

# Vote 3

## Provincial Treasury

|                          | 2022/23<br>To be appropriated                             | 2023/24             | 2024/25             |
|--------------------------|---|---------------------|---------------------|
| <b>MTEF allocations</b>  | <b>R321 610 000</b>                                       | <b>R324 217 000</b> | <b>R329 382 000</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 budgets and monitor the implementation thereof towards sustainable Local Government;
- 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 the implementation of risk management, internal audit and compliance with financial norms and standards.

## **Demands and changes in service**

The Western Cape Government (WCG) has been faced with unprecedented levels of fiscal uncertainty over the medium term. The "Budget to Back You" outlined how the WCG and various other sector departments intend to mitigate the extent of medium-term budgetary and service delivery risks to ensure the well-being of our citizens. The WCG departments will face an uphill battle, without the guidance, support and backing of the Provincial Treasury (PT).

COVID-19 has highlighted the urgent need for PT to review the way it delivers services in order to reduce production and access costs, time and effort. This “New Way of Work” requires reviewing the front and back-office service delivery value chain from the citizen's point of view to enhance service and promote a positive experience of Government. The pandemic has also highlighted the importance of delivering services via digital platforms.

In addressing the expedited need to deliver services to citizens, PT has opted for an agile approach to cater for current needs - through digital transformation. Digital transformation indicates the realignment of, or new investment in, technology, department process models and systems to derive value for citizens and employees. A key element of digital transformation is to understand the true potential of technology as it evolves.

A key focus over the MTEF will be in the SCM reform environment with the boost of both people and systems/technologies.

### **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)
- Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA)
- Division of Revenue Act (Annual)
- 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)
- 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)
- Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) (SPLUMA)
- Western Cape Appropriation Act (Annual)
- Western Cape Adjustments Appropriation Act(s) (Annual)
- Western Cape Direct Charges Act, 2000 (Act 6 of 2000)
- Western Cape Gambling and Racing Act, 1996 (Act 4 of 1996)

### **Budget decisions**

The budget for the Vote decreased by R12.006 million from the 2021/22 main estimate of R319.608 million to R307.602 million in the 2021/22 adjusted estimates which equates to a nominal reduction of 3.8 per cent. The budget for the Vote increased by R19.411 million from R302.199 million in 2021/22 (revised estimate) to R321.610 million in 2022/23. This equates to an increase of 6 per cent. However, the allocation from the 2021/22 main estimate of R319.608 million to R321.610 million in 2022/23 only equates to a nominal increase of 0.6 per cent.

The execution of the core functions and responsibilities of the Provincial Treasury requires mainly human resources therefore, Compensation of Employees represents R206.682 million or 65 per cent of the Vote's 2022/23 Budget.

In addition, the Department is prioritising the use of technology to enhance the quality, availability and responsiveness of services to clients.

Provincial Treasury will apply the 2022 MTEF budget policy principles of protecting basic services outcomes, unlocking allocative efficiency, enhancing productive efficiency and enabling long-run fiscal sustainability. All efforts of the Provincial Treasury will be targeted at maximising citizen impact, achieving the budget priorities and more specifically attaining value for money.

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

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

The Department's strategic priorities are critical enablers for the Provincial Strategic Plan and WC Recovery Plan, and contribute to the provincial recovery, growth and development. These are:

- Efficient infrastructure investment;
- Effective local governance;
- Strategic supply chain management; and
- Integrated provincial governance.

Integrated talent management, applied knowledge management and digital transformation are the three (3) critical levers to support the execution of these priorities and strengthen the institutional capability of the Provincial Treasury in the longer term.

The budget provides the resources to execute key projects and activities to achieve the above-mentioned priorities and levers.

## **2. Review of the current financial year (2021/22)**

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

### **Governance**

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 2021/22 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 provided 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 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 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. Provincial Treasury applied the necessary governance requirements to deal with the request for irregular expenditure condonation and managed to largely eradicate the backlog.

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 monthly, to ensure progress is made and focussed attention is given to transversal issues raised by the local sphere of government. 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 leadership in this respect through the development and publication of regular Procurement Disclosure Reports.

### **MFMA Coordination**

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. A review of conditional grants was completed, with recommendations for improvements to this grant system.

The financial performance of municipalities was monitored on a monthly basis. The Provincial Treasury provided support and advice to municipalities, particularly those facing financial difficulties including six (6) municipalities with unfunded budgets, who were supported to develop budget funding plans. Where municipalities were in financial distress, the Province intervened and worked with National Treasury's Municipal Financial Recovery Service to develop a Financial Recovery Plan.

Provincial Treasury facilitated inter-governmental coordination between municipalities, provincial and national departments and other related stakeholders to resolve differences and improve coordination. This included engagements with municipalities on their tabled budgets and quarterly forums with municipal CFOs.

The Provincial Treasury also provided limited financial assistance to municipalities to assist them to improve their financial management. This included 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 2021 as well as the Socio-Economic Profiles for Local Government (SEP-LG). The Department completed research into the financial viability of district municipalities. The Department also conducted research into the review of the Gambling Policy of the Western Cape which informs the development of a Green Paper on Gambling Policy.

The Western Cape Medium Term Budget Policy Statement (MTBPS), published in November 2021, provided the economic, fiscal and policy context within which the 2022 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 led the budget process through Provincial Government Medium-Term Expenditure Committee (PG-MTEC) engagements, arranging and participating in Medium Term Budget Policy Committee (MTBPC) engagements and supporting the JDMA and Integrated Service Delivery (IDS) workstreams. This strengthens the integration of policy, planning and budgeting between all spheres of government.

Together with the budget documentation, the Provincial Treasury prepared 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 with the support of the Government Technical Advisory Centre conducted expenditure reviews on key issues for selected departments.

The Department assessed provincial and municipal budgets to improve their credibility and sustainability, and monitored budget implementation to enhance accountability, efficiency and data integrity. On a monthly basis, the Department prepared summary In-Year Monitoring (IYM) reports at both a provincial and municipal level. This includes 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 continued to manage quantitative information to support its activities and promote the integration of information within and between the spheres of government. The Department continued to manage and maintain 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. This Committee undertook a thorough review of the WC IDMS and the accompanying PT16B and this will inform the work for the unit in 2022/23. The Department annually publishes 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, which is the result of an extensive diagnostic process, 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 the COVID-19 pandemic, 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.

The use of technology, via business intelligence tools and data analysis was strengthened to present SCM performance information to departments to better enable procurement decisions via its quarterly SCM Performance Insights Reports. The Procurement Disclosure Reports provided an ideal platform to ensure transparency and accountability in WCG spend for COVID-19. The implementation of an automated procurement planning toolkit has been rolled-out to aid in better planning, with a focus on optimal utilisation of funds through procurement initiatives that have value for money outcomes.

The Procurement Client Centre (PCC) played a critical role in providing support to supplier on-boarding on the central supplier database and provided support to its own Integrated Procurement Solution (IPS) and Western Cape Supplier Evidence Bank (WCSEB). The Provincial Treasury also migrated into its own in-house developed e-Procurement System (ePS) for quotations (for bids up to a threshold of R1 million). The range of support also included the Programmes of Support for departments, municipalities and suppliers as well the provision and maintenance of a SCM helpdesk for departments, municipalities and public entities that managed queries and complaints.

Strategic sourcing and prudent procurement spending initiatives within departments continued to be focused on, with for example managing the calls-offs on the transversal security framework for the Province as well as preparing and planning for a new transversal security framework contract for the Province.

### **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 Provincial Treasury established its own data centre which enabled this Department to partake in the 4<sup>th</sup> industrial revolution and introduced cutting edge technologies such as Machine Learning and Artificial intelligence to produce self-service reports which included the following:

- Automated In-year monitoring tool (IYM) and related management dashboards;

- Staff cost forecasting tools;

- Asset management dashboards;

- Automated conflict of interest tools and reports;

- Development of the Municipal vulnerability dashboards; and

- Development of the Supplier evidence bank to enable the ease of doing business in the WCG.

The Provincial Treasury is also proud to have implemented an e-Payslip initiative to twelve (12) of the thirteen (13) departments geared at driving cost efficiencies and enabling ease of access to the government payslips and IRP 5's, and cutting the costs of this service in government tremendously.

The Provincial Treasury has undergone a data maturity assessment to identify baseline and put measures in place to improve data governance and general use of data to enhance our efforts to outshine in our oversight mandate.



### **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 within 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 (2022/23)**

Key areas of focus and delivery for the 2022/23 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.

Monitor provincial and municipal revenue and cash flows in order to encourage efficient and effective collection of own revenue and cash flows for Integrated planning, budgeting and implementation.

Monitor the performance of the Western Cape Gambling and Racing Board (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 through the publication of the Provincial Economic Review and Outlook (PERO), Medium Term Budget Policy Statement (MTBPS) and the Overview of Provincial Revenue and Expenditure (OPRE).

#### **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 Municipal Economic Review and Outlook (MERO).

Provide a municipal-specific, point-in-time snapshot of an extensive array of economic and social variables that influence and shape the socio-economic reality of individual households through the Socio-Economic Profiles for Local Government (SEP-LGs). The information feeds into municipal integrated development plans (IDPs) that ultimately informs integrated municipal planning, budgeting and the prioritisation of municipal services.

### **Provincial Government Finance**

Determine whether provincial budgets are 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 and MFMA Coordination**

Facilitate improved coordination and administration of conditional grants transferred from the Province to municipalities, in line with the recommendations of the Provincial Treasury's grant review.

Facilitate and co-ordinate the implementation of the MFMA in order to improve intergovernmental relations (IGR) and coordination within and across Provincial Treasury, other departments, and relevant stakeholders to improve conformance and performance in municipalities.

Monitor the implementation of municipal budgets in terms of conformance, accountability, data integrity, sustainability and efficiencies.

Consolidate IYM reports on the municipal financial performance to reflect on the state of the municipalities budget performance.

Report quarterly on the state of the municipalities budget performance.

Assess draft municipal budgets to improve conformance, credibility, and financial sustainability. Provide advice to municipalities facing financial challenges and respond to financial crises through the mechanisms provided in the Municipal Finance Management Act (No. 56 of 2003).

### **Infrastructure**

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

Monitor and report on infrastructure expenditure in the Province, to highlight certain risks of the appropriate level, and to assess whether mitigation mechanisms are adequate and/or being implemented as proposed.

Provide an overview of the provincial and municipal infrastructure in the Province over the MTEF through the publication of Overview of Provincial and Municipal Infrastructure Investment (OPMII).

Issue Project Preparation Facility guidelines to institutions to improve the project preparation processes in order to create a credible pipeline of projects in the Province.

Assessment on the Service Delivery Agreements (SDA)/IDMS Protocol Agreement between the client and implementing department in accordance with the IDMS and FIDPM as per Module 2 of the IDMS.

## **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)**

Maintain a resilient SCM governance platform focused on continuous service delivery improvement for provincial departments.

Leveraging data for analysis and transparency by analysing data extracted from systems and using business intelligence tools to provide performance information to provincial departments to support governance requirements and management decision making. This includes transparency initiatives like the Procurement Disclosure Reports.

Enhance the ease of doing business with WCG procurement by improving access to procurement opportunities through our in-house developed e-Procurement System and Supplier Evidence Bank.

Create an enabling environment via the Procurement Client Centre to provide the necessary support, assistance and guidance to our clients and to create a responsive supplier base that meets the WCG's procurement and asset management needs through our established Programmes of Support. 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.

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 Asset Management (AM) within the Province.

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.

### **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. It is a new cycle of councillors and we will continue to increase the levels of understanding of key stakeholders so that decisions can be made with the most relevant information.

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

Ensure integrity of data submitted by municipalities to National Treasury. Gradually, the teams are analysing the data to identify key risk and to enhance effective monitoring of the municipalities.

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

Achieve higher levels of governance by improving the financial management capability of departments. We will further aim to bring alignment to the assurance functions, both in an oversight responsibility, and as part of driving financial governance.

Improve the system of internal control within departments. Assess votes against the applicable accounting frameworks and norms and standards requirements to achieve higher levels of governance by improving the financial management capability of departments.

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

Improve the internal control governance and UIF&W management within departments and public entities.

### **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 and municipal financial legislative framework addresses any possible lacuna and thereby strengthening good governance through compliance thereto and to improve the levels governance in departments and municipalities.

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).

## 4. Service delivery risks

PT faces a number of either high or extreme risks that can be mitigated, but not completely eliminated. While the PT has been able to move some risks within tolerance, given the strategy and available resources, there are some critical priorities in terms of our ambitions in the Province that cannot move within tolerance. Those are critically around Local Governance, SCM and digital transformation given the reliance on outdated core systems that are at the heart of government systems. In the supply chain management environment, there is incredibly complex and increasingly frequent demands that the existing capacity must respond to or support. Supply chain management operates in a very complicated regulatory environment that continues to get additional objectives layered into it. This makes its navigation extremely difficult and poses ongoing and significant audit risk for the Province.

PT, through a vigorous risk assessment process, identified the following top ten (10) strategic risks:

- Regression in Supply Chain Management (SCM) performance due to conflicting application and interpretation of National SCM prescripts;

- Constrained Fiscal Outlook;

- Constraints in providing financial governance monitoring and support to municipalities;

- Inability to provide governance oversight as stipulated in the PFMA;

- Inadequate system integration impacting support to departments due to changing accounting environment (systems);

- Inability to deliver effective strategic enabled projects (linked to Department's business and/or ICT strategy);

- Material misstatements in submitted financial statements by municipalities resulting in negative audit outcomes as it relates to GRAP compliance;

- Readiness of votes/departments to implement and comply with the revisions in supply chain and asset management regulatory regime that can result in negative/compromised audit outcomes;

- The ability to improve conformance by municipalities to laws and regulations in the SCM environment is limited due to the inconsistent application of the legislation; and

- Non-credible, unresponsive and unsustainable budgets tabled by municipalities results in sub-standard/poor quality of service delivery.

## 5. Reprioritisation

As people are the most important resource required to deliver our vision therefore the biggest portion (sixty-five (65) per cent) of the budget is allocated to compensation of employees. Thereafter the Department prioritised projects where contracts exist to ensure that all contractual obligations are met. Due to the constrained budget, the Department embarked on a new way of engaging with its stakeholders and therefore limited provision was made for travel related expenditure, i.e. municipal visits and frontline service point visits will resume.

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.

## 6. Procurement

In the 2022/23 financial year, the Department will continue with its structured procurement planning processes. The Department will foster a pro-active approach, that will ensure that procurement projects are initiated timeously to prevent delays, and timely interventions can be made where necessary. The Department will further ensure alignment and fulfilment of strategic objectives as per the Strategic Plan and Annual Performance Plan. The Department will continue to develop contracts for commodities that are procured regularly to lower cost, ensure achievement of value for money and efficiency.

## 7. Receipts and financing

### Summary of receipts

Table 7.1 below depicts the sources of funding for the vote.

**Table 7.1 Summary of receipts**

| Receipts<br>R'000                                     | Outcome |         |         |                         |                             |                  | Medium-term estimate           |          |         |         |          |         |         |
|---|---------|---------|---------|-------------------------|-----------------------------|------------------|--------------------------------|----------|---------|---------|----------|---------|---------|
|   |         |         |         |                         |                             |                  | % Change from Revised estimate |          |         |         |          |         |         |
|   | Audited | Audited | Audited | Main appro-<br>priation | Adjusted appro-<br>priation | Revised estimate | 2022/23                        | 2021/22  | 2023/24 | 2024/25 |          |         |         |
|   | 2018/19 | 2019/20 | 2020/21 | 2021/22                 | 2021/22                     | 2021/22          |                                |          |         |         |          |         |         |
| Treasury funding                                      |         |         |         |                         |                             |                  |                                |          |         |         |          |         |         |
| Equitable share                                       | 13 679  | 28 258  |         | 317 762                 | 305 756                     | 297 544          | 315 532                        | 6.05     | 321 133 | 326 294 |          |         |         |
| Financing   |         | 571     | 172 257 | 1 770                   | 1 770                       | 1 770            | 5 998                          | 238.87   | 3 000   | 3 000   |          |         |         |
| Provincial Revenue Fund                               |         | 571     | 172 257 | 1 770                   | 1 770                       | 1 770            | 5 998                          | 238.87   | 3 000   | 3 000   |          |         |         |
| Provincial Revenue Fund (Tax Receipts)                | 282 642 | 293 865 | 85 409  |                         |                             |                  |                                |          |         |         |          |         |         |
| Total Treasury funding                                |         |         |         | 296 321                 | 322 694                     | 257 666          | 319 532                        | 307 526  | 299 314 | 321 530 | 7.42     | 324 133 | 329 294 |
| Departmental receipts                                 |         |         |         |                         |                             |                  |                                |          |         |         |          |         |         |
| Sales of goods and services other than capital assets | 38      | 40      | 43      | 16                      | 16                          | 26               | 17                             | ( 34.62) | 18      | 18      |          |         |         |
| Transfers received                                    |         |         |         | 1                       | 1                           |                  | 1                              |          | 1       | 1       |          |         |         |
| Interest, dividends and rent on land                  | 1       | 4       | 6       | 1                       | 1                           | 18               | 1                              | ( 94.44) | 1       | 1       |          |         |         |
| Sales of capital assets                               | 114     | 85      | 1       |                         |                             |                  |                                |          |         |         |          |         |         |
| Financial transactions in assets and liabilities      | 6 632   | 5 942   | 19 677  | 58                      | 58                          | 2 841            | 61                             | ( 97.85) | 64      | 68      |          |         |         |
| Total departmental receipts                           |         |         |         | 6 785                   | 6 071                       | 19 727           | 76                             | 76       | 2 885   | 80      | ( 97.23) | 84      | 88      |
| Total receipts  |         |         |         | 303 106                 | 328 765                     | 277 393          | 319 608                        | 307 602  | 302 199 | 321 610 | 6.42     | 324 217 | 329 382 |

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 R19.411 million or 6 per cent from R302.199 million (revised estimate) in 2021/22 to R321.610 million in 2022/23. This is mainly as a result of the provision for the filling of vacant posts and transfers to municipalities.

**Treasury funding of which:**

Equitable share allocations will amount to R315.532 million in 2022/23, R321.133 million in 2023/24 and R326.294 million in 2024/25.

Receipts from 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 R1.498 million of total receipts for 2022/23 which is a reallocation of 2020/21 unspent funds in respect of the project to review, improve and formulate an asset management system of governance and capacity building training and development for municipalities. In addition, the Vote is receiving R1.50 million to drive value for money and provide research that will inform SCM reform. Furthermore, R3 million has been allocated annually over the MTEF to support the process of identifying, formulating and implementing Supply Chain Management reform including the procurement data centre.

**Details of departmental receipts:**

The departmental own receipts decreased from R2.885 million in 2021/22 (revised estimate) to R80 000 in 2022/23. The source of departmental receipts over the 2022 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.

**8. 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 4 per cent and Housing allowance was increased by CPI in each financial year.

**Programme summary**

Table 8.1 indicates the budget or estimated expenditure per programme and Table 8.2 per economic classification. Details of the Government Financial Statistics (GFS) economic classifications are annexed hereto in Table A.2.

**Table 8.1 Summary of payments and estimates**

| Programme<br>R'000                    | Outcome            |                    |                    |                                       |   |                                | Medium-term estimate                    |             |                |                |
|---------------------------------------|--------------------|--------------------|--------------------|---------------------------------------|---|--------------------------------|---|-------------|----------------|----------------|
|                                       | Audited<br>2018/19 | Audited<br>2019/20 | Audited<br>2020/21 | Main<br>appro-<br>priation<br>2021/22 | Adjusted<br>appro-<br>priation<br>2021/22 | Revised<br>estimate<br>2021/22 | % Change<br>from<br>Revised<br>estimate |             |                |                |
|                                       |                    |                    |                    |                                       |   |                                | 2022/23                                 | 2021/22     | 2023/24        | 2024/25        |
| 1. Administration                     | 59 261             | 58 257             | 51 594             | 55 347                                | 60 515                                    | 59 860                         | 59 260                                  | ( 1.00)     | 57 569         | 58 852         |
| 2. Sustainable Resource<br>Management | 121 334            | 137 338            | 115 847            | 139 227                               | 120 069                                   | 117 843                        | 144 237                                 | 22.40       | 150 989        | 152 217        |
| 3. Asset Management                   | 56 068             | 65 393             | 59 518             | 73 935                                | 74 358                                    | 72 873                         | 76 374                                  | 4.80        | 74 280         | 75 783         |
| 4. Financial Governance               | 66 443             | 67 777             | 50 434             | 51 099                                | 52 660                                    | 51 623                         | 41 739                                  | ( 19.15)    | 41 379         | 42 530         |
| <b>Total payments and estimates</b>   | <b>303 106</b>     | <b>328 765</b>     | <b>277 393</b>     | <b>319 608</b>                        | <b>307 602</b>                            | <b>302 199</b>                 | <b>321 610</b>                          | <b>6.42</b> | <b>324 217</b> | <b>329 382</b> |

Note: Programme 1: MEC total remuneration package: R1 977 795 with effect from 1 April 2020.

## Summary by economic classification

**Table 8.2 Summary of payments and estimates by economic classification**

| Economic classification<br>R'000     | Outcome            |                    |                    |                                      |  |                                | Medium-term estimate                    |           |         |         |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------------------------|--|--------------------------------|---|-----------|---------|---------|
|                                      | Audited<br>2018/19 | Audited<br>2019/20 | Audited<br>2020/21 | Main<br>appro-<br>piation<br>2021/22 | Adjusted<br>appro-<br>piation<br>2021/22 | Revised<br>estimate<br>2021/22 | % Change<br>from<br>Revised<br>estimate |           |         |         |
|                                      |                    |                    |                    |                                      |  |                                | 2022/23                                 | 2021/22   | 2023/24 | 2024/25 |
| <b>Current payments</b>              | 229 296            | 243 360            | 224 944            | 262 061                              | 253 949                                  | 248 511                        | <b>264 780</b>                          | 6.55      | 265 632 | 271 123 |
| Compensation of employees            | 176 277            | 185 805            | 184 513            | 196 995                              | 189 863                                  | 189 394                        | <b>206 682</b>                          | 9.13      | 211 733 | 215 469 |
| Goods and services                   | 53 019             | 57 555             | 40 431             | 65 066                               | 64 086                                   | 59 117                         | <b>58 098</b>                           | ( 1.72)   | 53 899  | 55 654  |
| <b>Transfers and subsidies to</b>    | 69 287             | 79 876             | 50 733             | 54 016                               | 47 366                                   | 47 385                         | <b>51 476</b>                           | 8.63      | 55 034  | 54 796  |
| Provinces and municipalities         | 38 191             | 37 576             | 15 788             | 20 559                               | 16 367                                   | 16 367                         | <b>21 152</b>                           | 29.24     | 21 911  | 22 165  |
| Departmental agencies and accounts   | 26 869             | 37 669             | 27 751             | 30 378                               | 26 264                                   | 26 264                         | <b>27 008</b>                           | 2.83      | 30 623  | 30 018  |
| Households                           | 4 227              | 4 631              | 7 194              | 3 079                                | 4 735                                    | 4 754                          | <b>3 316</b>                            | ( 30.25)  | 2 500   | 2 613   |
| <b>Payments for capital assets</b>   | 4 214              | 5 467              | 1 648              | 3 531                                | 6 261                                    | 6 262                          | <b>5 354</b>                            | ( 14.50)  | 3 551   | 3 463   |
| Machinery and equipment              | 4 214              | 5 467              | 1 648              | 3 531                                | 6 261                                    | 6 262                          | <b>5 354</b>                            | ( 14.50)  | 3 551   | 3 463   |
| <b>Payments for financial assets</b> | 309                | 62                 | 68                 |                                      | 26                                       | 41                             |   | ( 100.00) |         |         |
| <b>Total economic classification</b> | 303 106            | 328 765            | 277 393            | 319 608                              | 307 602                                  | 302 199                        | <b>321 610</b>                          | 6.42      | 324 217 | 329 382 |

## 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 8.3 Summary of departmental transfers to public entities**

| Public entities<br>R'000                               | Outcome            |                    |                    |                                      |  |                                | Medium-term estimate                    |         |         |         |
|--|--------------------|--------------------|--------------------|--------------------------------------|--|--------------------------------|---|---------|---------|---------|
|  | Audited<br>2018/19 | Audited<br>2019/20 | Audited<br>2020/21 | Main<br>appro-<br>piation<br>2021/22 | Adjusted<br>appro-<br>piation<br>2021/22 | Revised<br>estimate<br>2021/22 | % Change<br>from<br>Revised<br>estimate |         |         |         |
|  |                    |                    |                    |                                      |  |                                | 2022/23                                 | 2021/22 | 2023/24 | 2024/25 |
| Western Cape Gambling and Racing Board                 | 26 864             | 37 663             | 27 744             | 30 372                               | 26 256                                   | 26 256                         | <b>27 000</b>                           | 2.83    | 30 615  | 30 010  |
| <b>Total departmental transfers to public entities</b> | 26 864             | 37 663             | 27 744             | 30 372                               | 26 256                                   | 26 256                         | <b>27 000</b>                           | 2.83    | 30 615  | 30 010  |

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



## Transfers to other entities

**Table 8.4 Summary of departmental transfers to other entities**

| Entities<br>R'000   | Outcome  |          |          |          |          |          | Medium-term estimate           |         |          |          |
|---|----------|----------|----------|----------|----------|----------|--------------------------------|---------|----------|----------|
|   | Audited  | Audited  | Audited  | Main     | Adjusted | Revised  | % Change from Revised estimate |         |          |          |
|   | 2018/19  | 2019/20  | 2020/21  | 2021/22  | 2021/22  | 2021/22  | 2022/23                        | 2021/22 | 2023/24  | 2024/25  |
| Departmental Agencies and Accounts other: South African Broadcasting Corporation (SABC)- Radio & TV license | 5        | 6        | 7        | 6        | 8        | 8        | 8                              |         | 8        | 8        |
| <b>Total departmental transfers to other entities</b>   | <b>5</b> | <b>6</b> | <b>7</b> | <b>6</b> | <b>8</b> | <b>8</b> | <b>8</b>                       |         | <b>8</b> | <b>8</b> |

## Transfers to local government

**Table 8.5 Summary of departmental transfers to local government by category**

| Departmental transfers<br>R'000                         | Outcome       |               |               |               |               |               | Medium-term estimate           |         |         |         |
|---|---------------|---------------|---------------|---------------|---------------|---------------|--------------------------------|---------|---------|---------|
|   | Audited       | Audited       | Audited       | Main          | Adjusted      | Revised       | % Change from Revised estimate |         |         |         |
|   | 2018/19       | 2019/20       | 2020/21       | 2021/22       | 2021/22       | 2021/22       | 2022/23                        | 2021/22 | 2023/24 | 2024/25 |
| Category A  | 590           | 610           | 300           | 250           | 250           | 250           | (100.00)                       |         |         |         |
| Category B  | 31 008        | 29 432        | 11 780        | 6 000         | 11 588        | 11 588        | (100.00)                       |         |         |         |
| Category C  | 6 593         | 7 534         | 3 708         | 1 250         | 2 350         | 2 350         | (100.00)                       |         |         |         |
| Unallocated   |               |               |               | 13 059        | 2 179         | 2 179         | <b>21 152</b>                  | 870.72  | 21 911  | 22 165  |
| <b>Total departmental transfers to local government</b> | <b>38 191</b> | <b>37 576</b> | <b>15 788</b> | <b>20 559</b> | <b>16 367</b> | <b>16 367</b> | <b>21 152</b>                  | 29.24   | 21 911  | 22 165  |

### Earmarked allocations:

Support initiatives to municipalities to improve financial governance introduced during 2011/12 will continue over the MTEF. However, the Vote has combined and redesigned the Western Cape Financial Management Support Grant and Western Cape Financial Management Capacity Building Grant into a consolidated grant structure that will continue to provide support to municipalities and attain the set objectives. The new grant will amount to R18.759 million, R19.260 million and R19.260 million in 2022/23, 2023/24 and 2024/25 respectively. Furthermore, R2.393 million, R2.651 million and R2.905 million have been earmarked for transfers to support municipal interventions in 2022/23, 2023/24 and 2024/25 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.

## 9. 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 Office 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 9.1 Summary of payments and estimates – Programme 1: Administration**

| Sub-programme<br>R'000              | Outcome            |                    |                    |                                       |   |                                | Medium-term estimate                    |               |               |               |
|-------------------------------------|--------------------|--------------------|--------------------|---------------------------------------|---|--------------------------------|---|---------------|---------------|---------------|
|                                     | Audited<br>2018/19 | Audited<br>2019/20 | Audited<br>2020/21 | Main<br>appro-<br>priation<br>2021/22 | Adjusted<br>appro-<br>priation<br>2021/22 | Revised<br>estimate<br>2021/22 | % Change<br>from<br>Revised<br>estimate |               | 2023/24       | 2024/25       |
|                                     |                    |                    |                    |                                       |   |                                |   |               |               |               |
| 1. Office of the Minister           | 6 091              | 5 704              | 6 562              | 6 847                                 | 6 852                                     | 6 704                          | 6 917                                   | 3.18          | 6 915         | 6 994         |
| 2. Management Services              | 26 390             | 24 216             | 22 429             | 22 989                                | 25 585                                    | 25 435                         | 25 280                                  | (0.61)        | 25 612        | 26 344        |
| 3. Financial Management             | 26 780             | 28 337             | 22 603             | 25 511                                | 28 078                                    | 27 721                         | 27 063                                  | (2.37)        | 25 042        | 25 514        |
| <b>Total payments and estimates</b> | <b>59 261</b>      | <b>58 257</b>      | <b>51 594</b>      | <b>55 347</b>                         | <b>60 515</b>                             | <b>59 860</b>                  | <b>59 260</b>                           | <b>(1.00)</b> | <b>57 569</b> | <b>58 852</b> |

Note: Sub-programme 1.1: MEC total remuneration package: R1 977 795 with effect from 1 April 2020.

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

| Economic classification<br>R'000     | Outcome            |                    |                    |                                       |   |                                | Medium-term estimate                    |                |               |               |
|--------------------------------------|--------------------|--------------------|--------------------|---------------------------------------|---|--------------------------------|---|----------------|---------------|---------------|
|                                      | Audited<br>2018/19 | Audited<br>2019/20 | Audited<br>2020/21 | Main<br>appro-<br>priation<br>2021/22 | Adjusted<br>appro-<br>priation<br>2021/22 | Revised<br>estimate<br>2021/22 | % Change<br>from<br>Revised<br>estimate |                | 2023/24       | 2024/25       |
|                                      |                    |                    |                    |                                       |   |                                |   |                |               |               |
| <b>Current payments</b>              | 51 311             | 49 876             | 48 460             | 49 133                                | 51 687                                    | 51 015                         | 51 398                                  | 0.75           | 51 510        | 52 768        |
| Compensation of employees            | 39 244             | 37 518             | 37 250             | 37 151                                | 37 183                                    | 37 007                         | 39 724                                  | 7.34           | 41 787        | 42 576        |
| Goods and services                   | 12 067             | 12 358             | 11 210             | 11 982                                | 14 504                                    | 14 008                         | 11 674                                  | ( 16.66)       | 9 723         | 10 192        |
| <b>Transfers and subsidies</b>       | 3 427              | 2 852              | 1 418              | 2 683                                 | 2 541                                     | 2 542                          | 2 508                                   | ( 1.34)        | 2 508         | 2 621         |
| Departmental agencies and accounts   | 5                  | 6                  | 7                  | 6                                     | 8   | 8                              | 8                                       |                | 8             | 8             |
| Households                           | 3 422              | 2 846              | 1 411              | 2 677                                 | 2 533                                     | 2 534                          | 2 500                                   | ( 1.34)        | 2 500         | 2 613         |
| <b>Payments for capital assets</b>   | 4 214              | 5 467              | 1 648              | 3 531                                 | 6 261                                     | 6 262                          | 5 354                                   | ( 14.50)       | 3 551         | 3 463         |
| Machinery and equipment              | 4 214              | 5 467              | 1 648              | 3 531                                 | 6 261                                     | 6 262                          | 5 354                                   | ( 14.50)       | 3 551         | 3 463         |
| <b>Payments for financial assets</b> | 309                | 62                 | 68                 |                                       | 26  | 41                             |   | ( 100.00)      |               |               |
| <b>Total economic classification</b> | <b>59 261</b>      | <b>58 257</b>      | <b>51 594</b>      | <b>55 347</b>                         | <b>60 515</b>                             | <b>59 860</b>                  | <b>59 260</b>                           | <b>( 1.00)</b> | <b>57 569</b> | <b>58 852</b> |

**Details of transfers and subsidies**

| Economic classification<br>R'000                 | Outcome            |                    |                    |                                       |   |                                | Medium-term estimate                    |          |         |         |
|--|--------------------|--------------------|--------------------|---------------------------------------|---|--------------------------------|---|----------|---------|---------|
|  |                    |                    |                    | Main<br>appro-<br>priation<br>2021/22 | Adjusted<br>appro-<br>priation<br>2021/22 | Revised<br>estimate<br>2021/22 | % Change<br>from<br>Revised<br>estimate |          |         |         |
|  | Audited<br>2018/19 | Audited<br>2019/20 | Audited<br>2020/21 |                                       |   |                                | 2022/23                                 | 2021/22  | 2023/24 | 2024/25 |
| Transfers and subsidies to (Current)             | 3 427              | 2 852              | 1 418              | 2 683                                 | 2 541                                     | 2 542                          | 2 508                                   | (1.34)   | 2 508   | 2 621   |
| Departmental agencies and accounts               | 5                  | 6                  | 7                  | 6                                     | 8   | 8                              | 8                                       |          | 8       | 8       |
| Departmental agencies (non-business<br>entities) | 5                  | 6                  | 7                  | 6                                     | 8   | 8                              | 8                                       |          | 8       | 8       |
| South African Broadcasting Corporation<br>(SABC) | 5                  | 6                  | 7                  | 6                                     | 8   | 8                              | 8                                       |          | 8       | 8       |
| Households                                       | 3 422              | 2 846              | 1 411              | 2 677                                 | 2 533                                     | 2 534                          | 2 500                                   | (1.34)   | 2 500   | 2 613   |
| Social benefits                                  | 286                | 462                | 99                 |                                       | 28  | 29                             |   | (100.00) |         |         |
| Other transfers to households                    | 3 136              | 2 384              | 1 312              | 2 677                                 | 2 505                                     | 2 505                          | 2 500                                   | (0.20)   | 2 500   | 2 613   |
|  |                    |                    |                    |                                       |   |                                |   |          |         |         |

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 R600 000 from the 2021/22 revised estimate of R59.860 million to R59.260 million in 2022/23 which equates to a nominal reduction of 1 per cent. The allocation over the MTEF compared to the 2021/22 revised estimate reflects an annual average decline of 0.6 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 2022/23 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 2022/23 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.

Provincial Treasury will continue to closely monitor municipal finances and provide advice and support to municipalities facing financial challenges, while supporting growth and development across all municipalities.

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**

Socio-economic intelligence publications.

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

#### **Provincial Government Finance**

Provincial Budget assessment reports.

Provincial Budget publications.

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

IYM assessment on the sustainable implementation of the municipal budget.

#### **Infrastructure**

Quarterly reports on the implementation of infrastructure budgets to Cabinet.

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

Budget process plans managed.

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

**Table 9.2 Summary of payments and estimates – Programme 2: Sustainable Resource Management**

| Sub-programme<br>R'000                      | Outcome        |                |                |                |                |                | Medium-term estimate                    |              |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|---|--------------|----------------|----------------|
|   | Audited        | Audited        | Audited        | Main           | Adjusted       | Revised        | % Change<br>from<br>Revised<br>estimate |              |                |                |
|   | 2018/19        | 2019/20        | 2020/21        | 2021/22        | 2021/22        | 2021/22        | 2022/23                                 | 2021/22      | 2023/24        | 2024/25        |
| 1. Programme Support                        | 6 172          | 5 790          | 7 165          | 8 433          | 6 929          | 6 611          | 8 814                                   | 33.32        | 9 560          | 9 667          |
| Programme Support                           | 6 172          | 5 790          | 7 165          | 8 433          | 6 929          | 6 611          | 8 814                                   | 33.32        | 9 560          | 9 667          |
| 2. Fiscal Policy                            | 41 625         | 52 301         | 41 265         | 42 609         | 39 341         | 39 127         | 42 384                                  | 8.32         | 45 306         | 44 957         |
| Fiscal Policy                               | 14 761         | 14 638         | 13 521         | 12 237         | 13 085         | 12 871         | 15 384                                  | 19.52        | 14 691         | 14 947         |
| Western Cape Gambling and<br>Racing Board   | 26 864         | 37 663         | 27 744         | 30 372         | 26 256         | 26 256         | 27 000                                  | 2.83         | 30 615         | 30 010         |
| 3. Budget Management                        | 20 667         | 23 509         | 17 635         | 23 161         | 22 390         | 22 080         | 20 052                                  | (9.18)       | 20 416         | 20 728         |
| Provincial Government Budget<br>Office      | 8 886          | 9 470          | 7 377          | 11 835         | 9 674          | 9 499          | 8 438                                   | (11.17)      | 8 883          | 9 017          |
| Local Government Budget<br>Office           | 11 781         | 14 039         | 10 258         | 11 326         | 12 716         | 12 581         | 11 614                                  | (7.69)       | 11 533         | 11 711         |
| 4. Public Finance                           | 52 870         | 55 738         | 49 782         | 65 024         | 51 409         | 50 025         | 72 987                                  | 45.90        | 75 707         | 76 865         |
| Provincial Government<br>Finance            | 10 690         | 11 426         | 11 350         | 11 422         | 10 704         | 10 578         | 10 938                                  | 3.40         | 11 403         | 11 511         |
| Local Government Finance<br>Group 1         | 13 052         | 10 457         | 7 656          | 7 233          | 7 074          | 7 172          | 8 217                                   | 14.57        | 8 552          | 8 665          |
| Local Government Finance<br>Group 2         | 11 473         | 15 113         | 10 859         | 23 107         | 13 378         | 12 237         | 31 616                                  | 158.36       | 32 440         | 32 832         |
| Infrastructure                              | 7 819          | 8 363          | 7 545          | 9 248          | 7 354          | 7 198          | 9 081                                   | 26.16        | 9 619          | 9 969          |
| Business Information and<br>Data Management | 9 836          | 10 159         | 11 310         | 12 410         | 11 610         | 11 569         | 11 396                                  | (1.50)       | 11 459         | 11 652         |
| MFMA Coordination                           |                | 220            | 1 062          | 1 604          | 1 289          | 1 271          | 1 739                                   | 36.82        | 2 234          | 2 236          |
| <b>Total payments and estimates</b>         | <b>121 334</b> | <b>137 338</b> | <b>115 847</b> | <b>139 227</b> | <b>120 069</b> | <b>117 843</b> | <b>144 237</b>                          | <b>22.40</b> | <b>150 989</b> | <b>152 217</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 2.4.3: Local Government Finance (Group 2) is an earmarked allocation amounting to R18.759 million in 2022/23, R19.260 million in 2023/24 and R19.260 million in 2024/25 to strengthen good governance and support in municipalities. The Vote has combined and redesigned the Western Cape Financial Management Support Grant and Western Cape Financial Management Capacity Building Grant into a consolidated grant structure (Western Cape Financial Management Capability Grant) that will continue to provide support to municipalities and attain the set objectives. Also, R5.409 million in 2022/23, R5.647 million in 2023/24 and R5.901 million in 2024/25 to aid municipalities where conditions exist for provincial interventions.

Included in sub-programme 2.4.4: Infrastructure is an earmarked allocation amounting to R2.735 million in 2022/23, R2.965 million in 2023/24 and R3.211 million in 2024/25 for capacity to support infrastructure delivery.

**Table 9.2.1 Summary of payments and estimates by economic classification – Programme 2: Sustainable Resource Management**

| Economic classification<br>R'000     | Outcome            |                    |                    |                                      |  |                                | Medium-term estimate                    |           |         |         |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------------------------|--|--------------------------------|---|-----------|---------|---------|
|                                      | Audited<br>2018/19 | Audited<br>2019/20 | Audited<br>2020/21 | Main<br>appro-<br>piation<br>2021/22 | Adjusted<br>appro-<br>piation<br>2021/22 | Revised<br>estimate<br>2021/22 | % Change<br>from<br>Revised<br>estimate |           |         |         |
|                                      |                    |                    |                    |                                      |  |                                | 2022/23                                 | 2021/22   | 2023/24 | 2024/25 |
| <b>Current payments</b>              | 82 778             | 86 133             | 80 524             | 95 742                               | 86 887                                   | 84 642                         | <b>96 085</b>                           | 13.52     | 98 463  | 100 042 |
| Compensation of employees            | 69 565             | 72 364             | 71 913             | 79 492                               | 73 776                                   | 73 803                         | <b>81 170</b>                           | 9.98      | 83 985  | 84 982  |
| Goods and services                   | 13 213             | 13 769             | 8 611              | 16 250                               | 13 111                                   | 10 839                         | <b>14 915</b>                           | 37.60     | 14 478  | 15 060  |
| <b>Transfers and subsidies to</b>    | 38 556             | 51 205             | 35 323             | 43 485                               | 33 182                                   | 33 201                         | <b>48 152</b>                           | 45.03     | 52 526  | 52 175  |
| Provinces and municipalities         | 11 359             | 13 385             | 4 500              | 13 059                               | 6 477                                    | 6 477                          | <b>21 152</b>                           | 226.57    | 21 911  | 22 165  |
| Departmental agencies and accounts   | 26 864             | 37 663             | 27 744             | 30 372                               | 26 256                                   | 26 256                         | <b>27 000</b>                           | 2.83      | 30 615  | 30 010  |
| Households                           | 333                | 157                | 3 079              | 54                                   | 449                                      | 468                            |   | ( 100.00) |         |         |
| <b>Total economic classification</b> | 121 334            | 137 338            | 115 847            | 139 227                              | 120 069                                  | 117 843                        | <b>144 237</b>                          | 22.40     | 150 989 | 152 217 |

**Details of transfers and subsidies**

| Economic classification<br>R'000              | Outcome            |                    |                    |                                      |  |                                | Medium-term estimate                    |          |         |         |
|---|--------------------|--------------------|--------------------|--------------------------------------|--|--------------------------------|---|----------|---------|---------|
|   | Audited<br>2018/19 | Audited<br>2019/20 | Audited<br>2020/21 | Main<br>appro-<br>piation<br>2021/22 | Adjusted<br>appro-<br>piation<br>2021/22 | Revised<br>estimate<br>2021/22 | % Change<br>from<br>Revised<br>estimate |          |         |         |
|   |                    |                    |                    |                                      |  |                                | 2022/23                                 | 2021/22  | 2023/24 | 2024/25 |
| <b>Transfers and subsidies to (Current)</b>   | 38 556             | 51 205             | 35 323             | 43 485                               | 33 182                                   | 33 201                         | <b>48 152</b>                           | 45.03    | 52 526  | 52 175  |
| Provinces and municipalities                  | 11 359             | 13 385             | 4 500              | 13 059                               | 6 477                                    | 6 477                          | <b>21 152</b>                           | 226.57   | 21 911  | 22 165  |
| Municipalities                                | 11 359             | 13 385             | 4 500              | 13 059                               | 6 477                                    | 6 477                          | <b>21 152</b>                           | 226.57   | 21 911  | 22 165  |
| Municipal bank accounts                       | 11 359             | 13 385             | 4 500              | 13 059                               | 6 477                                    | 6 477                          | <b>21 152</b>                           | 226.57   | 21 911  | 22 165  |
| Departmental agencies and accounts            | 26 864             | 37 663             | 27 744             | 30 372                               | 26 256                                   | 26 256                         | <b>27 000</b>                           | 2.83     | 30 615  | 30 010  |
| Departmental agencies (non-business entities) | 26 864             | 37 663             | 27 744             | 30 372                               | 26 256                                   | 26 256                         | <b>27 000</b>                           | 2.83     | 30 615  | 30 010  |
| Western Cape Gambling and Racing Board        | 26 864             | 37 663             | 27 744             | 30 372                               | 26 256                                   | 26 256                         | <b>27 000</b>                           | 2.83     | 30 615  | 30 010  |
| Households                                    | 333                | 157                | 3 079              | 54                                   | 449                                      | 468                            |   | (100.00) |         |         |
| Social benefits                               | 333                | 157                | 3 079              | 54                                   | 449                                      | 468                            |   | (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 R26.394 million from the 2021/22 revised estimate of R117.843 million to R144.237 million in 2022/23 which equates to growth of 22.4 per cent. The growth from the 2021/22 revised estimate of R117.843 million to R152.217 million in 2024/25 reflects an annual average growth of 8.9 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 Capability Grant is unallocated under Programme 2: Sustainable Resource Management until the Integrated Municipal Engagement processes are finalised, thereafter it will be shifted, during the 2022 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 2022/23 are:

Evaluating the impact of the Constitutional Court judgment on the Preferential Procurement Regulations on provincial departments and addressing gaps and/or areas for refinement in our own Provincial Treasury Instructions and Accounting Officer's System.

Research and portfolio analysis on procurement of goods and services with a focus on attaining value for money outcomes for the Province.

Further enhancements and developments to the e-Procurement System and Procurement Planning Toolkit to improve on current measures in place to attain value for money purchasing in the Province.

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 client support function.

Municipal procurement plans assessed.

### 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 9.3 Summary of payments and estimates – Programme 3: Asset Management**

| Sub-programme<br>R'000                             | Outcome            |                    |                    |                                       |   |                                | Medium-term estimate                    |             |               |               |
|--|--------------------|--------------------|--------------------|---------------------------------------|---|--------------------------------|---|-------------|---------------|---------------|
|  | Audited<br>2018/19 | Audited<br>2019/20 | Audited<br>2020/21 | Main<br>appro-<br>priation<br>2021/22 | Adjusted<br>appro-<br>priation<br>2021/22 | Revised<br>estimate<br>2021/22 | % Change<br>from<br>Revised<br>estimate |             |               |               |
|  |                    |                    |                    |                                       |   |                                | 2021/22                                 | 2021/22     | 2023/24       | 2024/25       |
| 1. Programme Support                               | 2 676              | 3 022              | 4 315              | 4 898                                 | 4 923                                     | 4 863                          | 4 874                                   | 0.23        | 5 030         | 5 122         |
| 2. Supply Chain Management                         | 24 624             | 34 191             | 29 516             | 34 422                                | 36 143                                    | 35 510                         | 39 549                                  | 11.37       | 35 538        | 35 979        |
| Supply Chain Management:<br>Provincial Government  | 18 364             | 26 292             | 21 752             | 24 843                                | 24 844                                    | 24 218                         | 27 781                                  | 14.71       | 25 333        | 25 614        |
| Supply Chain Management:<br>Local Government       | 6 260              | 7 899              | 7 764              | 9 579                                 | 11 299                                    | 11 292                         | 11 768                                  | 4.22        | 10 205        | 10 365        |
| 3. Supporting and Interlinked<br>Financial Systems | 28 768             | 28 180             | 25 687             | 34 615                                | 33 292                                    | 32 500                         | 31 951                                  | (1.69)      | 33 712        | 34 682        |
| <b>Total payments and estimates</b>                | <b>56 068</b>      | <b>65 393</b>      | <b>59 518</b>      | <b>73 935</b>                         | <b>74 358</b>                             | <b>72 873</b>                  | <b>76 374</b>                           | <b>4.80</b> | <b>74 280</b> | <b>75 783</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 R1.500 million in the 2022/23 to drive value for money and provide research that will inform SCM reforms. Furthermore, R3 million respectively in 2022/23, 2023/24 and 2024/25 to support the process of identifying, formulating and implementing Supply Chain Management reforms including the procurement data centre.

Included in sub-programme 3.2.2: Supply Chain Management Local Government is an earmarked allocation amounting to R2.500 million respectively in 2022/23, 2023/24 and 2024/25 for capacity to support Infrastructure delivery. Also, R1.498 million for the project to review, improve and formulate an asset management system of governance and capacity building training and development for municipalities

**Table 9.3.1 Summary of payments and estimates by economic classification – Programme 3: Asset Management**

| Economic classification<br>R'000 | Outcome |         |         |                         |                             |                     | Medium-term estimate                    |           |         |         |
|----------------------------------|---------|---------|---------|-------------------------|-----------------------------|---------------------|---|-----------|---------|---------|
|                                  |         |         |         | Main<br>appro-<br>prium | Adjusted<br>appro-<br>prium | Revised<br>estimate | % Change<br>from<br>Revised<br>estimate |           |         |         |
|                                  | Audited | Audited | Audited |                         |                             |                     |   |           |         |         |
|                                  | 2018/19 | 2019/20 | 2020/21 |                         |                             |                     | 2021/22                                 | 2021/22   | 2021/22 | 2022/23 |
| Current payments                 | 55 633  | 64 989  | 57 261  | 73 935                  | 72 975                      | 71 491              | 76 374                                  | 6.83      | 74 280  | 75 783  |
| Compensation of employees        | 34 935  | 40 671  | 39 293  | 42 830                  | 42 057                      | 41 737              | 48 039                                  | 15.10     | 48 371  | 49 288  |
| Goods and services               | 20 698  | 24 318  | 17 968  | 31 105                  | 30 918                      | 29 754              | 28 335                                  | ( 4.77)   | 25 909  | 26 495  |
| Transfers and subsidies to       | 435     | 404     | 2 257   |                         | 1 383                       | 1 382               |   | ( 100.00) |         |         |
| Households                       | 435     | 404     | 2 257   |                         | 1 383                       | 1 382               |   | ( 100.00) |         |         |
|                                  |         |         |         |                         |                             |                     |   |           |         |         |
| Total economic classification    | 56 068  | 65 393  | 59 518  | 73 935                  | 74 358                      | 72 873              | 76 374                                  | 4.80      | 74 280  | 75 783  |

#### Details of transfers and subsidies

| Economic classification<br>R'000        | Outcome |         |         |  |  |                                    | Medium-term estimate                    |         |         |         |
|---|---------|---------|---------|--|--|------------------------------------|---|---------|---------|---------|
|   |         |         |         | Main<br>appro-<br>p-riation<br><br>2021/22 | Adjusted<br>appro-<br>p-riation<br><br>2021/22 | Revised<br>estimate<br><br>2021/22 | % Change<br>from<br>Revised<br>estimate |         |         |         |
|   | Audited | Audited | Audited |  |  |                                    |   |         |         |         |
|   | 2018/19 | 2019/20 | 2020/21 |  |  |                                    | 2022/23                                 | 2021/22 | 2023/24 | 2024/25 |
| Transfers and subsidies to<br>(Current) | 435     | 404     | 2 257   |  | 1 383  | 1 382                              | (100.00)                                |         |         |         |
| Households                              | 435     | 404     | 2 257   |  | 1 383  | 1 382                              | (100.00)                                |         |         |         |
| Social benefits                         | 435     | 404     | 2 257   |  | 1 378  | 1 377                              | (100.00)                                |         |         |         |
| Other transfers to households           |         |         |         |  | 5  | 5                                  | (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 R3.501 million from R72.873 million in 2021/22 (revised estimate) to R76.374 million in 2022/23 which equates to a growth of 4.8 per cent. The increase from 2021/22 (revised estimate) of R72.873 million to R75.873 million in 2024/25 reflects an annual average increase of 1.3 per cent over the three-year period. The increase mainly relates to the earmarked allocation to support the process of identifying, formulating and implementing Supply Chain Management reform including the procurement data centre.

## **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 2022/23 are:

The activities launched under the headings of the LG MTEC, PG MTEC, provincial governance engagements, and TIME processes will be improved further. These initiatives, which are aimed at supporting the existing policy frameworks, will be further refined over the 2022 MTEF period. 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. National Treasury is trying to improve asset management in the country through enhanced reporting, and this will be driven by the office of the provincial accountant general in order to maximize efficiency benefits in relation to the use of provincial assets.

In addition, following the Supreme Court of Appeal on transfer payments, the Department will issue revised guidelines for the utilisation of Transfer payments and subsidies to eliminate any ambiguity in using this vehicle for service delivery.

### **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 9.4 Summary of payments and estimates – Programme 4: Financial Governance**

| Sub-programme<br>R'000                             | Outcome            |                    |                    |                                      |  |                                | Medium-term estimate                    |                |               |               |
|--|--------------------|--------------------|--------------------|--------------------------------------|--|--------------------------------|---|----------------|---------------|---------------|
|  | Audited<br>2018/19 | Audited<br>2019/20 | Audited<br>2020/21 | Main<br>appro-<br>piation<br>2021/22 | Adjusted<br>appro-<br>piation<br>2021/22 | Revised<br>estimate<br>2021/22 | % Change<br>from<br>Revised<br>estimate |                |               |               |
|  |                    |                    |                    |                                      |  |                                | 2022/23                                 | 2021/22        | 2023/24       | 2024/25       |
| 1. Programme Support                               | 9 388              | 8 822              | 6 785              | 7 835                                | 7 546                                    | 7 553                          | 7 450                                   | (1.36)         | 7 127         | 7 774         |
| Programme Support                                  | 4 233              | 4 439              | 2 035              | 2 711                                | 2 264                                    | 2 221                          | 2 358                                   | 6.17           | 2 045         | 2 615         |
| CA Academy   | 5 155              | 4 383              | 4 750              | 5 124                                | 5 282                                    | 5 332                          | 5 092                                   | (4.50)         | 5 082         | 5 159         |
| 2. Accounting Services                             | 31 306             | 30 409             | 19 598             | 20 683                               | 20 923                                   | 19 931                         | 20 221                                  | 1.46           | 20 266        | 20 605        |
| Provincial Government<br>Accounting and Compliance | 11 539             | 11 471             | 10 198             | 11 123                               | 11 506                                   | 10 523                         | 10 091                                  | (4.11)         | 10 009        | 10 164        |
| Local Government Accounting                        | 19 767             | 18 938             | 9 400              | 9 560                                | 9 417                                    | 9 408                          | 10 130                                  | 7.67           | 10 257        | 10 441        |
| 3. Corporate Governance                            | 25 749             | 28 546             | 24 051             | 22 581                               | 24 191                                   | 24 139                         | 14 068                                  | (41.72)        | 13 986        | 14 151        |
| <b>Total payments and estimates</b>                | <b>66 443</b>      | <b>67 777</b>      | <b>50 434</b>      | <b>51 099</b>                        | <b>52 660</b>                            | <b>51 623</b>                  | <b>41 739</b>                           | <b>(19.15)</b> | <b>41 379</b> | <b>42 530</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.

**Table 9.4.1 Summary of payments and estimates by economic classification – Programme 4: Financial Governance**

| Economic classification<br>R'000     | Outcome            |                    |                    |                                      |  |                                | Medium-term estimate                    |                 |               |               |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------------------------|--|--------------------------------|---|-----------------|---------------|---------------|
|                                      | Audited<br>2018/19 | Audited<br>2019/20 | Audited<br>2020/21 | Main<br>appro-<br>piation<br>2021/22 | Adjusted<br>appro-<br>piation<br>2021/22 | Revised<br>estimate<br>2021/22 | % Change<br>from<br>Revised<br>estimate |                 |               |               |
|                                      |                    |                    |                    |                                      |  |                                | 2022/23                                 | 2021/22         | 2023/24       | 2024/25       |
| <b>Current payments</b>              | 39 574             | 42 362             | 38 699             | 43 251                               | 42 400                                   | 41 363                         | 40 923                                  | ( 1.06)         | 41 379        | 42 530        |
| Compensation of employees            | 32 533             | 35 252             | 36 057             | 37 522                               | 36 847                                   | 36 847                         | 37 749                                  | 2.45            | 37 590        | 38 623        |
| Goods and services                   | 7 041              | 7 110              | 2 642              | 5 729                                | 5 553                                    | 4 516                          | 3 174                                   | ( 29.72)        | 3 789         | 3 907         |
| <b>Transfers and subsidies to</b>    | 26 869             | 25 415             | 11 735             | 7 848                                | 10 260                                   | 10 260                         | 816                                     | ( 92.05)        |               |               |
| Provinces and municipalities         | 26 832             | 24 191             | 11 288             | 7 500                                | 9 890                                    | 9 890                          |   | ( 100.00)       |               |               |
| Households                           | 37                 | 1 224              | 447                | 348                                  | 370                                      | 370                            | 816                                     | 120.54          |               |               |
| <b>Total economic classification</b> | <b>66 443</b>      | <b>67 777</b>      | <b>50 434</b>      | <b>51 099</b>                        | <b>52 660</b>                            | <b>51 623</b>                  | <b>41 739</b>                           | <b>( 19.15)</b> | <b>41 379</b> | <b>42 530</b> |

**Details of transfers and subsidies**

| Economic classification<br>R'000            | Outcome |         |         | Main<br>appro-<br>piation<br>2021/22 | Adjusted<br>appro-<br>piation<br>2021/22 | Revised<br>estimate<br>2021/22 | Medium-term estimate                    |          |         |         |
|---|---------|---------|---------|--------------------------------------|--|--------------------------------|---|----------|---------|---------|
|   | Audited | Audited | Audited |                                      |  |                                | % Change<br>from<br>Revised<br>estimate |          | 2023/24 | 2024/25 |
|   | 2018/19 | 2019/20 | 2020/21 |                                      |  |                                | 2022/23                                 | 2021/22  |         |         |
| <b>Transfers and subsidies to (Current)</b> | 26 869  | 25 415  | 11 735  | 7 848                                | 10 260                                   | 10 260                         | 816                                     | (92.05)  |         |         |
| Provinces and municipalities                | 26 832  | 24 191  | 11 288  | 7 500                                | 9 890                                    | 9 890                          |   | (100.00) |         |         |
| Municipalities                              | 26 832  | 24 191  | 11 288  | 7 500                                | 9 890                                    | 9 890                          |   | (100.00) |         |         |
| Municipal bank accounts                     | 26 832  | 24 191  | 11 288  | 7 500                                | 9 890                                    | 9 890                          |   | (100.00) |         |         |
| Households                                  | 37      | 1 224   | 447     | 348                                  | 370                                      | 370                            | 816                                     | 120.54   |         |         |
| Social benefits                             | 37      | 1 224   | 447     | 348                                  | 370                                      | 370                            | 816                                     | 120.54   |         |         |

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

**Expenditure trends analysis**

The Programme's budget decreased by R9.884 million from R51.623 million in 2021/22 (revised estimate) to R41.739 million in 2022/23, this equates to a nominal reduction of 19.1 per cent. The decrease from 2021/22 (revised estimate) of R51.623 million to R42.530 million in 2024/25 reflects an annual average decline of 6.3 per cent over the three-year period. The reduction relates to the earmarked priority funding allocations for the Western Cape Financial Management Support Grant and Western Cape Financial Management Capacity Building Grant that was combined into the Western Cape Financial Management Capability Grant, however it remains unallocated at this stage under Programme 2: Sustainable Resource Management until the Integrated Municipal Engagement processes are finalised.

## 10. Other programme information

### Personnel numbers and costs

**Table 10.1 Personnel numbers and costs**

| Cost in R million                                 | Actual                         |                |                                |                |                                |                | Revised estimate |                  |                                |                | Medium-term expenditure estimate |                |                                |                |                                |                | Average annual growth over MTEF |                   |                  |
|---|--------------------------------|----------------|--------------------------------|----------------|--------------------------------|----------------|------------------|------------------|--------------------------------|----------------|----------------------------------|----------------|--------------------------------|----------------|--------------------------------|----------------|---------------------------------|-------------------|------------------|
|   | 2018/19                        |                | 2019/20                        |                | 2020/21                        |                | 2021/22          |                  |                                |                | 2022/23                          |                | 2023/24                        |                | 2024/25                        |                | 2021/22 to 2024/25              |                   |                  |
|   | 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   | 103                            | 30 223         | 103                            | 27 399         | 118                            | 26 940         | 54               | 67               | 121                            | 26 645         | 140                              | 28 021         | 126                            | 29 234         | 112                            | 30 270         | (2.5%)                          | 4.3%              | 13.9%            |
| 8 – 10  | 132                            | 68 655         | 143                            | 76 667         | 140                            | 77 190         | 145              |                  | 145                            | 80 610         | 159                              | 88 935         | 159                            | 89 789         | 159                            | 91 491         | 3.1%                            | 4.3%              | 42.6%            |
| 11 – 12   | 59                             | 49 318         | 60                             | 52 418         | 58                             | 50 252         | 63               |                  | 63                             | 53 176         | 65                               | 55 626         | 66                             | 56 683         | 66                             | 57 259         | 1.6%                            | 2.5%              | 27.1%            |
| 13 – 16   | 21                             | 26 645         | 21                             | 28 731         | 22                             | 30 131         | 24               | 1                | 25                             | 28 963         | 27                               | 34 100         | 28                             | 36 027         | 28                             | 36 449         | 3.8%                            | 8.0%              | 16.5%            |
| Other   | 19                             | 1 436          | 7                              | 590            |                                |                |                  |                  |                                |                |                                  |                |                                |                |                                |                |                                 |                   |                  |
| <b>Total</b>                                      | <b>334</b>                     | <b>176 277</b> | <b>334</b>                     | <b>185 805</b> | <b>338</b>                     | <b>184 513</b> | <b>286</b>       | <b>68</b>        | <b>354</b>                     | <b>189 394</b> | <b>391</b>                       | <b>206 682</b> | <b>379</b>                     | <b>211 733</b> | <b>365</b>                     | <b>215 469</b> | <b>1.0%</b>                     | <b>4.4%</b>       | <b>100.0%</b>    |
| <b>Programme</b>                                  |                                |                |                                |                |                                |                |                  |                  |                                |                |                                  |                |                                |                |                                |                |                                 |                   |                  |
| Administration                                    | 112                            | 39 244         | 101                            | 37 518         | 106                            | 37 250         | 56               | 56               | 112                            | 37 007         | 132                              | 39 724         | 118                            | 41 787         | 104                            | 42 576         | (2.4%)                          | 4.8%              | 19.6%            |
| Sustainable Resource Management                   | 104                            | 69 565         | 104                            | 72 364         | 104                            | 71 913         | 111              |                  | 111                            | 73 803         | 116                              | 81 170         | 117                            | 83 985         | 117                            | 84 982         | 1.8%                            | 4.8%              | 39.3%            |
| Asset Management                                  | 62                             | 34 935         | 68                             | 40 671         | 65                             | 39 293         | 70               |                  | 70                             | 41 737         | 81                               | 48 039         | 81                             | 48 371         | 81                             | 49 288         | 5.0%                            | 5.7%              | 22.8%            |
| Financial Governance                              | 56                             | 32 533         | 61                             | 35 252         | 63                             | 36 057         | 49               | 12               | 61                             | 36 847         | 62                               | 37 749         | 63                             | 37 590         | 63                             | 38 623         | 1.1%                            | 1.6%              | 18.3%            |
| <b>Total</b>                                      | <b>334</b>                     | <b>176 277</b> | <b>334</b>                     | <b>185 805</b> | <b>338</b>                     | <b>184 513</b> | <b>286</b>       | <b>68</b>        | <b>354</b>                     | <b>189 394</b> | <b>391</b>                       | <b>206 682</b> | <b>379</b>                     | <b>211 733</b> | <b>365</b>                     | <b>215 469</b> | <b>1.0%</b>                     | <b>4.4%</b>       | <b>100.0%</b>    |
| <b>Employee dispensation</b>                      |                                |                |                                |                |                                |                |                  |                  |                                |                |                                  |                |                                |                |                                |                |                                 |                   |                  |
| Public Service Act appointees not covered by OSDs | 268                            | 163 343        | 289                            | 176 399        | 275                            | 176 280        | 286              | 1                | 287                            | 182 164        | 308                              | 198 499        | 310                            | 202 466        | 310                            | 205 580        | 2.6%                            | 4.1%              | 95.8%            |
| Others such as interns, EPWP, learnerships, etc   | 66                             | 12 934         | 45                             | 9 406          | 63                             | 8 233          |                  | 67               | 67                             | 7 230          | 83                               | 8 183          | 69                             | 9 267          | 55                             | 9 889          | (6.4%)                          | 11.0%             | 4.2%             |
| <b>Total</b>                                      | <b>334</b>                     | <b>176 277</b> | <b>334</b>                     | <b>185 805</b> | <b>338</b>                     | <b>184 513</b> | <b>286</b>       | <b>68</b>        | <b>354</b>                     | <b>189 394</b> | <b>391</b>                       | <b>206 682</b> | <b>379</b>                     | <b>211 733</b> | <b>365</b>                     | <b>215 469</b> | <b>1.0%</b>                     | <b>4.4%</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 10.2 Information on training**

| Description                              | Outcome      |              |            |                            |                                |                     | Medium-term estimate                    |             |              |              |
|--|--------------|--------------|------------|----------------------------|--------------------------------|---------------------|---|-------------|--------------|--------------|
|  |              |              |            | Main<br>appro-<br>priation | Adjusted<br>appro-<br>priation | Revised<br>estimate | % Change<br>from<br>Revised<br>estimate |             |              |              |
|  | 2018/19      | 2019/20      | 2020/21    | 2021/22                    | 2021/22                        | 2021/22             | 2022/23                                 | 2021/22     | 2023/24      | 2024/25      |
| Number of staff                          | 334          | 334          | 338        | 388                        | 360                            | 354                 | 391                                     | 10.45       | 379          | 365          |
| Number of personnel trained              | 330          | 181          | 185        | 190                        | 214                            | 214                 | 190                                     | (11.21)     | 190          | 199          |
| of which                                 |              |              |            |                            |                                |                     |   |             |              |              |
| Male                                     | 149          | 84           | 81         | 82                         | 84                             | 84                  | 82                                      | (2.38)      | 82           | 86           |
| Female                                   | 181          | 97           | 104        | 108                        | 130                            | 130                 | 108                                     | (16.92)     | 108          | 113          |
| Number of training opportunities         | 613          | 494          | 491        | 495                        | 512                            | 512                 | 495                                     | (3.32)      | 495          | 517          |
| of which                                 |              |              |            |                            |                                |                     |   |             |              |              |
| Tertiary                                 | 56           | 133          | 17         | 20                         | 66                             | 66                  | 20                                      | (69.70)     | 20           | 21           |
| Workshops                                | 315          | 33           | 66         | 60                         | 50                             | 50                  | 60                                      | 20.00       | 60           | 63           |
| Seminars                                 | 17           |              |            | 10                         |                                |                     | 10                                      |             | 10           | 10           |
| Other                                    | 225          | 328          | 408        | 405                        | 396                            | 396                 | 405                                     | 2.27        | 405          | 423          |
| Number of bursaries offered              | 35           | 35           | 35         | 37                         | 37                             | 23                  | 16                                      | (30.43)     | 39           | 41           |
| Number of interns appointed              | 60           | 60           | 60         | 63                         | 63                             | 20                  | 15                                      | (25.00)     | 20           | 25           |
| Number of days spent on training         | 825          | 1 235        | 1 228      | 1 238                      | 1 278                          | 1 278               | 1 238                                   | (3.13)      | 1 238        | 1 294        |
| <b>Payments on training by programme</b> |              |              |            |                            |                                |                     |   |             |              |              |
| 1. Administration                        | 743          | 489          | 446        | 931                        | 936                            | 893                 | 951                                     | 6.49        | 955          | 989          |
| 2. Sustainable Resource Management       | 260          | 254          | 72         | 795                        | 735                            | 739                 | 812                                     | 9.88        | 839          | 849          |
| 3. Asset Management                      | 339          | 211          | 144        | 428                        | 420                            | 415                 | 480                                     | 15.66       | 484          | 493          |
| 4. Financial Governance                  | 527          | 548          | 237        | 527                        | 519                            | 517                 | 529                                     | 2.32        | 533          | 547          |
| <b>Total payments on training</b>        | <b>1 869</b> | <b>1 502</b> | <b>899</b> | <b>2 681</b>               | <b>2 610</b>                   | <b>2 564</b>        | <b>2 772</b>                            | <b>8.11</b> | <b>2 811</b> | <b>2 878</b> |

## Reconciliation of structural changes

None.



## Annexure A to Vote 3

Table A.1 Specification of receipts

| Receipts<br>R'000   | Outcome            |                    |                    | Main<br>appro-<br>priation<br>2021/22 | Adjusted<br>appro-<br>priation<br>2021/22 | Revised<br>estimate<br>2021/22 | Medium-term estimate                               |          |         |         |
|---|--------------------|--------------------|--------------------|---------------------------------------|---|--------------------------------|--|----------|---------|---------|
|   | Audited<br>2018/19 | Audited<br>2019/20 | Audited<br>2020/21 |                                       |   |                                | % Change<br>from<br>Revised<br>estimate<br>2021/22 | 2022/23  | 2023/24 | 2024/25 |
| <b>Sales of goods and services<br/>other than capital assets</b>                      | 38                 | 40                 | 43                 | 16                                    | 16  | 26                             | 17   | (34.62)  | 18      | 18      |
| Sales of goods and services<br>produced by department<br>(excl. capital assets)       | 38                 | 40                 | 40                 | 15                                    | 15  | 26                             | 16   | (38.46)  | 17      | 17      |
| Other sales   | 38                 | 40                 | 40                 | 15                                    | 15  | 26                             | 16   | (38.46)  | 17      | 17      |
| Of which  |                    |                    |                    |                                       |   |                                |  |          |         |         |
| Commission on<br>insurance  |                    |                    | 34                 |                                       |   | 26                             |  | (100.00) |         |         |
| Other   | 38                 | 40                 | 6                  | 15                                    | 15  |                                | 16   |          | 17      | 17      |
| Sales of scrap, waste, arms<br>and other used current goods<br>(excl. capital assets) |                    |                    | 3                  | 1                                     | 1   |                                | 1  |          | 1       | 1       |
| <b>Transfers received from:</b>   |                    |                    |                    | 1                                     | 1   |                                | 1  |          | 1       | 1       |
| Households and non-profit<br>institutions   |                    |                    |                    | 1                                     | 1   |                                | 1  |          | 1       | 1       |
| <b>Interest, dividends and rent<br/>on land</b>                                       | 1                  | 4                  | 6                  | 1                                     | 1   | 18                             | 1  | (94.44)  | 1       | 1       |
| Interest  | 1                  | 4                  | 6                  | 1                                     | 1   | 18                             | 1  | (94.44)  | 1       | 1       |
| <b>Sales of capital assets</b>  | 114                | 85                 | 1                  |                                       |   |                                |  |          |         |         |
| Other capital assets  | 114                | 85                 | 1                  |                                       |   |                                |  |          |         |         |
| <b>Financial transactions in<br/>assets and liabilities</b>                           | 6 632              | 5 942              | 19 677             | 58                                    | 58  | 2 841                          | 61   | (97.85)  | 64      | 68      |
| Recovery of previous year's<br>expenditure  |                    |                    | 7 573              |                                       |   | 2 710                          |  | (100.00) |         |         |
| Unallocated credits   |                    |                    | 11                 |                                       |   | 1                              |  | (100.00) |         |         |
| Cash surpluses  |                    |                    | 11 852             |                                       |   |                                |  |          |         |         |
| Other   | 6 632              | 5 942              | 241                | 58                                    | 58  | 130                            | 61   | (53.08)  | 64      | 68      |
| <b>Total departmental receipts</b>  | 6 785              | 6 071              | 19 727             | 76                                    | 76  | 2 885                          | 80   | (97.23)  | 84      | 88      |

Note: Receipts from 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<br>R'000                                      | Outcome            |                    |                    |                                      |  |                                | Medium-term estimate                 |          |         |         |
|---|--------------------|--------------------|--------------------|--------------------------------------|--|--------------------------------|--------------------------------------|----------|---------|---------|
|   | Audited<br>2018/19 | Audited<br>2019/20 | Audited<br>2020/21 | Main<br>appro-<br>piation<br>2021/22 | Adjusted<br>appro-<br>piation<br>2021/22 | Revised<br>estimate<br>2021/22 | % Change<br>from Revised<br>estimate |          |         |         |
|   |                    |                    |                    |                                      |  |                                | 2022/23                              | 2021/22  | 2023/24 | 2024/25 |
| <b>Current payments</b>   | 229 296            | 243 360            | 224 944            | 262 061                              | 253 949                                  | 248 511                        | <b>264 780</b>                       | 6.55     | 265 632 | 271 123 |
| Compensation of employees   | 176 277            | 185 805            | 184 513            | 196 995                              | 189 863                                  | 189 394                        | <b>206 682</b>                       | 9.13     | 211 733 | 215 469 |
| Salaries and wages  | 155 892            | 162 223            | 161 343            | 171 752                              | 166 082                                  | 165 534                        | <b>180 514</b>                       | 9.05     | 183 749 | 186 577 |
| Social contributions  | 20 385             | 23 582             | 23 170             | 25 243                               | 23 781                                   | 23 860                         | <b>26 168</b>                        | 9.67     | 27 984  | 28 892  |
| Goods and services  | 53 019             | 57 555             | 40 431             | 65 066                               | 64 086                                   | 59 117                         | <b>58 098</b>                        | (1.72)   | 53 899  | 55 654  |
| of which  |                    |                    |                    |                                      |  |                                |                                      |          |         |         |
| Administrative fees   | 3                  | 3                  | 4                  | 3                                    | 3  | 3                              | <b>3</b>                             |          | 3       | 3       |
| Advertising   | 1 035              | 1 389              | 871                | 634                                  | 768                                      | 752                            | <b>799</b>                           | 6.25     | 699     | 731     |
| Minor Assets  | 341                | 560                | 3                  |                                      | 281                                      | 7                              |                                      | (100.00) |         |         |
| Audit cost: External  | 5 644              | 5 939              | 5 062              | 5 384                                | 5 384                                    | 5 363                          | <b>5 434</b>                         | 1.32     | 5 434   | 5 678   |
| Bursaries: Employees  | 582                | 446                | 309                | 600                                  | 600                                      | 575                            | <b>600</b>                           | 4.35     | 600     | 627     |
| Catering: Departmental activities                                     | 671                | 400                | 82                 | 300                                  | 138                                      | 52                             |                                      | (100.00) | 200     | 209     |
| Communication (G&S)   | 508                | 660                | 2 443              | 913                                  | 1 566                                    | 1 548                          | <b>942</b>                           | (39.15)  | 959     | 969     |
| Computer services   | 6 872              | 9 991              | 3 280              | 7 613                                | 8 041                                    | 8 035                          | <b>5 356</b>                         | (33.34)  | 5 872   | 5 933   |
| Consultants and professional services: Business and advisory services | 23 086             | 22 083             | 17 960             | 34 607                               | 35 039                                   | 31 893                         | <b>32 708</b>                        | 2.56     | 26 098  | 27 026  |
| Legal costs   |                    | 936                | 1 363              |                                      |  | 6                              | <b>400</b>                           | 6566.67  |         |         |
| Contractors   | 862                | 227                | 248                | 85                                   | 84                                       | 76                             | <b>40</b>                            | (47.37)  | 42      | 44      |
| Agency and support / outsourced services                              | 99                 | 1 771              | 4 017              | 3 876                                | 3 904                                    | 3 796                          | <b>4 027</b>                         | 6.09     | 4 027   | 4 027   |
| Entertainment   | 121                | 94                 |                    |                                      |  |                                |                                      |          |         |         |
| Fleet services (including government motor transport)                 | 960                | 1 065              | 534                | 600                                  | 438                                      | 409                            | <b>400</b>                           | (2.20)   | 500     | 523     |
| Consumable supplies   | 291                | 250                | 480                | 164                                  | 190                                      | 136                            | <b>165</b>                           | 21.32    | 161     | 163     |
| Consumable: Stationery, printing and office supplies                  | 1 813              | 1 065              | 169                | 472                                  | 430                                      | 268                            | <b>454</b>                           | 69.40    | 404     | 412     |
| Operating leases  | 519                | 1 036              | 1 810              | 2 062                                | 2 002                                    | 2 001                          | <b>1 919</b>                         | (4.10)   | 1 574   | 1 645   |
| Property payments   | 130                | 45                 | 313                | 658                                  | 658                                      | 444                            | <b>252</b>                           | (43.24)  | 253     | 264     |
| Transport provided: Departmental activity                             | 9                  | 7                  |                    |                                      |  |                                |                                      |          |         |         |
| Travel and subsistence  | 5 315              | 5 248              | 72                 | 2 399                                | 1 140                                    | 655                            | <b>1 460</b>                         | 122.90   | 2 931   | 3 057   |
| Training and development  | 1 287              | 1 056              | 590                | 2 081                                | 2 010                                    | 1 989                          | <b>2 172</b>                         | 9.20     | 2 211   | 2 251   |
| Operating payments  | 1 523              | 1 341              | 662                | 965                                  | 1 030                                    | 880                            | <b>967</b>                           | 9.89     | 917     | 957     |
| Venues and facilities   | 1 348              | 1 943              | 84                 | 1 650                                | 348                                      | 197                            |                                      | (100.00) | 1 014   | 1 135   |
| Rental and hiring   |                    |                    | 75                 |                                      | 32                                       | 32                             |                                      | (100.00) |         |         |
| <b>Transfers and subsidies to</b>                                     | 69 287             | 79 876             | 50 733             | 54 016                               | 47 366                                   | 47 385                         | <b>51 476</b>                        | 8.63     | 55 034  | 54 796  |
| Provinces and municipalities  | 38 191             | 37 576             | 15 788             | 20 559                               | 16 367                                   | 16 367                         | <b>21 152</b>                        | 29.24    | 21 911  | 22 165  |
| Municipalities  | 38 191             | 37 576             | 15 788             | 20 559                               | 16 367                                   | 16 367                         | <b>21 152</b>                        | 29.24    | 21 911  | 22 165  |
| Municipal bank accounts   | 38 191             | 37 576             | 15 788             | 20 559                               | 16 367                                   | 16 367                         | <b>21 152</b>                        | 29.24    | 21 911  | 22 165  |
| Departmental agencies and accounts                                    | 26 869             | 37 669             | 27 751             | 30 378                               | 26 264                                   | 26 264                         | <b>27 008</b>                        | 2.83     | 30 623  | 30 018  |
| Departmental agencies (non-business entities)                         | 26 869             | 37 669             | 27 751             | 30 378                               | 26 264                                   | 26 264                         | <b>27 008</b>                        | 2.83     | 30 623  | 30 018  |
| South African Broadcasting Corporation (SABC)                         | 5                  | 6                  | 7                  | 6                                    | 8  | 8                              | <b>8</b>                             |          | 8       | 8       |
| Western Cape Gambling and Racing Board                                | 26 864             | 37 663             | 27 744             | 30 372                               | 26 256                                   | 26 256                         | <b>27 000</b>                        | 2.83     | 30 615  | 30 010  |
| Households  | 4 227              | 4 631              | 7 194              | 3 079                                | 4 735                                    | 4 754                          | <b>3 316</b>                         | (30.25)  | 2 500   | 2 613   |
| Social benefits   | 1 091              | 2 247              | 5 882              | 402                                  | 2 225                                    | 2 244                          | <b>816</b>                           | (63.64)  |         |         |
| Other transfers to households   | 3 136              | 2 384              | 1 312              | 2 677                                | 2 510                                    | 2 510                          | <b>2 500</b>                         | (0.40)   | 2 500   | 2 613   |
| <b>Payments for capital assets</b>                                    | 4 214              | 5 467              | 1 648              | 3 531                                | 6 261                                    | 6 262                          | <b>5 354</b>                         | (14.50)  | 3 551   | 3 463   |
| Machinery and equipment   | 4 214              | 5 467              | 1 648              | 3 531                                | 6 261                                    | 6 262                          | <b>5 354</b>                         | (14.50)  | 3 551   | 3 463   |
| Transport equipment   | 1 310              | 1 270              | 1 615              | 1 408                                | 1 363                                    | 1 359                          | <b>1 464</b>                         | 7.73     | 1 464   | 1 530   |
| Other machinery and equipment   | 2 904              | 4 197              | 33                 | 2 123                                | 4 898                                    | 4 903                          | <b>3 890</b>                         | (20.66)  | 2 087   | 1 933   |
| <b>Payments for financial assets</b>                                  | 309                | 62                 | 68                 |                                      | 26                                       | 41                             |                                      | (100.00) |         |         |
| <b>Total economic classification</b>                                  | 303 106            | 328 765            | 277 393            | 319 608                              | 307 602                                  | 302 199                        | <b>321 610</b>                       | 6.42     | 324 217 | 329 382 |

## Annexure A to Vote 3

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

| Economic classification<br>R'000                                      | Outcome            |                    |                    |                                       |   |                                | Medium-term estimate                 |          |         |         |
|---|--------------------|--------------------|--------------------|---------------------------------------|---|--------------------------------|--------------------------------------|----------|---------|---------|
|   | Audited<br>2018/19 | Audited<br>2019/20 | Audited<br>2020/21 | Main<br>appro-<br>priation<br>2021/22 | Adjusted<br>appro-<br>priation<br>2021/22 | Revised<br>estimate<br>2021/22 | % Change<br>from Revised<br>estimate |          |         |         |
|   |                    |                    |                    |                                       |   |                                | 2022/23                              | 2021/22  | 2023/24 | 2024/25 |
| <b>Current payments</b>   | 51 311             | 49 876             | 48 460             | 49 133                                | 51 687                                    | 51 015                         | <b>51 398</b>                        | 0.75     | 51 510  | 52 768  |
| Compensation of employees   | 39 244             | 37 518             | 37 250             | 37 151                                | 37 183                                    | 37 007                         | <b>39 724</b>                        | 7.34     | 41 787  | 42 576  |
| Salaries and wages  | 35 401             | 33 489             | 32 940             | 32 778                                | 32 813                                    | 32 640                         | <b>35 067</b>                        | 7.44     | 36 807  | 37 388  |
| Social contributions  | 3 843              | 4 029              | 4 310              | 4 373                                 | 4 370                                     | 4 367                          | <b>4 657</b>                         | 6.64     | 4 980   | 5 188   |
| Goods and services  | 12 067             | 12 358             | 11 210             | 11 982                                | 14 504                                    | 14 008                         | <b>11 674</b>                        | (16.66)  | 9 723   | 10 192  |
| of which  |                    |                    |                    |                                       |   |                                |                                      |          |         |         |
| Administrative fees   | 3                  | 3                  | 4                  | 3                                     | 3   | 3                              | <b>3</b>                             |          | 3       | 3       |
| Advertising   | 671                | 1 078              | 765                | 534                                   | 532                                       | 516                            | <b>599</b>                           | 16.09    | 599     | 626     |
| Minor Assets  | 341                | 560                | 3                  |                                       | 281                                       | 7                              |                                      | (100.00) |         |         |
| Audit cost: External  | 3 740              | 4 178              | 3 206              | 3 784                                 | 3 784                                     | 3 763                          | <b>3 784</b>                         | 0.56     | 3 784   | 3 954   |
| Bursaries: Employees  | 582                | 446                | 309                | 600                                   | 600                                       | 575                            | <b>600</b>                           | 4.35     | 600     | 627     |
| Catering: Departmental activities                                     | 180                | 22                 | 82                 | 50                                    |   |                                |                                      |          | 40      | 42      |
| Communication (G&S)   | 147                | 346                | 763                | 391                                   | 515                                       | 502                            | <b>391</b>                           | (22.11)  | 391     | 400     |
| Computer services   | 1 632              | 1 208              | 1 056              | 1 165                                 | 1 387                                     | 1 380                          | <b>1 292</b>                         | (6.38)   | 1 165   | 1 217   |
| Consultants and professional services: Business and advisory services | 114                | 989                | 2 690              | 2 166                                 | 4 866                                     | 4 829                          | <b>3 017</b>                         | (37.52)  | 1 317   | 1 376   |
| Legal costs   |                    | 4                  |                    |                                       |   |                                |                                      |          |         |         |
| Contractors   | 731                | 144                | 240                | 85                                    | 84  | 76                             | <b>40</b>                            | (47.37)  | 42      | 44      |
| Agency and support / outsourced services                              |                    | 37                 |                    |                                       |   |                                |                                      |          |         |         |
| Entertainment   | 25                 | 10                 |                    |                                       |   |                                |                                      |          |         |         |
| Fleet services (including government motor transport)                 | 960                | 1 065              | 534                | 600                                   | 438                                       | 409                            | <b>400</b>                           | (2.20)   | 500     | 523     |
| Consumable supplies   | 219                | 174                | 470                | 67                                    | 105                                       | 92                             | <b>58</b>                            | (36.96)  | 53      | 55      |
| Consumable: Stationery, printing and office supplies                  | 467                | 285                | 5                  | 132                                   | 62  | 42                             | <b>130</b>                           | 209.52   | 110     | 113     |
| Operating leases  | 519                | 299                | 605                | 732                                   | 672                                       | 671                            | <b>483</b>                           | (28.02)  | 60      | 63      |
| Property payments   | 130                |                    | 2                  | 300                                   | 300                                       | 300                            |                                      | (100.00) |         |         |
| Transport provided: Departmental activity                             | 9                  | 7                  |                    |                                       |   |                                |                                      |          |         |         |
| Travel and subsistence  | 1 101              | 812                | 22                 | 417                                   | 114                                       | 106                            | <b>198</b>                           | 86.79    | 326     | 335     |
| Training and development  | 161                | 43                 | 137                | 331                                   | 336                                       | 318                            | <b>351</b>                           | 10.38    | 355     | 362     |
| Operating payments  | 323                | 314                | 242                | 445                                   | 313                                       | 307                            | <b>328</b>                           | 6.84     | 278     | 292     |
| Venues and facilities   | 12                 | 334                |                    | 180                                   | 80  | 80                             |                                      | (100.00) | 100     | 160     |
| Rental and hiring   |                    |                    | 75                 |                                       | 32  | 32                             |                                      | (100.00) |         |         |
| <b>Transfers and subsidies</b>  | <b>3 427</b>       | <b>2 852</b>       | <b>1 418</b>       | <b>2 683</b>                          | <b>2 541</b>                              | <b>2 542</b>                   | <b>2 508</b>                         | (1.34)   | 2 508   | 2 621   |
| Departmental agencies and accounts                                    | 5                  | 6                  | 7                  | 6                                     | 8   | 8                              | <b>8</b>                             |          | 8       | 8       |
| Departmental agencies (non-business entities)                         | 5                  | 6                  | 7                  | 6                                     | 8   | 8                              | <b>8</b>                             |          | 8       | 8       |
| South African Broadcasting Corporation (SABC)                         | 5                  | 6                  | 7                  | 6                                     | 8   | 8                              | <b>8</b>                             |          | 8       | 8       |
| Households  | 3 422              | 2 846              | 1 411              | 2 677                                 | 2 533                                     | 2 534                          | <b>2 500</b>                         | (1.34)   | 2 500   | 2 613   |
| Social benefits   | 286                | 462                | 99                 |                                       | 28  | 29                             |                                      | (100.00) |         |         |
| Other transfers to households   | 3 136              | 2 384              | 1 312              | 2 677                                 | 2 505                                     | 2 505                          | <b>2 500</b>                         | (0.20)   | 2 500   | 2 613   |
| <b>Payments for capital assets</b>                                    | <b>4 214</b>       | <b>5 467</b>       | <b>1 648</b>       | <b>3 531</b>                          | <b>6 261</b>                              | <b>6 262</b>                   | <b>5 354</b>                         | (14.50)  | 3 551   | 3 463   |
| Machinery and equipment   | 4 214              | 5 467              | 1 648              | 3 531                                 | 6 261                                     | 6 262                          | <b>5 354</b>                         | (14.50)  | 3 551   | 3 463   |
| Transport equipment   | 1 310              | 1 270              | 1 615              | 1 408                                 | 1 363                                     | 1 359                          | <b>1 464</b>                         | 7.73     | 1 464   | 1 530   |
| Other machinery and equipment   | 2 904              | 4 197              | 33                 | 2 123                                 | 4 898                                     | 4 903                          | <b>3 890</b>                         | (20.66)  | 2 087   | 1 933   |
| <b>Payments for financial assets</b>                                  | <b>309</b>         | <b>62</b>          | <b>68</b>          |                                       | <b>26</b>                                 | <b>41</b>                      |                                      | (100.00) |         |         |
| <b>Total economic classification</b>                                  | <b>59 261</b>      | <b>58 257</b>      | <b>51 594</b>      | <b>55 347</b>                         | <b>60 515</b>                             | <b>59 860</b>                  | <b>59 260</b>                        | (1.00)   | 57 569  | 58 852  |

## Annexure A to Vote 3

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

| Economic classification<br>R'000                                      | Outcome        |                |                |                |                |                | Medium-term estimate                 |          |         |         |
|---|----------------|----------------|----------------|----------------|----------------|----------------|--------------------------------------|----------|---------|---------|
|   | Audited        | Audited        | Audited        | Main           | Adjusted       | Revised        | % Change<br>from Revised<br>estimate |          |         |         |
|   | 2018/19        | 2019/20        | 2020/21        | 2021/22        | 2021/22        | 2021/22        | 2022/23                              | 2021/22  | 2023/24 | 2024/25 |
| <b>Current payments</b>   | 82 778         | 86 133         | 80 524         | 95 742         | 86 887         | 84 642         | <b>96 085</b>                        | 13.52    | 98 463  | 100 042 |
| Compensation of employees   | 69 565         | 72 364         | 71 913         | 79 492         | 73 776         | 73 803         | <b>81 170</b>                        | 9.98     | 83 985  | 84 982  |
| Salaries and wages  | 61 172         | 63 645         | 62 985         | 69 372         | 64 737         | 64 652         | <b>71 120</b>                        | 10.00    | 73 198  | 73 901  |
| Social contributions  | 8 393          | 8 719          | 8 928          | 10 120         | 9 039          | 9 151          | <b>10 050</b>                        | 9.82     | 10 787  | 11 081  |
| Goods and services  | 13 213         | 13 769         | 8 611          | 16 250         | 13 111         | 10 839         | <b>14 915</b>                        | 37.60    | 14 478  | 15 060  |
| of which  |                |                |                |                |                |                |                                      |          |         |         |
| Advertising   | 364            | 311            | 106            | 100            | 236            | 236            | <b>200</b>                           | (15.25)  | 100     | 105     |
| Audit cost: External  | 959            | 817            | 922            | 850            | 850            | 850            | <b>850</b>                           |          | 850     | 888     |
| Catering: Departmental activities                                     | 260            | 201            |                | 120            | 120            | 34             |                                      | (100.00) | 80      | 84      |
| Communication (G&S)   | 150            | 176            | 759            | 281            | 505            | 508            | <b>324</b>                           | (36.22)  | 341     | 341     |
| Computer services   |                | 542            | 155            | 388            | 361            | 361            | <b>255</b>                           | (29.36)  | 200     | 209     |
| Consultants and professional services: Business and advisory services | 6 604          | 6 975          | 5 541          | 11 917         | 8 593          | 6 985          | <b>10 658</b>                        | 52.58    | 9 780   | 10 207  |
| Legal costs   |                | 406            | 447            |                |                |                | <b>400</b>                           |          |         |         |
| Contractors   | 42             |                |                |                |                |                |                                      |          |         |         |
| Agency and support / outsourced services                              | 81             | 112            | 55             |                | 28             | 65             |                                      | (100.00) |         |         |
| Entertainment   | 53             | 42             |                |                |                |                |                                      |          |         |         |
| Consumable supplies   | 43             | 32             | 8              | 51             | 47             | 27             | <b>61</b>                            | 125.93   | 62      | 62      |
| Consumable: Stationery, printing and office supplies                  | 960            | 477            | 163            | 239            | 281            | 190            | <b>225</b>                           | 18.42    | 212     | 216     |
| Travel and subsistence  | 2 041          | 2 166          | 28             | 788            | 543            | 328            | <b>630</b>                           | 92.07    | 1 257   | 1 314   |
| Training and development  | 260            | 254            | 72             | 795            | 735            | 739            | <b>812</b>                           | 9.88     | 839     | 849     |
| Operating payments  | 1 130          | 929            | 355            | 430            | 611            | 466            | <b>500</b>                           | 7.30     | 500     | 522     |
| Venues and facilities   | 266            | 329            |                | 291            | 201            | 50             |                                      | (100.00) | 257     | 263     |
| <b>Transfers and subsidies to</b>                                     | <b>38 556</b>  | <b>51 205</b>  | <b>35 323</b>  | <b>43 485</b>  | <b>33 182</b>  | <b>33 201</b>  | <b>48 152</b>                        | 45.03    | 52 526  | 52 175  |
| Provinces and municipalities  | 11 359         | 13 385         | 4 500          | 13 059         | 6 477          | 6 477          | <b>21 152</b>                        | 226.57   | 21 911  | 22 165  |
| Municipalities  | 11 359         | 13 385         | 4 500          | 13 059         | 6 477          | 6 477          | <b>21 152</b>                        | 226.57   | 21 911  | 22 165  |
| Municipal bank accounts   | 11 359         | 13 385         | 4 500          | 13 059         | 6 477          | 6 477          | <b>21 152</b>                        | 226.57   | 21 911  | 22 165  |
| Departmental agencies and accounts                                    | 26 864         | 37 663         | 27 744         | 30 372         | 26 256         | 26 256         | <b>27 000</b>                        | 2.83     | 30 615  | 30 010  |
| Departmental agencies (non-business entities)                         | 26 864         | 37 663         | 27 744         | 30 372         | 26 256         | 26 256         | <b>27 000</b>                        | 2.83     | 30 615  | 30 010  |
| Western Cape Gambling and Racing Board                                | 26 864         | 37 663         | 27 744         | 30 372         | 26 256         | 26 256         | <b>27 000</b>                        | 2.83     | 30 615  | 30 010  |
| Households  | 333            | 157            | 3 079          | 54             | 449            | 468            |                                      | (100.00) |         |         |
| Social benefits   | 333            | 157            | 3 079          | 54             | 449            | 468            |                                      | (100.00) |         |         |
| <b>Total economic classification</b>                                  | <b>121 334</b> | <b>137 338</b> | <b>115 847</b> | <b>139 227</b> | <b>120 069</b> | <b>117 843</b> | <b>144 237</b>                       | 22.40    | 150 989 | 152 217 |

## Annexure A to Vote 3

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

| Economic classification<br>R'000                                      | Outcome            |                    |                    |                                       |   |                                | Medium-term estimate                 |          |         |         |
|---|--------------------|--------------------|--------------------|---------------------------------------|---|--------------------------------|--------------------------------------|----------|---------|---------|
|   | Audited<br>2018/19 | Audited<br>2019/20 | Audited<br>2020/21 | Main<br>appro-<br>priation<br>2021/22 | Adjusted<br>appro-<br>priation<br>2021/22 | Revised<br>estimate<br>2021/22 | % Change<br>from Revised<br>estimate |          |         |         |
|   |                    |                    |                    |                                       |   |                                | 2022/23                              | 2021/22  | 2023/24 | 2024/25 |
| <b>Current payments</b>   | 55 633             | 64 989             | 57 261             | 73 935                                | 72 975                                    | 71 491                         | <b>76 374</b>                        | 6.83     | 74 280  | 75 783  |
| Compensation of employees   | 34 935             | 40 671             | 39 293             | 42 830                                | 42 057                                    | 41 737                         | <b>48 039</b>                        | 15.10    | 48 371  | 49 288  |
| Salaries and wages  | 30 353             | 33 867             | 33 632             | 36 679                                | 36 054                                    | 35 765                         | <b>41 181</b>                        | 15.14    | 41 003  | 41 666  |
| Social contributions  | 4 582              | 6 804              | 5 661              | 6 151                                 | 6 003                                     | 5 972                          | <b>6 858</b>                         | 14.84    | 7 368   | 7 622   |
| Goods and services  | 20 698             | 24 318             | 17 968             | 31 105                                | 30 918                                    | 29 754                         | <b>28 335</b>                        | (4.77)   | 25 909  | 26 495  |
| of which  |                    |                    |                    |                                       |   |                                |                                      |          |         |         |
| Catering: Departmental activities                                     | 56                 | 39                 |                    | 40                                    | 16  | 16                             |                                      | (100.00) | 30      | 31      |
| Communication (G&S)   | 134                | 60                 | 475                | 139                                   | 286                                       | 280                            | <b>125</b>                           | (55.36)  | 125     | 125     |
| Computer services   | 5 218              | 8 236              | 1 900              | 6 051                                 | 6 228                                     | 6 229                          | <b>3 809</b>                         | (38.85)  | 4 507   | 4 507   |
| Consultants and professional services: Business and advisory services | 12 747             | 10 480             | 8 949              | 17 421                                | 17 770                                    | 17 270                         | <b>17 847</b>                        | 3.34     | 13 755  | 14 183  |
| Legal costs   |                    | 526                | 916                |                                       |   | 6                              |                                      | (100.00) |         |         |
| Contractors   | 38                 | 82                 | 8                  |                                       |   |                                |                                      |          |         |         |
| Agency and support / outsourced services                              |                    | 1 622              | 3 935              | 3 876                                 | 3 876                                     | 3 731                          | <b>4 027</b>                         | 7.93     | 4 027   | 4 027   |
| Entertainment   | 18                 | 20                 |                    |                                       |   |                                |                                      |          |         |         |
| Consumable supplies   | 20                 | 29                 |                    | 29                                    | 21  | 12                             | <b>29</b>                            | 141.67   | 29      | 29      |
| Consumable: Stationery, printing and office supplies                  | 323                | 222                | 1                  | 67                                    | 53  | 20                             | <b>65</b>                            | 225.00   | 54      | 54      |
| Operating leases  |                    | 737                | 1 205              | 1 330                                 | 1 330                                     | 1 330                          | <b>1 436</b>                         | 7.97     | 1 514   | 1 582   |
| Property payments   |                    | 45                 | 311                | 358                                   | 358                                       | 144                            | <b>252</b>                           | 75.00    | 253     | 264     |
| Travel and subsistence  | 1 108              | 1 207              | 3                  | 593                                   | 471                                       | 211                            | <b>265</b>                           | 25.59    | 647     | 677     |
| Training and development  | 339                | 211                | 144                | 428                                   | 420                                       | 415                            | <b>480</b>                           | 15.66    | 484     | 493     |
| Operating payments  | 3                  | 3                  | 37                 | 6                                     | 22  | 23                             |                                      | (100.00) |         |         |
| Venues and facilities   | 694                | 799                | 84                 | 767                                   | 67  | 67                             |                                      | (100.00) | 484     | 523     |
| <b>Transfers and subsidies to</b>                                     | 435                | 404                | 2 257              |                                       | 1 383                                     | 1 382                          |                                      | (100.00) |         |         |
| Households  | 435                | 404                | 2 257              |                                       | 1 383                                     | 1 382                          |                                      | (100.00) |         |         |
| Social benefits   | 435                | 404                | 2 257              |                                       | 1 378                                     | 1 377                          |                                      | (100.00) |         |         |
| Other transfers to households   |                    |                    |                    |                                       | 5   | 5                              |                                      | (100.00) |         |         |
| <b>Total economic classification</b>                                  | 56 068             | 65 393             | 59 518             | 73 935                                | 74 358                                    | 72 873                         | <b>76 374</b>                        | 4.80     | 74 280  | 75 783  |

## Annexure A to Vote 3

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

| Economic classification<br>R'000                                      | Outcome |         |         |         |          |         | Medium-term estimate                 |          |         |         |
|---|---------|---------|---------|---------|----------|---------|--------------------------------------|----------|---------|---------|
|   | Audited | Audited | Audited | Main    | Adjusted | Revised | % Change<br>from Revised<br>estimate |          |         |         |
|   | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2021/22  | 2021/22 | 2022/23                              | 2021/22  | 2023/24 | 2024/25 |
| <b>Current payments</b>   | 39 574  | 42 362  | 38 699  | 43 251  | 42 400   | 41 363  | 40 923                               | (1.06)   | 41 379  | 42 530  |
| Compensation of employees   | 32 533  | 35 252  | 36 057  | 37 522  | 36 847   | 36 847  | 37 749                               | 2.45     | 37 590  | 38 623  |
| Salaries and wages  | 28 966  | 31 222  | 31 786  | 32 923  | 32 478   | 32 477  | 33 146                               | 2.06     | 32 741  | 33 622  |
| Social contributions  | 3 567   | 4 030   | 4 271   | 4 599   | 4 369    | 4 370   | 4 603                                | 5.33     | 4 849   | 5 001   |
| Goods and services  | 7 041   | 7 110   | 2 642   | 5 729   | 5 553    | 4 516   | 3 174                                | (29.72)  | 3 789   | 3 907   |
| of which  |         |         |         |         |          |         |                                      |          |         |         |
| Audit cost: External  | 945     | 944     | 934     | 750     | 750      | 750     | 800                                  | 6.67     | 800     | 836     |
| Catering: Departmental activities                                     | 175     | 138     |         | 90      | 2        | 2       |                                      | (100.00) | 50      | 52      |
| Communication (G&S)   | 77      | 78      | 446     | 102     | 260      | 258     | 102                                  | (60.47)  | 102     | 103     |
| Computer services   | 22      | 5       | 169     | 9       | 65       | 65      |                                      | (100.00) |         |         |
| Consultants and professional services: Business and advisory services | 3 621   | 3 639   | 780     | 3 103   | 3 810    | 2 809   | 1 186                                | (57.78)  | 1 246   | 1 260   |
| Contractors   | 51      | 1       |         |         |          |         |                                      |          |         |         |
| Agency and support / outsourced services                              | 18      |         | 27      |         |          |         |                                      |          |         |         |
| Entertainment   | 25      | 22      |         |         |          |         |                                      |          |         |         |
| Consumable supplies   | 9       | 15      | 2       | 17      | 17       | 5       | 17                                   | 240.00   | 17      | 17      |
| Consumable: Stationery, printing and office supplies                  | 63      | 81      |         | 34      | 34       | 16      | 34                                   | 112.50   | 28      | 29      |
| Travel and subsistence  | 1 065   | 1 063   | 19      | 601     | 12       | 10      | 367                                  | 3570.00  | 701     | 731     |
| Training and development  | 527     | 548     | 237     | 527     | 519      | 517     | 529                                  | 2.32     | 533     | 547     |
| Operating payments  | 67      | 95      | 28      | 84      | 84       | 84      | 139                                  | 65.48    | 139     | 143     |
| Venues and facilities   | 376     | 481     |         | 412     |          |         |                                      |          | 173     | 189     |
| <b>Transfers and subsidies to</b>                                     | 26 869  | 25 415  | 11 735  | 7 848   | 10 260   | 10 260  | 816                                  | (92.05)  |         |         |
| Provinces and municipalities  | 26 832  | 24 191  | 11 288  | 7 500   | 9 890    | 9 890   |                                      | (100.00) |         |         |
| Municipalities  | 26 832  | 24 191  | 11 288  | 7 500   | 9 890    | 9 890   |                                      | (100.00) |         |         |
| Municipal bank accounts   | 26 832  | 24 191  | 11 288  | 7 500   | 9 890    | 9 890   |                                      | (100.00) |         |         |
| Households  | 37      | 1 224   | 447     | 348     | 370      | 370     | 816                                  | 120.54   |         |         |
| Social benefits   | 37      | 1 224   | 447     | 348     | 370      | 370     | 816                                  | 120.54   |         |         |
| <b>Total economic classification</b>                                  | 66 443  | 67 777  | 50 434  | 51 099  | 52 660   | 51 623  | 41 739                               | (19.15)  | 41 379  | 42 530  |

## Annexure A to Vote 3

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

| R thousand  | Audited<br>outcome<br>2018/19 | Audited<br>outcome<br>2019/20 | Actual<br>outcome<br>2020/21 | Main<br>appro-<br>priation<br>2020/21 | Adjusted<br>appro-<br>priation<br>2021/22 | Revised<br>estimate<br>2021/22 | Medium-term estimates |         |         |
|---|-------------------------------|-------------------------------|------------------------------|---------------------------------------|---|--------------------------------|-----------------------|---------|---------|
|   |                               |                               |                              |                                       |   |                                | 2022/23               | 2023/24 | 2024/25 |
| <b>Revenue</b>  |                               |                               |                              |                                       |   |                                |                       |         |         |
| <b>Non-tax revenue</b>  | 67 045                        | 79 706                        | 72 939                       | 69 803                                | 69 803                                    | 69 803                         | 71 527                | 75 467  | 75 460  |
| Sale of goods and services other than capital assets          | 39 092                        | 40 128                        | 43 968                       | 38 375                                | 42 491                                    | 42 491                         | 43 519                | 43 799  | 44 350  |
| Entity revenue other than sales                               | 1 089                         | 1 719                         | 1 228                        | 1 056                                 | 1 056                                     | 1 056                          | 1 008                 | 1 053   | 1 100   |
| Transfers received  | 26 864                        | 37 663                        | 27 744                       | 30 372                                | 26 256                                    | 26 256                         | 27 000                | 30 615  | 30 010  |
| of which:   |                               |                               |                              |                                       |   |                                |                       |         |         |
| Departmental transfers  | 26 864                        | 37 663                        | 27 744                       | 30 372                                | 26 256                                    | 26 256                         | 27 000                | 30 615  | 30 010  |
| Other non-tax revenue   | -                             | 196                           | -                            | -                                     | -   | -                              | -                     | -       | -       |
| <b>Total revenue before deposits into the PRF</b>             | 67 045                        | 79 706                        | 72 939                       | 69 803                                | 69 803                                    | 69 803                         | 71 527                | 75 467  | 75 460  |
| <b>Total revenue</b>  | 67 045                        | 79 706                        | 72 939                       | 69 803                                | 69 803                                    | 69 803                         | 71 527                | 75 467  | 75 460  |
| <b>Expenses</b>   |                               |                               |                              |                                       |   |                                |                       |         |         |
| <b>Current expense</b>  | 56 913                        | 60 313                        | 51 913                       | 66 673                                | 66 673                                    | 66 373                         | 67 306                | 69 054  | 70 862  |
| Compensation of employees                                     | 44 155                        | 46 610                        | 44 537                       | 47 741                                | 47 741                                    | 48 687                         | 50 868                | 51 885  | 52 924  |
| Goods and services  | 12 758                        | 13 703                        | 7 376                        | 18 932                                | 18 932                                    | 17 686                         | 16 438                | 17 169  | 17 938  |
| <b>Payments for capital assets</b>                            | 1 795                         | 6 595                         | 1 247                        | 3 130                                 | 3 130                                     | 3 430                          | 4 221                 | 6 413   | 4 598   |
| <b>Payments for financial assets</b>                          | -                             | -                             | -                            | -                                     | -   | -                              | -                     | -       | -       |
| <b>Total expenses</b>   | 58 708                        | 66 908                        | 53 160                       | 69 803                                | 69 803                                    | 69 803                         | 71 527                | 75 467  | 75 460  |
| <b>Surplus / (Deficit)</b>                                    | 8 337                         | 12 798                        | 19 779                       | -                                     | -   | -                              | -                     | -       | -       |
| <b>Adjustments for Surplus/(Deficit)</b>                      | -                             | -                             | -                            | -                                     | -   | -                              | -                     | -       | -       |
| <b>Surplus/(deficit) after adjustments</b>                    | 8 337                         | 12 798                        | 19 779                       | -                                     | -   | -                              | -                     | -       | -       |
| <b>Cash flow from investing activities</b>                    | (1 738)                       | (6 542)                       | (1 213)                      | (3 111)                               | (3 111)                                   | (3 411)                        | (4 297)               | (6 489) | (4 670) |
| <b>Acquisition of Assets</b>                                  | (1 790)                       | (6 596)                       | (1 251)                      | (3 131)                               | (3 131)                                   | (3 431)                        | (4 318)               | (6 511) | (4 693) |
| Computer equipment  | (935)                         | (367)                         | (33)                         | (966)                                 | (966)                                     | (1 266)                        | (2 523)               | (2 636) | (2 754) |
| Furniture and Office equipment                                | (9)                           | (2 082)                       | (42)                         | (465)                                 | (465)                                     | (465)                          | (445)                 | (2 465) | (465)   |
| Transport Assets  | (493)                         | (602)                         | -                            | -                                     | -   | -                              | -                     | -       | -       |
| Computer Software   | (353)                         | (3 545)                       | (1 176)                      | (1 700)                               | (1 700)                                   | (1 700)                        | (1 350)               | (1 410) | (1 474) |
| <b>Other flows from Investing Activities</b>                  | 52                            | 54                            | 38                           | 20                                    | 20  | 20                             | 21                    | 22      | 23      |
| Proceeds from sale of property, plant and equipment           | 52                            | 54                            | 38                           | 20                                    | 20  | 20                             | 21                    | 22      | 23      |
| <b>Cash flow from financing activities</b>                    | (3 958)                       | 483                           | (9 830)                      | (1 000)                               | (1 000)                                   | (1 000)                        | (1 048)               | (1 094) | (1 143) |
| Other   | (3 958)                       | 483                           | (9 830)                      | (1 000)                               | (1 000)                                   | (1 000)                        | (1 048)               | (1 094) | (1 143) |
| <b>Net increase / (decrease) in cash and cash equivalents</b> | (5 696)                       | (6 059)                       | (11 043)                     | (4 111)                               | (4 111)                                   | (4 411)                        | (5 345)               | (7 583) | (5 813) |
| <b>Balance Sheet Data</b>                                     |                               |                               |                              |                                       |   |                                |                       |         |         |
| <b>Carrying Value of Assets</b>                               | 3 679                         | 8 653                         | 8 241                        | 5 490                                 | 5 490                                     | 5 490                          | 5 755                 | 6 008   | 6 278   |
| Computer equipment  | 1 849                         | 1 280                         | 713                          | 1 600                                 | 1 600                                     | 1 600                          | 1 677                 | 1 751   | 1 830   |
| Furniture and Office equipment                                | 379                           | 2 203                         | 1 819                        | 450                                   | 450                                       | 450                            | 472                   | 493     | 515     |
| Other Machinery and equipment                                 | 173                           | 117                           | 83                           | 200                                   | 200                                       | 200                            | 210                   | 219     | 229     |
| Transport Assets  | 873                           | 1 249                         | 937                          | 1 200                                 | 1 200                                     | 1 200                          | 1 258                 | 1 313   | 1 372   |
| Computer Software   | 405                           | 3 755                         | 4 651                        | 2 000                                 | 2 000                                     | 2 000                          | 2 096                 | 2 188   | 2 286   |
| Other Intangibles   | -                             | 49                            | 38                           | 40                                    | 40  | 40                             | 42                    | 44      | 46      |
| <b>Investments</b>  | -                             | 10 000                        | -                            | -                                     | -   | -                              | -                     | -       | -       |
| Current   | -                             | 10 000                        | -                            | -                                     | -   | -                              | -                     | -       | -       |
| <b>Cash and Cash Equivalents</b>                              | 32 387                        | 36 060                        | 56 046                       | 30 004                                | 30 000                                    | 30 000                         | 31 440                | 32 824  | 34 301  |
| Bank  | 11 434                        | 11 757                        | 26 998                       | 6 000                                 | 6 000                                     | 6 000                          | 6 288                 | 6 565   | 6 860   |
| Cash on Hand  | 4                             | 6                             | -                            | 4                                     | -   | -                              | -                     | -       | -       |
| Other   | 20 949                        | 24 297                        | 29 048                       | 24 000                                | 24 000                                    | 24 000                         | 25 152                | 26 259  | 27 441  |
| <b>Receivables and Prepayments</b>                            | 3 266                         | 28 543                        | 38 415                       | 1 500                                 | 1 500                                     | 1 500                          | 1 572                 | 1 641   | 1 715   |
| Trade Receivables   | 1 792                         | 27 163                        | 37 363                       | 1 000                                 | 1 000                                     | 1 000                          | 1 048                 | 1 094   | 1 143   |
| Prepaid Expenses  | 1 474                         | 1 380                         | 1 052                        | 500                                   | 500                                       | 500                            | 524                   | 547     | 572     |
| <b>Inventory</b>  | 54                            | 62                            | 61                           | 100                                   | 100                                       | 100                            | 105                   | 110     | 115     |
| Other   | 54                            | 62                            | 61                           | 100                                   | 100                                       | 100                            | 105                   | 110     | 115     |
| <b>Total Assets</b>   | 39 386                        | 83 318                        | 102 763                      | 37 094                                | 37 090                                    | 37 090                         | 38 872                | 40 583  | 42 409  |
| <b>Capital and Reserves</b>                                   | 9 974                         | 20 369                        | 24 864                       | 624                                   | 624                                       | 624                            | 654                   | 683     | 714     |
| Accumulated Reserves  | 1 637                         | 7 571                         | 5 085                        | 624                                   | 624                                       | 624                            | 654                   | 683     | 714     |
| Surplus / (Deficit)   | 8 337                         | 12 798                        | 19 779                       | -                                     | -   | -                              | -                     | -       | -       |
| <b>Post Retirement Benefits</b>                               | 6 407                         | 7 090                         | 9 135                        | 10 800                                | 10 800                                    | 10 800                         | 11 207                | 11 552  | 12 017  |
| Present value of Funded obligations                           | 2 672                         | 3 319                         | 4 867                        | 6 400                                 | 6 400                                     | 6 400                          | 6 707                 | 7 002   | 7 317   |
| Other   | 3 735                         | 3 771                         | 4 268                        | 4 400                                 | 4 400                                     | 4 400                          | 4 500                 | 4 550   | 4 700   |
| <b>Trade and Other Payables</b>                               | 10 623                        | 46 117                        | 62 117                       | 6 000                                 | 6 000                                     | 6 000                          | 6 288                 | 6 565   | 6 860   |
| Trade Payables  | 10 623                        | 46 117                        | 62 117                       | 6 000                                 | 6 000                                     | 6 000                          | 6 288                 | 6 565   | 6 860   |
| <b>Provisions</b>   | -                             | -                             | 300                          | -                                     | -   | -                              | -                     | -       | -       |
| Other   | -                             | -                             | 300                          | -                                     | -   | -                              | -                     | -       | -       |
| <b>Funds Managed (e.g. Poverty Alleviation Fund)</b>          | 20 720                        | 22 877                        | 26 124                       | 24 000                                | 24 000                                    | 24 000                         | 25 152                | 26 259  | 27 441  |
| Other   | 20 720                        | 22 877                        | 26 124                       | 24 000                                | 24 000                                    | 24 000                         | 25 152                | 26 259  | 27 441  |

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.

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

| Municipalities<br>R'000                    | Outcome            |                    |                    |                                       |   |                                | Medium-term estimate                    |          |         |         |
|--|--------------------|--------------------|--------------------|---------------------------------------|---|--------------------------------|---|----------|---------|---------|
|  | Audited<br>2018/19 | Audited<br>2019/20 | Audited<br>2020/21 | Main<br>appro-<br>priation<br>2021/22 | Adjusted<br>appro-<br>priation<br>2021/22 | Revised<br>estimate<br>2021/22 | % Change<br>from<br>Revised<br>estimate |          |         |         |
|  |                    |                    |                    |                                       |   |                                | 2022/23                                 | 2021/22  | 2023/24 | 2024/25 |
| <b>Total departmental transfers/grants</b> |                    |                    |                    |                                       |   |                                |   |          |         |         |
| <b>Category A</b>                          | 590                | 610                | 300                | 250                                   | 250                                       | 250                            |   | (100.00) |         |         |
| City of Cape Town                          | 590                | 610                | 300                | 250                                   | 250                                       | 250                            |   | (100.00) |         |         |
| <b>Category B</b>                          | 31 008             | 29 432             | 11 780             | 6 000                                 | 11 588                                    | 11 588                         |   | (100.00) |         |         |
| Matzikama                                  | 690                | 710                | 300                | 250                                   | 1 091                                     | 1 091                          |   | (100.00) |         |         |
| Cederberg                                  | 1 340              | 960                | 800                | 250                                   | 1 208                                     | 1 208                          |   | (100.00) |         |         |
| Bergrivier                                 | 690                | 710                | 300                | 250                                   | 850                                       | 850                            |   | (100.00) |         |         |
| Saldanha Bay                               | 1 140              | 660                | 300                | 250                                   | 250                                       | 250                            |   | (100.00) |         |         |
| Swartland                                  | 790                | 709                | 300                | 250                                   | 250                                       | 250                            |   | (100.00) |         |         |
| Witzenberg                                 | 690                | 710                | 300                | 250                                   | 250                                       | 250                            |   | (100.00) |         |         |
| Drakenstein                                | 615                | 620                | 380                | 250                                   | 1 250                                     | 1 250                          |   | (100.00) |         |         |
| Stellenbosch                               | 615                | 635                | 300                | 250                                   | 800                                       | 800                            |   | (100.00) |         |         |
| Breede Valley                              | 1 640              | 1 460              | 1 300              | 250                                   | 250                                       | 250                            |   | (100.00) |         |         |
| Langeberg                                  | 690                | 709                | 300                | 250                                   | 800                                       | 800                            |   | (100.00) |         |         |
| Theewaterskloof                            | 1 690              | 1 084              | 300                | 250                                   | 250                                       | 250                            |   | (100.00) |         |         |
| Overstrand                                 | 640                | 380                | 300                | 250                                   | 250                                       | 250                            |   | (100.00) |         |         |
| Cape Agulhas                               | 864                | 1 780              | 300                | 250                                   | 399                                       | 399                            |   | (100.00) |         |         |
| Swellendam                                 | 570                | 709                | 300                | 250                                   | 890                                       | 890                            |   | (100.00) |         |         |
| Kannaland                                  | 2 090              | 5 531              | 300                | 250                                   | 250                                       | 250                            |   | (100.00) |         |         |
| Hessequa                                   | 990                | 710                | 300                | 250                                   | 250                                       | 250                            |   | (100.00) |         |         |
| Mossel Bay                                 | 1 640              | 660                | 300                | 250                                   | 250                                       | 250                            |   | (100.00) |         |         |
| George                                     | 1 115              | 1 135              | 800                | 250                                   | 250                                       | 250                            |   | (100.00) |         |         |
| Oudtshoorn                                 | 1 840              | 1 852              | 300                | 250                                   | 250                                       | 250                            |   | (100.00) |         |         |
| Bitou                                      | 690                | 710                | 300                | 250                                   | 250                                       | 250                            |   | (100.00) |         |         |
| Knysna                                     | 2 059              | 1 443              | 800                | 250                                   | 250                                       | 250                            |   | (100.00) |         |         |
| Laingsburg                                 | 2 860              | 1 505              | 1 300              | 250                                   | 350                                       | 350                            |   | (100.00) |         |         |
| Prince Albert                              | 2 200              | 1 715              | 300                | 250                                   | 350                                       | 350                            |   | (100.00) |         |         |
| Beaufort West                              | 2 860              | 2 335              | 1 300              | 250                                   | 350                                       | 350                            |   | (100.00) |         |         |
| <b>Category C</b>                          | 6 593              | 7 534              | 3 708              | 1 250                                 | 2 350                                     | 2 350                          |   | (100.00) |         |         |
| West Coast District Municipality           | 640                | 860                | 700                | 250                                   | 750                                       | 750                            |   | (100.00) |         |         |
| Cape Winelands District Municipality       | 840                | 660                |                    | 250                                   |   |                                |   |          |         |         |
| Overberg District Municipality             | 1 040              | 1 310              | 300                | 250                                   | 250                                       | 250                            |   | (100.00) |         |         |
| Garden Route District Municipality         | 2 090              | 3 520              | 2 408              | 250                                   | 1 000                                     | 1 000                          |   | (100.00) |         |         |
| Central Karoo District Municipality        | 1 983              | 1 184              | 300                | 250                                   | 350                                       | 350                            |   | (100.00) |         |         |
| <b>Unallocated</b>                         |                    |                    |                    | 13 059                                | 2 179                                     | 2 179                          | 21 152                                  | 870.72   | 21 911  | 22 165  |
| <b>Total transfers to local government</b> | 38 191             | 37 576             | 15 788             | 20 559                                | 16 367                                    | 16 367                         | 21 152                                  | 29.24    | 21 911  | 22 165  |

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, earmarked priority allocations amounting to R21.152 million in 2022/23, R21.911 million in 2023/24 and R22.165 million in 2024/25 have been reserved for diverse financial support to municipalities. The amounts are unallocated at this stage for the Western Cape Financial Management Capability 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.



## Annexure A to Vote 3

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

| Municipalities<br>R'000                                | Outcome |         |         |         |          |         | Medium-term estimate           |          |         |         |
|--|---------|---------|---------|---------|----------|---------|--------------------------------|----------|---------|---------|
|  | Audited | Audited | Audited | Main    | Adjusted | Revised | % Change from Revised estimate |          |         |         |
|  | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2021/22  | 2021/22 | 2022/23                        | 2021/22  | 2023/24 | 2024/25 |
| <b>Western Cape Financial Management Support Grant</b> | 27 511  | 21 361  | 7 088   | 10 880  | 6 938    | 6 938   |                                | (100.00) |         |         |
| <b>Category A</b>                                      | 230     | 230     |         |         |          |         |                                |          |         |         |
| City of Cape Town                                      | 230     | 230     |         |         |          |         |                                |          |         |         |
| <b>Category B</b>                                      | 22 488  | 15 495  | 4 580   |         | 5 588    | 5 588   |                                | (100.00) |         |         |
| Matzikama  | 330     | 330     |         |         | 841      | 841     |                                | (100.00) |         |         |
| Cederberg  | 980     | 580     | 500     |         | 958      | 958     |                                | (100.00) |         |         |
| Bergrivier   | 330     | 330     |         |         | 600      | 600     |                                | (100.00) |         |         |
| Saldanha Bay   | 780     | 280     |         |         |          |         |                                |          |         |         |
| Swartland  | 430     | 330     |         |         |          |         |                                |          |         |         |
| Witzenberg   | 330     | 330     |         |         |          |         |                                |          |         |         |
| Drakenstein  | 255     | 240     | 80      |         | 1 000    | 1 000   |                                | (100.00) |         |         |
| Stellenbosch   | 255     | 255     |         |         | 550      | 550     |                                | (100.00) |         |         |
| Breede Valley  | 1 280   | 1 080   | 1 000   |         |          |         |                                |          |         |         |
| Langeberg  | 330     | 330     |         |         | 550      | 550     |                                | (100.00) |         |         |
| Theewaterskloof  | 1 330   | 704     |         |         |          |         |                                |          |         |         |
| Overstrand   | 280     |         |         |         |          |         |                                |          |         |         |
| Cape Agulhas   | 504     | 1 400   |         |         | 149      | 149     |                                | (100.00) |         |         |
| Swellendam   | 330     | 330     |         |         | 640      | 640     |                                | (100.00) |         |         |
| Kannaland  | 1 730   | 330     |         |         |          |         |                                |          |         |         |
| Hessequa   | 630     | 330     |         |         |          |         |                                |          |         |         |
| Mossel Bay   | 1 280   | 280     |         |         |          |         |                                |          |         |         |
| George   | 755     | 755     | 500     |         |          |         |                                |          |         |         |
| Oudtshoorn   | 1 480   | 1 472   |         |         |          |         |                                |          |         |         |
| Bitou  | 330     | 330     |         |         |          |         |                                |          |         |         |
| Knysna   | 1 699   | 1 064   | 500     |         |          |         |                                |          |         |         |
| Laingsburg   | 2 500   | 1 125   | 1 000   |         | 100      | 100     |                                | (100.00) |         |         |
| Prince Albert  | 1 840   | 1 335   |         |         | 100      | 100     |                                | (100.00) |         |         |
| Beaufort West  | 2 500   | 1 955   | 1 000   |         | 100      | 100     |                                | (100.00) |         |         |
| <b>Category C</b>                                      | 4 793   | 5 636   | 2 508   |         | 1 350    | 1 350   |                                | (100.00) |         |         |
| West Coast District Municipality                       | 280     | 480     | 400     |         | 500      | 500     |                                | (100.00) |         |         |
| Cape Winelands District Municipality                   | 480     | 280     |         |         |          |         |                                |          |         |         |
| Overberg District Municipality                         | 680     | 930     |         |         |          |         |                                |          |         |         |
| Garden Route District Municipality                     | 1 730   | 3 141   | 2 108   |         | 750      | 750     |                                | (100.00) |         |         |
| Central Karoo District Municipality                    | 1 623   | 805     |         |         | 100      | 100     |                                | (100.00) |         |         |
| <b>Unallocated</b>                                     |         |         |         | 10 880  |          |         |                                |          |         |         |

Note: The Vote has combined and redesigned the Western Cape Financial Management Support Grant and Western Cape Financial Management Capacity Building Grant into a consolidated grant structure (Western Cape Financial Management Capability Grant) that will continue to provide support to municipalities and attain the set objectives.

## Annexure A to Vote 3

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

| Municipalities<br>R'000  | Outcome |         |         |         |          |         | Medium-term estimate           |          |         |         |
|--|---------|---------|---------|---------|----------|---------|--------------------------------|----------|---------|---------|
|  | Audited | Audited | Audited | Main    | Adjusted | Revised | % Change from Revised estimate |          |         |         |
|  | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2021/22  | 2021/22 | 2022/23                        | 2021/22  | 2023/24 | 2024/25 |
| <b>Western Cape Financial Management Capacity Building Grant</b> | 10 680  | 11 394  | 8 700   | 7 500   | 7 250    | 7 250   |                                | (100.00) |         |         |
| <b>Category A</b>  | 360     | 380     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| City of Cape Town  | 360     | 380     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| <b>Category B</b>  | 8 520   | 9 116   | 7 200   | 6 000   | 6 000    | 6 000   |                                | (100.00) |         |         |
| Matzikama  | 360     | 380     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| Cederberg  | 360     | 380     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| Bergrivier   | 360     | 380     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| Saldanha Bay   | 360     | 380     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| Swartland  | 360     | 379     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| Witzenberg   | 360     | 380     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| Drakenstein  | 360     | 380     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| Stellenbosch   | 360     | 380     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| Breede Valley  | 360     | 380     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| Langeberg  | 360     | 379     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| Theewaterskloof  | 360     | 380     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| Overstrand   | 360     | 380     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| Cape Agulhas   | 360     | 380     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| Swellendam   | 240     | 379     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| Kannaland  | 360     | 380     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| Hessequa   | 360     | 380     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| Mossel Bay   | 360     | 380     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| George   | 360     | 380     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| Oudtshoorn   | 360     | 380     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| Bitou  | 360     | 380     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| Knysna   | 360     | 379     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| Laingsburg   | 360     | 380     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| Prince Albert  | 360     | 380     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| Beaufort West  | 360     | 380     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| <b>Category C</b>  | 1 800   | 1 898   | 1 200   | 1 250   | 1 000    | 1 000   |                                | (100.00) |         |         |
| West Coast District Municipality                                 | 360     | 380     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| Cape Winelands District Municipality                             | 360     | 380     |         | 250     |          |         |                                |          |         |         |
| Overberg District Municipality                                   | 360     | 380     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| Garden Route District Municipality                               | 360     | 379     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| Central Karoo District Municipality                              | 360     | 379     | 300     | 250     | 250      | 250     |                                | (100.00) |         |         |
| <b>Unallocated</b>   |         |         |         |         |          |         |                                |          |         |         |

Note: The Vote has combined and redesigned the Western Cape Financial Management Support Grant and Western Cape Financial Management Capacity Building Grant into a consolidated grant structure (Western Cape Financial Management Capability Grant) that will continue to provide support to municipalities and attain the set objectives.

## Annexure A to Vote 3

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

| Municipalities<br>R'000                            | Outcome |         |         |               |               |          | Medium-term estimate           |         |         |         |
|--|---------|---------|---------|---------------|---------------|----------|--------------------------------|---------|---------|---------|
|  | Audited | Audited | Audited | Main          | Adjusted      | Revised  | % Change from Revised estimate |         |         |         |
|  | 2018/19 | 2019/20 | 2020/21 | appropriation | appropriation | estimate |                                |         |         |         |
|  | 2018/19 | 2019/20 | 2020/21 | 2021/22       | 2021/22       | 2021/22  | 2022/23                        | 2021/22 | 2023/24 | 2024/25 |
| Western Cape Financial Management Capability Grant |         |         |         |               |               |          | 18 759                         |         | 19 260  | 19 260  |
| Unallocated  |         |         |         |               |               |          | 18 759                         |         | 19 260  | 19 260  |

Note: The Vote has combined and redesigned the Western Cape Financial Management Support Grant and Western Cape Financial Management Capacity Building Grant into a consolidated grant structure (Western Cape Financial Management Capability Grant) that will continue to provide support to municipalities and attain the set objectives.

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

| Municipalities<br>R'000                                  | Outcome |         |         |               |               |          | Medium-term estimate           |         |         |         |
|--|---------|---------|---------|---------------|---------------|----------|--------------------------------|---------|---------|---------|
|  | Audited | Audited | Audited | Main          | Adjusted      | Revised  | % Change from Revised estimate |         |         |         |
|  | 2018/19 | 2019/20 | 2020/21 | appropriation | appropriation | estimate |                                |         |         |         |
|  | 2018/19 | 2019/20 | 2020/21 | 2021/22       | 2021/22       | 2021/22  | 2022/23                        | 2021/22 | 2023/24 | 2024/25 |
| Western Cape Municipal Financial Recovery Services Grant |         | 4 821   |         | 2 179         | 2 179         | 2 179    | 2 393                          | 9.82    | 2 651   | 2 905   |
| Category B   |         | 4 821   |         |               |               |          |                                |         |         |         |
| Kannaland  |         | 4 821   |         |               |               |          |                                |         |         |         |
| Unallocated  |         |         |         | 2 179         | 2 179         | 2 179    | 2 393                          | 9.82    | 2 651   | 2 905   |

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, R2.393 million in 2022/23, R2.651 million in 2023/24 and R2.905 million in 2024/25 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<br>R'000   | Outcome |         |         | Main<br>appro-<br>piation<br>2021/22 | Adjusted<br>appro-<br>piation<br>2021/22 | Revised<br>estimate<br>2021/22 | Medium-term estimate                    |         |         |         |
|---|---------|---------|---------|--------------------------------------|--|--------------------------------|---|---------|---------|---------|
|   | Audited | Audited | Audited |                                      |  |                                | % Change<br>from<br>Revised<br>estimate |         |         |         |
|   | 2018/19 | 2019/20 | 2020/21 |                                      |  |                                | 2022/23                                 | 2021/22 | 2023/24 | 2024/25 |
| Cape Town Metro   | 303 106 | 328 765 | 277 393 | 319 608                              | 307 602                                  | 302 199                        | 321 610                                 | 6.42    | 324 217 | 329 382 |
| Total provincial expenditure by district and local municipality | 303 106 | 328 765 | 277 393 | 319 608                              | 307 602                                  | 302 199                        | 321 610                                 | 6.42    | 324 217 | 329 382 |

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

| Municipalities<br>R'000   | Outcome |         |         | Main<br>appro-<br>piation<br>2021/22 | Adjusted<br>appro-<br>piation<br>2021/22 | Revised<br>estimate<br>2021/22 | Medium-term estimate                    |         |         |         |
|---|---------|---------|---------|--------------------------------------|--|--------------------------------|---|---------|---------|---------|
|   | Audited | Audited | Audited |                                      |  |                                | % Change<br>from<br>Revised<br>estimate |         |         |         |
|   | 2018/19 | 2019/20 | 2020/21 |                                      |  |                                | 2022/23                                 | 2021/22 | 2023/24 | 2024/25 |
| Cape Town Metro   | 59 261  | 58 257  | 51 594  | 55 347                               | 60 515                                   | 59 860                         | 59 260                                  | (1.00)  | 57 569  | 58 852  |
| Total provincial expenditure by district and local municipality | 59 261  | 58 257  | 51 594  | 55 347                               | 60 515                                   | 59 860                         | 59 260                                  | (1.00)  | 57 569  | 58 852  |

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

| Municipalities<br>R'000   | Outcome |         |         | Main<br>appro-<br>piation<br>2021/22 | Adjusted<br>appro-<br>piation<br>2021/22 | Revised<br>estimate<br>2021/22 | Medium-term estimate                    |         |         |         |
|---|---------|---------|---------|--------------------------------------|--|--------------------------------|---|---------|---------|---------|
|   | Audited | Audited | Audited |                                      |  |                                | % Change<br>from<br>Revised<br>estimate |         |         |         |
|   | 2018/19 | 2019/20 | 2020/21 |                                      |  |                                | 2022/23                                 | 2021/22 | 2023/24 | 2024/25 |
| Cape Town Metro   | 121 334 | 137 338 | 115 847 | 139 227                              | 120 069                                  | 117 843                        | 144 237                                 | 22.40   | 150 989 | 152 217 |
| Total provincial expenditure by district and local municipality | 121 334 | 137 338 | 115 847 | 139 227                              | 120 069                                  | 117 843                        | 144 237                                 | 22.40   | 150 989 | 152 217 |

## Annexure A to Vote 3

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

| Municipalities<br>R'000   | Outcome |         |         |         |          |         | Medium-term estimate           |         |         |         |
|---|---------|---------|---------|---------|----------|---------|--------------------------------|---------|---------|---------|
|   | Audited | Audited | Audited | Main    | Adjusted | Revised | % Change from Revised estimate |         |         |         |
|   | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2021/22  | 2021/22 | 2022/23                        | 2021/22 | 2023/24 | 2024/25 |
| Cape Town Metro   | 56 068  | 65 393  | 59 518  | 73 935  | 74 358   | 72 873  | 76 374                         | 4.80    | 64 514  | 70 985  |
| Total provincial expenditure by district and local municipality | 56 068  | 65 393  | 59 518  | 73 935  | 74 358   | 72 873  | 76 374                         | 4.80    | 74 280  | 75 783  |

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

| Municipalities<br>R'000   | Outcome |         |         |         |          |         | Medium-term estimate           |         |         |         |
|---|---------|---------|---------|---------|----------|---------|--------------------------------|---------|---------|---------|
|   | Audited | Audited | Audited | Main    | Adjusted | Revised | % Change from Revised estimate |         |         |         |
|   | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2021/22  | 2021/22 | 2022/23                        | 2021/22 | 2023/24 | 2024/25 |
| Cape Town Metro   | 66 443  | 67 777  | 50 434  | 51 099  | 52 660   | 51 623  | 41 739                         | (19.15) | 49 615  | 49 967  |
| Total provincial expenditure by district and local municipality | 66 443  | 67 777  | 50 434  | 51 099  | 52 660   | 51 623  | 41 739                         | (19.15) | 41 379  | 42 530  |