

# Vote 3

## Provincial Treasury

	2016/17 To be appropriated	2017/18	2018/19
<b>MTEF allocations</b>	<b>R260 739 000</b>	<b>R305 225 000</b>	<b>R321 468 000</b>
Responsible MEC	Provincial Minister of Finance		
Administering Department	Provincial Treasury		
Accounting Officer	Head of Department and Head Official: Provincial Treasury		

### 1. Overview

#### Vision

Good financial governance.

#### Mission

To improve governance through:

- Enhancing accountability and oversight
- Creating public value
- Enabling delivery of quality services through partnerships
- Capacity building in public sector finance

#### 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. To give effect to the National Strategic Outcomes (NSO) 9 and 12 and Provincial Strategic Goal 5 (PSG 5): Embed good governance and integrated service delivery through partnerships and spatial alignment, the branches Fiscal and Economic Services and Governance and Asset Management will execute the following core functions and responsibilities:

- To manage the provincial and municipal fiscal resources effectively;
- To facilitate the effective and efficient management of assets and financial systems; and
- To promote accountability in financial activities and compliance with financial norms and standards.

## **Main services and core functions**

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:

- provide ministerial support services;
- improve corporate management processes; and
- provide financial administrative services to the Department.

Transversally or Externally:

- research and advise on the management of the provincial and municipal fiscal resources;
- promote effective resource allocation within the provincial and municipal budgets through research, analysis and advice;
- improve the conformance, credibility, sustainability and guide and monitor the efficient implementation of the provincial budget;
- guide and monitor the implementation of municipal budgets;
- institutionalise and standardise good practice methodologies, tools and systems for physical infrastructure delivery and maintenance;
- render an effective data information management service;
- provide policy direction and facilitating the management of supply chain and asset management practices in departments and municipalities;
- provide for the implementation, management and oversight of provincially operated financial systems and the migration to the IFMS;
- improve the understanding and application of accounting standards and financial reporting within municipalities;
- improve the application of accounting practices in line with the reporting framework, prepare provincial consolidated financial statements and gradually drive financial governance reform; and
- develop, monitor and advise on norms and standards of corporate governance within municipalities.

## **Demands and changes in service**

No specific demands and changes were introduced during the period leading up to the new MTEF for 2016/17 to 2018/19. Two new initiatives will be introduced by the Department that will focus on capacity building of financial skills in the financial fields of provincial and local governments. The two projects that will be phased in from the 2016/17 financial year are the introduction of a MFMA bursary and internship programme and the Chartered Accountant (CA) Academy, where chartered accountants will be trained with specific focus on government finance. The provision of funding for both projects has been reprioritised against available resources within the Department's MTEF allocations.

## 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)**

To establish the powers of a Provincial Treasury in terms of section 17 of the PFMA (Act 1 of 1999) and to mandate a Provincial Treasury with the powers and functions in terms of Section 18 of the PFMA that are assigned the Provincial Treasury.

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

To provide Treasury with the regularity framework terms of section 5(4) of the MFMA, 2003 (Act 56 of 2003) and to inter alia monitor compliance with the MFMA for municipalities and municipal entities in the Province.

### **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 Provincial Minister of Finance, 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 connected 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, 2015 (Act 4 of 2015)**

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 2014; and to provide for matters incidental thereto.

**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 thereto.

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

To provide regulatory prescripts to support the 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 department had to reduce its budget over the MTEF period of 2016/17 to 2018/19, as a result of the constrained fiscal environment resulting in cuts across all three spheres of government. The effects of these outcomes are further referred to under paragraph 4 below.

### **Aligning departmental budgets to achieve government's prescribed outcomes**

Nationally, two outcomes being responded to are: Outcome 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. The planned activities of the Provincial Strategic Goal 5 (PSG 5) are strongly aligned to the two National Outcomes over the medium term.

These two national outcomes have been incorporated in the PSG 5 to embed good governance and integrated service delivery through partnerships and spatial alignment since 2015/16. The Provincial Treasury has also taken the lead with PSG 5 under the Chairmanship of the Minister of Finance and the support of his officials who are responsible to drive this strategic goal on behalf of the Provincial government.

## 2. Review of the current financial year (2015/16)

A key objective of Provincial Treasury during 2015/16 was to continue to balance public finances and meeting all challenges to stabilise government in both spheres, that will be developed further over the 2016 MTEF. The current constrained fiscal environment was a further challenge, with the emphasis on appropriate management of fiscal risk and where possible, strengthening fiscal consolidation.

Specific focus areas for the financial year relates to:

The implementation of the MFMA through intergovernmental relations between municipalities and other related stakeholders.

Developing a capital budgeting framework which addressed the planning, skills and capacity shortfalls across the public sector.

Provide support to local government through the municipal financial management improvement support grant which aims to strengthen financial management within municipalities, with the focus on skills development.

Strengthening the use of departmental U-AMPs, with a stricter emphasis on ensuring the credibility of broader planning documents such as the Infrastructure Programme Management Plans (IPMPs); the Construction Procurement Strategy (CPS); the End of Year Conditional Grant Evaluation Reports and the Quarterly Human Resource Capacity Reports.

Enhance spatial integration of data sets to promote the integration of information between different spheres of government.

Mainstreaming of information communication technology (ICT) within the Department and monitor the ICT plans and projects.

Promotion of integrated supply chain management and asset systems to make available accurate information for report and decision-making purposes.

Strengthening supply chain management – including procurement planning, strategic sourcing and contract management) over the 2016 MTEF.

The maintenance and monitoring of the financial systems inclusive of appropriate training and the updating and improvement of the current systems for implementation of the integrated financial management system (IFMS).

Ensure accurate and complete recording of transactions as required by the Generally Recognised Accounting Practice (GRAP), and conformance with applicable financial laws and regulations toward preventing material misstatements and irregularities in the preparation of financial statements of municipalities.

Ensure the complete and accurate recording of transactions as required in terms of the associated financial reforms toward preventing irregularities and material financial misstatements in both the modified cash basis of accounting within departments and accrual basis of accounting within entities.

Monitor and report quarterly on the departmental Corporate Governance Review and Outlook (CGRO) governance action plans to enable the improvement of financial management.

Coordination of the Municipal Governance Review and Outlook (MGRO) and progressively driving the criteria across various disciplines to achieve higher levels of governance.

Review, assess and propose relevant financial legislation affecting all spheres of government and consequently, ensuring that stakeholders are informed.

### **3. Outlook for the coming financial year (2016/17)**

Key areas of focus and delivery for the 2016/17 financial year mainly entail the continuing of key themes:

#### **Conducting Fiscal Policy Research and Analysis**

Conduct fiscal policy research and analysis informing the development of the provincial and local government fiscal framework and budget policy and includes sustainability of provincial and municipal revenue budgets.

Provide support initiatives, advice and guidance to departments and municipalities on revenue related and cash management matters.

Analyse and report on the in-year cash flow and revenue performance for both provincial and local government.

Departmental oversight of the Western Cape Gambling and Racing Board (WCGRB).

#### **Enhancing Budget Management Responsiveness**

Research, analyse and advise on the economic developments and its implications for policy, planning and budgeting.

Inform the formulation of budget policy and recommend allocations in line with government strategic priorities outlined in the Provincial Strategic Plan.

Inform the municipal planning and budgetary processes to promote planning led budgeting with an integrated and spatial focus and budget allocations in line with government strategic outcomes.

Improve the responsiveness of the budgets to target socio-economic and policy objectives and coordination of the Local Government Expenditure Committee engagements.

#### **Strengthening Public Financial Management**

Improve the credibility and sustainability of the budget and monitoring the implementation of budgets to enhance accountability, efficiency and data integrity.

Improve on the efficiency of expenditure management in departments through analysis on selected expenditure items.

Improving financial management to facilitate the professionalisation of public sector Management Accountants.

Implement the MFMA through IGR coordination between municipalities, provincial national departments and other related stakeholders.

Improve municipal budget implementation against the set standards and by knowledge sharing and training.

Analyse and report on the in-year revenue, expenditure and cash flow performance for municipalities.

**Facilitating Infrastructure Expenditure**

Enhancing and monitoring the infrastructure spending of designated departments and advocating the infrastructure delivery improvement process.

Institutionalisation of the Western Cape Infrastructure Delivery Management System (WCIDMS) in Provincial Departments and municipalities.

**Managing Business Information and Data**

The focus entails managing the centralised filing system aiming for conformance to the Western Cape Archives and Records Service prescripts inclusive of the management of data sets in support of Provincial Treasury's strategic goals.

The spatial integration of the data sets will be enhanced to promote the integration of information between spheres of government. Data and Information Management is also responsible for mainstreaming Information Communication Technology (ICT) within the Department through the implementation of the Department of Public Service and Administration (DPSA) Corporate Governance Information Communication Technology Policy Framework and the monitoring of the Strategic ICT Plan Initiatives.

The Client Interface section facilitates the coordination of departmental and municipal MTEC processes and document flow of hard and electronic information and maintains the Provincial Treasury's database and the technical refinement of treasury publications and working papers.

**Strengthening Supply Chain Management**

Drive centre-led SCM and moveable asset management and performance governance in the Province that will include enforcing good compliance for SCM and moveable assets.

Ensure data integrity, reporting through SCM systems and capacity building and training initiatives.

Drive and promote better procurement planning and the development of suitable procurement strategies to optimise procurement spend and to improve service delivery. The WCG on average spends 30 per cent of its budget on procurement of goods, services and infrastructure.

Place more emphasis on using technology as an enabler to improve SCM performance and support procurement decision making through business intelligence and better supply chain information management. This initiative will be supported by strategic sourcing methodologies in the procurement planning process to leverage efficiency gains and economies of scale through bulk buying and transversal contracts.

Drive SCM improvement through business process optimisation (BPO), structured support programmes to departments through the Corporate Governance Review and Outlook (CGRO), targeted strategic sourcing projects and using automated SCM systems and business intelligence.

Capacitate SCM skills and to improve municipalities to a level where they are able to analyse, translate and apply complex legislative and policy requirements throughout the SCM and Asset Management processes.

Integration of Supply Chain Management and Asset Management systems will be promoted to ensure availability of accurate and timely information for both report and decision making purposes.

### **Supporting and Interlinked Financial Systems**

Improve financial system management in the Province by training of system users in accordance with their system profiles.

Develop an integrated training intervention to promote the correct and optimal use of financial systems; and steps to enhance the validity and veracity of data.

Preparation for the migration to the IFMS the focus will be on cleaning up and updating of data in the current provincially operated financial systems.

As a custodian of the transversal financial systems the Provincial Treasury will remain committed to the implementation of a single Integrated Financial Management System (IFMS) to replace the outdated transversal systems:

Basic Accounting System (BAS);

Personnel and Salary Administration System (PERSAL); and

Logistical Information System (LOGIS).

Provincial Treasury is at the forefront advocating rescheduling and review of new time-frames from National Treasury for the implementation of the IFMS.

### **Enhancing Accounting Capability**

Ensure accurate and complete recording of transactions as required by Generally Recognised Accounting Practice (GRAP), and conformance with applicable financial laws and regulations, and the standard chart of accounts. This should contribute toward preventing material misstatements and irregularities in the preparation of financial statements of municipalities.

Ensure the complete and accurate recording and reporting of transactions to contribute toward preventing irregularities and material financial misstatements in both departments and entities.

Monitor and report quarterly on Corporate Governance Review and Outlook (CGRO) action plans to enable the improvement of financial management.

Enable the improvement of both governance and the application of the accounting framework through a structured training programme and the roll out of e-GAP to departments.

Introduction of new initiatives that will focus on capacity building of financial skills in provincial and local governments. The two projects that will be phased in from the 2016/17 financial year are the MFMA bursary and internship programme and the Chartered Accountant (CA) Academy, where chartered accountants will be trained with specific focus on government finance.

### **Enhancing Corporate Governance**

Coordination of the Municipal Governance Review and Outlook (MGRO) and progressively driving the maturity criteria across various disciplines to achieve higher levels of governance.

Utilise established fora such as the Chief Risk Officer and Chief Audit Executive (CAE) fora to direct relevant training.

Review, assess and propose relevant financial legislation affecting all spheres of government and consequently, ensuring that stakeholders are informed and trained.



## **4. Reprioritisation**

The weakened economic conditions in South Africa accompanied by severe drought had direct implications on the economy, compelling the need to reprioritise expenditure. This implied that mainly the Compensation of Employees budgets were reduced in the 2015/16 financial year and over the 2016 MTEF. In response, the Department has established a committee to formulate a priority mechanism for the filling of posts.

## **5. Procurement**

The Department has been tasked to introduce Strategic Sourcing Methodologies within the Province for which different functional areas have been identified e.g. Security Services and Travel and Accommodation. This will allow to WCG to have access to the necessary spend for strategic decision-making. A competitive bidding process will again be undertaken during 2016/17 to acquire a service provider to render travel and related services to the Department as the current service provider's contract will terminate at the end of October 2016.

During the 2016/17 financial year, a new competitive bidding process will commence to appoint a service provider for the Provision of Commercial Banking Services to the Western Cape Government.

A new contract management Circular has been issued in December 2015 to prescribe the principles and practice for sound contract management and clarify the responsibilities of managers in relation to contract management over the 2016 MTEF period. The consultancy reduction plan will streamline the procedures for the appointment of Consultants, based on the requirements of National Treasury. A new Financial Instruction was also issued in December 2015 regarding the control and movement of Laptops with the intent to ensure that physical assets are safeguarded as well as the information stored on these assets.

Detailed costing was performed for assets to be replaced during the 2016/17 financial year. The Provincial Treasury will evaluate the need for consultants in terms of the Demand Plan and inline with the consultancy reduction measures to be instituted within the Department. The Demand Plan for 2016/17 will be finalised by 30 April 2016.

## 6. Receipts and financing

### Summary of receipts

Table 6.1 below depicts the sources of funding for the vote.

**Table 6.1 Summary of receipts**

Receipts R'000	Outcome						Medium-term estimate			
	Audited 2012/13	Audited 2013/14	Audited 2014/15	Main appro- priation 2015/16	Adjusted appro- priation 2015/16	Revised estimate 2015/16	% Change from Revised estimate 2016/17	2015/16	2017/18	2018/19
<b>Treasury funding</b>										
Equitable share	6 351	44 103	( 56 936 )	4 412	( 3 962 )	( 3 962 )	20 839	( 625.97 )	57 450	59 322
Financing		( 63 610 )	10 560	28 386	25 108	25 108		( 100.00 )		
Provincial Revenue Fund		( 63 610 )	10 560	28 386	25 108	25 108		( 100.00 )		
<b>Total Treasury funding</b>	6 351	( 19 507 )	( 46 376 )	32 798	21 146	21 146	20 839	( 1.45 )	57 450	59 322
<b>Departmental receipts</b>										
Tax receipts	382 663	441 130	519 340	423 594	423 594	423 594	432 267	2.05	437 517	462 893
Sales of goods and services other than capital assets	2 527	2 646	2 608	1 214	1 214	1 214	1 214		1 214	1 284
Transfers received				1	1	1	1		1	1
Fines, penalties and forfeits	935	693	309							
Interest, dividends and rent on land	2	8	6	50 000	50 000	50 000	52 500	5.00	55 125	58 322
Sales of capital assets			1							
Financial transactions in assets and liabilities	2 846	8 038	1 231	47	47	47	47		47	50
<b>Total departmental receipts</b>	388 973	452 515	523 495	474 856	474 856	474 856	486 029	2.35	493 904	522 550
<b>Total receipts (Treasury funding and departmental receipts)</b>	395 324	433 008	477 119	507 654	496 002	496 002	506 868	2.19	551 354	581 872
Own receipts - Provincial Treasury (allocated to other votes)	( 233 041 )	( 233 041 )	( 244 971 )	( 245 625 )	( 245 625 )	( 245 625 )	( 246 129 )	0.21	( 246 129 )	( 260 404 )
<b>Total receipts (allocated to Vote 3)</b>	162 283	199 967	232 148	262 029	250 377	250 377	260 739	4.14	305 225	321 468

### Summary of receipts:

Total receipts increased by R10.362 million or 4.1 per cent from R250.377 million (revised estimate) in 2015/16 to R260.739 million in 2016/17. This is mainly as a result of the adjustments for salary increases of 9.2 per cent for 2016/17 (inclusive of a 2 per cent pay progression).

**Treasury funding of which:**

Equitable share allocations will amount to R20.839 million in 2016/17, R57.450 million in 2017/18 and R59.322 million in 2018/19.

Total departmental receipts for 2016/17 of R486.029 million will be allocated between the Department of the Premier (R246.129 million) and Provincial Treasury (R239.900 million), as the Department of the Premier also forms part of the Governance and Administration Cluster.

**Details of departmental receipts:**

The departmental own receipts increases from R474.856 million in 2015/16 (revised estimate) to R486.029 million in 2016/17. The main source of this income is in respect of gambling tax receipts and interest income.

Tax receipts, of which casino and horse racing taxes are the main contributors, increase by R8.673 million or 2.05 per cent from a revised estimate of R423.594 million in 2015/16 to R432.267 million in 2016/17. The projected tax receipts over the MTEF show modest growth due to the current economic climate.

Under the item Interest, dividends and rent on land, interest is the only contributor amounting to R52.500 million in 2016/17, R55.125 million in 2017/18 and R58.322 million in 2018/19.

**Donor funding (excluded from vote appropriation)**

None.

**7. Payment summary****Key assumptions**

Adjustments for salary increases are based on the 2015 Wage agreement of 9.2 per cent for 2016/17 and 8.8 per cent for 2017/18 and 7.8 per cent for 2018/19, inclusive of a 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 headline estimates of 6.2 per cent in 2016/17, which will decrease to 5.8 per cent in 2017/18 and 5.8 per cent 2018/19.

**National and provincial priorities**

Nationally, the two outcomes (NSOs) being responded to, are NSO 9: A responsive, accountable, effective and efficient local government system; and NSO 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 Goal 5 (PSG 5): Embed good governance and integrated service delivery through partnerships and spatial alignment.

**Programme summary**

Table 7.1 indicates the budget or estimated expenditure per programme and Table 7.2 per economic classification. Details of the Government Financial Statistics (GFS) economic classifications are annexed hereto in Table A.2.

**Table 7.1 Summary of payments and estimates**

Programme R'000	Outcome						Medium-term estimate			
	Audited 2012/13	Audited 2013/14	Audited 2014/15	Main appro- piation 2015/16	Adjusted appro- piation 2015/16	Revised estimate 2015/16	% Change from Revised estimate			
							2016/17	2015/16	2017/18	2018/19
1. Administration	35 462	40 780	44 218	52 058	49 880	49 880	44 063	( 11.66)	51 400	54 732
2. Sustainable Resource Management	70 898	86 182	101 491	116 418	106 383	106 383	121 990	14.67	152 671	162 883
3. Asset Management	33 934	47 520	55 732	60 078	59 212	59 212	57 930	( 2.17)	62 876	63 294
4. Financial Governance	21 989	25 485	30 707	33 475	34 902	34 902	36 756	5.31	38 278	40 559
<b>Total payments and estimates</b>	162 283	199 967	232 148	262 029	250 377	250 377	260 739	4.14	305 225	321 468

Note: Programme 1: MEC total remuneration package as at 23 February 2016: R1 821 577 with effect from 1 April 2014. As at 23 February 2016, a Proclamation to determine the upper limits of the salaries of political office-bearers has not as yet been issued.

**Earmarked allocation:**

Aggregate compensation of employees' upper limit: R165 228 000 (2016/17), R180 333 000 (2017/18) and R191 345 000 (2018/19).

**Summary by economic classification****Table 7.2 Summary of payments and estimates by economic classification**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2012/13	Audited 2013/14	Audited 2014/15	Main appro- piation 2015/16	Adjusted appro- piation 2015/16	Revised estimate 2015/16	% Change from Revised estimate			
							2016/17	2015/16	2017/18	2018/19
<b>Current payments</b>	147 052	172 782	193 043	219 315	214 291	214 291	221 459	3.34	245 730	256 138
Compensation of employees	107 182	125 299	137 911	152 678	152 152	152 152	165 228	8.59	180 333	191 345
Goods and services	39 870	47 483	55 132	66 637	62 139	62 139	56 231	( 9.51)	65 397	64 793
<b>Transfers and subsidies to</b>	11 795	22 389	35 241	37 925	31 320	31 320	35 800	14.30	54 866	60 433
Provinces and municipalities	8 250	15 369	21 800	24 831	23 245	23 245	21 514	( 7.45)	40 601	45 341
Departmental agencies and accounts	2 411	5 525	10 409	10 491	5 247	5 247	9 911	88.89	11 489	12 155
Non-profit institutions			100							
Households	1 134	1 495	2 932	2 603	2 828	2 828	4 375	54.70	2 776	2 937
<b>Payments for capital assets</b>	3 404	4 359	3 778	4 789	4 716	4 716	3 480	( 26.21)	4 629	4 897
Machinery and equipment	3 404	4 324	3 753	4 764	4 075	4 075	3 455	( 15.21)	4 603	4 869
Software and other intangible assets		35	25	25	641	641	25	( 96.10)	26	28
<b>Payments for financial assets</b>	32	437	86		50	50		( 100.00)		
<b>Total economic classification</b>	162 283	199 967	232 148	262 029	250 377	250 377	260 739	4.14	305 225	321 468

## Infrastructure payments

None.

## Departmental Public Private Partnership (PPP) projects

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

The Provincial Treasury's oversight responsibilities for PPPs within the Province are housed under Sub-programme: Public Finance (Element: Infrastructure).

## Transfers

### Transfers to public entities

**Table 7.3 Summary of departmental transfers to public entities**

Public entities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2012/13	2013/14	2014/15	appropriation 2015/16	appropriation 2015/16	estimate 2015/16	2016/17	2015/16	2017/18	2018/19
Western Cape Gambling and Racing Board	2 411	5 523	10 406	10 488	5 244	5 244	9 908	88.94	11 486	12 152
<b>Total departmental transfers to public entities</b>	2 411	5 523	10 406	10 488	5 244	5 244	9 908	88.94	11 486	12 152

Note: The Western Cape Gambling and Racing Board (WCGRB) falls within the oversight responsibilities of the Provincial Treasury.

### Transfers to other entities

**Table 7.4 Summary of departmental transfers to other entities**

Entities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2012/13	2013/14	2014/15	appropriation 2015/16	appropriation 2015/16	estimate 2015/16	2016/17	2015/16	2017/18	2018/19
Other		2	3	3	3	3	3		3	3
<b>Total departmental transfers to other entities</b>		2	3	3	3	3	3		3	3

## Transfers to local government

**Table 7.5 Summary of departmental transfers to local government by category**

Departmental transfers R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2015/16	2017/18	2018/19
Category A			300		300	300	120	(60.00)	240	360
Category B	6 150	11 939	17 635		16 913	16 913	2 880	(82.97)	5 760	8 640
Category C	2 100	3 430	3 865		3 185	3 185	600	(81.16)	1 200	1 800
Unallocated				24 831	2 847	2 847	17 914	529.22	33 401	34 541
<b>Total departmental transfers to local government</b>	<b>8 250</b>	<b>15 369</b>	<b>21 800</b>	<b>24 831</b>	<b>23 245</b>	<b>23 245</b>	<b>21 514</b>	<b>(7.45)</b>	<b>40 601</b>	<b>45 341</b>

### Earmarked allocation:

Support initiatives to municipalities to improve financial governance introduced during 2011/12 will continue over the MTEF. A new support grant aimed at building financial management capacity in municipalities has been introduced to be rolled out over the 2016 MTEF. Over the MTEF, R21.514 million in 2016/17, R22.712 million in 2017/18 and R24.029 million in 2018/19 have been reserved for support to municipalities. Some amounts are unallocated at this stage and will be shifted in the respective Adjusted Estimates that will be based on the outcomes and recommendations of both the MGRO, IDP and LG MTEC 3 processes.

## 8. 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 provide strategic and operational management support services

##### Sub-programme 1.3: Financial Management

to assist the Accounting Officer to drive financial management in 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**

Efficient and effective departmental governance support services.

**Strategic objectives as per Annual Performance Plan****Sub-programme 1.1: Office of the Minister**

To provide ministerial support services.

**Sub-programme 1.2: Management Services**

To improve corporate management processes.

**Sub-programme 1.3: Financial Management**

To provide financial administrative services to the Department.

**Table 8.1 Summary of payments and estimates – Programme 1: Administration**

Sub-programme R'000	Outcome						Medium-term estimate			
				Main appro- priation 2015/16	Adjusted appro- priation 2015/16	Revised estimate 2015/16	% Change from Revised estimate			
	Audited	Audited	Audited							
	2012/13	2013/14	2014/15				2016/17	2015/16	2017/18	2018/19
1. Office of the Minister	5 284	6 242	5 698	6 172	6 849	6 849	6 530	(4.66)	7 025	7 501
2. Management Services	9 918	11 832	13 993	17 226	17 987	17 987	13 519	(24.84)	14 566	15 577
3. Financial Management	20 260	22 706	24 527	28 660	25 044	25 044	24 014	(4.11)	29 809	31 654
Total payments and estimates	35 462	40 780	44 218	52 058	49 880	49 880	44 063	(11.66)	51 400	54 732

Note: Sub-programme 1.1: MEC total remuneration package as at 23 February 2016: R1 821 577 with effect from 1 April 2014. As at 23 February 2016, a Proclamation to determine the upper limits of the salaries of political office-bearers has not as yet been issued.

Two sub-programmes, Corporate Services and Internal Audit Services are located within the Department of the Premier (Corporate Services Centre/CSC).

**Table 8.1.1 Summary of payments and estimates by economic classification – Programme 1: Administration**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2012/13	Audited 2013/14	Audited 2014/15	Main appro- priation 2015/16	Adjusted appro- priation 2015/16	Revised estimate 2015/16	% Change from Revised estimate			
							2016/17	2015/16	2017/18	2018/19
<b>Current payments</b>	30 910	34 594	37 483	44 786	43 229	43 229	<b>40 820</b>	( 5.57)	46 968	50 044
Compensation of employees	19 576	23 170	25 124	29 717	30 667	30 667	<b>29 496</b>	( 3.82)	31 953	34 263
Goods and services	11 334	11 424	12 359	15 069	12 562	12 562	<b>11 324</b>	( 9.86)	15 015	15 781
<b>Transfers and subsidies to</b>	1 116	1 390	2 871	2 483	2 501	2 501	<b>3</b>	( 99.88)	3	3
Departmental agencies and accounts		2	3	3	3	3	<b>3</b>		3	3
Non-profit institutions			100							
Households	1 116	1 388	2 768	2 480	2 498	2 498		( 100.00)		
<b>Payments for capital assets</b>	3 404	4 359	3 778	4 789	4 100	4 100	<b>3 240</b>	( 20.98)	4 429	4 685
Machinery and equipment	3 404	4 324	3 753	4 764	4 075	4 075	<b>3 215</b>	( 21.10)	4 403	4 657
Software and other intangible assets		35	25	25	25	25	<b>25</b>		26	28
<b>Payments for financial assets</b>	32	437	86		50	50		( 100.00)		
<b>Total economic classification</b>	<b>35 462</b>	<b>40 780</b>	<b>44 218</b>	<b>52 058</b>	<b>49 880</b>	<b>49 880</b>	<b>44 063</b>	( 11.66)	51 400	54 732

**Details of transfers and subsidies**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2012/13	Audited 2013/14	Audited 2014/15	Main appro- priation 2015/16	Adjusted appro- priation 2015/16	Revised estimate 2015/16	% Change from Revised estimate			
							2016/17	2015/16	2017/18	2018/19
<b>Transfers and subsidies to (Current)</b>	1 116	1 390	2 871	2 483	2 501	2 501	<b>3</b>	(99.88)	3	3
Departmental agencies and accounts		2	3	3	3	3	<b>3</b>		3	3
Departmental agencies (non-business entities)		2	3	3	3	3	<b>3</b>		3	3
Other		2	3	3	3	3	<b>3</b>		3	3
Non-profit institutions			100							
Households	1 116	1 388	2 768	2 480	2 498	2 498		(100.00)		
Social benefits	270	213	415		18	18		(100.00)		
Other transfers to households	846	1 175	2 353	2 480	2 480	2 480		(100.00)		



## Expenditure trends analysis

The programme increased by R14.418 million from R35.462 million in 2012/13 to R49.880 million in the 2015/16 (revised estimate), this equates to an average nominal increase of 12 per cent per annum. The growth from the 2015/16 (revised estimate) of R49.880 million to R54.732 million in 2018/19 reflects an annual average growth of 3.1 per cent over the three year period. Limited provision has been made for strengthening core corporate requirements towards meeting increasing demands bestowed on the Department. The transfers within the programme for external bursars will be shifted to Programme 2: Sustainable Resource Management in 2016/17 as part of the reprioritisation of the capacity building initiative.

## Programme 2: Sustainable Resource Management

**Purpose:** To ensure the efficient and effective management of provincial and municipal financial resources.

### 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 research, analyse and advise on the management of provincial and municipal fiscal resources

#### **Sub-programme 2.3: Budget Management**

##### ***Provincial Government Budget Office***

to promote effective financial resource allocation and provide research, analysis and advice that informs the preparation of the provincial budget and monitor budget implementation

##### ***Local Government Budget Office***

to promote effective financial resource allocation and provide research, analysis and advice that inform the preparation of municipal budgets and monitor budget implementation

#### **Sub-programme 2.4: Public Finance**

##### ***Provincial Government Finance***

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

##### ***Local Government Finance (Groups 1 and 2)***

to drive the implementation of the MFMA and assist and guide municipalities to prepare budgets and monitor the implementation thereof

##### ***Infrastructure***

to promote the delivery and maintenance of physical infrastructure

##### ***Business Information and Data Management***

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

## **Policy developments**

Policy developments that will receive further attention in 2016/17 are:

A key objective of Provincial Treasury is to continue to balance public finances and maintain fiscal stability within the new constrained fiscal environment with the emphasis on appropriate management of fiscal risk and where possible, strengthening fiscal consolidation and the building up of reserves for contingencies. A specific strategy adopted by Provincial Treasury for the 2016/17 to 2018/19 MTEF, is to set strict expenditure ceilings and efficiency targets over the 2016 MTEF.

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

None.

## **Strategic goals as per Strategic Plan**

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

Effective, efficient and sustainable management of provincial and municipal fiscal resources.

## **Strategic objectives as per Annual Performance Plan**

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

To provide management and administrative support to Programme 2 - Sustainable Resource Management.

### **Sub-programme 2.2: Fiscal Policy**

To conduct research and advise on management of provincial and municipal fiscal resources.

### **Sub-programme 2.3: Budget Management**

#### ***Provincial Government Budget Office***

To promote effective resource allocation within the provincial budget through research, analysis and advice.

#### ***Local Government Budget Office***

To promote effective resource allocation within municipal budgets through research, analysis and advice.

### **Sub-programme 2.4: Public Finance**

#### ***Provincial Government Finance***

To improve the conformance, credibility, sustainability and guide and monitor the efficient implementation of the provincial budget.

#### ***Local Government Finance (Groups 1 and 2)***

To guide and monitor the implementation of municipal budgets.

### Infrastructure

To institutionalise and standardise good practice methodologies, tools and systems for physical infrastructure delivery and maintenance.

### Business Information and Data Management

To render an effective data information management service.

**Table 8.2 Summary of payments and estimates – Programme 2: Sustainable Resource Management**

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change			
	2012/13	2013/14	2014/15	appropriation 2015/16	appropriation 2015/16	estimate 2015/16	2016/17	2015/16	2017/18	2018/19
1. Programme Support	5 897	5 080	5 402	6 339	6 428	6 428	15 968	148.41	18 726	17 982
Programme Support	5 897	5 080	5 402	6 339	6 428	6 428	6 703	4.28	7 216	7 677
Capacity Building							9 265	26.65	11 510	10 305
2. Fiscal Policy	11 117	13 832	20 245	22 141	15 371	15 371	20 799	35.31	22 590	24 045
Fiscal Policy	8 706	8 309	9 839	11 653	10 127	10 127	10 891	7.54	11 104	11 893
Western Cape Gambling and Racing Board	2 411	5 523	10 406	10 488	5 244	5 244	9 908	88.94	11 486	12 152
3. Budget Management	14 304	13 614	15 327	19 578	18 513	18 513	17 723	(4.27)	19 465	20 861
Provincial Government Budget Office	7 766	6 627	7 660	9 592	9 045	9 045	7 923	(12.40)	9 131	9 753
Local Government Budget Office	6 538	6 987	7 667	9 986	9 468	9 468	9 800	3.51	10 334	11 108
4. Public Finance	39 580	53 656	60 517	68 360	66 071	66 071	67 500	2.16	91 890	99 995
Provincial Government Finance	6 778	7 241	8 558	8 794	8 946	8 946	9 140	2.17	9 892	10 588
Local Government Finance Group 1	8 839	11 962	7 643	10 049	9 566	9 566	9 715	1.56	10 453	11 166
Local Government Finance Group 2	13 701	21 696	28 671	31 918	29 529	29 529	28 388	(3.86)	48 013	53 264
Infrastructure	5 161	6 137	6 333	7 715	7 718	7 718	7 700	(0.23)	8 154	8 726
Business Information and Data Management	5 101	6 620	9 312	9 884	10 312	10 312	12 557	21.77	15 378	16 251
<b>Total payments and estimates</b>	<b>70 898</b>	<b>86 182</b>	<b>101 491</b>	<b>116 418</b>	<b>106 383</b>	<b>106 383</b>	<b>121 990</b>	<b>14.67</b>	<b>152 671</b>	<b>162 883</b>

Note: The function of economic analysis is integrated as part of the Budget Office function.

### Earmarked allocation:

Support initiatives to municipalities to improve financial governance introduced during 2011/12 will continue over the MTEF, especially to the most vulnerable municipalities. A new support grant aimed at building financial management capacity in municipalities has been introduced to be rolled out over the 2016 MTEF. Over the MTEF, R21.514 million in 2016/17, R22.712 million in 2017/18 and R24.029 million in 2018/19 have been reserved for support to municipalities. Some amounts are unallocated at this stage and will be shifted in the respective Adjusted Estimates that will be based on the outcomes and recommendations of both the MGRO, IDP and LG MTEC 3 processes. (Also see Table 8.2.1 on the next page.)

**Table 8.2.1 Summary of payments and estimates by economic classification – Programme 2: Sustainable Resource Management**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2015/16	2017/18	2018/19
<b>Current payments</b>	60 228	65 222	69 193	81 099	77 710	77 710	<b>87 792</b>	12.97	97 808	102 453
Compensation of employees	45 953	51 322	57 808	63 433	61 906	61 906	<b>70 913</b>	14.55	78 243	81 850
Goods and services	14 275	13 900	11 385	17 666	15 804	15 804	<b>16 879</b>	6.80	19 565	20 603
<b>Transfers and subsidies to</b>	10 670	20 960	32 298	35 319	28 673	28 673	<b>34 198</b>	19.27	54 863	60 430
Provinces and municipalities	8 250	15 369	21 800	24 831	23 245	23 245	<b>21 514</b>	(7.45)	40 601	45 341
Departmental agencies and accounts	2 411	5 523	10 406	10 488	5 244	5 244	<b>9 908</b>	88.94	11 486	12 152
Households	9	68	92		184	184	<b>2 776</b>	1 408.70	2 776	2 937
<b>Total economic classification</b>	<b>70 898</b>	<b>86 182</b>	<b>101 491</b>	<b>116 418</b>	<b>106 383</b>	<b>106 383</b>	<b>121 990</b>	<b>14.67</b>	<b>152 671</b>	<b>162 883</b>

**Details of transfers and subsidies**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2015/16	2017/18	2018/19
<b>Transfers and subsidies to (Current)</b>	10 670	20 960	32 298	35 319	28 673	28 673	<b>34 198</b>	19.27	54 863	60 430
Provinces and municipalities	8 250	15 369	21 800	24 831	23 245	23 245	<b>21 514</b>	(7.45)	40 601	45 341
Municipalities	8 250	15 369	21 800	24 831	23 245	23 245	<b>21 514</b>	(7.45)	40 601	45 341
Municipal bank accounts	8 250	15 369	21 800	24 831	23 245	23 245	<b>21 514</b>	(7.45)	40 601	45 341
Departmental agencies and accounts	2 411	5 523	10 406	10 488	5 244	5 244	<b>9 908</b>	88.94	11 486	12 152
Departmental agencies (non-business entities)	2 411	5 523	10 406	10 488	5 244	5 244	<b>9 908</b>	88.94	11 486	12 152
Western Cape Gambling and Racing Board	2 411	5 523	10 406	10 488	5 244	5 244	<b>9 908</b>	88.94	11 486	12 152
Households	9	68	92		184	184	<b>2 776</b>	1408.70	2 776	2 937
Social benefits	9	68	92		184	184	<b>152</b>	(17.39)		
Other transfers to households							<b>2 624</b>		2 776	2 937

**Expenditure trends analysis**

The programme increased by R35.485 million from R70.898 million in 2012/13 to R106.383 million in the 2015/16 (revised estimate), this equates to an average nominal growth of 14.5 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. Over the 2016 MTEF period the programme will further increase from R106.383 million in 2015/16 (revised estimate) to R121.990 million in 2016/17 mainly as a result of the reprioritisation of the capacity building initiative which forms part of the external bursary programme. The growth from 2015/16 (revised estimate) of R106.383 million to R162.883 million in 2018/19 reflects an annual average growth of 15.3 per cent over the three year period. This growth mainly relates to the priority funding allocations that are ring-fenced under the element 2.4.3: Local Government Finance for municipal financial management improvement and capacity building support grants.

## Programme 3: Asset Management

**Purpose:** To provide policy direction and to facilitate and enforce the management of provincial financial systems, supply chain and movable 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 provide policy direction and facilitating the management of supply chain and asset management practices

##### **Supply Chain Management: Local Government**

to provide policy guidance and facilitating the management of supply chain and asset management practices

#### Sub-programme 3.3: Supporting and Interlinked Financial Systems

provide for the implementation, management and oversight of provincially operated financial systems and transition to the IFMS

### Policy developments

Policy developments that will receive further attention in 2016/17 are:

In line with National Treasury efforts, improve procurement policy planning to support departments and municipalities to promote budget planning, efficiency in spending, strategic sourcing and provide structured support programmes to improve supply chain management governance.

Improve the lack of understanding in SCM policies and regulations and to fill the gap where under skilled leadership, high staff turnover and knowledge exists.

Support National Treasury to optimise the current suite of financial systems, whilst at the same time assisting with the design and the ultimate roll-out of the integrated and revamped IFMS.

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

None.

### Strategic goals as per Strategic Plan

#### Programme 3: Asset Management

Financial system, supply chain and moveable asset governance within the provincial and municipal spheres.

### Strategic objectives as per Annual Performance Plan

#### Sub-programme 3.1: Programme Support

To provide management and administrative support to Programme 3 - Asset Management.

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

To provide policy direction and facilitating the management of supply chain and asset management practices in departments.

**Supply Chain Management: Local Government**

To provide policy guidance and facilitating the management of supply chain and asset management practices in municipalities.

**Sub-programme 3.3: Supporting and Interlinked Financial Systems**

To provide for the implementation, management and oversight of provincially operated financial systems and the migration to the IFMS.

**Table 8.3 Summary of payments and estimates – Programme 3: Asset Management**

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2015/16	2017/18	2018/19
1. Programme Support	1 861	3 408	3 577	4 174	3 900	3 900	4 481	14.90	4 821	5 147
2. Supply Chain Management	10 033	14 815	20 799	22 677	21 812	21 812	19 483	(10.68)	22 103	23 847
Supply Chain Management: Provincial Government	6 781	10 020	14 327	16 129	14 858	14 858	12 421	(16.40)	14 515	15 741
Supply Chain Management: Local Government	3 252	4 795	6 472	6 548	6 954	6 954	7 062	1.55	7 588	8 106
3. Supporting and Interlinked Financial Systems	22 040	29 297	31 356	33 227	33 500	33 500	33 966	1.39	35 952	34 300
<b>Total payments and estimates</b>	<b>33 934</b>	<b>47 520</b>	<b>55 732</b>	<b>60 078</b>	<b>59 212</b>	<b>59 212</b>	<b>57 930</b>	<b>(2.17)</b>	<b>62 876</b>	<b>63 294</b>

Note: National Treasury sub-programmes namely Asset Management and Liabilities Management have been subsumed within the Sub-programme Supply Chain Management.

**Table 8.3.1 Summary of payments and estimates by economic classification – Programme 3: Asset Management**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2015/16	2017/18	2018/19
<b>Current payments</b>	<b>33 930</b>	<b>47 496</b>	<b>55 686</b>	<b>59 955</b>	<b>59 074</b>	<b>59 074</b>	<b>56 331</b>	<b>(4.64)</b>	<b>62 876</b>	<b>63 294</b>
Compensation of employees	22 456	28 058	29 810	32 725	33 261	33 261	35 238	5.94	38 126	40 893
Goods and services	11 474	19 438	25 876	27 230	25 813	25 813	21 093	(18.29)	24 750	22 401
<b>Transfers and subsidies to</b>	<b>4</b>	<b>24</b>	<b>46</b>	<b>123</b>	<b>138</b>	<b>138</b>	<b>1 599</b>	<b>1 058.70</b>		
Households	4	24	46	123	138	138	1 599	1 058.70		
<b>Total economic classification</b>	<b>33 934</b>	<b>47 520</b>	<b>55 732</b>	<b>60 078</b>	<b>59 212</b>	<b>59 212</b>	<b>57 930</b>	<b>(2.17)</b>	<b>62 876</b>	<b>63 294</b>

**Details of transfers and subsidies**

Economic classification R'000	Outcome			Main appro- piation 2015/16	Adjusted appro- piation 2015/16	Revised estimate 2015/16	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2012/13	2013/14	2014/15				2016/17	2015/16	2017/18	2018/19
Transfers and subsidies to (Current)	4	24	46	123	138	138	1 599	1058.70		
Households	4	24	46	123	138	138	1 599	1058.70		
Social benefits		24	46	123	138	138	1 599	1058.70		
Other transfers to households	4									

**Expenditure trends analysis**

The programme increased by R25.278 million from R33.934 million in 2012/13 to R59.212 million in the 2015/16 (revised estimate), this equates to an average nominal growth of 20.4 per cent per annum. The growth relates to increased involvement and guidance over supply chain management in both provincial and municipal sphere which includes developing Strategic Sourcing methodologies for certain commodities to enhance supply chain management efficiencies. Furthermore, the roll out and maintenance of financial systems as well as the clean-up and updating of data in the current systems are being done in preparation for the migration of the Integrated Financial Management System (IFMS). The growth from 2015/16 (revised estimate) of R59.212 million to R63.294 million in 2018/19 reflects an average nominal growth of 2.2 per cent over the three year period. This mainly relates to the reduction in consultancy services.

**Programme 4: Financial Governance**

**Purpose:** To promote accountability and financial governance within departments, entities and municipalities.

**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 application of accounting standards and financial reporting within municipalities

**Provincial Government Accounting and Compliance**

to drive financial governance reforms, the implementation of accounting practices and prepare consolidated financial statements

**Sub-programme 4.3: Corporate Governance**

to strengthen corporate governance within the Province through the implementation of risk management, internal audit and compliance with financial norms and standards

## **Policy developments**

Policy developments that will receive further attention in 2016/17 are:

Continued improvement will be maintained on the initiatives that have been introduced under the banners of the LG MTEC and PG MTEC processes, Corporate Governance Review and Outlook (CGRO) and Municipal Governance Review and Outlook (MGRO). These initiatives, which are aimed at supporting the National Development Plan, National Outcomes 9 and 12 and PSG 5, will be further refined during the 2016 MTEF. The Back to Basics (B2B) approach, adopted by National Department of Cooperative Governance and Traditional Affairs, National Treasury Financial Management Capability Maturity Model principles and fundamentals are already embedded in the MGRO approach that was previously adopted by all municipalities in the Western Cape.

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

None.

## **Strategic goals as per Strategic Plan**

### **Programme 4: Financial Governance**

Accountability through the review of financial reporting of departments, entities and municipalities and compliance with financial norms and standards.

## **Strategic objectives as per Annual Performance Plan**

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

To provide management and administrative support to Programme 4 – Financial Governance.

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

#### **Local Government Accounting**

To improve the understanding and application of accounting standards and financial reporting within municipalities.

#### **Provincial Government Accounting and Compliance**

To improve the application of accounting practices in line with the reporting framework, prepare provincial consolidated financial statements and gradually drive financial governance reform.

### **Sub-programme 4.3: Corporate Governance**

To develop, monitor and advise on norms and standards of corporate governance within municipalities.



**Table 8.4 Summary of payments and estimates – Programme 4: Financial Governance**

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited 2012/13	Audited 2013/14	Audited 2014/15	Main appro- priation 2015/16	Adjusted appro- priation 2015/16	Revised estimate 2015/16	% Change from Revised estimate			
							2016/17	2015/16	2017/18	2018/19
1. Programme Support	1 821	1 982	3 307	3 467	2 381	2 381	5 296	122.43	5 628	6 011
Programme Support	1 821	1 982	3 307	3 467	2 381	2 381	1 790	(24.82)	1 927	2 061
CA Academy							3 506		3 701	3 950
2. Accounting Services	10 558	13 419	16 101	18 044	19 032	19 032	18 119	(4.80)	19 735	20 740
Provincial Government Accounting and Compliance	5 418	6 505	8 623	9 699	11 199	11 199	10 028	(10.46)	11 014	11 408
Local Government Accounting	5 140	6 914	7 478	8 345	7 833	7 833	8 091	3.29	8 721	9 332
3. Corporate Governance	9 610	10 084	11 299	11 964	13 489	13 489	13 341	(1.10)	12 915	13 808
<b>Total payments and estimates</b>	<b>21 989</b>	<b>25 485</b>	<b>30 707</b>	<b>33 475</b>	<b>34 902</b>	<b>34 902</b>	<b>36 756</b>	<b>5.31</b>	<b>38 278</b>	<b>40 559</b>

Note: Provincial Internal Audit was shifted to the Department of the Premier during the 2010/11 financial year.

**Table 8.4.1 Summary of payments and estimates by economic classification – Programme 4: Financial Governance**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2012/13	Audited 2013/14	Audited 2014/15	Main appro- priation 2015/16	Adjusted appro- priation 2015/16	Revised estimate 2015/16	% Change from Revised estimate			
							2016/17	2015/16	2017/18	2018/19
<b>Current payments</b>	21 984	25 470	30 681	33 475	34 278	34 278	36 516	6.53	38 078	40 347
Compensation of employees	19 197	22 749	25 169	26 803	26 318	26 318	29 581	12.40	32 011	34 339
Goods and services	2 787	2 721	5 512	6 672	7 960	7 960	6 935	( 12.88)	6 067	6 008
<b>Transfers and subsidies to</b>	5	15	26		8	8		( 100.00)		
Households	5	15	26		8	8		( 100.00)		
<b>Payments for capital assets</b>					616	616	240	( 61.04)	200	212
Machinery and equipment							240		200	212
Software and other intangible assets					616	616		( 100.00)		
<b>Total economic classification</b>	<b>21 989</b>	<b>25 485</b>	<b>30 707</b>	<b>33 475</b>	<b>34 902</b>	<b>34 902</b>	<b>36 756</b>	<b>5.31</b>	<b>38 278</b>	<b>40 559</b>

**Details of transfers and subsidies**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2012/13	Audited 2013/14	Audited 2014/15	Main appro- priation 2015/16	Adjusted appro- priation 2015/16	Revised estimate 2015/16	% Change from Revised estimate			
							2016/17	2015/16	2017/18	2018/19
<b>Transfers and subsidies to (Current)</b>	5	15	26		8	8		(100.00)		
Households	5	15	26		8	8		(100.00)		
Social benefits	5	15	26		8	8		(100.00)		

## Expenditure trends analysis

The programme increased by R12.913 million from R21.989 million in 2012/13 to R34.902 million in the 2015/16 (revised estimate), this equates to an average nominal growth of 16.6 per cent per annum. The growth relates to earmarked funds for the improvement of transversal internal control services and posts that were created during the reconfiguration process within the Sub-programmes: Accounting Services and Corporate Governance. The growth from 2015/16 (revised estimate) of R34.902 million to R40.559 million in 2018/19 reflects an annual average growth of 5.1 per cent over the three year period.

## 9. Other programme information

### Personnel numbers and costs

**Table 9.1 Personnel numbers and costs**

Cost in R million	Actual						Revised estimate				Medium-term expenditure estimate						Average annual growth over MTEF		
	2012/13		2013/14		2014/15		2015/16				2016/17		2017/18		2018/19		2015/16 - 2018/19		
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers	Costs	Filled posts	Additional posts	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel growth rate	Costs growth rate	% Costs of Total
<b>Salary level</b>																			
1 – 6	21	3 064	25	3 763	24	3 880	44	11	55	5 379	62	9 795	62	10 937	62	11 670	4.1%	29.5%	5.5%
7 – 10	169	49 370	210	62 889	208	69 230	174	31	205	77 726	191	81 605	191	89 632	191	95 273	(2.3%)	7.0%	50.0%
11 – 12	59	33 192	65	35 574	66	41 331	63	2	65	44 721	62	45 167	62	49 406	62	52 305	(1.6%)	5.4%	27.8%
13 – 16	23	19 904	21	21 408	19	21 727	23		23	22 312	25	26 746	25	28 328	25	29 955	2.8%	10.3%	15.6%
Other	1	1 652	1	1 665	1	1 743		1	1	2 014	1	1 915	1	2 030	1	2 142		2.1%	1.2%
<b>Total</b>	<b>273</b>	<b>107 182</b>	<b>322</b>	<b>125 299</b>	<b>318</b>	<b>137 911</b>	<b>304</b>	<b>45</b>	<b>349</b>	<b>152 152</b>	<b>341</b>	<b>165 228</b>	<b>341</b>	<b>180 333</b>	<b>341</b>	<b>191 345</b>	<b>(0.8%)</b>	<b>7.9%</b>	<b>100.0%</b>
<b>Programme</b>																			
Administration	58	19 576	65	23 170	76	25 124	72	23	95	30 667	66	29 496	66	31 953	66	34 263	(11.4%)	3.8%	18.3%
Sustainable Resource Management	107	45 953	130	51 322	125	57 808	109	10	119	61 906	140	70 913	140	78 243	140	81 850	5.6%	9.8%	42.5%
Asset Management	59	22 456	70	28 058	63	29 810	70	2	72	33 261	66	35 238	66	38 126	66	40 893	(2.9%)	7.1%	21.4%
Financial Governance	49	19 197	57	22 749	54	25 169	53	10	63	26 318	69	29 581	69	32 011	69	34 339	3.1%	9.3%	17.7%
<b>Total</b>	<b>273</b>	<b>107 182</b>	<b>322</b>	<b>125 299</b>	<b>318</b>	<b>137 911</b>	<b>304</b>	<b>45</b>	<b>349</b>	<b>152 152</b>	<b>341</b>	<b>165 228</b>	<b>341</b>	<b>180 333</b>	<b>341</b>	<b>191 345</b>	<b>(0.8%)</b>	<b>7.9%</b>	<b>100.0%</b>
<b>Employee dispensation classification</b>																			
Public Service Act appointees not covered by OSDs							304	45		152 152	341	165 228	341	180 333	341	191 345		7.9%	100.0%
<b>Total</b>							<b>304</b>	<b>45</b>		<b>152 152</b>	<b>341</b>	<b>165 228</b>	<b>341</b>	<b>180 333</b>	<b>341</b>	<b>191 345</b>		<b>7.9%</b>	<b>100.0%</b>

<sup>1</sup> Personnel numbers includes all filled posts together with those posts additional to the approved establishment.

## Training

**Table 9.2 Payments on training**

Programme R'000	Outcome						Medium-term estimate			
	Audited 2012/13	Audited 2013/14	Audited 2014/15	Main appro- piation 2015/16	Adjusted appro- piation 2015/16	Revised estimate 2015/16	% Change from Revised estimate			
							2016/17	2015/16	2017/18	2018/19
1. Administration	361	390	631	966	976	976	1 003	2.77	1 069	1 136
<i>of which</i>										
Payments on tuition	348	286	498	669	669	669	708	5.83	749	793
Other	13	104	133	297	307	307	295	(3.91)	320	343
2. Sustainable Resource Management	284	396	488	634	619	619	709	14.54	782	818
<i>of which</i>										
Other	284	396	488	634	619	619	709	14.54	782	818
3. Asset Management	17	175	201	327	333	333	352	5.71	381	409
<i>of which</i>										
Other	17	175	201	327	333	333	352	5.71	381	409
4. Financial Governance	178	295	331	268	260	260	369	41.92	397	418
<i>of which</i>										
Other	178	295	331	268	260	260	369	41.92	397	418
<b>Total payments on training</b>	<b>840</b>	<b>1 256</b>	<b>1 651</b>	<b>2 195</b>	<b>2 188</b>	<b>2 188</b>	<b>2 433</b>	<b>11.20</b>	<b>2 629</b>	<b>2 781</b>

**Table 9.3 Information on training**

Description	Outcome						Medium-term estimate			
	2012/13	2013/14	2014/15	Main appro- piation 2015/16	Adjusted appro- piation 2015/16	Revised estimate 2015/16	% Change from Revised estimate			
							2016/17	2015/16	2017/18	2018/19
Number of staff	273	322	318	339	339	349	341	(2.29)	341	341
Number of personnel trained	200	200	277	287	287	287	297	3.48	312	330
<i>of which</i>										
Male	100	100	128	133	120	120	136	13.33	141	149
Female	100	100	149	154	167	167	161	(3.59)	171	181
Number of training opportunities	266	266	529	544	603	603	558	(7.46)	580	613
<i>of which</i>										
Tertiary	69	69	49	51	39	39	52	33.33	53	56
Workshops	45	45	273	280	250	250	287	14.80	298	315
Seminars	22	22	13	14	11	11	15	36.36	16	17
Other	130	130	194	199	303	303	204	(32.67)	213	225
Number of bursaries offered	26	26	24	26	27	27	28	3.70	29	31
Number of interns appointed	18	18	16	16	14	14	16	14.29	17	18
Number of learnerships appointed										
Number of days spent on training	120	120	600	715	867	867	740	(14.65)	780	825

## Reconciliation of structural changes

None.

## Annexure A to Vote 3

Table A.1 Specification of receipts

Receipts R'000	Outcome						Medium-term estimate			
	Audited 2012/13	Audited 2013/14	Audited 2014/15	Main appro- priation 2015/16	Adjusted appro- priation 2015/16	Revised estimate 2015/16	% Change from Revised estimate 2016/17			
								2015/16	2017/18	2018/19
<b>Tax receipts</b> (Casino and LGM taxes)	382 663	441 130	519 340	423 594	423 594	423 594	<b>432 267</b>	2.05	437 517	462 893
Casino and LGM taxes	350 384	408 661	478 819	403 594	403 594	403 594	<b>412 267</b>	2.15	417 517	441 733
Horse racing taxes	32 279	32 469	40 521	20 000	20 000	20 000	<b>20 000</b>		20 000	21 160
<b>Sales of goods and services other than capital assets</b>	2 527	2 646	2 608	1 214	1 214	1 214	<b>1 214</b>		1 214	1 284
Sales of goods and services produced by department (excluding capital assets)	2 527	2 646	2 606	1 213	1 213	1 213	<b>1 213</b>		1 213	1 283
Administrative fees	2 485	2 646	2 580	1 201	1 201	1 201	<b>1 201</b>		1 201	1 271
Other	2 485	2 646	2 580	1 201	1 201	1 201	<b>1 201</b>		1 201	1 271
Other sales	42		26	12	12	12	<b>12</b>		12	12
Commission on insurance			26							
Other	42			12	12	12	<b>12</b>		12	12
Sales of scrap, waste, arms and other used current goods (excluding capital assets)			2	1	1	1	<b>1</b>		1	1
<b>Transfers received from</b>				1	1	1	<b>1</b>		1	1
Households and non-profit institutions				1	1	1	<b>1</b>		1	1
<b>Fines, penalties and forfeits</b>	935	693	309							
<b>Interest, dividends and rent on land</b>	2	8	6	50 000	50 000	50 000	<b>52 500</b>	5.00	55 125	58 322
Interest	2	8	6	50 000	50 000	50 000	<b>52 500</b>	5.00	55 125	58 322
<b>Sales of capital assets</b>			1							
Other capital assets			1							
<b>Financial transactions in assets and liabilities</b>	2 846	8 038	1 231	47	47	47	<b>47</b>		47	50
Recovery of previous year's expenditure	397	230	1 074							
Unallocated credits	14									
Cash surpluses	2 410	7 479	64							
Other	25	329	93	47	47	47	<b>47</b>		47	50
<b>Total departmental receipts</b>	388 973	452 515	523 495	474 856	474 856	474 856	<b>486 029</b>	2.35	493 904	522 550

## Annexure A to Vote 3

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2012/13	Audited 2013/14	Audited 2014/15	Main appro- priation 2015/16	Adjusted appro- priation 2015/16	Revised estimate 2015/16	% Change from Revised estimate			
							2016/17	2015/16	2017/18	2018/19
<b>Current payments</b>	147 052	172 782	193 043	219 315	214 291	214 291	221 459	3.34	245 730	256 138
Compensation of employees	107 182	125 299	137 911	152 678	152 152	152 152	165 228	8.59	180 333	191 345
Salaries and wages	93 886	110 382	121 867	135 025	134 262	134 262	145 981	8.73	159 491	168 930
Social contributions	13 296	14 917	16 044	17 653	17 890	17 890	19 247	7.59	20 842	22 415
Goods and services	39 870	47 483	55 132	66 637	62 139	62 139	56 231	(9.51)	65 397	64 793
of which										
Administrative fees	100	153	175	212	164	164	297	81.10	246	259
Advertising	246	914	490	584	1 117	1 117	826	(26.05)	874	924
Minor Assets	146	177	232	339	379	379	365	(3.69)	387	409
Audit cost: External	4 385	5 122	5 181	5 792	5 392	5 392	5 439	0.87	5 755	6 088
Bursaries: Employees	348	286	498	669	669	669	708	5.83	749	793
Catering: Departmental activities	440	521	371	394	394	394	394		418	442
Communication (G&S)	1 010	974	891	1 630	1 130	1 130	1 470	30.09	1 474	1 477
Computer services	4 410	6 135	5 222	6 550	5 942	5 942	6 105	2.74	7 776	8 166
Consultants and professional services: Business and advisory services	14 521	21 455	30 212	33 233	30 200	30 200	25 317	(16.17)	29 939	27 551
Consultants and professional services: Legal costs	27	70								
Contractors	539	671	345	552	578	578	539	(6.75)	547	555
Agency and support/outsourced services	164	159	122	201	316	316	100	(68.35)	106	112
Entertainment	137	123	105	204	210	210	212	0.95	212	212
Fleet services (including government motor transport)			930	1 318	1 018	1 018	1 018		1 080	1 140
Inventory: Food and food supplies	66	74								
Inventory: Learner and teacher	2									
Inventory: Materials and supplies	6	8								
Inventory: Other supplies	37									
Consumable supplies		40	216	320	315	315	233	(26.03)	239	243
Consumable: Stationery, printing and office supplies	2 453	3 229	2 595	3 612	3 297	3 297	3 167	(3.94)	3 349	3 545
Operating leases		332	250	326	326	326	345	5.83	365	386
Property payments	501	4		500	326	326		(100.00)	1 546	1 563
Transport provided: Departmental activity	3	5	4				4		4	4
Travel and subsistence	4 828	4 562	4 791	6 486	6 643	6 643	5 909	(11.05)	6 246	6 605
Training and development	492	970	1 153	1 526	1 519	1 519	1 725	13.56	1 880	1 988
Operating payments	4 074	415	299	606	746	746	560	(24.93)	618	654
Venues and facilities	935	1 084	1 050	1 583	1 458	1 458	1 498	2.74	1 587	1 677
<b>Transfers and subsidies to</b>	11 795	22 389	35 241	37 925	31 320	31 320	35 800	14.30	54 866	60 433
Provinces and municipalities	8 250	15 369	21 800	24 831	23 245	23 245	21 514	(7.45)	40 601	45 341
Municipalities	8 250	15 369	21 800	24 831	23 245	23 245	21 514	(7.45)	40 601	45 341
Municipal bank accounts	8 250	15 369	21 800	24 831	23 245	23 245	21 514	(7.45)	40 601	45 341
Departmental agencies and accounts	2 411	5 525	10 409	10 491	5 247	5 247	9 911	88.89	11 489	12 155
Departmental agencies (non-business entities)	2 411	5 525	10 409	10 491	5 247	5 247	9 911	88.89	11 489	12 155
Western Cape Gambling and Racing Board	2 411	5 523	10 406	10 488	5 244	5 244	9 908	88.94	11 486	12 152
Other		2	3	3	3	3	3		3	3
Non-profit institutions			100							
Households	1 134	1 495	2 932	2 603	2 828	2 828	4 375	54.70	2 776	2 937
Social benefits	284	320	579	123	348	348	1 751	403.16		
Other transfers to households	850	1 175	2 353	2 480	2 480	2 480	2 624	5.81	2 776	2 937
<b>Payments for capital assets</b>	3 404	4 359	3 778	4 789	4 716	4 716	3 480	(26.21)	4 629	4 897
Machinery and equipment	3 404	4 324	3 753	4 764	4 075	4 075	3 455	(15.21)	4 603	4 869
Transport equipment		1 043	1 217	1 527	1 327	1 327	1 327		1 404	1 485
Other machinery and equipment	3 404	3 281	2 536	3 237	2 748	2 748	2 128	(22.56)	3 199	3 384
Software and other intangible assets		35	25	25	641	641	25	(96.10)	26	28
<b>Payments for financial assets</b>	32	437	86		50	50		(100.00)		
<b>Total economic classification</b>	162 283	199 967	232 148	262 029	250 377	250 377	260 739	4.14	305 225	321 468

## Annexure A to Vote 3

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2012/13	Audited 2013/14	Audited 2014/15	Main appro- priation 2015/16	Adjusted appro- priation 2015/16	Revised estimate 2015/16	% Change from Revised estimate			
							2016/17	2015/16	2017/18	2018/19
<b>Current payments</b>	30 910	34 594	37 483	44 786	43 229	43 229	40 820	(5.57)	46 968	50 044
Compensation of employees	19 576	23 170	25 124	29 717	30 667	30 667	29 496	(3.82)	31 953	34 263
Salaries and wages	17 284	20 512	22 273	26 503	27 318	27 318	25 886	(5.24)	28 043	30 057
Social contributions	2 292	2 658	2 851	3 214	3 349	3 349	3 610	7.79	3 910	4 206
Goods and services	11 334	11 424	12 359	15 069	12 562	12 562	11 324	(9.86)	15 015	15 781
of which										
Administrative fees	98	119	171	212	163	163	171	4.91	181	191
Advertising	113	784	357	358	630	630	630		666	705
Minor Assets	146	177	232	339	379	379	365	(3.69)	387	409
Audit cost: External	2 796	3 523	2 943	3 842	3 442	3 442	3 489	1.37	3 692	3 906
Bursaries: Employees	348	286	498	669	669	669	708	5.83	749	793
Catering: Departmental activities	127	78	106	130	130	130	130		138	146
Communication (G&S)	939	792	259	310	230	230	273	18.70	274	275
Computer services	905	850	1 055	1 687	1 141	1 141	1 141		1 208	1 277
Consultants and professional services: Business and advisory services	1 624	1 320	3 251	1 811	446	446	191	(57.17)	1 702	1 801
Consultants and professional services: Legal costs	27									
Contractors	446	425	193	293	296	296	253	(14.53)	261	269
Agency and support/outsourced services	4	46	14							
Entertainment	68	23	23	44	44	44	44		44	44
Fleet services (including government motor transport)			930	1 318	1 018	1 018	1 018		1 080	1 140
Inventory: Food and food supplies	13	12								
Inventory: Learner and teacher support material	1									
Inventory: Materials and supplies	6	8								
Inventory: Other supplies	37									
Consumable supplies		40	126	156	156	156	110	(29.49)	115	118
Consumable: Stationery, printing and office supplies	876	837	594	688	665	665	665		703	744
Operating leases		332	250	326	326	326	345	5.83	365	386
Property payments	501	4		500	326	326		(100.00)	1 546	1 563
Transport provided: Departmental activity		2	4				4		4	4
Travel and subsistence	1 301	1 547	1 142	1 695	1 800	1 800	1 198	(33.44)	1 269	1 338
Training and development	13	104	133	297	307	307	295	(3.91)	320	343
Operating payments	884	89	64	216	216	216	116	(46.30)	123	130
Venues and facilities	61	26	14	178	178	178	178		188	199
<b>Transfers and subsidies to</b>	1 116	1 390	2 871	2 483	2 501	2 501	3	(99.88)	3	3
Departmental agencies and accounts		2	3	3	3	3	3		3	3
Departmental agencies (non-business entities)		2	3	3	3	3	3		3	3
Other		2	3	3	3	3	3		3	3
Non-profit institutions			100							
Households	1 116	1 388	2 768	2 480	2 498	2 498		(100.00)		
Social benefits	270	213	415		18	18		(100.00)		
Other transfers to households	846	1 175	2 353	2 480	2 480	2 480		(100.00)		
<b>Payments for capital assets</b>	3 404	4 359	3 778	4 789	4 100	4 100	3 240	(20.98)	4 429	4 685
Machinery and equipment	3 404	4 324	3 753	4 764	4 075	4 075	3 215	(21.10)	4 403	4 657
Transport equipment		1 043	1 217	1 527	1 327	1 327	1 327		1 404	1 485
Other machinery and equipment	3 404	3 281	2 536	3 237	2 748	2 748	1 888	(31.30)	2 999	3 172
Software and other intangible assets		35	25	25	25	25	25		26	28
<b>Payments for financial assets</b>	32	437	86		50	50		(100.00)		
<b>Total economic classification</b>	35 462	40 780	44 218	52 058	49 880	49 880	44 063	(11.66)	51 400	54 732

## 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						Medium-term estimate			
	Audited 2012/13	Audited 2013/14	Audited 2014/15	Main appro- priation 2015/16	Adjusted appro- priation 2015/16	Revised estimate 2015/16	% Change from Revised estimate			
							2016/17	2015/16	2017/18	2018/19
<b>Current payments</b>	60 228	65 222	69 193	81 099	77 710	77 710	<b>87 792</b>	12.97	97 808	102 453
Compensation of employees	45 953	51 322	57 808	63 433	61 906	61 906	<b>70 913</b>	14.55	78 243	81 850
Salaries and wages	40 395	45 294	51 319	56 279	54 715	54 715	<b>63 199</b>	15.51	69 890	72 870
Social contributions	5 558	6 028	6 489	7 154	7 191	7 191	<b>7 714</b>	7.27	8 353	8 980
Goods and services	14 275	13 900	11 385	17 666	15 804	15 804	<b>16 879</b>	6.80	19 565	20 603
of which										
Administrative fees	2	17	4		1	1		(100.00)		
Advertising	92	92	126	176	437	437	<b>146</b>	(66.59)	155	163
Audit cost: External	1 064	790	1 335	950	950	950	<b>950</b>		1 005	1 063
Catering: Departmental activities	205	300	112	132	132	132	<b>132</b>		140	148
Communication (G&S)	43	122	179	697	476	476	<b>666</b>	39.92	669	671
Computer services	317	260	187	274	318	318	<b>193</b>	(39.31)	204	216
Consultants and professional services: Business and advisory services	7 338	7 845	5 079	9 174	7 197	7 197	<b>8 916</b>	23.88	11 164	11 778
Contractors	37	198	88	130	140	140	<b>132</b>	(5.71)	132	132
Agency and support/outourced services	160	113	93	161	256	256	<b>100</b>	(60.94)	106	112
Entertainment	43	63	52	108	108	108	<b>108</b>		108	108
Inventory: Food and food supplies	30	32								
Inventory: Learner and teacher support material	1									
Consumable supplies			46	84	79	79	<b>69</b>	(12.66)	70	71
Consumable: Stationery, printing and office supplies	1 224	1 911	1 509	2 279	1 987	1 987	<b>1 846</b>	(7.10)	1 952	2 066
Transport provided: Departmental activity	3	3								
Travel and subsistence	1 858	1 364	1 694	2 259	2 491	2 491	<b>2 419</b>	(2.89)	2 556	2 705
Training and development	284	396	488	634	619	619	<b>709</b>	14.54	782	818
Operating payments	1 316	257	183	245	405	405	<b>265</b>	(34.57)	280	296
Venues and facilities	258	137	210	363	208	208	<b>228</b>	9.62	242	256
<b>Transfers and subsidies to</b>	10 670	20 960	32 298	35 319	28 673	28 673	<b>34 198</b>	19.27	54 863	60 430
Provinces and municipalities	8 250	15 369	21 800	24 831	23 245	23 245	<b>21 514</b>	(7.45)	40 601	45 341
Municipalities	8 250	15 369	21 800	24 831	23 245	23 245	<b>21 514</b>	(7.45)	40 601	45 341
Municipal bank accounts	8 250	15 369	21 800	24 831	23 245	23 245	<b>21 514</b>	(7.45)	40 601	45 341
Departmental agencies and accounts	2 411	5 523	10 406	10 488	5 244	5 244	<b>9 908</b>	88.94	11 486	12 152
Departmental agencies (non-business entities)	2 411	5 523	10 406	10 488	5 244	5 244	<b>9 908</b>	88.94	11 486	12 152
Western Cape Gambling and Racing Board	2 411	5 523	10 406	10 488	5 244	5 244	<b>9 908</b>	88.94	11 486	12 152
Households	9	68	92		184	184	<b>2 776</b>	1408.70	2 776	2 937
Social benefits	9	68	92		184	184	<b>152</b>	(17.39)		
Other transfers to households							<b>2 624</b>		2 776	2 937
<b>Total economic classification</b>	<b>70 898</b>	<b>86 182</b>	<b>101 491</b>	<b>116 418</b>	<b>106 383</b>	<b>106 383</b>	<b>121 990</b>	14.67	152 671	162 883

## Annexure A to Vote 3

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main appro- priation	Adjusted appro- priation	Revised estimate	% Change from Revised estimate			
	2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2015/16	2017/18	2018/19
<b>Current payments</b>	33 930	47 496	55 686	59 955	59 074	59 074	<b>56 331</b>	(4.64)	62 876	63 294
Compensation of employees	22 456	28 058	29 810	32 725	33 261	33 261	<b>35 238</b>	5.94	38 126	40 893
Salaries and wages	19 434	24 585	26 135	28 731	29 049	29 049	<b>30 725</b>	5.77	33 238	35 635
Social contributions	3 022	3 473	3 675	3 994	4 212	4 212	<b>4 513</b>	7.15	4 888	5 258
Goods and services	11 474	19 438	25 876	27 230	25 813	25 813	<b>21 093</b>	(18.29)	24 750	22 401
of which										
Administrative fees		6								
Advertising	41	38	7	50	50	50	<b>50</b>		53	56
Catering: Departmental activities	59	65	153	66	66	66	<b>66</b>		70	74
Communication (G&S)	( 1)	20	338	375	275	275	<b>326</b>	18.55	326	326
Computer services	3 069	5 025	3 843	4 589	4 483	4 483	<b>4 746</b>	5.87	6 318	6 625
Consultants and professional services: Business and advisory services	5 395	12 140	19 189	18 889	17 840	17 840	<b>12 871</b>	(27.85)	14 772	11 926
Consultants and professional services: Legal costs		70								
Contractors	36	19	30	77	81	81	<b>77</b>	(4.94)	77	77
Agency and support/outsourced services			15	20	24	24		(100.00)		
Entertainment	8	16	14	26	26	26	<b>28</b>	7.69	28	28
Inventory: Food and food supplies	13	17								
Consumable supplies			30	39	39	39	<b>35</b>	(10.26)	35	35
Consumable: Stationery, printing and office supplies	175	315	335	402	402	402	<b>402</b>		425	452
Travel and subsistence	907	725	990	1 448	1 272	1 272	<b>1 218</b>	(4.25)	1 289	1 362
Training and development	17	175	201	327	333	333	<b>352</b>	5.71	381	409
Operating payments	1 224	9	14	11	11	11	<b>11</b>		12	12
Venues and facilities	531	798	717	911	911	911	<b>911</b>		964	1 019
<b>Transfers and subsidies to</b>	<b>4</b>	<b>24</b>	<b>46</b>	<b>123</b>	<b>138</b>	<b>138</b>	<b>1 599</b>	1058.70		
Households	4	24	46	123	138	138	<b>1 599</b>	1058.70		
Social benefits		24	46	123	138	138	<b>1 599</b>	1058.70		
Other transfers to households	4									
<b>Total economic classification</b>	<b>33 934</b>	<b>47 520</b>	<b>55 732</b>	<b>60 078</b>	<b>59 212</b>	<b>59 212</b>	<b>57 930</b>	(2.17)	62 876	63 294



## Annexure A to Vote 3

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main appro- priation	Adjusted appro- priation	Revised estimate	% Change from Revised estimate			
	2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2015/16	2017/18	2018/19
<b>Current payments</b>	21 984	25 470	30 681	33 475	34 278	34 278	36 516	6.53	38 078	40 347
Compensation of employees	19 197	22 749	25 169	26 803	26 318	26 318	29 581	12.40	32 011	34 339
Salaries and wages	16 773	19 991	22 140	23 512	23 180	23 180	26 171	12.90	28 320	30 368
Social contributions	2 424	2 758	3 029	3 291	3 138	3 138	3 410	8.67	3 691	3 971
Goods and services	2 787	2 721	5 512	6 672	7 960	7 960	6 935	(12.88)	6 067	6 008
of which										
Administrative fees		11					126		65	68
Audit cost: External	525	809	903	1 000	1 000	1 000	1 000		1 058	1 119
Catering: Departmental activities	49	78		66	66	66	66		70	74
Communication (G&S)	29	40	115	248	149	149	205	37.58	205	205
Computer services	119		137				25		46	48
Consultants and professional services: Business and advisory services	164	150	2 693	3 359	4 717	4 717	3 339	(29.21)	2 301	2 046
Contractors	20	29	34	52	61	61	77	26.23	77	77
Agency and support/outsourced services				20	36	36		(100.00)		
Entertainment	18	21	16	26	32	32	32		32	32
Inventory: Food and food supplies	10	13								
Consumable supplies			14	41	41	41	19	(53.66)	19	19
Consumable: Stationery, printing and office supplies	178	166	157	243	243	243	254	4.53	269	283
Travel and subsistence	762	926	965	1 084	1 080	1 080	1 074	(0.56)	1 132	1 200
Training and development	178	295	331	268	260	260	369	41.92	397	418
Operating payments	650	60	38	134	114	114	168	47.37	203	216
Venues and facilities	85	123	109	131	161	161	181	12.42	193	203
<b>Transfers and subsidies to</b>	5	15	26		8	8		(100.00)		
Households	5	15	26		8	8		(100.00)		
Social benefits	5	15	26		8	8		(100.00)		
<b>Payments for capital assets</b>					616	616	240	(61.04)	200	212
Machinery and equipment							240		200	212
Other machinery and equipment							240		200	212
Software and other intangible assets					616	616		(100.00)		
<b>Total economic classification</b>	21 989	25 485	30 707	33 475	34 902	34 902	36 756	5.31	38 278	40 559

## Annexure A to Vote 3

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

R thousand	Audited outcome		Preliminary outcome	Main appropriation	Adjusted appropriation	Revised estimate	Medium-term receipts estimate		
	2012/13	2013/14	2014/15		2015/16		2016/17	2017/18	2018/19
<b>Revenue</b>									
<b>Non-tax revenue</b>	36 570	49 364	59 239	54 995	54 995	50 812	<b>50 785</b>	48 363	49 029
Sale of goods and services other than capital assets	33 027	34 444	36 540	34 299	34 299	35 000	<b>35 917</b>	35 917	35 917
Entity revenue other than sales	1 132	1 038	1 293	840	840	1 200	<b>960</b>	960	960
Transfers received	2 411	13 882	21 406	19 856	19 856	14 612	<b>13 908</b>	11 486	12 152
Sale of capital assets									
<b>Total revenue</b>	<b>36 570</b>	<b>49 364</b>	<b>59 239</b>	<b>54 995</b>	<b>54 995</b>	<b>50 812</b>	<b>50 785</b>	<b>48 363</b>	<b>49 029</b>
<b>Expenses</b>									
<b>Current expense</b>	32 219	37 026	41 756	53 572	53 572	45 825	<b>49 814</b>	52 767	55 827
Compensation of employees	25 194	27 899	31 284	38 953	38 953	35 838	<b>39 265</b>	41 542	43 952
Goods and services	7 025	9 127	10 472	14 619	14 619	9 987	<b>10 549</b>	11 224	11 875
<b>Payments for capital assets</b>	1 458	704	852	1 271	1 271	2 612	<b>967</b>	1 023	1 082
<b>Total expenses</b>	<b>33 677</b>	<b>37 730</b>	<b>42 608</b>	<b>54 843</b>	<b>54 843</b>	<b>48 437</b>	<b>50 781</b>	<b>53 790</b>	<b>56 910</b>
<b>Surplus / (Deficit)</b>	<b>2 893</b>	<b>11 634</b>	<b>16 631</b>	<b>152</b>	<b>152</b>	<b>2 375</b>	<b>4</b>	<b>(5 427)</b>	<b>(7 880)</b>
<b>Adjust Surplus / (Deficit) for accrual transactions</b>	1 212	881	1 440	86	86	800	<b>86</b>	90	90
Depreciation	1 201	885	1 414	686	686	1 400	<b>686</b>	720	720
Interest				(600)	(600)	(600)	<b>(600)</b>	(630)	(630)
Net (profit) / loss on disposal of fixed assets	11	(4)	26						
<b>Operating Surplus / (Deficit) before changes in working capital</b>	<b>4 105</b>	<b>12 515</b>	<b>18 071</b>	<b>238</b>	<b>238</b>	<b>3 175</b>	<b>90</b>	<b>(5 337)</b>	<b>(7 790)</b>
Changes in working capital	(145)	1 439	545	70	70	70	<b>5</b>	6	6
(Decrease) / increase in accounts payable	801	(1 275)	1 793	(450)	(450)	(450)	<b>(525)</b>	(551)	(551)
Decrease / (increase) in accounts receivable	(1 246)	1 559	(643)	520	520	520	<b>530</b>	557	557
(Decrease) / increase in provisions	300	1 155	(605)						
<b>Cash flow from operating activities</b>	<b>3 960</b>	<b>13 954</b>	<b>18 616</b>	<b>308</b>	<b>308</b>	<b>3 245</b>	<b>95</b>	<b>(5 331)</b>	<b>(7 784)</b>
<b>Cash flow from investing activities</b>	<b>(1 433)</b>	<b>(683)</b>	<b>(838)</b>	<b>(671)</b>	<b>(671)</b>	<b>(671)</b>	<b>560</b>	590	590
<b>Acquisition of Assets</b>	<b>(1 458)</b>	<b>(704)</b>	<b>(853)</b>	<b>(1 271)</b>	<b>(1 271)</b>	<b>(1 271)</b>	<b>(40)</b>	(40)	(40)
Furniture and Office equipment	(1 397)	(704)	(853)	(1 271)	(1 271)	(1 271)	<b>(40)</b>	(40)	(40)
Other Intangibles	(61)								
<b>Other flows from Investing Activities</b>	<b>25</b>	<b>21</b>	<b>15</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>600</b>	630	630
Proceeds from sale of PPE	25	21	15	600	600	600	<b>600</b>	630	630
<b>Cash flow from financing activities</b>	<b>1 485</b>	<b>(15 266)</b>	<b>3 743</b>	<b>1 990</b>	<b>1 990</b>	<b>1 990</b>	<b>1 940</b>	2 037	2 037
Other	1 485	(15 266)	3 743	1 990	1 990	1 990	<b>1 940</b>	2 037	2 037
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>4 012</b>	<b>(1 995)</b>	<b>21 521</b>	<b>1 627</b>	<b>1 627</b>	<b>4 564</b>	<b>2 595</b>	<b>(2 704)</b>	<b>(5 157)</b>
<b>Balance Sheet Data</b>									
<b>Carrying Value of Assets</b>	<b>2 738</b>	<b>2 540</b>	<b>1 936</b>	<b>1 649</b>	<b>1 649</b>	<b>1 649</b>	<b>1 389</b>	1 458	1 615
Computer equipment	1 495	1 413	744	848	848	848	<b>677</b>	650	750
Furniture and Office equipment	769	542	783	500	500	500	<b>440</b>	400	450
Other Machinery and equipment	160	251	190	150	150	150	<b>150</b>	130	150
Transport Assets	69	33	55	27	27	27	<b>27</b>	180	144
Computer Software	167	239	111	80	80	80	<b>60</b>	70	100
Service and Operating Rights	19	9	6	3	3	3			
Other Intangibles	59	53	47	41	41	41	<b>35</b>	28	21
<b>Cash and Cash Equivalents</b>	<b>31 228</b>	<b>25 496</b>	<b>35 454</b>	<b>19 504</b>	<b>19 504</b>	<b>19 504</b>	<b>17 504</b>	18 379	19 004
Bank	15 478	13 130	18 882	4 000	4 000	4 000	<b>2 000</b>	2 100	3 000
Cash on Hand	4	4	4	4	4	4	<b>4</b>	4	4
Other	15 746	12 362	16 568	15 500	15 500	15 500	<b>15 500</b>	16 275	16 000
<b>Receivables and Prepayments</b>	<b>2 397</b>	<b>795</b>	<b>1 432</b>	<b>480</b>	<b>480</b>	<b>480</b>	<b>455</b>	478	470
Trade Receivables	2 250	695	1 392	460	460	460	<b>435</b>	458	450
Prepaid Expenses	147	100	40	20	20	20	<b>20</b>	20	20
<b>Inventory</b>									
Other	30	28	35						
<b>Total Assets</b>	<b>36 363</b>	<b>28 831</b>	<b>38 822</b>	<b>21 633</b>	<b>21 633</b>	<b>21 633</b>	<b>19 348</b>	20 315	21 089
<b>Capital and Reserves</b>	<b>6 459</b>	<b>22 634</b>	<b>25 999</b>	<b>304</b>	<b>456</b>	<b>2 527</b>	<b>167</b>	(5 059)	(6 291)
Accumulated Reserves	3 566	11 000	9 368	152	304	152	<b>163</b>	368	1 589
Surplus / (Deficit)	2 893	11 634	16 631	152	152	2 375	<b>4</b>	(5 427)	(7 880)
<b>Post Retirement Benefits</b>		1 800	1 837						
Present value of Funded obligations		1 800	1 837						
<b>Trade and Other Payables</b>	<b>16 781</b>	<b>2 242</b>	<b>10 234</b>	<b>5 981</b>	<b>5 981</b>	<b>5 981</b>	<b>3 685</b>	3 672	3 500
Trade Payables	16 781	2 242	10 234	5 981	5 981	5 981	<b>3 685</b>	3 672	3 500
<b>Provisions</b>	<b>300</b>	<b>1 455</b>	<b>850</b>						
Other	300	1 455	850						
<b>Funds Managed (e.g. Poverty Alleviation Fund)</b>	<b>15 746</b>	<b>12 362</b>	<b>16 568</b>	<b>15 500</b>	<b>15 500</b>	<b>15 500</b>	<b>15 500</b>	16 275	16 000
Other	15 746	12 362	16 568	15 500	15 500	15 500	<b>15 500</b>	16 275	16 000

Note: For 2016/17 Transfer received includes an amount of R4 million retention of surplus fund from 2015/16.

## 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 2012/13	Audited 2013/14	Audited 2014/15	Main appro- priation 2015/16	Adjusted appro- priation 2015/16	Revised estimate 2015/16	% Change from Revised estimate			
							2016/17	2015/16	2017/18	2018/19
Total departmental transfers/grants										
Category A			300		300	300	120	(60.00)	240	360
City of Cape Town			300		300	300	120	(60.00)	240	360
Category B	6 150	11 939	17 635		16 913	16 913	2 880	(82.97)	5 760	8 640
Matzikama	200	350	990		955	955	120	(87.43)	240	360
Cederberg	400	400	750		613	613	120	(80.42)	240	360
Bergrivier	200	1 050	820		1 062	1 062	120	(88.70)	240	360
Saldanha Bay			1 700		530	530	120	(77.36)	240	360
Swartland	750	200	510		50	50	120	140.00	240	360
Witzenberg		300	822		200	200	120	(40.00)	240	360
Drakenstein		400	600		300	300	120	(60.00)	240	360
Stellenbosch	300	400			250	250	120	(52.00)	240	360
Breede Valley		650	1 057		1 130	1 130	120	(89.38)	240	360
Langeberg		250	443		50	50	120	140.00	240	360
Theewaterskloof	300	100	1 337		1 245	1 245	120	(90.36)	240	360
Overstrand		800	514		800	800	120	(85.00)	240	360
Cape Agulhas		200	810		357	357	120	(66.39)	240	360
Swellendam	1 350	450	956		300	300	120	(60.00)	240	360
Kannaland	300		500		1 050	1 050	120	(88.57)	240	360
Hessequa		600	1 190		353	353	120	(66.01)	240	360
Mossel Bay	150	400			50	50	120	140.00	240	360
George	200	400	500		50	50	120	140.00	240	360
Oudtshoorn	250	1 017	450		2 461	2 461	120	(95.12)	240	360
Bitou	200	400	449		50	50	120	140.00	240	360
Knysna	350	400	500		300	300	120	(60.00)	240	360
Laingsburg	400	1 259	450		1 772	1 772	120	(93.23)	240	360
Prince Albert	400	1 113	300		2 735	2 735	120	(95.61)	240	360
Beaufort West	400	800	1 987		250	250	120	(52.00)	240	360
Category C	2 100	3 430	3 865		3 185	3 185	600	(81.16)	1 200	1 800
West Coast District Municipality	300	400	800		350	350	120	(65.71)	240	360
Cape Winelands District Municipality		300	1 025		185	185	120	(35.14)	240	360
Overberg District Municipality	550	1 015	910		1 750	1 750	120	(93.14)	240	360
Eden District Municipality	550	500	830		350	350	120	(65.71)	240	360
Central Karoo District Municipality	700	1 215	300		550	550	120	(78.18)	240	360
Unallocated				24 831	2 847	2 847	17 914		33 401	34 541
Total transfers to local government	8 250	15 369	21 800	24 831	23 245	23 245	21 514	(7.45)	40 601	45 341

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. A new support grant aimed at building financial management capacity in municipalities has been introduced to be rolled out over the 2016 MTEF. Over the MTEF, R21.514 million in 2016/17, R40.601 million in 2017/18 (of which R22.712 million is earmarked) and R45.341 million in 2018/19 (of which R24.029 million is earmarked) have been reserved for support to municipalities. Some amounts are unallocated at this stage and will be shifted in the respective Adjusted Estimates that will be based on the outcomes and recommendations of both the MGRO, IDP 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			
				Main	Adjusted	Revised	% Change			
	Audited	Audited	Audited	appro- piation	appro- piation	estimate	from	Revised		
	2012/13	2013/14	2014/15	2015/16	2015/16	2015/16	2016/17	2015/16	2017/18	2018/19
Financial Management Support Grant	8 250	15 369	21 800	24 831	23 245	23 245	17 914	(22.93)	33 401	34 541
Category A			300		300	300		(100.00)		
City of Cape Town			300		300	300		(100.00)		
Category B	6 150	11 939	17 635		16 913	16 913		(100.00)		
Matzikama	200	350	990		955	955		(100.00)		
Cederberg	400	400	750		613	613		(100.00)		
Bergrivier	200	1 050	820		1 062	1 062		(100.00)		
Saldanha Bay			1 700		530	530		(100.00)		
Swartland	750	200	510		50	50		(100.00)		
Witzenberg		300	822		200	200		(100.00)		
Drakenstein		400	600		300	300		(100.00)		
Stellenbosch	300	400			250	250		(100.00)		
Breede Valley		650	1 057		1 130	1 130		(100.00)		
Langeberg		250	443		50	50		(100.00)		
Theewaterskloof	300	100	1 337		1 245	1 245		(100.00)		
Overstrand		800	514		800	800		(100.00)		
Cape Agulhas		200	810		357	357		(100.00)		
Swellendam	1 350	450	956		300	300		(100.00)		
Kannaland	300		500		1 050	1 050		(100.00)		
Hessequa		600	1 190		353	353		(100.00)		
Mossel Bay	150	400			50	50		(100.00)		
George	200	400	500		50	50		(100.00)		
Oudtshoorn	250	1 017	450		2 461	2 461		(100.00)		
Bitou	200	400	449		50	50		(100.00)		
Knysna	350	400	500		300	300		(100.00)		
Laingsburg	400	1 259	450		1 772	1 772		(100.00)		
Prince Albert	400	1 113	300		2 735	2 735		(100.00)		
Beaufort West	400	800	1 987		250	250		(100.00)		
Category C	2 100	3 430	3 865		3 185	3 185		(100.00)		
West Coast District Municipality	300	400	800		350	350		(100.00)		
Cape Winelands District Municipality		300	1 025		185	185		(100.00)		
Overberg District Municipality	550	1 015	910		1 750	1 750		(100.00)		
Eden District Municipality	550	500	830		350	350		(100.00)		
Central Karoo District Municipality	700	1 215	300		550	550		(100.00)		
Unallocated				24 831	2 847	2 847	17 914		33 401	34 541

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, R17.914 million in 2016/17, R33.401 million in 2017/18 (of which R15.512 million is earmarked) and R34.541 million in 2018/19 (of which R13.229 million is earmarked) have been reserved for support to municipalities. Some amounts are unallocated at this stage and will be shifted in the respective Adjusted Estimates that will be based on the outcomes and recommendations of both the MGRO, IDP and LG MTEC 3 processes.

## Annexure A to Vote 3

Table A.4.2 Transfers to local government by transfers/grant type, category and municipality

Municipalities R'000	Outcome			Main appro- priation 2015/16	Adjusted appro- priation 2015/16	Revised estimate 2015/16	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2012/13	2013/14	2014/15				2016/17	2015/16	2017/18	2018/19
<b>Financial Management Capacity Building Grant</b>							3 600		7 200	10 800
<b>Category A</b>							120		240	360
City of Cape Town							120		240	360
<b>Category B</b>							2 880		5 760	8 640
Matzikama							120		240	360
Cederberg							120		240	360
Bergivier							120		240	360
Saldanha Bay							120		240	360
Swartland							120		240	360
Witzenberg							120		240	360
Drakenstein							120		240	360
Stellenbosch							120		240	360
Breede Valley							120		240	360
Langeberg							120		240	360
Theewaterskloof							120		240	360
Overstrand							120		240	360
Cape Agulhas							120		240	360
Swellendam							120		240	360
Kannaland							120		240	360
Hessequa							120		240	360
Mossel Bay							120		240	360
George							120		240	360
Oudtshoorn							120		240	360
Bitou							120		240	360
Knysna							120		240	360
Laingsburg							120		240	360
Prince Albert							120		240	360
Beaufort West							120		240	360
<b>Category C</b>							600		1 200	1 800
West Coast District Municipality							120		240	360
Cape Winelands District Municipality							120		240	360
Overberg District Municipality							120		240	360
Eden District Municipality							120		240	360
Central Karoo District Municipality							120		240	360

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. A new support grant aimed at building financial management capacity in municipalities has been introduced to be rolled out over the 2016 MTEF. Over the MTEF, R3.600 million in 2016/17, R7.200 million in 2017/18 and R10.800 million in 2018/19 have been reserved for support to municipalities.

## Annexure A to Vote 3

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2012/13	2013/14	2014/15	appropriation 2015/16	appropriation 2015/16	estimate 2015/16	2016/17	2015/16	2017/18	2018/19
Cape Town Metro	162 283	199 967	232 148	262 029	250 377	250 377	260 739	4.14	305 225	321 468
Total provincial expenditure by district and local municipality	162 283	199 967	232 148	262 029	250 377	250 377	260 739	4.14	305 225	321 468

Table A.5.1 Provincial payments and estimates by district and local municipality – Programme 1: Administration

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2012/13	2013/14	2014/15	appropriation 2015/16	appropriation 2015/16	estimate 2015/16	2016/17	2015/16	2017/18	2018/19
Cape Town Metro	35 462	40 780	44 218	52 058	49 880	49 880	44 063	(11.66)	51 400	54 732
Total provincial expenditure by district and local municipality	35 462	40 780	44 218	52 058	49 880	49 880	44 063	(11.66)	51 400	54 732

Table A.5.2 Provincial payments and estimates by district and local municipality – Programme 2: Sustainable Resource Management

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2012/13	2013/14	2014/15	appropriation 2015/16	appropriation 2015/16	estimate 2015/16	2016/17	2015/16	2017/18	2018/19
Cape Town Metro	70 898	86 182	101 491	116 418	106 383	106 383	121 990	14.67	152 671	162 883
Total provincial expenditure by district and local municipality	70 898	86 182	101 491	116 418	106 383	106 383	121 990	14.67	152 671	162 883

## Annexure A to Vote 3

Table A.5.3 Provincial payments and estimates by district and local municipality – Programme 3: Asset Management

Municipalities R'000	Outcome			Main appro- priation 2015/16	Adjusted appro- priation 2015/16	Revised estimate 2015/16	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2012/13	2013/14	2014/15				2016/17	2015/16	2017/18	2018/19
Cape Town Metro	33 934	47 520	55 732	60 078	59 212	59 212	57 930	(2.17)	62 876	63 294
Total provincial expenditure by district and local municipality	33 934	47 520	55 732	60 078	59 212	59 212	57 930	(2.17)	62 876	63 294

Table A.5.4 Provincial payments and estimates by district and local municipality – Programme 4: Financial Governance

Municipalities R'000	Outcome			Main appro- priation 2015/16	Adjusted appro- priation 2015/16	Revised estimate 2015/16	Medium-term estimate			
	Audited	Audited	Audited				% Change from Revised estimate			
	2012/13	2013/14	2014/15				2016/17	2015/16	2017/18	2018/19
Cape Town Metro	21 989	25 485	30 707	33 475	34 902	34 902	36 756	5.31	38 278	40 559
Total provincial expenditure by district and local municipality	21 989	25 485	30 707	33 475	34 902	34 902	36 756	5.31	38 278	40 559

