent per annum. This is due to the steps that were taken to increase the oversight and guidance over supply chain management and financial systems management. Over the MTEF period the allocation will increase by an average nominal growth of 8.91 per cent per annum from R35.775 million in 2012/13 to R46.217 million in 2015/16. This is mainly due to further roll out and implementation of financial systems, as well as the strengthening of the supply chain management in municipalities.

Programme 4: Financial Governance

Purpose: Development of accounting and financial management control practices within provincial and local government that will contribute toward higher levels of governance.

Analysis per sub-programme**Sub-programme 4.1: Programme Support**

to provide management and administrative support to the programme

Sub-programme 4.2: Accounting Services**Local Government Accounting**

to improve the understanding and application of accounting standards and financial reporting within municipalities; the target for 2015 being full compliance with the minimum accounting standards framework and related financial laws and regulations

Provincial Government Financial Accounting and Compliance

to improve the understanding of the provincial accounting reporting framework and financial reporting by departments and provincial entities and to gear departments to a state of readiness for accrual accounting as well as to drive the functioning of internal control units within departmental CFO offices

Sub-programme 4.3: Corporate Governance

to strengthen the internal control environment of municipalities through the implementation of risk management, internal audit and compliance with financial laws and regulations

Policy developments

Policy developments that will receive further attention in 2013/14 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 through appropriate disclosure information.
- Monitoring and reporting quarterly on the Corporate/Municipal Governance Review & Outlook GAPS of departments and municipalities respectively to drive the improvement of financial management capabilities.

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.

Further changes for the 2013/14 financial year entails the shifting of the Financial Management Improvement Programme (FMIP) function within Programme 4 from Corporate Governance to Provincial Government Financial Accounting and Compliance. The FMIP together with the Financial Governance Review and Outlook (FGRO) processes have been collapsed into the Corporate Governance Review and Outlook (CGRO), a strategy that is aligned to achieve PSO12.

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

Number of performance plans achieved by the programme.

Sub-programme 4.2: Accounting Services

Local Government Accounting

Number of municipalities assisted to comply with the GRAP standards.

Provincial Government Financial Accounting and Compliance

Number of votes assisted to comply with accounting standards.

Number of votes assisted to improve internal controls.

Sub-programme 4.3: Corporate Governance

Number of municipalities assisted to improve corporate governance.

Number of departments assisted to improve corporate governance.

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

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited 2009/10	Audited 2010/11	Audited 2011/12				% Change from Revised estimate			
				Main appro- priation 2012/13	Adjusted appro- priation 2012/13	Revised estimate 2012/13	2013/14	2012/13	2014/15	2015/16
1. Programme Support	1 777	1 452	1 437	1 791	2 068	2 068	2 327	12.52	2 469	2 304
2. Accounting Services	7 292	7 844	9 775	11 046	10 637	10 637	13 941	31.06	14 933	16 147
Provincial Government Financial Accounting and Compliance	4 619	4 619	5 370	5 625	5 496	5 496	7 375	34.19	7 862	8 573
Local Government Accounting	2 673	3 225	4 405	5 421	5 141	5 141	6 566	27.72	7 071	7 574
3. Corporate Governance	4 664	7 516	8 232	9 363	9 734	9 734	8 539	(12.28)	9 157	9 823
4. Risk Management	2 721									
5. Provincial Internal Audit	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	34 955	18 249	19 444	22 200	22 439	22 439	24 807	10.55	26 559	28 274

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

Economic classification R'000	Outcome			Main appro- p-riation Adjusted appro- p-riation Revised estimate			Medium-term estimate			
	Audited 2009/10	Audited 2010/11	Audited 2011/12				% Change from Revised estimate			
				2012/13	2012/13	2012/13	2013/14	2012/13	2014/15	2015/16
Current payments	34 002	18 249	19 444	22 200	22 434	22 434	24 807	10.58	26 559	28 274
Compensation of employees	29 538	16 222	17 087	19 517	19 288	19 288	22 127	14.72	23 836	25 608
Goods and services	4 464	2 027	2 357	2 683	3 146	3 146	2 680	(14.81)	2 723	2 666
Transfers and subsidies to				5			5			
Households				5			5			
Payments for capital assets	953									
Software and other intangible assets	953									
Total economic classification	34 955	18 249	19 444	22 200	22 439	22 439	24 807	10.55	26 559	28 274

Details of transfers and subsidies

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2009/10	Audited 2010/11	Audited 2011/12				% Change from Revised estimate			
				Main appro- p-iation 2012/13	Adjusted appro- p-riation 2012/13	Revised estimate 2012/13	2013/14	2012/13	2014/15	2015/16
Transfers and subsidies to (Current)					5	5	(100.00)			
Households					5	5	(100.00) (100)			
Social benefits					5	5	(100.00) (100)			

Expenditure trends analysis

The decrease of R12.516 million from R34.955 million in 2009/10 to R22.439 million in 2012/13 (revised estimate) is mainly 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 13.74 per cent over the three year period. Over the period 2012/13 (revised estimate) to 2015/16, the total nominal growth for the programme is 8.01 per cent per annum, which is a result of posts that were created during the reconfiguration process.

7. Other programme information

Personnel numbers and costs

Table 7.1 Personnel numbers and costs

Programme R'000	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	As at 31 March 2016
1. Administration	71	55	49	70	63	63	63
2. Sustainable Resource Management	61	95	87	112	121	121	121
3. Asset Management	67	54	52	60	66	66	66
4. Financial Governance	101	44	41	49	50	50	50
Total personnel numbers	300	248	229	291	300	300	300
Total personnel cost (R'000)	93 902	89 297	94 973	110 212	128 023	137 834	148 074
Unit cost (R'000)	313	360	415	379	427	459	494

Table 7.2 Departmental personnel number and cost

Description	Outcome			Main appro- priation 2012/13	Adjusted appro- priation 2012/13	Revised estimate 2012/13	Medium-term estimate			
	Audited 2009/10	Audited 2010/11	Audited 2011/12				% Change from Revised estimate			
							2013/14	2012/13	2014/15	2015/16
Total for department										
Personnel numbers (head count)	300	248	229	324	291	291	300	3.09	300	300
Personnel cost (R'000)	93 902	89 297	94 973	113 109	110 212	110 212	128 023	16.16	137 834	148 074
<i>of which</i>										
Human resources component										
Personnel numbers (head count)	24									
Personnel cost (R'000)	6 289	2 896								
Head count as % of total for department	8.00									
Personnel cost as % of total for department	6.70	3.24								
Finance component										
Personnel numbers (head count)	32	39	42	34	32	32	33	3.13	33	33
Personnel cost (R'000)	7 168	8 009	9 476	9 147	8 466	8 466	9 966	17.72	10 670	11 456
Head count as % of total for department	10.67	15.73	18.34	10.49	11.00	11.00	11.00		11.00	11.00
Personnel cost as % of total for department	7.63	8.97	9.98	8.09	7.68	7.68	7.78		7.74	7.74
Full time workers										
Personnel numbers (head count)	293	245	226	324	286	286	300	4.90	300	300
Personnel cost (R'000)	91 797	88 747	94 382	113 109	109 111	109 111	128 023	17.33	137 834	148 074
Head count as % of total for department	97.67	98.79	98.69	100.00	98.28	98.28	100.00		100.00	100.00
Personnel cost as % of total for department	97.76	99.38	99.38	100.00	99.00	99.00	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)	7	3	3		5	5		(100.00)		
Personnel cost (R'000)	2 105	550	591		1 101	1 101		(100.00)		
Head count as % of total for department	2.33	1.21	1.31		1.72	1.72				
Personnel cost as % of total for department	2.24	0.62	0.62		1.00	1.00				

Training

Table 7.3 Payments on training

Programme R'000	Outcome						Medium-term estimate			
	Audited 2009/10	Audited 2010/11	Audited 2011/12				% Change from Revised estimate			
				Main appro- priation 2012/13	Adjusted appro- priation 2012/13	Revised estimate 2012/13	2013/14	2012/13	2014/15	2015/16
1. Administration	3 574	652	1 063	1 042	1 042	1 042	841	(19.29)	888	936
<i>of which</i>										
Payments on tuition	2 020	197	306	375	375	375	600	60.00	629	658
Other	1 554	455	757	667	667	667	241	(63.87)	259	278
2. Sustainable Resource Management		532	1 115	1 187	1 187	1 187	536	(54.84)	577	620
Payments on tuition		306	471	498	498	498		(100.00)		
Other		226	644	689	689	689	536	(22.21)	577	620
3. Asset Management		237	420	444	444	444	275	(38.06)	297	319
<i>of which</i>										
Payments on tuition		237	420	444	444	444	275	(38.06)	297	319
4. Asset Management	674	612	673	717	717	717	221	(69.18)	238	256
<i>of which</i>										
Payments on tuition	195	535	416	440	440	440	221	(49.77)	238	256
Other	479	77	257	277	277	277		(100.00)		
Total payments on training	4 248	2 033	3 271	3 390	3 390	3 390	1 873	(44.75)	2 000	2 131

Table 7.4 Information on training

Description	Outcome						Medium-term estimate			
							% Change from Revised estimate			
	2009/10	2010/11	2011/12	2012/13	2012/13	2012/13	2013/14	2012/13	2014/15	2015/16
Number of staff	300	248	229	324	290	291	300	3.09	300	300
Number of personnel trained	115	112	200	200	200	200	200		200	200
<i>of which</i>										
Male	51	58	100	100	100	100	100		100	100
Female	64	54	100	100	100	100	100		100	100
Number of training opportunities	277	189	266	266	266	266	266		266	266
<i>of which</i>										
Tertiary	71	26	69	69	69	69	69		69	69
Workshops	25	30	45	45	45	45	45		45	45
Seminars	3	15	22	22	22	22	22		22	22
Other	178	118	130	130	130	130	130		130	130
Number of bursaries offered	16	26	26	26	26	26	26		26	26
Number of interns appointed	15	8	18	18	18	18	18		18	18
Number of learnerships appointed	17									
Number of days spent on training	11	120	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- piation 2012/13	Adjusted appro- piation 2012/13	Revised estimate 2012/13	Medium-term estimate			
	Audited 2009/10	Audited 2010/11	Audited 2011/12				% Change from Revised estimate		2014/15	2015/16
							2013/14	2012/13		
Tax receipts (Casino and LGM taxes)	308 373	322 644	350 603	297 000	299 411	303 177	307 326	1.37	307 405	307 488
Casino and LGM taxes	284 528	296 313	321 750	277 000	279 411	279 411	287 326	2.83	287 405	287 488
Horseracing taxes	23 845	26 331	28 853	20 000	20 000	23 766	20 000	(15.85)	20 000	20 000
Sales of goods and services other than capital assets	1 444	1 907	2 163	1 214	1 214	1 936	1 214	(37.29)	1 214	1 214
Sales of goods and services produced by department (excluding capital assets)	1 444	1 907	2 163	1 213	1 213	1 936	1 213	(37.35)	1 213	1 213
Administrative fees	1 425	1 888	2 163	1 201	1 201	1 936	1 201	(37.96)	1 201	1 201
Agricultural activities		1 888								
Licences or permits	1 405									
Other	20		2 163	1 201	1 201	1 936	1 201	(37.96)	1 201	1 201
Other sales	19	19		12	12		12		12	12
<i>of which</i>										
Commission on insurance	19	19								
Other				12	12		12		12	12
Sales of scrap, waste, arms and other used current goods (excluding capital assets)				1	1		1		1	1
Transfers received from				1	1	2 411	1	(99.96)	1	1
Households and non-profit institutions				1	1	2 411	1	(99.96)	1	1
Fines, penalties and forfeits	1 147	459	313			478		(100.00)		
Interest, dividends and rent on land	53 980	53 986				2		(100.00)		
Interest	53 980	53 986				2		(100.00)		
Financial transactions in assets and liabilities	2 047	2 615	4 107	47	47	2 846	47	(98.35)	47	47
Recovery of previous year's expenditure	1 846									
Staff debt	5									
Unallocated credits	186									
Cash surpluses	10									
Other		2 615	4 107	47	47	2 846	47	(98.35)	47	47
Total departmental receipts	366 991	381 611	357 186	298 262	300 673	310 850	308 588	(0.73)	308 667	308 750

Annexure A to Vote 3

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

Economic classification R'000	Outcome			Main appro- priation 2012/13	Adjusted appro- priation 2012/13	Revised estimate 2012/13	Medium-term estimate			
	Audited 2009/10	Audited 2010/11	Audited 2011/12				% Change from Revised estimate			
							2013/14	2012/13	2014/15	2015/16
Current payments	134 643	123 563	135 303	148 669	155 932	155 932	173 674	11.38	183 865	194 711
Compensation of employees	93 902	89 297	94 973	113 109	110 212	110 212	128 023	16.16	137 834	148 074
Salaries and wages	81 954	77 761	82 885	99 336	96 837	96 837	112 640	16.32	121 267	130 251
Social contributions	11 948	11 536	12 088	13 773	13 375	13 375	15 383	15.01	16 567	17 823
Goods and services	40 741	34 246	40 301	35 560	45 720	45 720	45 651	(0.15)	46 031	46 637
of which										
Administrative fees	90	63	90	90	92	92	95	3.26	100	104
Advertising	953	463	2 162	30	195	195	470	141.03	378	395
Assets <R5 000	419	394	367	550	383	383	430	12.27	451	472
Audit cost: External	10 066	9 722	8 171	5 275	3 775	3 775	4 195	11.13	4 401	4 603
Bursaries (employees)	484	231	338	600	600	600	600		629	658
Catering: Departmental activities	369	376	322	420	573	573	501	(12.57)	525	549
Communication	1 831	1 059	861	1 155	943	943	1 516	60.76	1 590	1 647
Computer services	2 454	2 574	4 290	565	3 812	3 812	1 638	(57.03)	1 718	1 797
Cons/prof: Business and advisory services	12 079	8 986	12 583	13 884	18 914	18 914	20 584	8.83	20 906	20 544
Cons/prof: Legal costs		224	5		27	27		(100.00)		
Contractors	438	543	455	525	670	670	803	19.85	808	814
Agency and support/outsourced services	119	46	52		70	70	120	71.43	126	132
Entertainment	135	91	107	236	226	226	255	12.83	261	262
Inventory: Food and food supplies	83	71	89	123	104	104	108	3.85	103	104
Inventory: Learner and teacher support material	16	64								
Inventory: Material and supplies		1								
Inventory: Other consumables	77	17	43	46	59	59	48	(18.64)	50	52
Inventory: Stationery and printing	3 021	4 296	2 412	3 448	2 873	2 873	3 265	13.64	3 096	3 059
Lease payments	291	220		900	300	300	320	6.67	336	216
Property payments	1 572	22	259	300	480	480	1 297	170.21	1 393	1 460
Transport provided: Departmental activity	2	6	44		3	3		(100.00)		
Travel and subsistence	4 151	2 813	4 344	4 389	5 975	5 975	5 341	(10.61)	5 597	5 856
Training and development	1 368	852	661	1 136	1 006	1 006	1 273	26.54	1 371	1 473
Operating expenditure	304	466	1 910	1 298	3 970	3 970	2 210	(44.33)	1 581	1 802
Venues and facilities	419	646	736	590	670	670	582	(13.13)	611	638
Interest and rent on land		20	29							
Interest		20	29							
Transfers and subsidies to	419	736	4 640	4 100	6 699	6 699	267 769	3897.15	338 305	497 682
Provinces and municipalities			3 450	3 500	3 450	3 450	256 598	7337.62	327 014	486 270
Provinces							252 598		321 014	479 270
Provincial agencies and funds							252 598		321 014	479 270
Municipalities			3 450	3 500	3 450	3 450	4 000	15.94	6 000	7 000
Municipalities			3 450	3 500	3 450	3 450	4 000	15.94	6 000	7 000
Departmental agencies and accounts			83		2 411	2 411	10 326	328.29	10 405	10 488
Entities receiving transfers			83		2 411	2 411	10 326	328.29	10 405	10 488
Western Cape Gambling and Racing Board			83		2 411	2 411	10 326	328.29	10 405	10 488
Non-profit institutions	100	102	29							
Households	319	634	1 078	600	838	838	845	0.84	886	924
Social benefits					33	33		(100.00)		
Other transfers to households	319	634	1 078	600	805	805	845	4.97	886	924
Payments for capital assets	3 106	3 089	2 633	1 517	2 317	2 317	4 762	105.52	5 564	5 820
Machinery and equipment	2 153	3 054	2 633	1 517	2 317	2 317	4 762	105.52	5 564	5 820
Transport equipment	13	619					1 135		1 191	1 245
Other machinery and equipment	2 140	2 435	2 633	1 517	2 317	2 317	3 627	56.54	4 373	4 575
Heritage assets		35								
Software and other intangible assets	953									
Payments for financial assets	203	112	43		14	14		(100.00)		
Total economic classification	138 371	127 500	142 619	154 286	164 962	164 962	446 205	170.49	527 734	698 213

Note: The Economic classifications as taken up in this Budget are in accordance with Version 3 of the Standard Chart of Accounts (SCOA). Version 4, at the time of preparation of this Budget, was still under development. However, it was agreed with National Treasury that for 2013/14, budgets will be captured on SCOA Version 4, except for inventory which will be captured on SCOA Version 3. SCOA Version 4 will be fully implemented from 2014/15.

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- prium	Adjusted appro- prium	Revised estimate	Medium-term estimate			
	Audited 2009/10	Audited 2010/11	Audited 2011/12				% Change from Revised estimate			
							2013/14	2012/13	2014/15	2015/16
Current payments	36 684	29 277	27 279	31 126	33 070	33 070	39 869	20.56	41 947	44 238
Compensation of employees	21 520	19 514	18 356	20 089	20 378	20 378	24 318	19.33	26 100	28 037
Salaries and wages	18 900	17 021	16 036	17 681	18 041	18 041	21 479	19.06	23 037	24 742
Social contributions	2 620	2 493	2 320	2 408	2 337	2 337	2 839	21.48	3 063	3 295
Goods and services	15 164	9 743	8 894	11 037	12 692	12 692	15 551	22.53	15 847	16 201
of which										
Administrative fees	90	55	80	90	92	92	95	3.26	100	104
Advertising	869	322	233	30	127	127	400	214.96	305	319
Assets <R5 000	419	394	367	550	383	383	430	12.27	451	472
Audit cost: External	2 089	2 700	2 169	2 500	2 500	2 500	3 445	37.80	3 614	3 780
Bursaries (employees)	494	80	84	600	600	600	600		629	658
Catering: Departmental activities	106	139	59	55	180	180	189	5.00	198	207
Communication	1 768	1 017	800	1 048	836	836	1 272	52.15	1 359	1 416
Computer services	762	703	668	565	760	760	1 383	81.97	1 451	1 517
Cons/prof: Business and advisory services	1 827	1 226	1 046	1 240	1 764	1 764	1 439	(18.42)	1 510	1 533
Cons/prof: Legal costs		28			27	27		(100.00)		
Contractors	320	438	328	270	412	412	418	1.46	423	428
Agency and support/outsourced services	99	46	38		2	2		(100.00)		
Entertainment	83	37	27	77	67	67	81	20.90	85	86
Inventory: Food and food supplies	22	18	22	63	44	44	30	(31.82)	30	30
Inventory: Learner and teacher support material	16	64								
Inventory: Material and supplies		1								
Inventory: Other consumables	58	14	44	46	59	59	33	(44.07)	35	36
Inventory: Stationery and printing	1 428	789	957	758	817	817	1 274	55.94	1 005	874
Lease payments	291	220		900	300	300	320	6.67	336	216
Rental and hiring						480		(100.00)		
Property payments	1 572	22	259	300	480		1 297		1 393	1 460
Transport provided: Departmental activity	2	4	44							
Travel and subsistence	1 603	939	1 159	1 346	2 158	2 158	1 934	(10.38)	2 029	2 123
Training and development	931	268	54	242	112	112	241	115.18	259	278
Operating expenditure	204	188	383	357	911	911	595	(34.69)	556	582
Venues and facilities	111	31	73		61	61	75	22.95	79	82
Interest and rent on land		20	29							
Interest		20	29							
Transfers and subsidies to	319	736	1 183	600	829	829	845	1.93	886	924
Departmental agencies and accounts			83							
Entities receiving transfers			83							
Western Cape Gambling and Racing Board			83							
Non-profit institutions		102	29							
Households	319	634	1 071	600	829	829	845	1.93	886	924
Social benefits					28	28		(100.00)		
Other transfers to households	319	634	1 071	600	801	801	845	5.49	886	924
Payments for capital assets	2 153	3 089	2 633	1 517	2 317	2 317	4 762	105.52	5 564	5 820
Machinery and equipment	2 153	3 054	2 633	1 517	2 317	2 317	4 762	105.52	5 564	5 820
Transport equipment	13	619					1 135		1 191	1 245
Other machinery and equipment	2 140	2 435	2 633	1 517	2 317	2 317	3 627	56.54	4 373	4 575
Heritage assets		35								
Payments for financial assets	203	112	43		14	14		(100.00)		
Total economic classification	39 359	33 214	31 138	33 243	36 230	36 230	45 476	25.52	48 397	50 982

Annexure A to Vote 3

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

Economic classification R'000	Outcome			Main appro- priation 2012/13	Adjusted appro- priation 2012/13	Revised estimate 2012/13	Medium-term estimate			
	Audited 2009/10	Audited 2010/11	Audited 2011/12				% Change from Revised estimate			
							2013/14	2012/13	2014/15	2015/16
Current payments	36 431	42 327	57 874	64 704	64 657	64 657	69 187	7.01	72 456	75 982
Compensation of employees	21 708	28 360	39 715	48 880	47 695	47 695	54 045	13.31	58 190	62 507
Salaries and wages	19 063	24 999	34 901	43 175	42 073	42 073	47 677	13.32	51 319	55 115
Social contributions	2 645	3 361	4 814	5 705	5 622	5 622	6 368	13.27	6 871	7 392
Goods and services	14 723	13 967	18 159	15 824	16 962	16 962	15 142	(10.73)	14 266	13 475
of which										
Advertising	84	141	1 557		68	68	70	2.94	73	76
Audit cost: External	7 204	6 433	5 290	2 375	875	875	450	(48.57)	472	494
Bursaries (employees)		14	124							
Catering: Departmental activities	98	140	132	158	211	211	187	(11.37)	196	205
Communication	16	10	36	60	60	60	145	141.67	145	145
Computer services	48	6			136	136	255	87.50	267	280
Cons/prof: Business and advisory services	4 980	2 863	6 432	8 420	10 005	10 005	8 645	(13.59)	7 871	6 792
Contractors	45	44	76	128	128	128	194	51.56	194	194
Agency and support/ outsourced services					68	68	120	76.47	126	132
Entertainment	21	32	51	105	105	105	114	8.57	116	116
Inventory: Food and food supplies	17	28	38	30	30	30	39	30.00	39	39
Inventory: Other consumables	8	2	(1)				15		15	16
Inventory: Stationery and printing	874	2 980	1 159	2 038	1 454	1 454	1 513	4.06	1 589	1 661
Transport provided: Departmental					3	3		(100.00)		
Travel and subsistence	1 172	747	1 988	1 713	2 160	2 160	1 913	(11.44)	2 001	2 094
Training and development		219	215	417	317	317	536	69.09	577	620
Operating expenditure		202	892	300	1 262	1 262	854	(32.33)	488	510
Venues and facilities	156	106	170	80	80	80	92	15.00	97	101
Transfers and subsidies to	100		3 457	3 500	5 861	5 861	266 924	4454.24	337 419	496 758
Provinces and municipalities			3 450	3 500	3 450	3 450	256 598	7337.62	327 014	486 270
Provinces							252 598		321 014	479 270
Provincial agencies and funds							252 598		321 014	479 270
Municipalities			3 450	3 500	3 450	3 450	4 000	15.94	6 000	7 000
Municipalities			3 450	3 500	3 450	3 450	4 000	15.94	6 000	7 000
Departmental agencies and accounts					2 411	2 411	10 326	328.29	10 405	10 488
Entities receiving transfers					2 411	2 411	10 326	328.29	10 405	10 488
Western Cape Gambling and Racing Board					2 411	2 411	10 326	328.29	10 405	10 488
Non-profit institutions	100									
Households			7							
Other transfers to households			7							
Total economic classification	36 531	42 327	61 331	68 204	70 518	70 518	336 111	376.63	409 875	572 740

Annexure A to Vote 3

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

Economic classification R'000	Outcome			Main appro- priation 2012/13	Adjusted appro- priation 2012/13	Revised estimate 2012/13	Medium-term estimate			
	Audited 2009/10	Audited 2010/11	Audited 2011/12				% Change from Revised estimate			
							2013/14	2012/13	2014/15	2015/16
Current payments	27 526	33 710	30 706	30 639	35 771	35 771	39 811	11.29	42 903	46 217
Compensation of employees	21 136	25 201	19 815	24 623	22 851	22 851	27 533	20.49	29 708	31 922
Salaries and wages	18 119	21 587	17 015	21 358	19 794	19 794	24 006	21.28	25 932	27 859
Social contributions	3 017	3 614	2 800	3 265	3 057	3 057	3 527	15.37	3 776	4 063
Goods and services	6 390	8 509	10 891	6 016	12 920	12 920	12 278	(4.97)	13 195	14 295
of which										
Advertising			372							
Audit cost: External	277	312								
Bursaries (employees)	(7)	53	47							
Catering: Departmental activities	53	49	40	120	100	100	65	(35.00)	68	71
Communication	18	12	7	25	25	25	62	148.00	49	49
Computer services	1 196	1 433	3 600		2 798	2 798		(100.00)		
Cons/prof: Business and advisory services	3 735	4 842	4 999	3 814	6 981	6 981	10 000	43.25	11 000	12 000
Cons/prof: Legal costs		196	5							
Contractors	46	44	29	76	79	79	115	45.57	115	115
Agency and support/outsourced services	20		14							
Entertainment	13	13	5	27	27	27	30	11.11	30	30
Inventory: Food and food supplies	17	18	21	19	19	19	26	36.84	21	22
Inventory: Other consumables	6	1								
Inventory: Stationery and printing	238	234	187	258	248	248	239	(3.63)	251	262
Transport provided: Departmental activity		2								
Travel and subsistence	714	680	613	643	826	826	808	(2.18)	848	887
Training and development		176	174	283	183	183	275	50.27	297	319
Operating expenditure			319	321	1 204	1 204	348	(71.10)	191	200
Venues and facilities	64	444	459	430	430	430	310	(27.91)	325	340
Transfers and subsidies to					4	4		(100.00)		
Households					4	4		(100.00)		
Other transfers to households					4	4		(100.00)		
Total economic classification	27 526	33 710	30 706	30 639	35 775	35 775	39 811	11.28	42 903	46 217

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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 2009/10	Audited 2010/11	Audited 2011/12				% Change from Revised estimate			
							2013/14	2012/13	2014/15	2015/16
Current payments	34 002	18 249	19 444	22 200	22 434	22 434	24 807	10.58	26 559	28 274
Compensation of employees	29 538	16 222	17 087	19 517	19 288	19 288	22 127	14.72	23 836	25 608
Salaries and wages	25 872	14 154	14 933	17 122	16 929	16 929	19 478	15.06	20 979	22 535
Social contributions	3 666	2 068	2 154	2 395	2 359	2 359	2 649	12.29	2 857	3 073
Goods and services	4 464	2 027	2 357	2 683	3 146	3 146	2 680	(14.81)	2 723	2 666
of which										
Administrative fees		8	10							
Audit cost: External	496	277	712	400	400	400	300	(25.00)	315	329
Bursaries (employees)	(3)	84	83							
Catering: Departmental activities	112	48	91	87	82	82	60	(26.83)	63	66
Communication	29	20	18	22	22	22	37	68.18	37	37
Computer services	448	432	22		118	118		(100.00)		
Cons/prof: Business and advisory services	1 537	55	106	410	164	164	500	204.88	525	219
Contractors	27	17	22	51	51	51	76	49.02	76	77
Entertainment	18	9	24	27	27	27	30	11.11	30	30
Inventory: Food and food supplies	27	7	8	11	11	11	13	18.18	13	13
Inventory: Other consumables	5									
Inventory: Stationery and printing	481	293	109	394	354	354	239	(32.49)	251	262
Travel and subsistence	662	447	584	687	831	831	686	(17.45)	719	752
Training and development	437	189	218	194	394	394	221	(43.91)	238	256
Operating expenditure	100	76	316	320	593	593	413	(30.35)	346	510
Venues and facilities	88	65	34	80	99	99	105	6.06	110	115
Transfers and subsidies to					5	5		(100.00)		
Households					5	5		(100.00)		
Social benefits					5	5		(100.00)		
Payments for capital assets	953									
Software and other intangible assets	953									
Total economic classification	34 955	18 249	19 444	22 200	22 439	22 439	24 807	10.55	26 559	28 274

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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 2012/13	Medium-term estimate		
	Audited	Audited	Audited		2013/14	2014/15	2015/16
	2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
Revenue							
Non-tax revenue	31 800	33 945	34 871	30 583	30 235	30 576	30 948
Sale of goods and services other than capital assets	30 688	32 319	33 590	29 503	29 155	29 476	29 848
Of which:							
Admin fees	30 688	32 319	33 590	29 503	29 155	29 476	29 848
Other non-tax revenue	1 112	1 626	1 281	1 080	1 080	1 100	1 100
Transfers received				2 411	10 326	10 405	10 488
Total revenue	31 800	33 945	34 871	32 994	40 561	40 981	41 436
Expenses							
Current expense	26 693	27 902	28 937	42 433	41 578	40 816	41 256
Compensation of employees	17 949	19 589	21 456	25 747	27 533	29 157	30 123
Goods and services	7 605	7 350	7 773	16 000	13 359	10 972	10 447
Depreciation	1 139	963	(292)	686	686	686	686
Transfers and subsidies	443	444	489	589	526	574	591
Total expenses	27 136	28 346	29 426	43 022	42 104	41 390	41 847
Surplus/(Deficit) ^{Note}	4 664	5 599	5 445	(10 028)	(1 543)	(409)	(411)
Cash flow summary							
Adjust surplus/(deficit) for accrual transactions	112	(142)	(1 437)	(662)	1 766	(662)	(662)
Adjustments for:							
Depreciation	1 216	962	(292)	686	686	686	686
Interest	(1 099)	(1 099)	(1 116)	(1 348)	1 080	(1 348)	(1 348)
Net (profit)/loss on disposal of fixed assets	(5)	(5)	(29)				
Operating surplus/ (deficit) before changes in working capital	4 776	5 457	4 008	(10 690)	223	(1 071)	(1 073)
Changes in working capital							
(Decrease)/increase in accounts payable	1 360	1 360	(1 004)	(930)	(930)	(930)	(930)
Decrease/(increase) in accounts receivable	(210)	(210)	57	465	465	465	465
Cash flow from operating activities	5 926	6 607	3 061	(11 155)	(242)	(1 536)	(1 538)
Cash flow from investing activities	607	607	405	634	(1 263)	800	860
Acquisition of Assets	(518)	(518)	(750)	(714)	(2 343)	(280)	(220)
Other flows from Investing Activities	1 125	1 125	1 155	1 348	1 080	1 080	1 080
Cash flow from financing activities	875	875	(1 945)	1 932	1 932	1 932	1 932
Net increase/decrease) in cash and cash equivalents	7 408	8 089	1 521	(8 589)	427	1 196	1 254
Balance Sheet Data							
Carrying Value of Assets	1 231	1 485	2 517	1 710	1 660	1 660	1 660
Cash and Cash Equivalents	23 624	23 624	26 959	10 003	10 004	10 003	10 003
Receivables and Prepayments	1 160	1 160	1 051	830	830	830	830
Inventory	37	37	31				
Total Assets	26 052	26 306	30 558	12 543	12 494	12 493	12 493
Capital & Reserves	9 410	9 410	12 698	(9 380)	(10 656)	(12 024)	(12 024)
Trade and Other Payables	6 504	6 758	5 756	14 923	16 150	17 517	17 517
Managed Funds	10 138	10 138	12 104	7 000	7 000	7 000	7 000
Total Equity and Liabilities	26 052	26 306	30 558	12 543	12 494	12 493	12 493

Note: The 2013/14, 2014/15 and 2015/16 years have deficits which result from the non-cash items set off against income. The deficits in 2012/13 and 2013/14 have been funded by the retention of previous year surpluses.

Annexure A to Vote 3

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited 2009/10	Audited 2010/11	Audited 2011/12	Main appro- priation 2012/13	Adjusted appro- priation 2012/13	Revised estimate 2012/13	% Change from Revised estimate			
							2013/14	2012/13	2014/15	2015/16
Total departmental transfers/grants										
Category B			3 300		3 450	3 450		(100.00)		
Beaufort West			300		150	150		(100.00)		
Bergervier					200	200		(100.00)		
Bitou			200		200	200		(100.00)		
Cape Agulhas			200							
Cederberg					400	400		(100.00)		
George			200		200	200		(100.00)		
Kannaland			100		300	300		(100.00)		
Knysna					350	350		(100.00)		
Laingsburg			300		150	150		(100.00)		
Matzikama			300		200	200		(100.00)		
Mossel Bay			200		150	150		(100.00)		
Oudtshoorn			100		250	250		(100.00)		
Prince Albert			200		150	150		(100.00)		
Saldanha Bay			200							
Stellenbosch					300	300		(100.00)		
Swartland			300		450	450		(100.00)		
Theewaterskloof			400							
Witzenberg			300							
Category C			150							
Overberg			150							
Other (unallocated) ^{Note}				3 500			4 000		6 000	7 000
Total transfers to local government			3 450	3 500	3 450	3 450	4 000	15.94	6 000	7 000

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue over the MTEF, especially to the most vulnerable municipalities. Over the MTEF, R4 million in 2013/14, R6 million in 2014/15 and R7 million in 2015/16 have been reserved for this purpose, and although reflected as unallocated at this stage, the allocations in the respective annual Adjusted Estimates will be based on the outcomes and recommendations of both the MGRO and LG MTEC 3 processes.

Annexure A to Vote 3

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited 2009/10	Audited 2010/11	Audited 2011/12				% Change from Revised estimate			
				Main appro- priation 2012/13	Adjusted appro- priation 2012/13	Revised estimate 2012/13	2013/14	2012/13	2014/15	2015/16
Financial Management Support Grant			3 450	3 500	3 450	3 450	4 000	15.94	6 000	7 000
Category B			3 300		3 450	3 450		(100.00)		
Beaufort West			300		150	150		(100.00)		
Bergrivier					200	200		(100.00)		
Bitou			200		200	200		(100.00)		
Cape Agulhas			200							
Cederberg					400	400		(100.00)		
George			200		200	200		(100.00)		
Kannaland			100		300	300		(100.00)		
Knysna					350	350		(100.00)		
Laingsburg			300		150	150		(100.00)		
Matzikama			300		200	200		(100.00)		
Mossel Bay			200		150	150		(100.00)		
Oudtshoorn			100		250	250		(100.00)		
Prince Albert			200		150	150		(100.00)		
Saldanha Bay			200							
Stellenbosch					300	300		(100.00)		
Swartland			300		450	450		(100.00)		
Theewaterskloof			400							
Witzenberg			300							
Category C			150							
Overberg			150							
Other (unallocated)				3 500			4 000		6 000	7 000

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue over the MTEF, especially to the most vulnerable municipalities. Over the MTEF, R4 million in 2013/14, R6 million in 2014/15 and R7 million in 2015/16 have been reserved for this purpose, and although reflected as unallocated at this stage, the allocations in the respective annual Adjusted Estimates will be based on the outcomes and recommendations of both the MGRO 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 2009/10	Audited 2010/11	Audited 2011/12				% Change from Revised estimate			
				Main appro- priation 2012/13	Adjusted appro- priation 2012/13	Revised estimate 2012/13	2013/14	2012/13	2014/15	2015/16
Cape Town Metro	138 371	127 500	142 619	154 286	164 962	164 962	446 205	170.49	527 734	698 213
Total provincial expenditure by district and local municipality	138 371	127 500	142 619	154 286	164 962	164 962	446 205	170.49	527 734	698 213