

# Vote 3

## Provincial Treasury

	2021/22 To be appropriated	2022/23	2023/24
<b>MTEF allocations</b>	<b>R319 608 000</b>	<b>R315 612 000</b>	<b>R324 701 000</b>
Responsible MEC	Provincial Minister of Finance and Economic Opportunities		
Administering Department	Provincial Treasury		
Accounting Officer	Head of Department and Head Official: Provincial Treasury		

### 1. Overview

#### Vision

A responsive and inclusive Treasury that enables positive change in the lives of citizens.

#### Mission

Promotion of cohesion and citizen centricity.

Building capacity in the public sector by being adaptive, innovative and supportive.

Integrated management and partnerships that enable the delivery of quality services in a sustainable manner.

#### 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 Medium Term Strategic Framework 2019 - 2024, Provincial Strategic Plan and the Western Cape Recovery Plan, the branches Fiscal and Economic Services and Governance and Asset Management will execute the following core functions and responsibilities:

Ensure the efficient and effective management of provincial and municipal financial resources;

Provide policy direction, facilitate and enforce the management of provincial financial systems and supply chain and moveable asset management systems within the provincial and municipal spheres; and

Promote accountability and financial governance within departments, entities and municipalities.

## Main services

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

Internally:

- assist the member of the Provincial Cabinet with those functions as assigned by legislation and/or the Premier;
- provide strategic and operational management support services; and
- assist the Accounting Officer to drive financial management in the Department.

Transversally or Externally:

- research, analyse and advise on the policy, strategy and management of provincial and municipal fiscal resources;
- promote effective financial resource allocation, by providing socio-economic and policy research, analysis and advice that informs the preparation of the provincial and municipal budgets as well as the monitoring of budget implementation and performance;
- compile credible and sustainable main and adjustment budgets, and to guide and monitor the efficient implementation thereof;
- drive the implementation of the MFMA and assist and guide municipalities to prepare sustainable budgets and monitor the implementation thereof;
- promote the delivery of new and maintenance of existing physical infrastructure;
- render a client interface, data collation, data and information management and records management service to the Provincial Treasury;
- provide policy direction and facilitate the management of supply chain and asset management practices;
- provide for the implementation, management and oversight of provincially operated financial systems and transition to the Integrated Financial Management System (IFMS);
- improve the application of accounting standards and financial reporting within municipalities;
- drive financial governance reforms, the implementation of accounting practices and prepare consolidated financial statements; and
- strengthen corporate governance within the Province through promoting the implementation of risk management, internal audit and compliance within financial norms and standards.

## **Demands and changes in service**

The Department has thirteen (13) client departments and thirty (30) municipalities along with the provincial legislature, all public entities and external suppliers. The consequences of the COVID-19 pandemic has profoundly affected the global, national and provincial economy and caused unprecedented societal and economic disruption with broad and deep socio-economic consequences. At a broad level, this translates into fiscal pressure through diminishing the availability of resources while sharply increasing the demand for public services. For the Provincial Treasury, this has placed added demands on processes for provincial budgeting and financial management, with specific demands for disaster-related response also placing pressure on supply chain and asset management systems, and elevating the importance of having effective financial governance and oversight to ensure optimal resource use. Municipalities are also increasing their demands for services from the department as they navigate a similarly complex environment and pressures. Similarly, businesses are also facing pressures and actively seeking to enter or expand their participation in provincial government supply chains as their other business opportunities are reduced.

## **Acts, rules and regulations**

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

- Public Finance Management Act, 1999 (Act 1 of 1999) (PFMA)
- Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA)
- Annual Division of Revenue Act
- Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No. 10 of 2009)
- Government Immovable Asset Management Act, 2007 (Act 19 of 2007)
- Intergovernmental Fiscal Relations Act, 1997 (Act 97 of 1997)
- Intergovernmental Relations Framework Act, 2005 (Act 13 of 2005)
- Public Audit Act, 2004 (Act 25 of 2004) as amended
- Preferential Procurement Policy Framework Act, 2000 (Act 5 of 2000)
- Provincial Tax Regulation Process Act, 2001 (Act 53 of 2001)
- Public Service Act, 1994 (Act 103 of 1994) as amended
- Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) (SPLUMA)
- Annual Western Cape Appropriation Act
- Annual Western Cape Adjustments Appropriation Act(s)
- Western Cape Direct Charges Act, 2000 (Act 6 of 2000) as amended
- Western Cape Gambling and Racing Act, 1996 (Act 4 of 1996) as amended

## **Budget decisions**

The budget for the Vote increased by R30.103 million from R289.505 million in 2020/21 (revised estimate) to R319.608 million in 2021/22. This equates to an increase of 10.4 per cent.

The execution of the core functions and responsibilities of the Provincial Treasury requires human resources. Funding of critical vacant posts has been prioritised in order to ensure effective service delivery to the varied clients of the Department. In addition, the Department is prioritising digital transformation to enhance the quality, availability and responsiveness of services to clients.

Provincial Treasury will continue to apply the budget policy principles of allocative efficiency, fiscal consolidation, fiscal discipline and fiscal sustainability. All efforts of the Provincial Treasury will be targeted at maximising citizen impact.

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

The Department's planning was informed by national, provincial and municipal priorities and aligns itself with Priority 1: a capable, ethical and developmental state, whilst simultaneously enabling the attainment of all other priorities within the MTSF 2019 – 2024.

The budget provides the resources to execute key projects and activities to achieve the priorities as set out in the Provincial Strategic Plan 2020 - 2025 (PSP) and the Provincial Recovery Plan.

## **2. Review of the current financial year (2020/21)**

Provincial Treasury rendered the following services to give effect to the policy priorities:

### **Governance**

The 2020/21 financial year was focussed on leveraging established systems of good governance to support the integration of service delivery and unlock embedded value to respond to the national disaster and lay a foundation for social and economic recovery. A good governance agenda is an essential foundation for effective service delivery and value addition, particularly amidst a global pandemic that places increased pressure on health and social systems with deep economic impacts, and a sharp decline in resource availability. The Governance and Asset Management Branch provides guidance and advice with regards to financial governance, accounting, asset management and financial systems.

The evolving Vision Inspired Priority 5 – Innovation and Culture in the Provincial Strategic Plan focusses on governance transformation. It defines governance, as per King IV, as the exercise of ethical and effective leadership towards the achievement of an ethical culture, good performance, effective control and legitimacy.

The Provincial Treasury has adopted a holistic, proactive and integrated approach to embed good governance practices to enhance performance. This places citizens at the centre of its operations and is aligned to and supports the Provincial Strategic Plan. The Department's strategic and operational stance, and its regulatory responses, were designed to support agile and effective governance in the context of the national disaster, and emphasised "governance for results" in order to attain maximum "citizen impact".

The role of the Provincial Treasury is to:

- lead and support the enhancement of financial governance practices that enable improved resource mobilisation, allocative efficiency, sound fiscal management and the efficient and economical use of resources;

- lead and support excellence in good governance practices that enhance performance and result in improved service delivery and public value creation; and
- identify good financial governance practices that can be shared across the public sector.

Provincial Treasury's key areas of focus in its governance approach given the national, provincial and local government strategic objectives and current governance challenges and risks, included the following:

- Ethical and effective leadership that provides strategic financial policy direction and oversight;
- Integrated strategy development, execution and reporting that links performance objectives to governance processes that improve public value;
- Integrated capacity development to develop and empower a corps of competent, committed and effective public sector officials; and
- Data and systems enablement to generate operational efficiencies and enable informed decision-making.

The introduction of a number of COVID-19-related laws and regulations during the year has required extensive efforts to interpret and advise the provincial government and municipalities on compliance requirements and risks. The relative success of these efforts is demonstrated in the PFMA audit outcomes, where the Province has once again sustained good results and in some instances improved them. Limited technical issues were raised, and as history shows, findings are mostly new and once off. Only one (1) audit, was extended beyond the legislated timeline, reflecting the resilience of financial governance systems. This extension was for the Department of Health, which was at the coalface of the disaster response. No material irregularities have been raised for the Province, which is particularly important given the amendments to the Public Audit Act.

The Provincial Treasury has also introduced consistency workshops, which complement training activities, to assess, review and assist in the prevention of irregularities and material financial misstatements. This applies to both the modified cash basis of accounting for departments and accrual basis of accounting for by public entities and lays the foundation for ongoing improvements in financial governance.

In the 2019/20 financial year, National Treasury delegated the authority to condone irregular expenditure to the provinces. Provincial Treasury welcomed this delegation as it enabled it to address the growing backlog of requests to condone irregular expenditure. This is accountability in action, where concerns are raised and addressed in the same year.

The Provincial Treasury has also monitored and reported quarterly on the governance action plans emanating from departmental Corporate Governance Review and Outlook (CGRO) reports. Mid-year engagements were used to drive the governance agenda and enable improvement in financial management.

The coordination of the Technical Integrated Municipal Engagements (TIME) have enabled the Provincial Treasury to progressively strengthen municipal governance through focussing on financial maturity criteria across various disciplines. Commitments emanating from TIME are monitored on a monthly basis. The Joint District and Metropolitan Approach (JDMA) has provided an additional platform to support municipalities, and allowed the streamlining of various engagements with municipalities.

National Treasury has introduced much more stringent rules for financial management to address rising fiscal pressure. These include regular reporting on cost containment and COVID-19 expenditure, with the latter a consequence of concerns over corruption related to Personal Protective Equipment (PPE) procurement and in response to the commitment made by the President to carefully manage funds

around COVID-19 expenditure. The Provincial Treasury provided national-level leadership in this respect through the development and publication of regular Procurement Disclosure Reports.

### **MFMA implementation**

The Provincial Treasury has continued to monitor, advise, facilitate and co-ordinate the implementation of the MFMA in municipalities to ensure that the objectives of the Local Government reform agenda continue to be progressively achieved.

The Provincial Treasury coordinated and published the conditional grant frameworks and indicative allocations per municipality for every allocation made by the provincial departments to municipalities from the Province's own funds and from conditional allocations to the Province.

The financial performance of municipalities is monitored on a monthly basis. The Provincial Treasury provided support and advice to municipalities, particularly those facing financial difficulties including municipalities with unfunded budgets and implementing financial recovery plans. It has also facilitated inter-governmental coordination between municipalities, provincial and national departments and other related stakeholders to resolve differences and improve coordination.

The operational plans of the Provincial Treasury were revisited to provide for the needs of its clients during the pandemic. Engagements were moved online and were more numerous, practical and robust. This included engagements with municipalities on their tabled budgets and quarterly forums with municipal CFO's. The online environment also supported much broader attendance at meetings that were previously open only to senior officials, allowing a much broader sharing of information and of knowledge, both internally and externally. Online meetings also allowed for more regular interactions, which had previously been constrained by cost containment measures. This accelerated response times to issues.

The Provincial Treasury also provides limited financial assistance to municipalities to assist them to improve their financial management. This includes optimising revenue, improve the credibility and responsiveness of municipal budgets, responding to municipal audit findings and addressing institutional challenges.

### **Research, analysis and planning**

The Department has continued to conduct research and analysis to inform the development of the provincial and local government fiscal policies and frameworks. This was informed by the Provincial Economic Review and Outlook (PERO) and the Municipal Economic Review and Outlook (MERO) published in October 2020 as well as the Socio-Economic Profiles for Local Government (SEP-LG).

The Western Cape Medium Term Budget Policy Statement (MTBPS), published in November 2020, provided the economic, fiscal and policy context within which the 2021 budget was formulated. The MTBPS outlined the Western Cape Government's fiscal response to current pressures and outlined budget policy priorities to support service delivery and the Vision Inspired Priorities of the Western Cape Government over the medium term.

### **Budgeting, monitoring and reporting**

The Department has continued to lead and facilitate the budget process through coordinating the Medium Term Expenditure Committee (MTEC) engagements and supporting the JDMA. This has promoted integration of policy, planning and budgeting between all spheres of government.

The Provincial Treasury also prepares the Overview of Provincial Revenue and Expenditure, which describes the medium-term budget policy priorities of the provincial government and supports the delivery of the provincial policies, programmes and projects.

The Department has also assessed provincial and municipal budgets to improve their credibility and sustainability, and monitored budget implementation to enhance accountability, efficiency and data integrity. This included analysis and reporting on the in-year revenue, expenditure and cash management in municipalities. The Department exercised oversight during the municipal budget process through the Strategic and Technical Integrated Engagements (SIME and TIME). The Department has also maintained oversight of the Western Cape Gambling and Racing Board (WCGRB).

The Provincial Treasury has continued to undertake various support initiatives that provide advice and guidance to departments and municipalities on revenue related and cash management matters through analysis and reporting on the in-year cash flow, investments and external borrowings for local government as well as revenue performance and cash management for the provincial government.

The Provincial Treasury has continued to manage quantitative information to support its activities and promote the integration of information within and between the spheres of government. The Department manages and maintains extensive databases and information systems, which play a key role in the technical refinement of treasury publications and working papers.

### **Monitoring of infrastructure delivery and spending**

The Department institutionalised the Standard of Infrastructure Procurement and Delivery Management (SIPDM) and Infrastructure Delivery Management System (IDMS) to enhance efficiency in the delivery of infrastructure and value realised through the provincial asset base.

The Department has monitored the infrastructure spending of designated departments and supported the Western Cape Ministerial Infrastructure Coordinating Committee, to improve efficient and effective delivery. These efforts culminate in the publication of the Overview of Provincial and Municipal Infrastructure Investment (OPMII).

### **Supply Chain Management (SCM) assistance and support**

The Western Cape Government's SCM Strategy is the result of an extensive diagnostic process. The strategy is supported by Provincial Treasury Instructions and augmented by the Accounting Officer's System for SCM (AOS). It has played a critical role in the Province's procurement response to COVID-19, through providing for the necessary flexibility, agility and partnerships that were required to facilitate quick and decisive procurement decisions, while ensuring high levels of transparency.

Data visualisation techniques have been introduced to improve the monitoring and management of departmental procurement performance. Quarterly SCM Insight reports were produced to provide departments with insight into their procurement performance, underpinned by powerful self-service expenditure analysis software that generates easy-to-comprehend dashboards. This provides managers with visual business intelligence to inform business decisions.

During COVID-19, this approach evolved into the monthly public Procurement Disclosure Report on COVID-19 expenditure. The report, which is a significant innovation for South Africa, promotes transparency and public oversight of procurement within the Western Cape Government and was rapidly adopted nationally.

The Provincial Treasury is responsible for the implementation and maintenance of the e-Procurement Solution (ePS). This provides the Supplier Evidence Bank (SEB) as a central repository of governance documentation. The ePS must be utilised by departments for inviting and receiving price quotations (competitive and limited) and adjudicating bids submitted by suppliers. The Department continued to

support suppliers to join the Central Supplier Database and its own Integrated Procurement Solution (IPS). The Provincial Treasury has also in-sourced the development and management of the SEB.

Transversal procurement initiatives include the setting up of a database for medical and non- medical PPE suppliers for use by departments and municipalities. This provided for the central management of governance requirements, supply and demand availability, lead times and benchmark pricing. The Provincial Treasury also established a cloth mask manufacturer database. The SCM helpdesk has assisted departments, municipalities, entities and suppliers with queries and procurement support, assistance and guidance through

A Central Procurement Advisory Committee was established to guide emergency and lockdown procurement and financial requirements for essential products and/or services that are referred to it by provincial institutions for disaster relief needs of the Province. This team consists of critical procurement and financial specialists from within the Provincial Treasury.

### **Management of Financial Management Systems**

The Provincial Treasury has maintained its focus on improving the integrity of data in legacy information systems and implemented system security measures whilst awaiting the IFMS implementation by the National Treasury. Engagements with National Treasury have been strengthened, with the provincial government remaining a lead site for IFMS implementation.

The Department has also focussed on modernising financial management systems capability to become more responsive to user needs and enhance user experience. The introduction of e-Payslips has been a success and currently being implemented across all government departments to drive efficiencies. Further e-Administration initiatives are under development.

Provincial Treasury has embarked on a digital transformation journey introduce cutting edge technologies and building artificial intelligence capability to manage financial systems data and reporting. This has focussed on:

- Improving data analytics and financial forecasting tools for better decision making;
- Building partnerships across functions in the WCG departments to aid in provision of quality data;
- Automating reporting to enable self-service reporting for all our client departments;
- Adapting and updating training and capacitation programmes on financial systems to improve the skills of system users with the most updated knowledge, using a mix of E-learning programmes with classroom training; and
- Optimising systems utilisation across all provincial departments to improve data integrity.

System support forums were held with system controllers of LOGIS, BAS and PERSAL to continue engagements with client departments in aid to offer additional support on system procedures and gathering business requirements to improve system functional capabilities.

### **Training and capacitation**

The Provincial Treasury has successfully hosted several meetings, workshops and training initiatives as part of strengthening financial governance and management within departments and municipalities. These have included training on the Municipal Standard Chart of Account (mSCOA), Management Accountant Forums, SCM and CFO Fora, the Chief Risk Officer's Forum and the Chief Audit Executive Forum. These forums are the bedrock of access to the latest information, and consequently advice, in the sector.



Training and support interventions for both departments and public entities focussed on improved procurement planning for departments and contract and data analysis for municipalities. Provincial Treasury also managed to move some of the training to digital platforms, allowing continuous access to training material and allowing managers to track utilisation of the resources.

The Chartered Accountant Academy has been permanently established in the Provincial Treasury. Graduates of the programme have been absorbed in both the public and in private sectors. The programme continues to be replenished with trainees and demand remains robust. Discussions are underway with municipalities to latch onto the success of the programme, further adding to the talent pool of professionals in the public sector.

### **3. Outlook for the coming financial year (2021/22)**

Key areas of focus and delivery for the 2021/22 financial year mainly entail the following:

#### **Programme 2 - Sustainable Resource Management**

##### **Fiscal Policy**

Present a research base allowing for intergovernmental discussion for integrated planning, budgeting and implementation.

Provide support to departments and municipalities in order to reduce the risk of under collection of revenue through monthly monitoring of revenue collection.

Monitor the performance of the WCGRB in order to promote integrated planning, budgeting and implementation.

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

Improve allocative efficiency, responsiveness of the budget to socio-economic needs, budget policy objectives and national and provincial priorities.

Provide the strategic direction and policy framework that informs the provincial budget.

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

Improve the allocative efficiency and responsiveness of municipal budgets and make recommendations for improvement.

Perform periodic in-year assessments on the performance of municipal budgets.

Provide credible and relevant social and economic development information to inform municipal planning and budgeting processes within the Province through the MERO.

Assist municipalities to improve infrastructure delivery by means of skills development and capacitation through the agreed integrated capacitation approach.

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

Determine whether the budget is in line with the regulatory framework and allocation letters, based on previous expenditure trends, capacity to spend and that the input mix (economic classification) is realistic to achieve the stated outputs.

Understand and identify expenditure trends or any potential efficiency gains on selected expenditure items or delivery of particular integrated services.

Provide oversight information (financial and non-financial information) on the implementation of the provincial budget (Estimates of Provincial Revenue and Expenditure) and the Annual Performance Plans.

Publication of the provincial budget as well as the adjusted budget during the financial year.

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

Monitor the implementation of municipal budgets in terms of conformance, accountability, data integrity, sustainability and efficiencies. Provide advice to municipalities facing financial challenges.

Assess draft municipal budgets to improve conformance, credibility, and sustainability. Assist municipalities to maximise their impact in delivering services and promoting development.

Facilitate and co-ordinate the implementation of the MFMA in order to improve intergovernmental relations and coordination within and across Provincial Treasury, other departments, and relevant stakeholders to improve financial management and enable delivery in municipalities.

### **Infrastructure**

Assess the quality of immovable asset management plans of the relevant institutions.

Provide an overview of the provincial and municipal infrastructure in the Province over the MTEF.

Facilitate integration and promote seamless delivery through a holistic approach of facilitating infrastructure delivery, in the management of all aspects of the life cycle of immovable assets.

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

Process data from periodic reporting formats as well as from raw data sourced from various systems into information datasets to inform evidence based Provincial Treasury decision-making.

Illustrate the timelines and internal deadlines of the various MTEC processes within Provincial Treasury. This in turn can provide for better planning and implementation of budget processes.

## **Programme 3 – Asset Management**

### **Supply Chain Management (SCM)**

Assess, promote and enforce effective and prudent financial management through SCM and Asset Management, and ensuring that the entire SCM cycle is applied and that the practices of municipalities are sound and promote governance, transparency and accountability.

Use technology as an enabler to improve and address inefficiencies in municipal purchasing and asset management.

Implement a strategy that addresses the gaps or needs of provincial departments and municipal districts to improve financial management performance for SCM and AM within the Province.

Develop an enabling environment that facilitates supplier development initiatives that contributes toward creating a supplier base that is responsive to WCG procurement and asset management needs.

Create an enabling environment to provide the necessary support, assistance and guidance to our clients in order to create a responsive supplier base that meets the WCG's procurement and asset management needs.

Maintain a sustainable platform for institutional memory that supports continuous capacitation and development for our clients.

Leverage procurement strategies in place that has a socio-economic benefit and/or meets the needs of citizens and that results in value for money purchasing.

Analyse data extracted from systems and using business intelligence tools to provide performance information to provincial departments to support governance requirements and management decision making.

Identify opportunities for efficiencies in purchasing and leveraging buying within Municipalities and or Districts to identify strategic sourcing opportunities which will contribute to value for money purchasing.

### **Supporting and Interlinked Financial Systems (SIFS)**

Effective management of transversal systems and veracity of data.

Ensure optimal, efficient utilisation of the Transversal Financial System and promote innovation.

Improve financial system reporting and help with decision making in departments.

## **Programme 4 – Financial Governance**

### **Local Government Accounting**

Improve financial maturity of municipalities.

Assist municipalities to improve compliance with relevant GRAP and MFMA reporting requirements.

Ensure integrity of data submitted by municipalities to National Treasury.

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

Achieve higher levels of governance by improving the financial management capability of departments.

Improve the system of internal control within departments.

Publication of the consolidated financial statements, with an increased penchant for improved understanding of this provincial publication.

### **Corporate Governance**

Coordinate the annual integrated governance assessment per municipality to improve financial governance in municipalities.

Coordinate and support municipalities with skills development and capacitation through an integrated capacitation approach.

Ensure the implementation of enterprise risk management, as per the NT risk frameworks, and internal audit, as per the National Treasury Internal Audit Framework, IIA standards and other NT guidelines.

Ensure that the departmental financial legislative framework addresses any possible lacuna and thereby strengthening good governance through compliance thereto and to improve the levels governance in departments.

Continue to enhance the skills pipeline to strengthen financial management competencies within departments, through the effective execution of the accredited training programme of South African Institute of Chartered Accountant (SAICA).

Fiscal pressures require the Department to carefully utilise the resources at its disposal. Digital transformation is a critical enabler of the PT strategy, given the rapid evolution of information technology and the opportunities it holds for the Department. There is an exponential growth in opportunities to holistically and dynamically learn from the past to build better surveillance and predictive capabilities.

In the year that has just past, Provincial Treasury piloted a new way of client relationship management, starting with incremental steps and evidence-based practices. Municipalities have been the first beneficiaries of the deployment of artificial intelligence in query response, for both advice and mediation. The Department is increasingly using technology to both mine the information at its disposal and enable client self-servicing on historical compliance and accounting matters. These approaches will be expanded over time. The Department will also pilot artificial intelligence and machine learning technology in its own management processes.

## **4. Reprioritisation**

People are the most important resource required to deliver our vision and therefore sixty-two (62) per cent of the budget is allocated to compensation of employees. Supporting the municipalities of the Western Cape to ensure good financial governance for integrated service delivery is critical and therefore six (6) per cent of the budget is allocated for this purpose. As it is critical that all decisions are evidence based eleven (11) per cent of the budget is allocated for research and advisory services.

The Provincial Treasury will through the budget continue to embed good financial governance and drive co-planning, co-budgeting and co-implementation across the departments, with municipalities and with the national organs of state operating within the Western Cape.

## **5. Procurement**

During the 2021/22 financial year, the Department will continue with its structured procurement planning processes. The Department will embark on a number of processes to procure the goods and services required to fulfil its strategic objectives as per the Strategic Plan and Annual Performance Plan. An analysis will be performed on cost drivers to get an overview of the Department's current procurement to enable the SCM Unit to link procurement requirements to service delivery and operational plans of the various directorates, to enhance efficiency and value for money. Details of departmental strategic/commodity sourcing strategy are described in the departmental procurement plan. Specific, pro-active attention will be placed on monitoring the individual procurement plans and progress to ensure proactive management of issues, minimise delays and enable timely management action.

## 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 2017/18	Audited 2018/19	Audited 2019/20	Main appro- piation 2020/21	Adjusted appro- piation 2020/21	Revised estimate 2020/21	% Change from Revised estimate 2020/21	2021/22	2022/23	2023/24
<b>Treasury funding</b>										
Equitable share	6 588	13 679	28 258	42 526				317 762	315 532	324 617
Financing	6 167		571	5 000	204 023	204 023	1 770 (99.13)			
Provincial Revenue Fund	6 167		571	5 000	204 023	204 023	1 770 (99.13)			
Provincial Revenue Fund (Tax Receipts)	256 623	282 642	293 865	309 333	85 409	85 409				
<b>Total Treasury funding</b>	269 378	296 321	322 694	356 859	289 432	289 432	319 532 10.40	315 532	324 617	
<b>Departmental receipts</b>										
Sales of goods and services other than capital assets	41	38	40	15	15	34	16 (52.94)	17	18	
Transfers received				1	1		1	1	1	
Interest, dividends and rent on land	4	1	4	1	1	1	1	1	1	
Sales of capital assets	28	114	85			1	(100.00)			
Financial transactions in assets and liabilities	8 693	6 632	5 942	56	56	17 687	58 (99.67)	61	64	
<b>Total departmental receipts</b>	8 766	6 785	6 071	73	73	17 723	76 (99.57)	80	84	
<b>Total receipts</b>	278 144	303 106	328 765	356 932	289 505	307 155	319 608 4.05	315 612	324 701	

Note: Tax Receipts for gambling and racing taxes via the Western Cape Gambling and Racing Board (WCGRB) is no longer classified as Departmental Receipts. V03: Provincial Treasury acts as a conduit for the taxes collected by the WCGRB to the Provincial Revenue Fund (PRF).

### Summary of receipts:

Total receipts allocated to Vote 3 increased by R12.453 million or 4.1 per cent from R307.155 million (revised estimate) in 2020/21 to R319.608 million in 2021/22. This is mainly as a result of the provision for the filling of vacant posts and transfers to municipalities as well the Western Cape Gambling and Racing Board.

### Treasury funding of which:

Equitable share allocations will amount to R317.762 million in 2021/22, R315.532 million in 2022/23 and R324.617 million in 2023/24.

Tax Receipts for gambling and racing taxes via the Western Cape Gambling and Racing Board (WCGRB) is no longer classified as Departmental Receipts. Provincial Treasury acts as a conduit for the taxes collected by the WCGRB to the Provincial Revenue Fund (PRF).

Financing comprises of R1.770 million of total receipts for 2021/22 which is a reallocation of 2020/21 unspent funds in respect of the e-Procurement Solution and Post Audit Enhancement Tool.

**Details of departmental receipts:**

The departmental own receipts decreased from R17.723 million in 2020/21 (revised estimate) to R76 000 in 2021/22. The source of departmental receipts over the 2021 MTEF relates to the sale of goods and services other than capital assets and financial transactions in assets and liabilities.

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

None.

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

No provision for the annual cost of living adjustments were made, except the 1.5 per cent pay progression provision in each financial year. Medical allowance was increased by the Consumer Price Index Inflation (CPI) plus 2.5 per cent and Housing allowance was increased by CPI in each financial year.

**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 2017/18	Audited 2018/19	Audited 2019/20	Main appro- priation 2020/21	Adjusted appro- priation 2020/21	Revised estimate 2020/21	% Change from Revised estimate			
							2021/22	2020/21	2022/23	2023/24
1. Administration	57 492	59 261	58 257	62 631	56 373	56 373	55 347	(1.82)	56 540	56 152
2. Sustainable Resource Management	132 195	121 334	137 338	150 847	119 010	119 010	139 227	16.99	144 943	147 597
3. Asset Management	51 023	56 068	65 393	74 911	62 645	62 645	73 935	18.02	64 514	70 985
4. Financial Governance	37 434	66 443	67 777	68 543	51 477	51 477	51 099	(0.73)	49 615	49 967
<b>Total payments and estimates</b>	278 144	303 106	328 765	356 932	289 505	289 505	319 608	10.40	315 612	324 701

Note: Programme 1: MEC total remuneration package: R1 977 795 with effect from 1 April 2019.

## Summary by economic classification

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2017/18	Audited 2018/19	Audited 2019/20	Main appro- piation 2020/21	Adjusted appro- piation 2020/21	Revised estimate 2020/21	% Change from Revised estimate 2021/22	2020/21	2022/23	2023/24
<b>Current payments</b>	216 548	229 296	243 360	280 576	238 578	238 362	<b>262 061</b>	9.94	255 663	262 893
Compensation of employees	171 172	176 277	185 805	217 005	188 764	188 764	<b>196 995</b>	4.36	207 995	210 524
Goods and services	45 376	53 019	57 555	63 571	49 814	49 598	<b>65 066</b>	31.19	47 668	52 369
<b>Transfers and subsidies to</b>	56 375	69 287	79 876	73 228	46 822	47 036	<b>54 016</b>	14.84	55 775	57 794
Provinces and municipalities	33 130	38 191	37 576	42 455	16 488	16 488	<b>20 559</b>	24.69	21 190	21 939
Departmental agencies and accounts	19 711	26 869	37 669	27 750	27 750	27 751	<b>30 378</b>	9.47	31 908	33 378
Households	3 534	4 227	4 631	3 023	2 584	2 797	<b>3 079</b>	10.08	2 677	2 477
<b>Payments for capital assets</b>	5 137	4 214	5 467	3 128	4 066	4 066	<b>3 531</b>	(13.16)	4 174	4 014
Machinery and equipment	5 137	4 214	5 467	3 128	4 066	4 066	<b>3 531</b>	(13.16)	4 174	4 014
<b>Payments for financial assets</b>	84	309	62		39	41		(100.00)		
<b>Total economic classification</b>	278 144	303 106	328 765	356 932	289 505	289 505	<b>319 608</b>	10.40	315 612	324 701

## 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 2017/18	Audited 2018/19	Audited 2019/20	Main appro- piation 2020/21	Adjusted appro- piation 2020/21	Revised estimate 2020/21	% Change from Revised estimate 2021/22	2020/21	2022/23	2023/24
Western Cape Gambling and Racing Board	19 707	26 864	37 663	27 744	27 744	27 744	<b>30 372</b>	9.47	31 902	33 372
<b>Total departmental transfers to public entities</b>	19 707	26 864	37 663	27 744	27 744	27 744	<b>30 372</b>	9.47	31 902	33 372

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			
	2017/18	2018/19	2019/20	appropriation 2020/21	appropriation 2020/21	estimate 2020/21	2021/22	2020/21	2022/23	2023/24
Departmental Agencies and Accounts other: South African Broadcasting Corporation (SABC)- Radio & TV license	4	5	6	6	6	7	6	(14.29)	6	6
<b>Total departmental transfers to other entities</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>6</b>	<b>(14.29)</b>	<b>6</b>	<b>6</b>

## 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			
	2017/18	2018/19	2019/20	appropriation 2020/21	appropriation 2020/21	estimate 2020/21	2021/22	2020/21	2022/23	2023/24
Category A	470	590	610	400	300	300	250	(16.67)		
Category B	27 765	31 008	29 432	9 618	11 780	11 780	6 000	(49.07)		
Category C	4 895	6 593	7 534	2 003	4 008	4 008	1 250	(68.81)		
Unallocated				30 434	400	400	13 059	3,164.75	21 190	21 939
<b>Total departmental transfers to local government</b>	<b>33 130</b>	<b>38 191</b>	<b>37 576</b>	<b>42 455</b>	<b>16 488</b>	<b>16 488</b>	<b>20 559</b>	<b>24.69</b>	<b>21 190</b>	<b>21 939</b>

### Earmarked allocations:

Support initiatives to municipalities to improve financial governance introduced during 2011/12 will continue over the MTEF, amounting to R18.380 million, R18.859 million and R19.370 million in 2021/22, 2022/23 and 2023/24 respectively to strengthen good governance and performance in municipalities. Furthermore, R2.179 million, R2.331 million and R2.569 million have been earmarked for transfers to support municipal interventions in 2021/22, 2022/23 and 2023/24 respectively. The amounts are unallocated at this stage and will be published and allocated in the Provincial Gazette and Provincial Adjusted Estimates. The allocations will be based on the outcomes and recommendations of the Integrated Municipal Engagements. The Department is also actively investigating the consolidation and redesign of all the above mentioned support initiatives into a consolidated grant structure that will continue to provide support to municipalities and attain the set objectives.



## 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, geographic distribution of services, etc.

None.

#### Outcomes as per Strategic Plan

##### **Programme 1: Administration**

Financial and Corporate governance improved.

#### Outputs as per Annual Performance Plan

##### **Sub-programme 1.2: Management Services**

Monitoring and evaluation system.

Strategy Execution Report.

Communication (plan) Implementation Report.

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

Monitoring of Expenditure against the Budget.

Complete and proper records of financial affairs in accordance with prescribed norms and standards.

Identification of risks and key areas of concern regarding preparation of financial and non-financial reports and compliance with applicable legislation.

Please refer to the Departmental Annual Performance Plan for a comprehensive set of outputs.

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

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited 2017/18	Audited 2018/19	Audited 2019/20	Main appro- priation 2020/21	Adjusted appro- priation 2020/21	Revised estimate 2020/21	% Change from Revised estimate			
							2021/22	2020/21	2022/23	2023/24
1. Office of the Minister	6 078	6 091	5 704	7 288	6 570	6 570	6 847	4.22	6 907	6 961
2. Management Services	25 100	26 390	24 216	26 930	23 657	23 657	22 989	(2.82)	23 507	23 479
3. Financial Management	26 314	26 780	28 337	28 413	26 146	26 146	25 511	(2.43)	26 126	25 712
<b>Total payments and estimates</b>	57 492	59 261	58 257	62 631	56 373	56 373	55 347	(1.82)	56 540	56 152

Note: Sub-programme 1.1: MEC total remuneration package: R1 977 795 with effect from 1 April 2019.

Sub-programme 1.3: Corporate Services and Sub-programme 1.5: Internal Audit as per the National Treasury uniform budget and programme structure, is not utilised as it is centralised with 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 2017/18	Audited 2018/19	Audited 2019/20	Main appro- priation 2020/21	Adjusted appro- priation 2020/21	Revised estimate 2020/21	% Change from Revised estimate			
							2021/22	2020/21	2022/23	2023/24
<b>Current payments</b>	49 257	51 311	49 876	56 800	50 603	50 575	49 133	(2.85)	49 683	49 655
Compensation of employees	38 490	39 244	37 518	43 885	37 299	37 299	37 151	(0.40)	40 148	40 694
Goods and services	10 767	12 067	12 358	12 915	13 304	13 276	11 982	(9.75)	9 535	8 961
<b>Transfers and subsidies to</b>	3 014	3 427	2 852	2 703	1 665	1 691	2 683	58.66	2 683	2 483
Departmental agencies and accounts	4	5	6	6	6	7	6	(14.29)	6	6
Households	3 010	3 422	2 846	2 697	1 659	1 684	2 677	58.97	2 677	2 477
<b>Payments for capital assets</b>	5 137	4 214	5 467	3 128	4 066	4 066	3 531	(13.16)	4 174	4 014
Machinery and equipment	5 137	4 214	5 467	3 128	4 066	4 066	3 531	(13.16)	4 174	4 014
<b>Payments for financial assets</b>	84	309	62		39	41		(100.00)		
<b>Total economic classification</b>	57 492	59 261	58 257	62 631	56 373	56 373	55 347	(1.82)	56 540	56 152

## Details of transfers and subsidies

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2017/18	Audited 2018/19	Audited 2019/20	Main appro- priation 2020/21	Adjusted appro- priation 2020/21	Revised estimate 2020/21	% Change from Revised estimate			
							2021/22	2020/21	2022/23	2023/24
<b>Transfers and subsidies to (Current)</b>	3 014	3 427	2 852	2 703	1 665	1 691	<b>2 683</b>	58.66	2 683	2 483
Departmental agencies and accounts	4	5	6	6	6	7	6	(14.29)	6	6
Departmental agencies (non-business entities)	4	5	6	6	6	7	6	(14.29)	6	6
Other	4	5	6	6	6	7	6	(14.29)	6	6
Households	3 010	3 422	2 846	2 697	1 659	1 684	<b>2 677</b>	58.97	2 677	2 477
Social benefits	391	286	462		67	92		(100.00)		
Other transfers to households	2 619	3 136	2 384	2 697	1 592	1 592	<b>2 677</b>	68.15	2 677	2 477

Note: Social benefits mainly relates to leave gratuity paid out to former employees of the Department  
Other transfers to households refer to the external bursary programme

## Expenditure trends analysis

The Programme's budget decreased by R1.026 million from the 2020/21 revised estimate of R56.373 million to R55.347 million in 2021/22 which equates to a nominal reduction of 1.8 per cent. The allocation over the MTEF compared to the 2020/21 revised estimate reflects an annual average decline of 0.1 per cent over the three-year period. The reduction mainly relates to non-recurring consultancy services.

## 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 policy, strategy and management of provincial and municipal fiscal resources

#### Sub-programme 2.3: Budget Management

##### Provincial Government Budget Office

to promote effective financial resource allocation, by providing socio-economic and policy research, analysis and advice that informs the preparation of the provincial budget, as well as the monitoring of budget implementation and performance

##### Local Government Budget Office

to promote effective financial resource allocation and provide socio-economic policy 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 adjustment 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 towards sustainable local government

### **Infrastructure**

to promote the delivery of new and maintenance of existing 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 2021/22 are:

To accelerate implementation and improve service delivery, the Provincial Treasury is working to eliminate a fragmented approach to development and strengthening coordination across spheres of government through integrated planning, budgeting and implementation. This will enable Government to function efficiently and effectively and maximises the capacity of provincial departments and municipalities to deliver services in the context of limited resources. Provincial Treasury will pursue these objectives through the preparation and tabling of the annual provincial budget; assistance to municipalities in preparation of municipal budgets; through the annual municipal and provincial budget assessments; and monitoring and quarterly reporting on budget implementation.

The focus for the 2021/22 MTEF will be to cement the process of integrated planning, budgeting and implementation, specifically within the municipal space through Integrated Management under the auspices of VIP 5: Innovation and Culture, Focus Area: Integrated Service Delivery.

Continuation of the WCG Fiscal strategy i.e. to balance public finances and maintain fiscal stability within the new constrained fiscal environment with the emphasis on appropriate management of fiscal risks, such as the drought and impact of the COVID-19 pandemic and where possible, strengthening fiscal consolidation.

Effective, efficient and well-institutionalised structures to give effect to the infrastructure Growth strategy of the WCG.

Active participation and policy developments given proposed changes to the National Gambling Regulations as it relates to electronic monitoring and the LPM industry.

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

None.

## **Outcomes as per Strategic Plan**

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

Integrated planning, budgeting and implementation for sustainable management of provincial and municipal fiscal resources.

## **Outputs as per Annual Performance Plan**

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

Research reports on the Provincial and Local Government Fiscal System.

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

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

Provincial budget policy assessment reports.

Provincial Budget and Economic Publications.

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

Publication of the Municipal Economic Review and Outlook.

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

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

Expenditure reviews.

Provincial Budget publications.

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

IYM assessment on the sustainable implementation of the municipal budget.

#### ***Infrastructure***

Immovable asset management plans assessed.

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

Budget process plans managed.

Please refer to the Departmental Annual Performance Plan for a comprehensive set of outputs.

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

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited 2017/18	Audited 2018/19	Audited 2019/20	Main appro- priation 2020/21	Adjusted appro- priation 2020/21	Revised estimate 2020/21	% Change from Revised estimate			
							2021/22	2020/21	2022/23	2023/24
1. Programme Support	6 343	6 172	5 790	8 448	7 049	7 049	8 433	19.63	9 388	9 425
Programme Support	6 343	6 172	5 790	8 448	7 049	7 049	8 433	19.63	9 388	9 425
2. Fiscal Policy	30 972	41 625	52 301	42 560	41 978	41 978	42 609	1.50	43 752	45 076
Fiscal Policy	11 265	14 761	14 638	14 816	14 234	14 234	12 237	(14.03)	11 850	11 704
Western Cape Gambling and Racing Board	19 707	26 864	37 663	27 744	27 744	27 744	30 372	9.47	31 902	33 372
3. Budget Management	17 338	20 667	23 509	23 377	17 539	17 539	23 161	32.05	24 072	24 107
Provincial Government Budget Office	8 037	8 886	9 470	11 575	7 287	7 287	11 835	62.41	12 600	12 713
Local Government Budget Office	9 301	11 781	14 039	11 802	10 252	10 252	11 326	10.48	11 472	11 394
4. Public Finance	77 542	52 870	55 738	76 462	52 444	52 444	65 024	23.99	67 731	68 989
Provincial Government Finance	10 035	10 690	11 426	12 124	11 617	11 617	11 422	(1.68)	11 793	11 882
Local Government Finance Group 1	9 463	13 052	10 457	11 150	8 382	8 382	7 233	(13.71)	7 863	7 921
Local Government Finance Group 2	40 297	11 473	15 113	29 329	12 697	12 697	23 107	81.99	23 951	24 789
Infrastructure	7 829	7 819	8 363	11 982	7 596	7 596	9 248	21.75	9 716	9 818
Business Information and Data Management	9 918	9 836	10 159	11 877	11 091	11 091	12 410	11.89	12 255	12 376
MFMA Coordination			220		1 061	1 061	1 604	51.18	2 153	2 203
<b>Total payments and estimates</b>	<b>132 195</b>	<b>121 334</b>	<b>137 338</b>	<b>150 847</b>	<b>119 010</b>	<b>119 010</b>	<b>139 227</b>	<b>16.99</b>	<b>144 943</b>	<b>147 597</b>

Note: Sub-programme 2.2: Economic Analysis as per the National Treasury uniform budget and programme structure, is subsumed as part of the Budget Office function.

#### Earmarked allocation:

Included in Sub-programme 2.3.1: Provincial Government Budget Office is an earmarked allocation of R1.800 million respectively over the 2021 MTEF to conduct policy research and expenditure reviews that will inform sustainable and responsive budget allocations.

Included in Sub-programme 2.4.3: Local Government Finance (Group 2) is an earmarked allocation amounting to R10.880 million in 2021/22, R11.359 million in 2022/23 and R11.870 million in 2023/24 to strengthen good governance and support in municipalities. Also, R5.167 million, R5.409 million and R5.647 million for municipal interventions to assist in strengthening support interventions in 2021/22, 2022/23 and 2023/24 respectively – this funding will be used for contracted support, transfers to municipalities and to augment departmental capacity. However, the Department is also actively investigating the consolidation and redesign of all the above mentioned support initiatives into a consolidated grant structure that will continue to provide support to municipalities and attain the set objectives.

Included in sub-programme 2.4.4: Infrastructure is an earmarked allocation amounting to R2.5 million in 2021/22, R2.735 million in 2022/23 and R2.965 million in 2023/24 for capacity Infrastructure support in delivering infrastructure.

**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 2017/18	Audited 2018/19	Audited 2019/20	Main appro- priation 2020/21	Adjusted appro- priation 2020/21	Revised estimate 2020/21	% Change from Revised estimate			
							2021/22	2020/21	2022/23	2023/24
<b>Current payments</b>	79 269	82 778	86 133	102 555	86 008	85 897	<b>95 742</b>	11.46	99 351	99 786
Compensation of employees	68 839	69 565	72 364	85 435	74 001	74 001	<b>79 492</b>	7.42	83 811	84 813
Goods and services	10 430	13 213	13 769	17 120	12 007	11 896	<b>16 250</b>	36.60	15 540	14 973
<b>Transfers and subsidies to</b>	52 926	38 556	51 205	48 292	33 002	33 113	<b>43 485</b>	31.32	45 592	47 811
Provinces and municipalities	33 130	11 359	13 385	20 434	4 500	4 500	<b>13 059</b>	190.20	13 690	14 439
Departmental agencies and accounts	19 707	26 864	37 663	27 744	27 744	27 744	<b>30 372</b>	9.47	31 902	33 372
Households	89	333	157	114	758	869	<b>54</b>	(93.79)		
<b>Total economic classification</b>	132 195	121 334	137 338	150 847	119 010	119 010	<b>139 227</b>	16.99	144 943	147 597

**Details of transfers and subsidies**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2017/18	Audited 2018/19	Audited 2019/20	Main appro- priation 2020/21	Adjusted appro- priation 2020/21	Revised estimate 2020/21	% Change from Revised estimate			
							2021/22	2020/21	2022/23	2023/24
<b>Transfers and subsidies to (Current)</b>	52 926	38 556	51 205	48 292	33 002	33 113	<b>43 485</b>	31.32	45 592	47 811
Provinces and municipalities	33 130	11 359	13 385	20 434	4 500	4 500	<b>13 059</b>	190.20	13 690	14 439
Municipalities	33 130	11 359	13 385	20 434	4 500	4 500	<b>13 059</b>	190.20	13 690	14 439
Municipal bank accounts	33 130	11 359	13 385	20 434	4 500	4 500	<b>13 059</b>	190.20	13 690	14 439
Departmental agencies and accounts	19 707	26 864	37 663	27 744	27 744	27 744	<b>30 372</b>	9.47	31 902	33 372
Departmental agencies (non-business entities)	19 707	26 864	37 663	27 744	27 744	27 744	<b>30 372</b>	9.47	31 902	33 372
Western Cape Gambling and Racing Board	19 707	26 864	37 663	27 744	27 744	27 744	<b>30 372</b>	9.47	31 902	33 372
Households	89	333	157	114	758	869	<b>54</b>	(93.79)		
Social benefits	89	333	157	114	758	869	<b>54</b>	(93.79)		

Note: Social benefits relate to leave gratuity paid out to former employees of the Department

## **Expenditure trends analysis**

The Programme's budget increased by R20.217 million from the 2020/21 revised estimate of R119.010 million to R139.227 million in 2021/22 which equates to growth of 17 per cent. The growth from the 2020/21 revised estimate of R119.010 million to R147.597 million in 2023/24 reflects an annual average growth of 7.4 per cent over the three-year period. The growth relates mainly to the filling of critical vacant post and that the earmarked priority funding allocation for the Western Cape Financial Management Support Grant is unallocated under Programme 2: Sustainable Resource Management until the Integrated Municipal Engagement processes are finalised, thereafter it will be shifted, during the 2021 Adjusted Estimates, to the other programme(s).

## **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**

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

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

to 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 2021/22 are:

In line with National Treasury efforts, improve procurement planning and support departments and municipalities to link their procurement planning initiatives with budget planning, efficiency in spending, and strategic sourcing. This will include participating in the commentary and revision process of the draft Procurement Bill as well as revisiting the Blueprint/Pro-forma accounting Officers system for provincial departments. Providing structured support programmes for provincial departments, provincial public entities, municipalities and suppliers to improve supply chain management governance, procurement performance and value for money. Launching of a client support centre that will aid and enable the envisaged support programmes.

Partnering in the development and implementation of an economic procurement policy in conjunction with the Department of Economic Development and Tourism and the Department of the Premier for the Province that speaks to SMME development through the utilisation of procurement as a lever.

Further look at a commodity focused approach that looks at efficiencies, consolidation, innovative means in procuring that will target opportunities for savings and containment of costs.

Optimising the current suite of financial systems through business intelligence tools that support improved reporting and decision-making. Assisting National Treasury with the design and provincial readiness and preparatory work for the integrated and revamped IFMS.



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

Will be determined as per commodity specific strategies already in place that will be utilised in provincial procurement processes.

**Outcomes as per Strategic Plan****Programme 3: Asset Management**

Effective management and oversight of financial systems, supply chain and moveable asset management governance within the provincial and municipal spheres.

**Outputs as per Annual Performance Plan****Sub-programme 3.2: Supply Chain Management**

Municipal Districts assisted with standardised SCM and Asset Management Business practices to continuously improve SCM maturity.

Operational procurement client-support centre.

Commodity procurement strategies.

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

Provincial Financial Systems supported and maintained.

Evergreen Legacy Systems implemented.

Please refer to the Departmental Annual Performance Plan for a comprehensive set of outputs.

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

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited 2017/18	Audited 2018/19	Audited 2019/20	Main appro- priation 2020/21	Adjusted appro- priation 2020/21	Revised estimate 2020/21	% Change from Revised estimate 2021/22	2020/21	2022/23	2023/24
1. Programme Support	3 727	2 676	3 022	4 890	4 311	4 311	4 898	13.62	4 968	5 011
2. Supply Chain Management	22 792	24 624	34 191	35 589	30 323	30 323	34 422	13.52	33 242	31 747
Supply Chain Management: Provincial Government	16 251	18 364	26 292	25 485	21 066	21 066	24 843	17.93	23 341	21 756
Supply Chain Management: Local Government	6 541	6 260	7 899	10 104	9 257	9 257	9 579	3.48	9 901	9 991
3. Supporting and Interlinked Financial Systems	24 504	28 768	28 180	34 432	28 011	28 011	34 615	23.58	26 304	34 227
<b>Total payments and estimates</b>	<b>51 023</b>	<b>56 068</b>	<b>65 393</b>	<b>74 911</b>	<b>62 645</b>	<b>62 645</b>	<b>73 935</b>	<b>18.02</b>	<b>64 514</b>	<b>70 985</b>

Note: Sub-programme 3.2: Asset Management and Sub-programme 3.3: Liabilities Management as per the National Treasury uniform budget and programme structure, have been subsumed within the Sub-programme Supply Chain Management.

**Earmarked allocation:**

Included in Sub-programme 3.2.1: Supply Chain Management Provincial Government is an earmarked allocation of R1.462 million, R200 000 and R418 000 in the 2021/22, 2022/23 and 2023/24 respectively for the electronic sourcing solution for the enablement of commodity sourcing strategies for the Province.

Included in sub-programme 3.2.2: Supply Chain Management Local Government is an earmarked allocation amounting to R2.5 million respectively over the 2021 MTEF for capacity Infrastructure support in delivering infrastructure.

**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 2017/18	Audited 2018/19	Audited 2019/20	Main appro- piation 2020/21	Adjusted appro- piation 2020/21	Revised estimate 2020/21	% Change from Revised estimate			
							2021/22	2020/21	2022/23	2023/24
<b>Current payments</b>	50 599	55 633	64 989	74 699	62 478	62 443	<b>73 935</b>	18.40	64 514	70 985
Compensation of employees	35 058	34 935	40 671	48 322	41 275	41 275	<b>42 830</b>	3.77	45 797	46 369
Goods and services	15 541	20 698	24 318	26 377	21 203	21 168	<b>31 105</b>	46.94	18 717	24 616
<b>Transfers and subsidies to</b>	424	435	404	212	167	202	(100.00)			
Households	424	435	404	212	167	202	(100.00)			
<b>Total economic classification</b>	51 023	56 068	65 393	74 911	62 645	62 645	<b>73 935</b>	18.02	64 514	70 985

#### Details of transfers and subsidies

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2017/18	Audited 2018/19	Audited 2019/20	Main appro- piation 2020/21	Adjusted appro- piation 2020/21	Revised estimate 2020/21	% Change from Revised estimate			
							2021/22	2020/21	2022/23	2023/24
<b>Transfers and subsidies to (Current)</b>	424	435	404	212	167	202	(100.00)			
Households	424	435	404	212	167	202	(100.00)			
Social benefits	424	435	404	212	167	202	(100.00)			

Note: Social benefits relate to leave gratuity paid out to former employees of the Department

#### Expenditure trends analysis

The Programme's budget increased by R11.290 million from R62.645 million in 2020/21 (revised estimate) to R73.935 million in 2021/22 which equates to a growth of 18 per cent. The growth from 2020/21 (revised estimate) of R62.645 million to R70.985 million in 2023/24 reflects an annual average growth of 4.3 per cent over the three-year period. The growth relates mainly to the filling of critical vacant posts and procurement of consultancy services related to the ICT e-vision.

## Programme 4: Financial Governance

**Purpose:** To promote accountability and financial governance in 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 2021/22 are:

Continued improvement will be maintained on the initiatives that have been introduced under the banners of the LG MTEC, PG MTEC, provincial governance engagements and TIME processes. These initiatives, which are aimed at supporting the existing policy frameworks, will be further refined during the 2021 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 TIME approach. It would also be the first year of the new PSP, and the rollout of the VIPS will have found a firmer footing.

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

None.

### Outcomes as per Strategic Plan

#### Programme 4: Financial Governance

Governance transformation in departments, entities and municipalities improved.

### Outputs as per Annual Performance Plan

#### Sub-programme 4.2: Accounting Services

Reconciliation of AFS and data strings on National Treasury LG Database to ensure credibility of audited financial data.

Publication and tabling of the ACFS.

Votes supported in the application of accounting frameworks and norms and standards.

**Sub-programme 4.3: Corporate Governance**

Oversight and monitoring of municipal financial governance provided to municipalities.

Municipalities supported through initiatives on municipal financial capacity building and training.

Accredited SAICA training programme.

Please refer to the Departmental Annual Performance Plan for a comprehensive set of outputs.

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

Sub-programme R'000	Outcome						Medium-term estimate			
	Audited 2017/18	Audited 2018/19	Audited 2019/20	Main appro- priation 2020/21	Adjusted appro- priation 2020/21	Revised estimate 2020/21	% Change from Revised estimate			
							2021/22	2020/21	2022/23	2023/24
1. Programme Support	5 741	9 388	8 822	8 635	6 899	6 899	7 835	13.57	7 757	7 753
Programme Support	1 604	4 233	4 439	2 915	2 086	2 086	2 711	29.96	2 749	2 743
CA Academy	4 137	5 155	4 383	5 720	4 813	4 813	5 124	6.46	5 008	5 010
2. Accounting Services	18 873	31 306	30 409	21 351	19 610	19 610	20 683	5.47	20 520	20 783
Provincial Government Accounting and Compliance	9 786	11 539	11 471	11 334	9 985	9 985	11 123	11.40	10 643	10 750
Local Government Accounting	9 087	19 767	18 938	10 017	9 625	9 625	9 560	(0.68)	9 877	10 033
3. Corporate Governance	12 820	25 749	28 546	38 557	24 968	24 968	22 581	(9.56)	21 338	21 431
<b>Total payments and estimates</b>	<b>37 434</b>	<b>66 443</b>	<b>67 777</b>	<b>68 543</b>	<b>51 477</b>	<b>51 477</b>	<b>51 099</b>	<b>(0.73)</b>	<b>49 615</b>	<b>49 967</b>

Note: Sub-programme 4.3: Norms and Standards and Sub-programme 4.4: Risk Management as per the National Treasury uniform budget and programme structure, have been subsumed within the Sub-programme Corporate Governance.

Sub-programme 4.5: Provincial Internal Audit as per the National Treasury uniform budget and programme structure, was shifted to the Department of the Premier during the 2010/11 financial year.

**Earmarked allocation:**

Included in Sub-programme 4.3: Corporate Governance is an earmarked allocation amounting to R7.500 million respectively over the 2021 MTEF for the Western Cape Financial Management Capacity Grant. However, the Department is also actively investigating the consolidation and redesign of all the above mentioned support initiatives into a consolidated grant structure that will continue to provide support to municipalities and attain the set objectives.

**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 2017/18	Audited 2018/19	Audited 2019/20	Main appro- priation 2020/21	Adjusted appro- priation 2020/21	Revised estimate 2020/21	% Change from Revised estimate			
							2021/22	2020/21	2022/23	2023/24
<b>Current payments</b>	37 423	39 574	42 362	46 522	39 489	39 447	<b>43 251</b>	9.64	42 115	42 467
Compensation of employees	28 785	32 533	35 252	39 363	36 189	36 189	<b>37 522</b>	3.68	38 239	38 648
Goods and services	8 638	7 041	7 110	7 159	3 300	3 258	<b>5 729</b>	75.84	3 876	3 819
<b>Transfers and subsidies to</b>	11	26 869	25 415	22 021	11 988	12 030	<b>7 848</b>	(34.76)	7 500	7 500
Provinces and municipalities		26 832	24 191	22 021	11 988	11 988	<b>7 500</b>	(37.44)	7 500	7 500
Households	11	37	1 224			42	<b>348</b>	728.57		
<b>Total economic classification</b>	37 434	66 443	67 777	68 543	51 477	51 477	<b>51 099</b>	(0.73)	49 615	49 967

**Details of transfers and subsidies**

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2017/18	Audited 2018/19	Audited 2019/20	Main appro- priation 2020/21	Adjusted appro- priation 2020/21	Revised estimate 2020/21	% Change from Revised estimate			
							2021/22	2020/21	2022/23	2023/24
<b>Transfers and subsidies to (Current)</b>	11	26 869	25 415	22 021	11 988	12 030	<b>7 848</b>	(34.76)	7 500	7 500
Provinces and municipalities		26 832	24 191	22 021	11 988	11 988	<b>7 500</b>	(37.44)	7 500	7 500
Municipalities		26 832	24 191	22 021	11 988	11 988	<b>7 500</b>	(37.44)	7 500	7 500
Municipal bank accounts		26 832	24 191	22 021	11 988	11 988	<b>7 500</b>	(37.44)	7 500	7 500
Households	11	37	1 224			42	<b>348</b>	728.57		
Social benefits	11	37	1 224			42	<b>348</b>	728.57		

Note: Social benefits relate to leave gratuity paid out to former employees of the Department

**Expenditure trends analysis**

The Programme's budget decreased by R378 000 from R51.477 million in 2020/21 (revised estimate) to R51.099 million in 2021/22, this equates to a nominal reduction of 0.7 per cent. The decrease from 2020/21 (revised estimate) of R51.477 million to R49.967 million in 2023/24 reflects an annual average decline of 1 per cent over the three-year period. The reduction relates to the earmarked priority funding allocations for the Western Cape Financial Management Support Grant that was shifted during the 2020 Adjusted Estimates to this Programme, however remains unallocated at this stage under Programme 2: Sustainable Resource Management until the Integrated Municipal Engagement processes are finalised.

## 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		
	2017/18		2018/19		2019/20		2020/21				2021/22		2022/23		2023/24		2020/21 to 2023/24		
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	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 – 7	130	28 915	103	30 223	103	27 399	56	47	103	26 940	141	27 157	147	28 585	126	28 441	6.9%	1.8%	13.8%
8 – 10	133	66 258	132	68 655	143	76 667	137		137	78 749	153	81 537	154	86 460	154	88 134	4.0%	3.8%	41.6%
11 – 12	58	48 050	59	49 318	60	52 418	58		58	51 240	66	54 466	67	57 013	67	57 669	4.9%	4.0%	27.4%
13 – 16	22	27 228	21	26 645	21	28 731	21	1	22	31 835	28	33 835	28	35 937	28	36 280	8.4%	4.5%	17.1%
Other	10	721	19	1 436	7	590													
<b>Total</b>	<b>353</b>	<b>171 172</b>	<b>334</b>	<b>176 277</b>	<b>334</b>	<b>185 805</b>	<b>272</b>	<b>48</b>	<b>320</b>	<b>188 764</b>	<b>388</b>	<b>196 995</b>	<b>396</b>	<b>207 995</b>	<b>375</b>	<b>210 524</b>	<b>5.4%</b>	<b>3.7%</b>	<b>100.0%</b>
<b>Programme</b>																			
Administration	123	38 490	112	39 244	101	37 518	57	35	92	37 299	131	37 151	139	40 148	118	40 694	8.7%	2.9%	19.3%
Sustainable Resource Management	108	68 839	104	69 565	104	72 364	102		102	74 001	118	79 492	118	83 811	118	84 813	5.0%	4.7%	40.1%
Asset Management	64	35 058	62	34 935	68	40 671	65		65	41 275	75	42 830	75	45 797	75	46 369	4.9%	4.0%	21.9%
Financial Governance	58	28 785	56	32 533	61	35 252	48	13	61	36 189	64	37 522	64	38 239	64	38 648	1.6%	2.2%	18.7%
<b>Total</b>	<b>353</b>	<b>171 172</b>	<b>334</b>	<b>176 277</b>	<b>334</b>	<b>185 805</b>	<b>272</b>	<b>48</b>	<b>320</b>	<b>188 764</b>	<b>388</b>	<b>196 995</b>	<b>396</b>	<b>207 995</b>	<b>375</b>	<b>210 524</b>	<b>5.4%</b>	<b>3.7%</b>	<b>100.0%</b>
<b>Employee dispensation classification</b>																			
Public Service Act appointees not covered by OSDs	272	158 892	268	163 343	289	176 399	272	1	273	180 208	305	189 418	306	198 988	306	201 623	3.9%	3.8%	95.8%
Others such as interns, EPWP, learnerships, etc	81	12 280	66	12 934	45	9 406		47	47	8 556	83	7 577	90	9 007	69	8 901	13.7%	1.3%	4.2%
<b>Total</b>	<b>353</b>	<b>171 172</b>	<b>334</b>	<b>176 277</b>	<b>334</b>	<b>185 805</b>	<b>272</b>	<b>48</b>	<b>320</b>	<b>188 764</b>	<b>388</b>	<b>196 995</b>	<b>396</b>	<b>207 995</b>	<b>375</b>	<b>210 524</b>	<b>5.4%</b>	<b>3.7%</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 Information on training**

Description	Outcome						Medium-term estimate			
				Main appro- priation	Adjusted appro- priation	Revised estimate	% Change from Revised estimate			
	2017/18	2018/19	2019/20				2021/22	2020/21	2022/23	2023/24
Number of staff	353	334	334	408	320	320	388	21.25	396	375
Number of personnel trained	254	330	181	185	185	185	190	2.70	190	190
of which										
Male	115	149	84	81	81	81	82	1.23	82	82
Female	139	181	97	104	104	104	108	3.85	108	108
Number of training opportunities	589	613	494	491	491	491	495	0.81	495	495
of which										
Tertiary		56	133	17	17	17	20	17.65	20	20
Workshops	200	315	33	66	66	66	60	(9.09)	60	60
Seminars	4	17					10		10	10
Other	385	225	328	408	408	408	405	(0.74)	405	405
Number of bursaries offered	38	35	35	35	35	35	37	5.71	39	39
Number of interns appointed	46	60	60	60	60	60	63	5.00	66	66
Number of days spent on training	1 473	825	1 235	1 228	1 228	1 228	1 238	0.81	1 238	1 238
<b>Payments on training by programme</b>										
1. Administration	638	743	489	983	489	489	931	90.39	946	952
2. Sustainable Resource Management	136	260	254	854	85	85	795	835.29	838	848
3. Asset Management	165	339	211	483	142	142	428	201.41	458	463
4. Financial Governance	491	527	548	580	310	310	527	70.00	535	539
<b>Total payments on training</b>	<b>1 430</b>	<b>1 869</b>	<b>1 502</b>	<b>2 900</b>	<b>1 026</b>	<b>1 026</b>	<b>2 681</b>	<b>161.31</b>	<b>2 777</b>	<b>2 802</b>

## Reconciliation of structural changes

None.

## Annexure A to Vote 3

Table A.1 Specification of receipts

Receipts R'000	Outcome						Medium-term estimate			
	Audited 2017/18	Audited 2018/19	Audited 2019/20	Main appro- priation 2020/21	Adjusted appro- priation 2020/21	Revised estimate 2020/21	% Change from Revised estimate 2021/22	2020/21	2022/23	2023/24
<b>Sales of goods and services other than capital assets</b>	41	38	40	15	15	34	16	(52.94)	17	18
Sales of goods and services produced by department (excluding capital assets)	39	38	40	14	14	32	15	(53.13)	16	17
Administrative fees	39									
Other	39									
Other sales		38	40	14	14	32	15	(53.13)	16	17
Commission on insurance						26		(100.00)		
Other		38	40	14	14	6	15	150.00	16	17
Sales of scrap, waste, arms and other used current goods (excluding capital assets)	2			1	1	2	1	(50.00)	1	1
<b>Transfers received from</b>				1	1		1		1	1
Households and non-profit institutions				1	1		1		1	1
<b>Interest, dividends and rent on land</b>	4	1	4	1	1	1	1		1	1
Interest	4	1	4	1	1	1	1		1	1
<b>Sales of capital assets</b>	28	114	85			1		(100.00)		
Other capital assets	28	114	85			1		(100.00)		
<b>Financial transactions in assets and liabilities</b>	8 693	6 632	5 942	56	56	17 687	58	(99.67)	61	64
Recovery of previous year's expenditure	2 364					5 731		(100.00)		
Unallocated credits	1					5		(100.00)		
Cash surpluses	6 235					11 852		(100.00)		
Other	93	6 632	5 942	56	56	99	58	(41.41)	61	64
<b>Total departmental receipts</b>	8 766	6 785	6 071	73	73	17 723	76	(99.57)	80	84

Note: Tax Receipts for gambling and racing taxes via the Western Cape Gambling and Racing Board (WCGRB) is no longer classified as Departmental Receipts. V03: Provincial Treasury acts as a conduit for the taxes collected by the WCGRB to the Provincial Revenue Fund (PRF).



## 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 2017/18	Audited 2018/19	Audited 2019/20	Main appro- piation 2020/21	Adjusted appro- piation 2020/21	Revised estimate 2020/21	% Change from Revised estimate 2020/21	2021/22	2022/23	2023/24
<b>Current payments</b>	216 548	229 296	243 360	280 576	238 578	238 362	262 061	9.94	255 663	262 893
Compensation of employees	171 172	176 277	185 805	217 005	188 764	188 764	196 995	4.36	207 995	210 524
Salaries and wages	151 437	155 892	162 223	188 849	161 330	161 330	171 752	6.46	181 514	183 315
Social contributions	19 735	20 385	23 582	28 156	27 434	27 434	25 243	(7.99)	26 481	27 209
Goods and services	45 376	53 019	57 555	63 571	49 814	49 598	65 066	31.19	47 668	52 369
of which										
Administrative fees	36	3	3	3	3	3	3		3	3
Advertising	827	1 035	1 389	1 465	1 098	1 074	634	(40.97)	699	699
Minor Assets	442	341	560	97						
Audit cost: External	4 855	5 644	5 939	5 941	5 502	5 420	5 384	(0.66)	5 434	5 434
Bursaries: Employees	591	582	446	620	433	433	600	38.57	600	600
Catering: Departmental activities	691	671	400	495			300		300	240
Communication (G&S)	651	508	660	878	1 959	2 062	913	(55.72)	916	916
Computer services	6 274	6 872	9 991	5 075	3 892	3 892	7 613	95.61	5 162	5 192
Consultants and professional services: Business and advisory services	18 303	23 086	22 083	29 230	26 650	26 476	34 607	30.71	19 575	25 035
Legal costs			936	250	943	1 349		(100.00)		
Contractors	451	862	227	208	51	51	85	66.67	55	45
Agency and support/outourced services		99	1 771	3 712	3 995	3 932	3 876	(1.42)	4 027	4 027
Entertainment	92	121	94	192						
Fleet services (including government motor transport)	990	960	1 065	1 000	500	500	600	20.00	600	600
Consumable supplies	195	291	250	203	849	838	164	(80.43)	164	150
Consumable: Stationery, printing and office supplies	1 842	1 813	1 065	665	311	219	472	115.53	472	409
Operating leases	537	519	1 036	2 035	1 245	1 245	2 062	65.62	1 919	1 574
Property payments	5	130	45	680	485	272	658	141.91	372	372
Transport provided: Departmental activity	8	9	7	7						
Travel and subsistence	5 165	5 315	5 248	4 826	274	156	2 399	1437.82	2 629	2 479
Training and development	839	1 287	1 056	2 280	593	593	2 081	250.93	2 177	2 202
Operating payments	1 422	1 523	1 341	1 602	947	999	965	(3.40)	975	925
Venues and facilities	1 160	1 348	1 943	2 107	84	84	1 650	1864.29	1 589	1 467
<b>Transfers and subsidies to</b>	56 375	69 287	79 876	73 228	46 822	47 036	54 016	14.84	55 775	57 794
Provinces and municipalities	33 130	38 191	37 576	42 455	16 488	16 488	20 559	24.69	21 190	21 939
Municipalities	33 130	38 191	37 576	42 455	16 488	16 488	20 559	24.69	21 190	21 939
Municipal bank accounts	33 130	38 191	37 576	42 455	16 488	16 488	20 559	24.69	21 190	21 939
Departmental agencies and accounts	19 711	26 869	37 669	27 750	27 750	27 751	30 378	9.47	31 908	33 378
Departmental agencies (non-business entities)	19 711	26 869	37 669	27 750	27 750	27 751	30 378	9.47	31 908	33 378
Western Cape Gambling and Racing Board	19 707	26 864	37 663	27 744	27 744	27 744	30 372	9.47	31 902	33 372
Other	4	5	6	6	6	7	6	(14.29)	6	6
Households	3 534	4 227	4 631	3 023	2 584	2 797	3 079	10.08	2 677	2 477
Social benefits	915	1 091	2 247	326	992	1 205	402	(66.64)		
Other transfers to households	2 619	3 136	2 384	2 697	1 592	1 592	2 677	68.15	2 677	2 477
<b>Payments for capital assets</b>	5 137	4 214	5 467	3 128	4 066	4 066	3 531	(13.16)	4 174	4 014
Machinery and equipment	5 137	4 214	5 467	3 128	4 066	4 066	3 531	(13.16)	4 174	4 014
Transport equipment	1 177	1 310	1 270	1 190	1 203	1 466	1 408	(3.96)	1 464	1 464
Other machinery and equipment	3 960	2 904	4 197	1 938	2 863	2 600	2 123	(18.35)	2 710	2 550
<b>Payments for financial assets</b>	84	309	62		39	41		(100.00)		
<b>Total economic classification</b>	278 144	303 106	328 765	356 932	289 505	289 505	319 608	10.40	315 612	324 701

## 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 2017/18	Audited 2018/19	Audited 2019/20	Main appro- piation 2020/21	Adjusted appro- piation 2020/21	Revised estimate 2020/21	% Change from Revised estimate 2020/21	2021/22	2022/23	2023/24
<b>Current payments</b>	49 257	51 311	49 876	56 800	50 603	50 575	<b>49 133</b>	(2.85)	49 683	49 655
Compensation of employees	38 490	39 244	37 518	43 885	37 299	37 299	<b>37 151</b>	(0.40)	40 148	40 694
Salaries and wages	34 804	35 401	33 489	39 220	33 019	33 019	<b>32 778</b>	(0.73)	35 496	35 862
Social contributions	3 686	3 843	4 029	4 665	4 280	4 280	<b>4 373</b>	2.17	4 652	4 832
Goods and services	10 767	12 067	12 358	12 915	13 304	13 276	<b>11 982</b>	(9.75)	9 535	8 961
<i>of which</i>										
Administrative fees	36	3	3	3	3	3	<b>3</b>		3	3
Advertising	455	671	1 078	1 235	998	974	<b>534</b>	(45.17)	599	599
Minor Assets	442	341	560	97						
Audit cost: External	3 158	3 740	4 178	3 984	3 784	3 712	<b>3 784</b>	1.94	3 784	3 784
Bursaries: Employees	591	582	446	620	433	433	<b>600</b>	38.57	600	600
Catering: Departmental	297	180	22	100			<b>50</b>		50	40
Communication (G&S)	151	147	346	373	611	679	<b>391</b>	(42.42)	392	392
Computer services	1 304	1 632	1 208	1 303	1 419	1 419	<b>1 165</b>	(17.90)	1 165	1 165
Consultants and professional services: Business and advisory services	523	114	989	643	3 656	3 656	<b>2 166</b>	(40.75)	117	117
Contractors	339	731	144	103	43	43	<b>85</b>	97.67	55	45
Agency and support/outsourced services			37							
Entertainment	18	25	10	32						
Fleet services (including government motor transport)	990	960	1 065	1 000	500	500	<b>600</b>	20.00	600	600
Consumable supplies	105	219	174	97	815	815	<b>67</b>	(91.78)	67	53
Consumable: Stationery, printing and office supplies	515	467	285	164	34	34	<b>132</b>	288.24	132	110
Operating leases	537	519	299	725	605	605	<b>732</b>	20.99	483	60
Property payments	5	130		335			<b>300</b>			
Transport provided: Departmental activity	8	9	7	7						
Travel and subsistence	986	1 101	812	831	95	95	<b>417</b>	338.95	507	476
Training and development	47	161	43	363	56	56	<b>331</b>	491.07	346	352
Operating payments	217	323	314	555	242	242	<b>445</b>	83.88	455	405
Venues and facilities	43	12	334	345			<b>180</b>		180	160
<b>Transfers and subsidies to</b>	3 014	3 427	2 852	2 703	1 665	1 691	<b>2 683</b>	58.66	2 683	2 483
Departmental agencies and accounts	4	5	6	6	6	7	<b>6</b>	(14.29)	6	6
Departmental agencies (non-business entities)	4	5	6	6	6	7	<b>6</b>	(14.29)	6	6
Other	4	5	6	6	6	7	<b>6</b>	(14.29)	6	6
Households	3 010	3 422	2 846	2 697	1 659	1 684	<b>2 677</b>	58.97	2 677	2 477
Social benefits	391	286	462		67	92		(100.00)		
Other transfers to households	2 619	3 136	2 384	2 697	1 592	1 592	<b>2 677</b>	68.15	2 677	2 477
<b>Payments for capital assets</b>	5 137	4 214	5 467	3 128	4 066	4 066	<b>3 531</b>	(13.16)	4 174	4 014
Machinery and equipment	5 137	4 214	5 467	3 128	4 066	4 066	<b>3 531</b>	(13.16)	4 174	4 014
Transport equipment	1 177	1 310	1 270	1 190	1 203	1 466	<b>1 408</b>	(3.96)	1 464	1 464
Other machinery and equipment	3 960	2 904	4 197	1 938	2 863	2 600	<b>2 123</b>	(18.35)	2 710	2 550
Software and other intangible assets										
<b>Payments for financial assets</b>	84	309	62		39	41		(100.00)		
<b>Total economic classification</b>	57 492	59 261	58 257	62 631	56 373	56 373	<b>55 347</b>	(1.82)	56 540	56 152

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

Economic classification R'000	Outcome						Medium-term estimate			
	Audited 2017/18	Audited 2018/19	Audited 2019/20	Main appro- priation 2020/21	Adjusted appro- priation 2020/21	Revised estimate 2020/21	% Change from Revised estimate			
							2021/22	2020/21	2022/23	2023/24
Current payments	79 269	82 778	86 133	102 555	86 008	85 897	95 742	11.46	99 351	99 786
Compensation of employees	68 839	69 565	72 364	85 435	74 001	74 001	79 492	7.42	83 811	84 813
Salaries and wages	60 570	61 172	63 645	74 769	62 911	62 911	69 372	10.27	73 430	74 177
Social contributions	8 269	8 393	8 719	10 666	11 090	11 090	10 120	(8.75)	10 381	10 636
Goods and services	10 430	13 213	13 769	17 120	12 007	11 896	16 250	36.60	15 540	14 973
of which										
Advertising	364	364	311	230	100	100	100		100	100
Audit cost: External	876	959	817	968	968	958	850	(11.27)	850	850
Catering: Departmental activities	160	260	201	220			120		120	100
Communication (G&S)	287	150	176	286	605	640	281	(56.09)	297	297
Computer services	9		542	500	155	155	388	150.32	388	200
Consultants and professional services: Business and advisory services	3 888	6 604	6 975	10 037	8 677	8 588	11 917	38.76	10 969	10 708
Legal costs			406		448	448		(100.00)		
Contractors	33	42								
Agency and support/outsourced services		81	112	35	55	55		(100.00)		
Entertainment	39	53	42	104						
Consumable supplies	48	43	32	55	17	17	51	200.00	51	51
Consumable: Stationery, printing and office supplies	954	960	477	371	235	174	239	37.36	239	217
Travel and subsistence	2 298	2 041	2 166	2 022	82	26	788	2930.77	928	882
Training and development	136	260	254	854	85	85	795	835.29	838	848
Operating payments	1 054	1 130	929	890	580	650	430	(33.85)	430	430
Venues and facilities	284	266	329	548			291		330	290
Transfers and subsidies to	52 926	38 556	51 205	48 292	33 002	33 113	43 485	31.32	45 592	47 811
Provinces and municipalities	33 130	11 359	13 385	20 434	4 500	4 500	13 059	190.20	13 690	14 439
Municipalities	33 130	11 359	13 385	20 434	4 500	4 500	13 059	190.20	13 690	14 439
Municipal bank accounts	33 130	11 359	13 385	20 434	4 500	4 500	13 059	190.20	13 690	14 439
Departmental agencies and accounts	19 707	26 864	37 663	27 744	27 744	27 744	30 372	9.47	31 902	33 372
Departmental agencies (non-business entities)	19 707	26 864	37 663	27 744	27 744	27 744	30 372	9.47	31 902	33 372
Western Cape Gambling and Racing Board	19 707	26 864	37 663	27 744	27 744	27 744	30 372	9.47	31 902	33 372
Households	89	333	157	114	758	869	54	(93.79)		
Social benefits	89	333	157	114	758	869	54	(93.79)		
Total economic classification	132 195	121 334	137 338	150 847	119 010	119 010	139 227	16.99	144 943	147 597

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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- piation	Adjusted appro- piation	Revised estimate	% Change from Revised estimate			
	2017/18	2018/19	2019/20	2020/21	2020/21	2020/21	2021/22	2020/21	2022/23	2023/24
<b>Current payments</b>	50 599	55 633	64 989	74 699	62 478	62 443	73 935	18.40	64 514	70 985
Compensation of employees	35 058	34 935	40 671	48 322	41 275	41 275	42 830	3.77	45 797	46 369
Salaries and wages	30 529	30 353	33 867	40 051	33 625	33 625	36 679	9.08	39 117	39 509
Social contributions	4 529	4 582	6 804	8 271	7 650	7 650	6 151	(19.59)	6 680	6 860
Goods and services	15 541	20 698	24 318	26 377	21 203	21 168	31 105	46.94	18 717	24 616
of which										
Catering: Departmental activities	150	56	39	70			40		40	30
Communication (G&S)	149	134	60	125	369	369	139	(62.33)	125	125
Computer services	4 941	5 218	8 236	3 254	2 068	2 068	6 051	192.60	3 600	3 818
Consultants and professional services: Business and advisory services	8 246	12 747	10 480	14 672	12 894	12 809	17 421	36.01	7 303	12 964
Legal costs			526	250	485	891		(100.00)		
Contractors	67	38	82	105	8	8		(100.00)		
Agency and support/outsourced services			1 622	3 677	3 913	3 850	3 876	0.68	4 027	4 027
Entertainment	14	18	20	26						
Consumable supplies	29	20	29	33	7	1	29	2800.00	29	29
Consumable: Stationery, printing and office supplies	272	323	222	91	25	4	67	1575.00	67	54
Operating leases			737	1 310	640	640	1 330	107.81	1 436	1 514
Property payments			45	345	485	272	358	31.62	372	372
Travel and subsistence	984	1 108	1 207	1 098	45	3	593	19666.67	593	573
Training and development	165	339	211	483	142	142	428	201.41	458	463
Operating payments	6	3	3	70	38	27	6	(77.78)		
Venues and facilities	518	694	799	768	84	84	767	813.10	667	647
<b>Transfers and subsidies to</b>	424	435	404	212	167	202		(100.00)		
Households	424	435	404	212	167	202		(100.00)		
Social benefits	424	435	404	212	167	202		(100.00)		
<b>Total economic classification</b>	51 023	56 068	65 393	74 911	62 645	62 645	73 935	18.02	64 514	70 985

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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	Adjusted	Revised	% Change			
	2017/18	2018/19	2019/20	2020/21	2020/21	2020/21	2021/22	2020/21	2022/23	2023/24
<b>Current payments</b>	37 423	39 574	42 362	46 522	39 489	39 447	43 251	9.64	42 115	42 467
Compensation of employees	28 785	32 533	35 252	39 363	36 189	36 189	37 522	3.68	38 239	38 648
Salaries and wages	25 534	28 966	31 222	34 809	31 775	31 775	32 923	3.61	33 471	33 767
Social contributions	3 251	3 567	4 030	4 554	4 414	4 414	4 599	4.19	4 768	4 881
Goods and services	8 638	7 041	7 110	7 159	3 300	3 258	5 729	75.84	3 876	3 819
of which										
Advertising	8									
Audit cost: External	821	945	944	989	750	750	750		800	800
Catering: Departmental activities	84	175	138	105			90		90	70
Communication (G&S)	64	77	78	94	374	374	102	(72.73)	102	102
Computer services	20	22	5	18	250	250	9	(96.40)	9	9
Consultants and professional services: Business and advisory services	5 646	3 621	3 639	3 878	1 423	1 423	3 103	118.06	1 186	1 246
Contractors	12	51	1							
Agency and support/outsourced services		18			27	27		(100.00)		
Entertainment	21	25	22	30						
Consumable supplies	13	9	15	18	10	5	17	240.00	17	17
Consumable: Stationery, printing and office supplies	101	63	81	39	17	7	34	385.71	34	28
Travel and subsistence	897	1 065	1 063	875	52	32	601	1778.13	601	548
Training and development	491	527	548	580	310	310	527	70.00	535	539
Operating payments	145	67	95	87	87	80	84	5.00	90	90
Venues and facilities	315	376	481	446			412		412	370
<b>Transfers and subsidies to</b>	11	26 869	25 415	22 021	11 988	12 030	7 848	(34.76)	7 500	7 500
Provinces and municipalities		26 832	24 191	22 021	11 988	11 988	7 500	(37.44)	7 500	7 500
Municipalities		26 832	24 191	22 021	11 988	11 988	7 500	(37.44)	7 500	7 500
Municipal bank accounts		26 832	24 191	22 021	11 988	11 988	7 500	(37.44)	7 500	7 500
Households	11	37	1 224			42	348	728.57		
Social benefits	11	37	1 224			42	348	728.57		
<b>Total economic classification</b>	37 434	66 443	67 777	68 543	51 477	51 477	51 099	(0.73)	49 615	49 967

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

R thousand	Audited outcome		Actual outcome	Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2017/18	2018/19	2019/20		2020/21		2021/22	2022/23	2023/24
<b>Revenue</b>									
<b>Non-tax revenue</b>	55 729	67 045	79 706	69 970	69 970	69 970	69 803	72 634	74 864
Sale of goods and services other than capital assets	35 014	39 092	40 128	41 106	41 106	41 106	38 375	39 641	40 350
Entity revenue other than sales	1 008	1 089	1 719	1 120	1 120	1 120	1 056	1 091	1 142
Transfers received	19 707	26 864	37 663	27 744	27 744	27 744	30 372	31 902	33 372
of which:									
Departmental transfers	19 707	26 864	37 663	27 744	27 744	27 744	30 372	31 902	33 372
<b>Total revenue before deposits into the PRF</b>	55 729	67 045	79 706	69 970	69 970	69 970	69 803	72 634	74 864
<b>Total revenue</b>	55 729	67 045	79 706	69 970	69 970	69 970	69 803	72 634	74 864
<b>Expenses</b>									
<b>Current expense</b>	54 073	56 913	60 313	68 033	68 033	68 033	66 673	69 636	71 423
Compensation of employees	44 875	44 155	46 610	51 339	51 339	51 339	47 741	48 695	49 669
Goods and services	9 198	12 758	13 703	16 694	16 694	16 694	18 932	20 941	21 754
<b>Payments for capital assets</b>	1 041	1 795	6 595	1 937	1 937	1 937	3 130	2 998	3 441
<b>Total expenses</b>	55 114	58 708	66 908	69 970	69 970	69 970	69 803	72 634	74 864
<b>Surplus / (Deficit)</b>	615	8 337	12 798	-	-	-	-	-	-
<b>Adjustments for Surplus/(Deficit)</b>									
Net of Gain on asset disposal & loss on actuarial valuations	(74)	863	312	-	-	-	-	-	-
Capital assets	1 042	1 795	6 595	-	-	-	-	-	-
Depreciation & Amortisation	(1 535)	(1 175)	(1 324)	-	-	-	-	-	-
<b>Surplus/(deficit) after adjustments</b>	48	9 820	18 381	-	-	-	-	-	-
<b>Cash flow from investing activities</b>	(956)	(1 738)	(6 542)	(3 952)	(3 952)	(3 952)	(3 180)	(3 332)	(3 478)
<b>Acquisition of Assets</b>	(1 042)	(1 790)	(6 596)	(3 972)	(3 972)	(3 972)	(3 200)	(3 353)	(3 500)
Computer equipment	-	(935)	(367)	(900)	(900)	(900)	(900)	(943)	(984)
Furniture and Office equipment	(1 037)	(9)	(2 082)	(300)	(300)	(300)	(300)	(314)	(328)
Transport Assets	-	(493)	(602)	(500)	(500)	(500)	(500)	(524)	(547)
Computer Software	(5)	(353)	(3 545)	(2 272)	(2 272)	(2 272)	(1 500)	(1 572)	(1 641)
<b>Other flows from Investing Activities</b>	86	52	54	20	20	20	20	21	22
Other 1	86	52	54	20	20	20	20	21	22
<b>Cash flow from financing activities</b>	(3 816)	(3 958)	820	(1 000)	(1 000)	(1 000)	(1 000)	(1 048)	(1 094)
Other	(3 816)	(3 958)	820	(1 000)	(1 000)	(1 000)	(1 000)	(1 048)	(1 094)
<b>Net increase / (decrease) in cash and cash equivalents</b>	(4 772)	(5 696)	(5 722)	(4 952)	(4 952)	(4 952)	(4 180)	(4 380)	(4 572)
<b>Balance Sheet Data</b>									
<b>Carrying Value of Assets</b>	2 778	3 679	8 502	6 290	6 290	6 290	5 490	5 755	6 008
Computer equipment	1 203	1 849	1 164	1 600	1 600	1 600	1 600	1 677	1 751
Furniture and Office equipment	841	379	2 194	450	450	450	450	472	493
Other Machinery and equipment	212	173	98	200	200	200	200	210	219
Transport Assets	460	873	1 242	1 000	1 000	1 000	1 200	1 258	1 313
Computer Software	62	405	-	3 000	3 000	3 000	2 000	2 096	2 188
Other Intangibles	-	-	3 804	40	40	40	40	42	44
<b>Investments</b>	-	-	10 000	-	-	-	-	-	-
Current	-	-	10 000	-	-	-	-	-	-
<b>Cash and Cash Equivalents</b>	29 584	32 387	36 060	29 004	29 004	29 004	30 004	31 444	32 828
Bank	8 296	11 434	11 757	6 000	6 000	6 000	6 000	6 288	6 565
Cash on Hand	4	4	6	4	4	4	4	4	4
Other	21 284	20 949	24 297	23 000	23 000	23 000	24 000	25 152	26 259
<b>Receivables and Prepayments</b>	1 230	3 266	29 247	1 500	1 500	1 500	1 500	1 572	1 641
Trade Receivables	603	1 792	27 867	1 000	1 000	1 000	1 000	1 048	1 094
Prepaid Expenses	627	1 474	1 380	500	500	500	500	524	547
<b>Inventory</b>	82	54	62	100	100	100	100	105	110
Other	82	54	62	100	100	100	100	105	110
<b>Total Assets</b>	33 674	39 386	83 871	36 894	36 894	36 894	37 094	38 876	40 587
<b>Capital and Reserves</b>	(5 840)	9 974	17 765	1 014	1 014	1 014	624	654	683
Accumulated Reserves	(6 455)	1 637	4 967	1 014	1 014	1 014	624	654	683
Surplus / (Deficit)	615	8 337	12 798	-	-	-	-	-	-
<b>Post Retirement Benefits</b>	2 507	6 407	7 090	6 300	6 300	6 300	6 400	6 707	7 002
Present value of Funded obligations	2 507	2 672	3 319	6 300	6 300	6 300	6 400	6 707	7 002
Other	-	3 735	3 771	-	-	-	-	-	-
<b>Trade and Other Payables</b>	12 857	10 623	6 000	6 000	6 000	6 000	6 000	6 288	6 565
Trade Payables	12 857	10 623	6 000	6 000	6 000	6 000	6 000	6 288	6 565
<b>Funds Managed (e.g. Poverty Alleviation Fund)</b>	21 142	20 720	22 877	23 000	23 000	23 000	24 000	25 152	26 259
Other	21 142	20 720	22 877	23 000	23 000	23 000	24 000	25 152	26 259

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

For 2019/20 Transfer received includes an amount of R1.8 million retention of surplus funds from 2018/19.

For 2020/21 R1.800 million will be allocated to the Gambling Board in the 2020 Adjusted Estimates.

For 2019/20 Adjusted Appropriation and Revised Estimates: Departmental Transfers includes R571 000: Hollywood Sportbook refund for overpaid taxes to the Province.

## 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 2017/18	Audited 2018/19	Audited 2019/20	Main appro- piation 2020/21	Adjusted appro- piation 2020/21	Revised estimate 2020/21	% Change from Revised estimate			
							2021/22	2020/21	2022/23	2023/24
<b>Total departmental transfers/grants</b>										
<b>Category A</b>	470	590	610	400	300	300	250	(16.67)		
City of Cape Town	470	590	610	400	300	300	250	(16.67)		
<b>Category B</b>	27 765	31 008	29 432	9 618	11 780	11 780	6 000	(49.07)		
Matzikama	770	690	710	401	300	300	250	(16.67)		
Cederberg	1 220	1 340	960	401	800	800	250	(68.75)		
Bergvriervier	570	690	710	401	300	300	250	(16.67)		
Saldanha Bay	870	1 140	660	401	300	300	250	(16.67)		
Swartland	1 000	790	709	401	300	300	250	(16.67)		
Witzenberg	570	690	710	401	300	300	250	(16.67)		
Drakenstein	495	615	620	401	380	380	250	(34.21)		
Stellenbosch	495	615	635	400	300	300	250	(16.67)		
Breede Valley	650	1 640	1 460	401	1 300	1 300	250	(80.77)		
Langeberg	570	690	709	400	300	300	250	(16.67)		
Theewaterskloof	920	1 690	1 084	401	300	300	250	(16.67)		
Overstrand	240	640	380	401	300	300	250	(16.67)		
Cape Agulhas	570	864	1 780	401	300	300	250	(16.67)		
Swartland	450	570	709	400	300	300	250	(16.67)		
Kannaland	3 170	2 090	5 531	401	300	300	250	(16.67)		
Hessequa	570	990	710	401	300	300	250	(16.67)		
Mossel Bay	520	1 640	660	401	300	300	250	(16.67)		
George	495	1 115	1 135	400	800	800	250	(68.75)		
Oudtshoorn	3 320	1 840	1 852	401	300	300	250	(16.67)		
Bitou	1 570	690	710	401	300	300	250	(16.67)		
Knysna	2 520	2 059	1 443	400	800	800	250	(68.75)		
Laingsburg	1 770	2 860	1 505	400	1 300	1 300	250	(80.77)		
Prince Albert	1 670	2 200	1 715	401	300	300	250	(16.67)		
Beaufort West	2 770	2 860	2 335	401	1 300	1 300	250	(80.77)		
<b>Category C</b>	4 895	6 593	7 534	2 003	4 008	4 008	1 250	(68.81)		
West Coast District Municipality	520	640	860	401	700	700	250	(64.29)		
Cape Winelands District Municipality	720	840	660	401	300	300	250	(16.67)		
Overberg District Municipality	1 020	1 040	1 310	401	300	300	250	(16.67)		
Garden Route District Municipality	620	2 090	3 520	400	2 408	2 408	250	(89.62)		
Central Karoo District Municipality	2 015	1 983	1 184	400	300	300	250	(16.67)		
<b>Unallocated</b>				30 434	400	400	13 059		21 190	21 939
<b>Total transfers to local government</b>	33 130	38 191	37 576	42 455	16 488	16 488	20 559	24.69	21 190	21 939

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue over the MTEF, specially support to the most vulnerable municipalities. Over the MTEF, earmarked priority allocations amounting to R20.559 million in 2021/22, R21.190 million in 2022/23 and R21.939 million in 2023/24 have been reserved for diverse financial support to municipalities. The amounts are unallocated at this stage for the Western Cape Financial Management Support Grant, Financial Management Capacity Grant and Municipal Financial Recovery Services Grant which will be allocated in the respective Adjusted Estimates and based on the outcomes and recommendations of the municipal engagements as well as the outcome of the Annual Financial Statements. In addition, the Department is also actively investigating the consolidation and redesign of all the above mentioned support initiatives into a consolidated grant structure that will continue to provide support to municipalities and attain the set objectives.

## 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 appro- piation 2020/21	Adjusted appro- piation 2020/21	Revised estimate 2020/21	% Change from Revised estimate			
	Audited 2017/18	Audited 2018/19	Audited 2019/20				2021/22	2020/21	2022/23	2023/24
Western Cape Financial Management Support Grant	26 050	27 511	21 361	15 489	7 488	7 488	10 880	45.30	11 359	11 870
Category A	230	230	230							
City of Cape Town	230	230	230							
Category B	22 125	22 488	15 495		4 580	4 580		(100.00)		
Matzikama	530	330	330							
Cederberg	980	980	580		500	500		(100.00)		
Bergrivier	330	330	330							
Saldanha Bay	630	780	280							
Swartland	760	430	330							
Witzenberg	330	330	330							
Drakenstein	255	255	240		80	80		(100.00)		
Stellenbosch	255	255	255							
Breede Valley	410	1 280	1 080		1 000	1 000		(100.00)		
Langeberg	330	330	330							
Theewaterskloof	680	1 330	704							
Overstrand		280								
Cape Agulhas	330	504	1 400							
Swellendam	330	330	330							
Kannaland	2 930	1 730	330							
Hessequa	330	630	330							
Mossel Bay	280	1 280	280							
George	255	755	755		500	500		(100.00)		
Oudtshoorn	3 080	1 480	1 472							
Bitou	1 330	330	330							
Knysna	2 280	1 699	1 064		500	500		(100.00)		
Laingsburg	1 530	2 500	1 125		1 000	1 000		(100.00)		
Prince Albert	1 430	1 840	1 335							
Beaufort West	2 530	2 500	1 955		1 000	1 000		(100.00)		
Category C	3 695	4 793	5 636		2 508	2 508		(100.00)		
West Coast District Municipality	280	280	480		400	400		(100.00)		
Cape Winelands District Municipality	480	480	280							
Overberg District Municipality	780	680	930							
Garden Route District Municipality	380	1 730	3 141		2 108	2 108		(100.00)		
Central Karoo District Municipality	1 775	1 623	805							
Unallocated				15 489	400	400	10 880		11 359	11 870

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue over the MTEF, specially support to the most vulnerable municipalities. Over the MTEF, R10.880 million in 2021/22, R11.359 million in 2022/23 and R11.870 million in 2023/24 have been reserved for diverse financial support to municipalities. The amounts are unallocated at this stage and will be allocated in the respective Adjusted Estimates which will be based on the outcomes and recommendations of the municipal engagements.



## Annexure A to Vote 3

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

Municipalities R'000	Outcome						Medium-term estimate				
	Audited 2017/18	Audited 2018/19	Audited 2019/20	Main appro- priation 2020/21	Adjusted appro- priation 2020/21	Revised estimate 2020/21	% Change from Revised estimate		2021/22	2022/23	2023/24
Financial Management Capacity Building Grant	7 080	10 680	11 394	12 021	9 000	9 000	7 500	(16.67)	7 500	7 500	
Category A	240	360	380	400	300	300	250	(16.67)			
City of Cape Town	240	360	380	400	300	300	250	(16.67)			
Category B	5 640	8 520	9 116	9 618	7 200	7 200	6 000	(16.67)			
Matzikama	240	360	380	401	300	300	250	(16.67)			
Cederberg	240	360	380	401	300	300	250	(16.67)			
Bergrivier	240	360	380	401	300	300	250	(16.67)			
Saldanha Bay	240	360	380	401	300	300	250	(16.67)			
Swartland	240	360	379	401	300	300	250	(16.67)			
Witzenberg	240	360	380	401	300	300	250	(16.67)			
Drakenstein	240	360	380	401	300	300	250	(16.67)			
Stellenbosch	240	360	380	400	300	300	250	(16.67)			
Breede Valley	240	360	380	401	300	300	250	(16.67)			
Langeberg	240	360	379	400	300	300	250	(16.67)			
Theewaterskloof	240	360	380	401	300	300	250	(16.67)			
Overstrand	240	360	380	401	300	300	250	(16.67)			
Cape Agulhas	240	360	380	401	300	300	250	(16.67)			
Swellendam	120	240	379	400	300	300	250	(16.67)			
Kannaland	240	360	380	401	300	300	250	(16.67)			
Hessequa	240	360	380	401	300	300	250	(16.67)			
Mossel Bay	240	360	380	401	300	300	250	(16.67)			
George	240	360	380	400	300	300	250	(16.67)			
Oudtshoorn	240	360	380	401	300	300	250	(16.67)			
Bitou	240	360	380	401	300	300	250	(16.67)			
Knysna	240	360	379	400	300	300	250	(16.67)			
Laingsburg	240	360	380	400	300	300	250	(16.67)			
Prince Albert	240	360	380	401	300	300	250	(16.67)			
Beaufort West	240	360	380	401	300	300	250	(16.67)			
Category C	1 200	1 800	1 898	2 003	1 500	1 500	1 250	(16.67)			
West Coast District Municipality	240	360	380	401	300	300	250	(16.67)			
Cape Winelands District Municipality	240	360	380	401	300	300	250	(16.67)			
Overberg District Municipality	240	360	380	401	300	300	250	(16.67)			
Garden Route District Municipality	240	360	379	400	300	300	250	(16.67)			
Central Karoo District Municipality	240	360	379	400	300	300	250	(16.67)			
Unallocated									7 500	7 500	

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue over the MTEF, especially support to the most vulnerable municipalities. Over the MTEF, R7.500 million in 2021/22, R7.500 million in 2022/23 and R7.500 million in 2023/24 have been reserved for diverse financial support to municipalities. The amounts for the Financial Management Capacity Building Grant for 2022/23 and 2023/24 are unallocated at this stage which will be allocated in the respective Adjusted Estimates.

## Annexure A to Vote 3

Table A.4.3 Transfers to local government by transfers/grant type, category and municipality

Municipalities R'000	Outcome						Medium-term estimate			
	Audited 2017/18	Audited 2018/19	Audited 2019/20	Main appro- piation 2020/21	Adjusted appro- piation 2020/21	Revised estimate 2020/21	% Change from Revised estimate			
							2021/22	2020/21	2022/23	2023/24
Western Cape Financial Good Governance Grant				10 000						
Unallocated				10 000						

Note: Due to a reduction in the baseline allocation it was decided not to implement the Western Cape Financial Good Governance Grant.

Table A.4.4 Transfers to local government by transfers/grant type, category and municipality

Municipalities R'000	Outcome						Medium-term estimate			
	Audited 2017/18	Audited 2018/19	Audited 2019/20	Main appro- piation 2020/21	Adjusted appro- piation 2020/21	Revised estimate 2020/21	% Change from Revised estimate			
							2021/22	2020/21	2022/23	2023/24
Western Cape Municipal Financial Recovery Services Grant			4 821	4 945			2 179		2 331	2 569
Category B			4 821							
Kannaland			4 821							
Unallocated				4 945			2 179		2 331	2 569

Note: Support initiatives to municipalities to improve financial governance and management introduced during 2011/12 will continue over the MTEF, especially support to the most vulnerable municipalities. Over the MTEF, R2.179 million in 2021/22, R2.331 million in 2022/23 and R2.569 million in 2023/24 have been reserved for diverse financial support to municipalities. The amounts are unallocated at this stage which will be allocated in the respective Adjusted Estimates and based on the outcomes and recommendations of the municipal engagements.

## 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			
	2017/18	2018/19	2019/20	appropriation 2020/21	appropriation 2020/21	estimate 2020/21	2021/22	2020/21	2022/23	2023/24
Cape Town Metro	278 144	303 106	328 765	356 932	289 505	289 505	319 608	10.40	315 612	324 701
Total provincial expenditure by district and local municipality	278 144	303 106	328 765	356 932	289 505	289 505	319 608	10.40	315 612	324 701

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			
	2017/18	2018/19	2019/20	appropriation 2020/21	appropriation 2020/21	estimate 2020/21	2021/22	2020/21	2022/23	2023/24
Cape Town Metro	57 492	59 261	58 257	62 631	56 373	56 373	55 347	(1.82)	56 540	56 152
Total provincial expenditure by district and local municipality	57 492	59 261	58 257	62 631	56 373	56 373	55 347	(1.82)	56 540	56 152

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			
	2017/18	2018/19	2019/20	appropriation 2020/21	appropriation 2020/21	estimate 2020/21	2021/22	2020/21	2022/23	2023/24
Cape Town Metro	132 195	121 334	137 338	150 847	119 010	119 010	139 227	16.99	144 943	147 597
Total provincial expenditure by district and local	132 195	121 334	137 338	150 847	119 010	119 010	139 227	16.99	144 943	147 597

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

Municipalities R'000	Outcome						Medium-term estimate			
	Audited	Audited	Audited	Main	Adjusted	Revised	% Change from Revised estimate			
	2017/18	2018/19	2019/20	appropriation 2020/21	appropriation 2020/21	estimate 2020/21	2021/22	2020/21	2022/23	2023/24
Cape Town Metro	51 023	56 068	65 393	74 911	62 645	62 645	73 935	18.02	64 514	70 985
Total provincial expenditure by district and local	51 023	56 068	65 393	74 911	62 645	62 645	73 935	18.02	64 514	70 985

## Annexure A to Vote 3

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

Municipalities R'000	Outcome						Medium-term estimate			
				Main appro- priation  2020/21	Adjusted appro- priation  2020/21	Revised estimate  2020/21	% Change from Revised estimate	2021/22	2022/23	2023/24
	Audited	Audited	Audited							
	2017/18	2018/19	2019/20							
Cape Town Metro	37 434	66 443	67 777	68 543	51 477	51 477	51 099	(0.73)	49 615	49 967
Total provincial expenditure by district and local municipality	37 434	66 443	67 777	68 543	51 477	51 477	51 099	(0.73)	49 615	49 967