

# VOTE 4 - Free State Provincial Treasury

## Free State Provincial Treasury

## Vote 4

To be appropriated by Vote in 2016/17	R326 766 000.00
Responsible MEC	MEC of Finance
Administering Department	Free State Provincial Treasury
Accounting Officer	Chief Executive Officer: Free State Provincial Treasury

### 1. Overview

Provincial Treasury derives its mandate, core functions and responsibilities from the Public Finance Management Act, (Act 1 of 1999), as amended and Municipal Finance Management Act (Act 56 of 2003).

#### Vision

Your partner in financial management and service excellence in the public sector, for a better life for all in the Free State

#### Mission

To instil prudent financial management and good governance

#### Values

The actions of every Provincial Treasury employee will be guided by the following values and principles:

- **Collaborative**

We will be considerate in working with our stakeholders to realize shared goals. We will be devoted, dedicated and involved

- **Integrity**

We will conduct ourselves with uncompromising standards and principles as individuals, as teams and as a department

- **Accountability**

We will honour our commitments; we will take responsibility and we will act in a transparent manner

- **Assertive**

We will be honest, firm and decisive in our interaction with stakeholders

- **Proactive**

We will stay ahead by anticipating rather than reacting. We will be innovative and diligently seek new ways to address challenges.

## **Acts, rules and regulations**

The following acts, rules and regulations are considered by the department:

- Constitution Act No. 200 of 1993
- Public Finance Management Act No. 1 of 1999 (as amended)
- Treasury Regulations, May 2005
- Employment Equity Act of 1998
- Public Service Act of 1994
- Public Service Regulations, 2001
- Public Service Coordinating Bargaining Council Collective Agreement
- SITA Act of 1999
- SITA Regulations of 1999
- Archives act of 1962
- Protection of Information Act, Act 84 of 1982
- Access to Information Act of 1998 (as amended)
- Minimum Information Security Standard (MISS)
- Annual Division of Revenue Act
- Municipal Finance Management Act number 56 of 2003
- Municipal Supply chain Regulations of 2005
- Municipal Investment Regulations of 2005
- Municipal PPP Regulations of 2005
- Preferential Procurement Policy Act No. 5 of 2000
- SCM Regulations of 2004
- Borrowing Powers of Provincial Government Act
- Provincial Tax Act
- Promotion of Administrative Justice (PAJA) Act 3 of 2000
- Labour Relations Act 66 of 1995

## **The Provincial Treasury will continue to render the following main services:**

- Provision of leadership, strategic management in accordance with legislation, regulations and policies as well as to ensure that there is appropriate support service to all other programmes;
- Provision of professional advice and support on provincial economic analysis, fiscal policy, and the management of the annual budget process and the implementation of provincial budgets;
- Provision of policy direction, facilitate the effective and efficient management of assets, liabilities and financial management systems;
- Promotion of accountability through substantive reflection of financial activities of the province as well as compliance with financial norms and standards;
- Provincial Treasury's mandate is broad; hence there was a need to revise Departmental organogram to commensurate with its mandate;
- Municipal Finance Management: This chief Directorate consists of seven (7) districts Program Support, Thabo Mofutsanyana District, Fezile Dabi District, Lejweleputswa District, Xhariep District, Municipal Risk & Internal Audit and Municipal Support Programme and IGR.

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

The Provincial Treasury contributes to outcome 5, outcome 9 and outcome 12. Some of the outputs from these outcomes will be incorporated into the 2014- 2017 Annual Performance plan.

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

The key focus areas are contained in the Auditor Generals' report of predetermined objectives Strategic Plan, Annual Performance Plan and MEC's Budget Speech. The Department did table its Annual Performance Plan and Budget speech in March 2015. There is correlation between what is contained in the MEC's budget speech and Annual Performance Plan. The implementation of what is contained in the Annual Performance Plan and budget speech is reported through quarterly performance reporting. The Department submits on quarterly basis progress to the National Treasury.

The Department has put great effort into improving financial management practices at provincial and local government level. At the end of the 2014/15 financial year, not one provincial department or provincial public entity received a disclaimer audit opinion. The Provincial Treasury obtained a clean audit for the sixth consecutive year and the Department of Sport, Arts, Culture and Recreation for the third consecutive year. The Free State Legislature also obtained a clean audit for the second consecutive year.

The Department of Public Works and Infrastructure and the Department of the Premier improved to a clean audit. Six other departments received unqualified reports with findings and two remained on qualified reports.

The 2014/15 municipal audit outcomes showed significant improvement. The number of disclaimers reduced from 9 to 3 whilst the number of qualified reports increased from 6 to 8. The financial unqualified with other matters increased from 9 to 10. The Thabo Mofutsanyane district municipality obtained the first clean audit for the province.

In line with the fraud prevention and anti-corruption strategy, Provincial Treasury has taken action to ensure the integrity of the central supplier database and payroll of the provincial government. The department in partnership with the Association of Certified Fraud Examiners and the University of the Free State conducted fraud awareness and training programmes throughout the province. In order to increase the number of Certified Fraud Examiners in the province, 20 delegates amongst other, the MEC for Finance, Director General and some Heads of Department, Municipal Managers and Chief Financial Officers attended a course for Certified Fraud Examiners.

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

Going forward, the Provincial Treasury will continue to guide the provincial government in restructuring the provincial budget to unlock funds to further promote key government priorities and to allocate funding with the purpose of stimulating economic growth and employment opportunities.

Provincial Treasury will continue to closely monitor the implementation of cost containment measures to ensure that we limit growth of spending on non-core items in order to reprioritize funds towards frontline services. We will furthermore continue with our efforts to contain growth of the provincial wage bill through the central management of the PERSAL system and regular reporting on personnel cost.

The department is set on improving sound financial management, accountability and compliance with the relevant legislative frameworks. Sustainability of improved financial management practices will continue to form the foundation of support programmes whilst the department will continue to monitor and support departments, public entities and municipalities. Provincial Treasury will provide hands-on support to municipalities through the Municipal Support Programme.

Provincial Treasury is committed to its partnership programme with the Association of Certified Fraud Examiners and the University of the Free State to conduct fraud awareness and training programmes throughout the province. The implementation of the fraud prevention and anti-corruption strategy will continue and will be expanded in the forthcoming year.

#### 4. Reprioritisation

During the baseline allocation the departmental budget was decreased with approximately R4 million on compensation of employees. In order to compensate for the decrease the department reprioritized within the baseline for 2016/17 financial year, by reprioritizing the goods and services and compensation of employees allocations. The department investigated all vacant funded posts to determine the most critical posts be filled on a phased in approach. Reprioritisation was done within goods and services in order to ensure that all the priorities in the goods and services are catered for. Capital projects have been limited to finance leases and minor procurements. The voted funds after reprioritization mostly consist out of 70 percent compensation of employees and 30 percent on goods and services which include the centralize function of SITA.

#### 5. Procurement

The procurement will be done in line with the department's approved procurement plan and supply chain management prescripts. The department is also participating in the transversal contracts of the province and is committed to ensure that 70 percent of the procurement is awarded to SMME suppliers.

#### 6. Receipts and financing

##### 6.1 Summary of receipts

The Free State Provincial Treasury is the custodian for investments in the province and generates income by means of investing allocated funding available in the revenue fund. Due to improved spending of the provincial departments in the last few years the interest generated decreased, but with the implementation of cost containment measures and closely monitoring of the spending within departments the interest to be generated was increased again.

The department only generate small income with the selling of scrap paper or assets owned by the department.

Table 4.1 : Summary of receipts

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Equitable share	193 657	202 560	225 664	245 734	259 372	259 372	268 235	255 981	269 392
Revenue Enhancement Allocation			1 100		2 000	2 000	2 000		
Own Revenue	15 076	17 076	18 471	49 733	47 733	47 733	56 531	47 076	47 076
of which for Municipal Support Programme				30 000	27 450	27 450	30 000	30 000	30 000
<b>Total receipts</b>	<b>208 733</b>	<b>219 636</b>	<b>245 235</b>	<b>295 467</b>	<b>309 105</b>	<b>309 105</b>	<b>326 766</b>	<b>303 057</b>	<b>316 468</b>

## 6.2 Departmental receipts collection

Table 4.2 : Summary of departmental receipts collection

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Tax receipts									
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
Sales of goods and services other than	132	208	261	135	115	115	119	123	126
Transfers received									
Fines, penalties and forfeits									
Interest, dividends and rent on land	51 555	41 093	49 371	33 905	11 042	11 042	10 202	10 508	10 823
Sales of capital assets			3						
Transactions in financial assets and	838	182	270	206	116	116	119	123	127
<b>Total departmental receipts</b>	<b>52 525</b>	<b>41 483</b>	<b>49 905</b>	<b>34 246</b>	<b>11 273</b>	<b>11 273</b>	<b>10 440</b>	<b>10 754</b>	<b>11 076</b>

The over-collection of interest was mainly due to stringent cash flow measures applied during the financial year to ensure that departmental PMG accounts are not carrying high bank balances which could result in opportunity costs for the Provincial Revenue Fund. Surplus funds were mostly deposited with the South African Reserve Bank at better rates than those offered by commercial banks on fixed deposits.

Capital assets that were sold were obsolete and redundant computer equipment sold in bulk. The Department is not service rendering and did not render any free services during the financial year under review. No bad debts were written off which could have impacting own revenue.

## 7. Payment summary

### 7.1 Key assumptions

Approximately 70 percent of the Free State Provincial Treasury budget is allocated towards the payment of compensation of employees.

The department implemented a calculation on the following basis as outlined in the guideline relating to the compensation of employees over the Medium Term Expenditure Framework:

2016/17	2017/18	2019/18
7.2 per cent	6.8 per cent	5.8 per cent

A further 1.5 percent will be calculated for pay progression and 2 percent notch increment for all officials. The department is in the process of implementing a new structure in phases. The outcome of the new structure might require additional funding due to additional posts.

## 7.2 Programme summary

Table 4.3 : Summary of payments and estimates by programme: Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1.Administration	82 771	90 185	92 464	91 499	92 859	89 937	94 476	101 780	107 639
2.Sustainable Resource Management	31 353	32 764	31 785	37 649	39 412	37 984	38 724	41 336	43 206
3.Asset And Liabilities Management	53 308	54 862	70 778	86 642	97 907	102 090	104 345	75 754	78 645
4.Financial Governance	16 763	17 409	19 452	20 304	21 035	20 132	24 747	23 274	24 564
5.Municipal Finance Management	22 350	21 147	24 584	59 373	57 892	56 962	64 474	60 912	62 414
<b>Total payments and estimates</b>	<b>206 545</b>	<b>216 367</b>	<b>239 063</b>	<b>295 467</b>	<b>309 105</b>	<b>307 105</b>	<b>326 766</b>	<b>303 057</b>	<b>316 468</b>

## 7.3 Summary of economic classification

Table 4.4 : Summary of provincial payments and estimates by economic classification: Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>198 867</b>	<b>209 117</b>	<b>235 101</b>	<b>294 373</b>	<b>286 782</b>	<b>284 888</b>	<b>310 673</b>	<b>301 298</b>	<b>314 607</b>
Compensation of employees	140 513	145 101	155 792	177 314	177 329	175 593	187 040	200 432	212 226
Goods and services	57 826	64 016	79 309	117 059	108 453	109 012	123 633	100 866	102 381
Interest and rent on land	528				1 000	283			
<b>Transfers and subsidies to:</b>	<b>406</b>	<b>3 400</b>	<b>499</b>	<b>347</b>	<b>19 649</b>	<b>19 590</b>	<b>13 719</b>	<b>391</b>	<b>414</b>
Provinces and municipalities		1			18 850	18 840	13 350		
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises	9								
Non-profit institutions									
Households	397	3 399	499	347	799	750	369	391	414
<b>Payments for capital assets</b>	<b>6 356</b>	<b>3 702</b>	<b>3 423</b>	<b>747</b>	<b>2 674</b>	<b>2 621</b>	<b>2 374</b>	<b>1 368</b>	<b>1 448</b>
Buildings and other fixed structures	303				30	29			
Machinery and equipment	5 991	3 702	3 423	747	2 644	2 592	2 374	1 368	1 448
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	62								
<b>Payments for financial assets</b>	<b>916</b>	<b>148</b>	<b>40</b>			<b>6</b>			
<b>Total economic classification</b>	<b>206 545</b>	<b>216 367</b>	<b>239 063</b>	<b>295 467</b>	<b>309 105</b>	<b>307 105</b>	<b>326 766</b>	<b>303 057</b>	<b>316 468</b>

Assets mainly consist of finance leases relating the leases of photocopy machines, cellular phone and USB contracts. Other expenditure includes normal administrative costs for training and the largest expenditure for the department is the transversal systems within programme 3.

## 7.4 Infrastructure Payments

Not applicable

## 7.5 Departmental Public –Private Partnership (PPP) Projects

Not applicable

## 7.6 Transfers

### 7.6.1 Transfers to local government

Table 4.5 : Summary of departmental transfers to local government by category

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
Category A									
Category B					18 350	18 350	12 850		
Category C		1			500	490	500		
<b>Total departmental transfers to local government</b>		<b>1</b>			<b>18 850</b>	<b>18 840</b>	<b>13 350</b>		

## 8. Receipts and retentions :Provincial Legislatures

Not applicable

## 9. Programme description

### Programme 1: Administration

The role of this programme is to provide leadership, strategic management in accordance with legislation, regulations and policies as well as to ensure there is appropriate support service to all other programmes. The programme consists of five operational sub-programmes: office of the MEC, Office of the CEO, Corporate Services, Financial Management and Internal Audit Departmental.

Table 4.6 : Summary of payments and estimates by sub-programme: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1.Office Of The Mec	5 906	6 509	5 864	6 568	6 453	6 079	6 911	7 256	7 677
2.Management Services	5 876	7 771	11 296	8 047	15 841	15 921	15 911	14 622	15 470
3.Corporate Services	33 256	31 131	32 161	35 691	25 919	25 894	27 913	31 992	33 803
4.Financial Management (Office Of The	33 366	40 481	38 985	35 966	39 413	37 313	38 657	42 766	45 246
5.Internal Audit (Departmental)	4 367	4 293	4 158	5 227	5 233	4 730	5 084	5 144	5 442
<b>Total payments and estimates</b>	<b>82 771</b>	<b>90 185</b>	<b>92 464</b>	<b>91 499</b>	<b>92 859</b>	<b>89 937</b>	<b>94 476</b>	<b>101 780</b>	<b>107 639</b>

Table 4.7 : Summary of payments and estimates by economic classification: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	77 677	83 887	89 429	90 452	89 966	87 052	92 094	100 040	105 798
Compensation of employees	54 196	54 707	57 708	64 062	63 422	63 196	65 728	72 573	76 778
Goods and services	23 481	29 180	31 721	26 391	26 544	23 856	26 366	27 467	29 020
Interest and rent on land									
<b>Transfers and subsidies to:</b>	103	3 262	253	347	610	551	369	391	414
Provinces and municipalities		1							
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises	9								
Non-profit institutions									
Households	94	3 261	253	347	610	551	369	391	414
<b>Payments for capital assets</b>	4 312	2 911	2 742	700	2 283	2 334	2 013	1 349	1 427
Buildings and other fixed structures	6				30	29			
Machinery and equipment	4 244	2 911	2 742	700	2 253	2 305	2 014	1 349	1 427
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	62								
<b>Payments for financial assets</b>	679	125	40						
<b>Total economic classification</b>	82 771	90 185	92 464	91 499	92 859	89 937	94 476	101 780	107 639

## Programme 2: Sustainable Resource Management

The role of this programme is to provide professional advice and support on provincial economic analysis, fiscal policy, and the management of the annual budget process and the implementation of provincial budgets. The programme consists of five operational sub-programmes:- Economic Analysis, Fiscal Policy, Budget Management and Public Finance.

Table 4.8 : Summary of payments and estimates by sub-programme: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1. Programme Support	2 414	2 684	1 672	1 506	1 518	1 447	1 622	1 277	1 351
2. Economic Analysis	5 665	5 778	5 658	6 701	7 963	7 668	6 987	7 865	8 005
3. Fiscal Policy	4 024	4 578	4 823	6 896	6 443	6 360	7 310	7 530	7 967
4. Budget Management	8 637	9 226	9 082	9 799	9 660	9 339	10 268	10 949	11 584
5. Public Finance	10 613	10 498	10 550	12 747	13 828	13 170	11 992	13 102	13 650
6. Compensation Directorate							545	613	649
<b>Total payments and estimates</b>	31 353	32 764	31 785	37 649	39 412	37 984	38 724	41 336	43 206

Table 4.9 : Summary of payments and estimates by economic classification: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	31 036	32 542	31 652	37 649	39 189	37 831	38 724	41 336	43 206
Compensation of employees	26 692	29 088	29 036	34 284	33 920	33 988	35 468	37 688	39 345
Goods and services	3 816	3 454	2 616	3 365	4 269	3 560	3 256	3 648	3 861
Interest and rent on land	528				1 000	283			
<b>Transfers and subsidies to:</b>			50		17	17			
Provinces and municipalities									
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households			50		17	17			
<b>Payments for capital assets</b>	151	218	83		206	130			
Buildings and other fixed structures									
Machinery and equipment	151	218	83		206	130			
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
<b>Payments for financial assets</b>	166	4				6			
<b>Total economic classification</b>	<b>31 353</b>	<b>32 764</b>	<b>31 785</b>	<b>37 649</b>	<b>39 412</b>	<b>37 984</b>	<b>38 724</b>	<b>41 336</b>	<b>43 206</b>

### Programme 3: Asset and Liability Management

The role of this programme is to provide policy direction, facilitate the effective and efficient management of assets, liabilities and financial management systems. The programme consists out of two sub-programmes:-Asset Management, Supporting and Interlinked Financial Systems.

Table 4.10 : Summary of payments and estimates by sub-programme: Asset And Liabilities Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1.Programme Support	3 238	2 241	2 251	1 602	1 301	1 211	1 735	1 836	1 943
2.Asset Management	8 521	12 824	26 793	39 872	51 277	54 464	56 061	27 844	27 956
3.Supporting And Interlinked Financial Syst	41 549	39 797	41 734	45 168	45 329	46 415	46 549	46 074	48 746
<b>Total payments and estimates</b>	<b>53 308</b>	<b>54 862</b>	<b>70 778</b>	<b>86 642</b>	<b>97 907</b>	<b>102 090</b>	<b>104 345</b>	<b>75 754</b>	<b>78 645</b>

Table 4.11 : Summary of payments and estimates by economic classification: Asset And Liabilities Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	51 721	54 564	70 461	86 642	97 655	101 837	103 985	75 754	78 645
Compensation of employees	26 231	26 158	30 310	33 574	33 362	32 685	33 758	36 758	38 664
Goods and services	25 490	28 406	40 151	53 068	64 293	69 152	70 227	38 996	39 981
Interest and rent on land									
<b>Transfers and subsidies to:</b>	303	101			131	131			
Provinces and municipalities									
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and									
Public corporations and private enterprises									
Non-profit institutions									
Households	303	101			131	131			
<b>Payments for capital assets</b>	1 213	183	317		121	122	360		
Buildings and other fixed structures	297								
Machinery and equipment	916	183	317		121	122	360		
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
<b>Payments for financial assets</b>	71	14							
<b>Total economic classification</b>	<b>53 308</b>	<b>54 862</b>	<b>70 778</b>	<b>86 642</b>	<b>97 907</b>	<b>102 090</b>	<b>104 345</b>	<b>75 754</b>	<b>78 645</b>

## Programme 4: Financial Governance

The role of this programme is to promote accountability through substantive reflection of financial activities of the province as well as compliance with financial norms and standards. The programme consists out of three sub-programmes:- Program Support, Accounting Services, Provincial Risk Management and Internal Audit.

Table 4.12 : Summary of payments and estimates by sub-programme: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1.Programme Support	1 731	1 720	3 761	2 053	2 152	2 068	2 269	2 314	2 388
2.Accounting Services	7 769	7 641	9 355	12 190	11 663	11 081	13 019	13 901	14 707
3.Risk Management And Internal Audit	7 263	8 048	6 336	6 061	7 220	6 983	9 459	7 059	7 469
<b>Total payments and estimates</b>	<b>16 763</b>	<b>17 409</b>	<b>19 452</b>	<b>20 304</b>	<b>21 035</b>	<b>20 132</b>	<b>24 747</b>	<b>23 274</b>	<b>24 564</b>

Table 4.13 : Summary of payments and estimates by economic classification: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	16 628	17 208	19 361	20 257	20 952	20 078	24 747	23 255	24 544
Compensation of employees	15 482	16 436	16 866	19 009	18 589	17 794	20 983	21 059	22 280
Goods and services	1 146	772	2 495	1 248	2 363	2 284	3 764	2 196	2 264
Interest and rent on land									
<b>Transfers and subsidies to:</b>					19	19			
Provinces and municipalities									
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and									
Public corporations and									
Non-profit institutions									
Households					19	19			
<b>Payments for capital assets</b>	135	201	91	47	64	35		19	21
Buildings and other fixed structures									
Machinery and equipment	135	201	91	47	64	35		19	21
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	16 763	17 409	19 452	20 304	21 035	20 132	24 747	23 274	24 564

## Programme 5: Municipal Finance Management

The role of this programme is to improve the state of financial governance and management at local government level. The programme consists of seven districts: - Programme support, Thabo Mofutsanyana, Fezile Dabi, Lejweleputswa, Xhariep Districts, Municipal Risk Management & Internal Audit and MSP & IGR directorate.

Table 4.14 : Summary of payments and estimates by sub-programme: Municipal Finance Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
1.Programme Support	1 795	999	2 638	31 710	30 271	29 898	2 339	1 911	2 021
2.Thabo Mafutsanyana District	5 605	5 597	6 016	8 136	6 484	6 996	7 154	7 628	8 070
3.Fezile Dabi District	4 115	4 730	5 184	6 259	6 228	6 121	5 795	6 448	6 822
4.Lejweleputswa District	3 277	3 447	3 766	4 038	4 762	4 550	6 832	6 583	6 965
5.Xhariep District	3 724	3 241	3 705	5 031	4 958	4 760	5 508	6 187	6 546
6.Municipal Risk Management & Internal Audit	3 834	3 133	3 275	4 199	4 177	4 084	4 490	4 633	4 902
7.Municipal Support Program & Igr					1 012	553	32 356	27 523	27 089
<b>Total payments and estimates</b>	22 350	21 147	24 584	59 373	57 892	56 962	64 474	60 912	62 414

Table 4.15 : Summary of payments and estimates by economic classification: Municipal Finance Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>21 805</b>	<b>20 916</b>	<b>24 198</b>	<b>59 373</b>	<b>39 020</b>	<b>38 090</b>	<b>51 124</b>	<b>60 912</b>	<b>62 414</b>
Compensation of employees	17 912	18 712	21 872	26 384	28 035	27 930	31 103	32 354	35 158
Goods and services	3 893	2 204	2 326	32 989	10 985	10 160	20 021	28 558	27 256
Interest and rent on land									
<b>Transfers and subsidies to:</b>		<b>37</b>	<b>196</b>		<b>18 872</b>	<b>18 872</b>	<b>13 350</b>		
Provinces and municipalities					18 850	18 840	13 350		
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households		37	196		22	32			
<b>Payments for capital assets</b>	<b>545</b>	<b>189</b>	<b>190</b>						
Buildings and other fixed structures									
Machinery and equipment	545	189	190						
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
<b>Payments for financial assets</b>		<b>5</b>							
<b>Total economic classification</b>	<b>22 350</b>	<b>21 147</b>	<b>24 584</b>	<b>59 373</b>	<b>57 892</b>	<b>56 962</b>	<b>64 474</b>	<b>60 912</b>	<b>62 414</b>

## 9.1 Description and objectives

### Programme 1: Administration.

- To provide support to MEC / CEO
- To facilitate towards a skilled, competent and responsive workforce for the Department
- To ensure that allocated funds are planned, managed and spent effectively
- To procure and maintain quality goods and services
- To ensure compliance with practices, norms and standards, independent assessment of the adequacy and effectiveness of internal controls and risk management
- To promote effective corporate communication
- To promote sound stakeholder relations

### Programme 2: Sustainable Resource Management

- To influence policy development and implementation in line with fiscal framework
- To provide policy advice for development and planning through research
- To provide fiscal policy implementation support
- To allocate financial resources in line with government priorities
- To monitor financial and non financial performance of provincial government

### Programme 3: Assets and Liability Management

- To provide policy development and implementation support
- Implementation of transversal financial management systems
- Monitoring of movable and immovable assets and liabilities in the provincial departments and entities

- To promote effective supply chain management practices in the provincial departments and entities
- Effective management of the provincial revenue fund

#### Programme 4: Financial Governance

- To promote sound risk management and internal audit practices in the provincial departments and public entities
- To promote sound accounting practices and reporting in provincial departments and public entities
- To facilitate the establishment and reconfiguration of public entities

#### Programme 5: Municipal Finance Management (MFM)

- To monitor and provide guidance on municipal revenue and debt management
- To monitor and enhance budget planning and implementation in municipalities
- To promote implementation of GRAP as well as liability management and reporting in municipalities
- To promote the implementation of supply chain management and procedures in municipalities
- To promote compliance to municipal finance related legislation
- To promote sound risk management and internal audit practices in municipalities

### 9.2 Service delivery measures

#### Departmental goals

- Provision of high quality support services to internal and external stakeholders.
- Yearly adequate resource allocation contributing to the improvement of living standards of the Free State occupants.
- Effective and efficient monitoring of provincial asset and financial systems that will contribute to the realization of clean audit.
- Promotion of financial accountability within the Provincial and Local spheres of government that will contribute to the realization of clean audit.

### 9.3 Other programme information

#### 9.3.1 Personnel numbers and costs

Table 4.16 : Personnel numbers and costs by programme

Personnel numbers	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015	As at 31 March 2016	As at 31 March 2017	As at 31 March 2017	As at 31 March 2017
1.Administration	176	234	169	190	205	205	205
2.Sustainable Resource Management	49	49	50	55	55	55	55
3.Asset And Liabilities Management	97	99	87	106	106	106	106
4.Financial Governance	72	96	82	43	43	43	43
5.Municipal Finance Management				57	57	57	57
Direct charges							
<b>Total provincial personnel numbers</b>	<b>394</b>	<b>478</b>	<b>388</b>	<b>451</b>	<b>466</b>	<b>466</b>	<b>466</b>
Total provincial personnel cost (R thousand)	140 513	145 101	155 792	175 593	187 040	200 432	212 226
Unit cost (R thousand)	357	304	402	389	401	430	456

Table 4.17: Summary of departmental personnel numbers and costs by component

R thousands	Actual						Revised estimate				Medium-term expenditure estimate						Average annual growth over MTEF		
	2012/13		2013/14		2014/15		2015/16				2016/17		2017/18		2018/19		2015/16 - 2018/19		
	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <sup>1</sup>	Costs	Personnel numbers <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 - 5	64		93		61		40	36	76	12 647	89	13 558	89	14 480	89	15 320	5.4%	6.6%	7.2%
7 - 10	229		259		240		271	2	273	86 313	274	84 108	274	93 083	274	97 737	0.1%	4.2%	47.1%
11 - 12	55		64		59		70	1	71	44 131	71	46 857	71	50 597	71	53 246	-	6.5%	25.2%
13 - 16	24		24		21		29	2	31	32 502	32	42 510	32	42 272	32	45 922	1.1%	12.2%	20.5%
Other	22		38		7														
<b>Total</b>	<b>394</b>		<b>478</b>		<b>388</b>		<b>410</b>	<b>41</b>	<b>451</b>	<b>175 593</b>	<b>466</b>	<b>187 040</b>	<b>466</b>	<b>200 432</b>	<b>466</b>	<b>212 226</b>	<b>1.1%</b>	<b>6.5%</b>	<b>100.0%</b>
<b>Programme</b>																			
Administration	176	54 196	234	54 707	169	57 708	153	37	190	63 196	205	65 729	205	72 573	205	76 778	2.6%	6.7%	36.1%
Sustainable Resource Management	49	26 692	49	29 088	50	29 036	54	1	55	33 988	55	35 468	55	37 688	55	39 345		5.0%	18.9%
Asset And Liabilities Management	97	26 231	99	26 158	87	30 310	106		106	32 665	106	33 758	106	36 758	106	38 654		5.8%	18.4%
Financial Governance	72	15 482	96	16 436	82	16 666	43		43	17 794	43	20 983	43	21 059	43	22 280		7.8%	10.4%
Municipal Finance Management		17 912		18 712		21 872		3		27 930		31 103		32 354		35 158		8.0%	16.2%
Direct charges																			
<b>Total</b>	<b>394</b>	<b>140 513</b>	<b>478</b>	<b>145 101</b>	<b>388</b>	<b>155 792</b>	<b>410</b>	<b>41.0</b>	<b>451</b>	<b>175 593.0</b>	<b>466</b>	<b>187 040.0</b>	<b>466</b>	<b>200 432.0</b>	<b>466</b>	<b>212 226.0</b>	<b>1.1%</b>	<b>6.5%</b>	<b>100.0%</b>
<b>Employee dispensation classification</b>																			
Public Service Act appointees not covered by OSDs																			
Public Service Act appointees still to be covered by OSDs																			
Professional Nurses, Staff Nurses and Nursing Assistants																			
Legal Professionals																			
Social Services Professions																			
Engineering Professions and related occupations																			
Medical and related professionals																			
Therapeutic, Diagnostic and other related Allied Health Professionals																			
Educators and related professionals																			
Others such as interns, EPWP, learnerships, etc																			
<b>Total</b>																			

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

## 9.3.2 Training

Table 4.18 : Information on training: Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
Number of staff	394	478	388	451	451	451	466	466	466
Number of personnel trained	304	466	447	85	85	260	290	310	330
of which									
Male	139	194	198	38	38	100	120	130	140
Female	165	272	249	47	47	160	170	180	190
Number of training opportunities	246	8	15	15	15	16	17	17	36
of which									
Tertiary									
Workshops	238	2	2	12	12	2	2	2	2
Seminars	8	6	13	1	1	13	14	15	17
Other				2	2				17
Number of bursaries offered	12	19	24	15	15	26	27	29	31
Number of interns appointed	31	34	32	42	42	33	35	37	39
Number of learnerships appointed									
Number of days spent on training		107	101	47	47	107	113	119	121

## 9.3.3 Reconciliation of structural changes

Structural changes between programmes in the department between Financial Governance and Norms & Standards (Municipal Finance.

All three financial years was completed and in the case when the change takes place changes to the affected programmes and sub-programmes as well as the budgeted amounts is reflected.

Table 4.19 : Reconciliation of structural changes: Provincial Treasury

2015/16		2016/17	
Programmes	R'000	Programmes	R'000
		<b>Administration</b>	<b>94 476</b>
		Office Of The Mec	6 911
		Management Services	15 911
		Corporate Services	27 913
		Financial Management (Office Of The Cfo)	38 657
		Internal Audit (Departmental)	5 084
<b>Sustainable Resource Management</b>		<b>Sustainable Resource Management</b>	<b>38 408</b>
Programme Support		Programme Support	1 622
Economic Analysis		Economic Analysis	6 987
Fiscal Policy		Fiscal Policy	7 310
Budget Management		Budget Management	10 268
Public Finance		Public Finance	11 676
		Compensation Directorate	545
		<b>Asset And Liabilities Management</b>	<b>104 661</b>
		Programme Support	1 735
		Asset Management	56 377
		Supporting And Interlinked Financial Systems	46 549
		<b>Financial Governance</b>	<b>24 747</b>
		Program Support	2 269
		Accounting Services	13 019
		Risk Management And Internal Audit Provincial	9 459
<b>Municipal Finance Management</b>		<b>Municipal Finance Management</b>	<b>64 474</b>
Program Support		Program Support	2 339
Municipal Budgets and IYM		Thabo Mafutsonyana District	7 154
Municipal SCM and Compliance		Fezile Dabi District	5 795
Municipal Revenue & Debt		Lejwelephutswa District	6 832
Municipal Accounting Services		Xhariep District	5 508
Municipal Risk Management & Internal Audit		Municipal Risk Management & Internal Audit	4 490
Municipal Support & IGR Directorate		Municipal Support Program & Igr	32 356
<b>Total</b>			<b>326 766</b>



# Annexure to the Estimates of Provincial Revenue & Expenditure

**Table B.1: Specifications of receipts**

Table B.1: Specification of receipts: Provincial Planning And Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Tax receipts</b>									
Casino taxes									
Horse racing taxes									
Liquor licences									
Motor vehicle licences									
<b>Sales of goods and services other than capital assets</b>	132	208	261	135	115	115	119	123	126
Sale of goods and services produced by department (excluding capital assets)	132	208	261	135	115	115	119	123	126
Sales by market establishments									
Administrative fees									
Other sales	132	208	261	135	115	115	119	123	126
Of which									
Health patient fees	132	208	261	135	115	115	142	149	158
Other (Specify)									
Other (Specify)									
Other (Specify)									
Sales of scrap, waste, arms and other used current goods (excluding capital assets)									
<b>Transfers received from:</b>									
Other governmental units									
Higher education institutions									
Foreign governments									
International organisations									
Public corporations and private enterprises									
Households and non-profit institutions									
<b>Fines, penalties and forfeits</b>									
<b>Interest, dividends and rent on land</b>	51 555	41 093	49 371	33 905	11 042	11 042	10 202	10 508	10 823
Interest									
Dividends	51 555	41 093	49 371	33 905	11 042	11 042	10 202	10 508	10 823
Rent on land									
<b>Sales of capital assets</b>			3						
Land and sub-soil assets									
Other capital assets			3						
<b>Transactions in financial assets and liabilities</b>	838	182	270	206	116	116	119	123	127
<b>Total departmental receipts</b>	<b>52 525</b>	<b>41 483</b>	<b>49 905</b>	<b>34 246</b>	<b>11 273</b>	<b>11 273</b>	<b>10 440</b>	<b>10 754</b>	<b>11 076</b>

Table B.2: Payments and estimates by economic classification: Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>198 867</b>	<b>209 117</b>	<b>235 101</b>	<b>294 373</b>	<b>286 782</b>	<b>284 888</b>	<b>310 673</b>	<b>301 298</b>	<b>314 607</b>
Compensation of employees	140 513	145 101	155 792	177 314	177 329	175 593	187 040	200 432	212 226
Salaries and wages	121 569	126 266	136 083	152 988	153 020	152 880	162 440	173 351	183 482
Social contributions	18 944	18 835	19 709	24 326	24 309	22 713	24 600	27 082	28 744
Goods and services	57 826	64 016	79 309	117 059	108 453	109 012	123 633	100 866	102 381
Administrative fees	40	48	235	409	419	288	449	480	507
Advertising	557	2 304	10 645	1 102	10 829	10 036	10 896	11 072	11 078
Minor assets	994	596	369	1 617	774	1 340	4 492	2 957	3 061
Audit cost: External	10 076	14 349	11 183	4 324	6 816	4 816	4 500	4 761	5 037
Bursaries: Employees	346	392	326	707	407	417	740	785	831
Catering: Departmental activities	1 034	900	1 045	1 019	1 033	815	848	936	954
Communication (G&S)	1 080	759	633	1 737	1 170	1 103	1 666	1 589	1 681
Computer services	24 713	22 353	24 939	21 162	24 490	24 312	20 670	19 506	20 637
Consultants and professional services: Business and advisory services	1 401	858	7 639	62 334	35 978	41 149	49 017	25 478	24 001
Consultants and professional services: Infrastructure and planning									
Consultants and professional services: Laboratory services									
Consultants and professional services: Scientific and technological services									
Consultants and professional services: Legal costs	35	61	57	182			190	260	275
Contractors	574	2 200	1 816	1 531	884	824	2 269	2 862	3 028
Agency and support / outsourced services	1 692	1 084	1 357	1 178	1 009	811	892	1 236	1 307
Entertainment	48	43	24	65	62	53	55	50	60
Fleet services (including government motor transport)		693	731	851	711	709	716	1 006	1 064
Housing									
Inventory: Clothing material and accessories									
Inventory: Farming supplies									
Inventory: Food and food supplies	212								
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher support material									
Inventory: Materials and supplies	37								
Inventory: Medical supplies	1								
Inventory: Medicine									
Medias inventory interface									
Inventory: Other supplies									
Consumable supplies	57	309	351	633	694	521	719	735	772
Consumable: Stationery, printing and office supplies	3 557	3 750	2 988	5 560	9 686	10 140	12 055	12 783	13 002
Operating leases	1 180	1 153	1 367	815	1 122	1 206	940	968	1 024
Property payments									
Transport provided: Departmental activity		119	211	130	300	300	138	146	154
Travel and subsistence	6 008	4 565	4 019	7 498	7 339	6 492	8 071	8 394	8 802
Training and development	3 408	6 777	8 293	2 802	3 616	2 731	2 787	3 341	3 528
Operating payments	161	108	380	830	414	402	856	946	1 000
Venues and facilities	615	595	701	575	702	547	667	575	574
Rental and hiring									
Interest and rent on land	528				1 000	283			
Interest	528				1 000	283			
Rent on land									
<b>Transfers and subsidies</b>	<b>406</b>	<b>3 400</b>	<b>499</b>	<b>347</b>	<b>19 649</b>	<b>19 590</b>	<b>13 719</b>	<b>391</b>	<b>414</b>
Provinces and municipalities		1			18 850	18 840	13 350		
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities		1			18 850	18 840	13 350		
Municipalities									
Municipal agencies and funds		1			18 850	18 840	13 350		
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises	9								
Public corporations	9								
Subsidies on production									
Other transfers	9								
Private enterprises									
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	397	3 399	499	347	799	750	369	391	414
Social benefits	81		245		204	206	22		
Other transfers to households	316	3 399	254	347	595	544	347	391	414
<b>Payments for capital assets</b>	<b>6 356</b>	<b>3 702</b>	<b>3 423</b>	<b>747</b>	<b>2 674</b>	<b>2 621</b>	<b>2 374</b>	<b>1 368</b>	<b>1 448</b>
Buildings and other fixed structures	303				30	29			
Buildings	303								
Other fixed structures					30	29			
Machinery and equipment	5 991	3 702	3 423	747	2 644	2 592	2 374	1 368	1 448
Transport equipment									
Other machinery and equipment	5 991	3 702	3 423	747	2 644	2 592	2 374	1 368	1 448
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	62								
<b>Payments for financial assets</b>	<b>916</b>	<b>148</b>	<b>40</b>			<b>6</b>			
<b>Total economic classification</b>	<b>206 545</b>	<b>216 367</b>	<b>239 063</b>	<b>295 467</b>	<b>309 105</b>	<b>307 105</b>	<b>326 766</b>	<b>303 057</b>	<b>316 468</b>

Table B.2: Payments and estimates by economic classification: Administration

R thousand	Outcome			Main appropriation	Adjusted appropriation	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2015/16	2016/17	2017/18
<b>Current payments</b>	<b>77 677</b>	<b>83 887</b>	<b>89 429</b>	<b>90 452</b>	<b>87 966</b>	<b>87 052</b>	<b>92 094</b>	<b>100 040</b>	<b>105 798</b>
Compensation of employees	54 196	54 707	57 708	64 062	63 422	63 196	65 728	72 573	76 778
Salaries and wages	47 070	47 555	50 268	55 180	54 413	54 857	56 939	62 228	65 833
Social contributions	7 126	7 152	7 440	8 882	9 009	8 339	8 789	10 345	10 945
Goods and services	23 461	29 180	31 721	26 391	24 544	23 856	26 366	27 467	29 020
Administrative fees	40	48	160	287	249	129	297	312	330
Advertising	554	2 122	1 174	1 027	794	813	810	949	1 004
Assets less than the capitalisation threshold	460	158	128	358	268	254	1 037	1 348	1 419
Audit cost: External	5 568	11 360	8 597	4 324	4 816	4 816	4 500	4 761	5 037
Bursaries: Employees	346	392	326	707	407	417	740	785	831
Catering: Departmental activities	562	498	617	457	439	340	282	441	467
Communication (G&S)	1 066	715	580	1 665	1 115	1 056	1 596	1 562	1 653
Computer services	4 205	2 932	4 472	2 259	3 695	3 640	634	1 117	1 182
Consultants and professional services: Business and advisory services	1 146	483	5 039	2 329	2 260	2 441	2 362	304	322
Consultants and professional services: Infrastructure and planning									
Consultants and professional services: Laboratory services									
Consultants and professional services: Scientific and technological services									
Consultants and professional services: Legal costs	35	61	57	182			190	260	275
Contractors	367	2 076	1 785	1 359	770	795	2 100	2 657	2 811
Agency and support / outsourced services	1 414	718	1 105	966	681	604	748	1 064	1 126
Entertainment	21	15	10	33	28	19	20	13	21
Fleet services (including government motor transport)		693	731	851	711	709	716	1 006	1 064
Housing									
Inventory: Clothing material and accessories									
Inventory: Farming supplies									
Inventory: Food and food supplies	72								
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher support material									
Inventory: Materials and supplies	13								
Inventory: Medical supplies	1								
Inventory: Medicine									
Medssas inventory interface									
Inventory: Other supplies									
Consumable supplies	22	90	100	268	247	168	309	309	319
Consumable: Stationery, printing and office supplies	1 217	1 787	1 559	2 490	2 030	1 980	2 650	2 944	3 115
Operating leases	1 180	1 153	1 367	815	1 122	1 206	940	968	1 024
Property payments									
Transport provided: Departmental activity		119	192	130	300	300	138	146	154
Travel and subsistence	2 952	1 886	1 478	3 219	2 417	2 157	3 470	3 519	3 723
Training and development	1 943	1 706	1 655	1 762	1 633	1 530	1 905	2 033	2 151
Operating payments	161	91	319	804	309	338	815	904	956
Venues and facilities	136	77	270	99	254	144	107	66	36
Rental and hiring									
Interest and rent on land									
Interest									
Rent on land									
<b>Transfers and subsidies</b>	<b>103</b>	<b>3 262</b>	<b>253</b>	<b>347</b>	<b>610</b>	<b>551</b>	<b>369</b>	<b>391</b>	<b>414</b>
Provinces and municipalities		1							
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities		1							
Municipalities									
Municipal agencies and funds		1							
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises	9								
Public corporations	9								
Subsidies on production									
Other transfers	9								
Private enterprises									
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	94	3 261	253	347	610	551	369	391	414
Social benefits	83		40		113	115	22		
Other transfers to households	11	3 261	213	347	497	436	347	391	414
<b>Payments for capital assets</b>	<b>4 312</b>	<b>2 911</b>	<b>2 742</b>	<b>700</b>	<b>2 283</b>	<b>2 334</b>	<b>2 013</b>	<b>1 349</b>	<b>1 427</b>
Buildings and other fixed structures	6				30	29			
Buildings	6					-			
Other fixed structures					30	29			
Machinery and equipment	4 244	2 911	2 742	700	2 253	2 305	2 014	1 349	1 427
Transport equipment									
Other machinery and equipment	4 244	2 911	2 742	700	2 253	2 305	2 014	1 349	1 427
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets	62								
<b>Payments for financial assets</b>	<b>679</b>	<b>125</b>	<b>40</b>						
<b>Total economic classification</b>	<b>82 771</b>	<b>90 185</b>	<b>92 464</b>	<b>91 499</b>	<b>90 859</b>	<b>89 937</b>	<b>94 476</b>	<b>101 780</b>	<b>107 639</b>

Table B.2: Payments and estimates by economic classification: Sustainable Resource Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>31 036</b>	<b>32 542</b>	<b>31 652</b>	<b>37 649</b>	<b>39 189</b>	<b>37 831</b>	<b>38 724</b>	<b>41 336</b>	<b>43 206</b>
Compensation of employees	26 692	29 088	29 036	34 294	33 920	33 988	35 468	37 688	39 345
Salaries and wages	23 554	25 409	25 407	29 776	29 540	29 736	30 965	32 683	34 049
Social contributions	3 138	3 679	3 629	4 506	4 380	4 252	4 483	5 006	5 296
Goods and services	3 816	3 454	2 616	3 365	4 269	3 560	3 256	3 648	3 861
Administrative fees				37	62	47	33	46	49
Advertising		61	124	32		21		74	78
Assets less than the capitalisation threshold	135	98	40	59	92	195	171	0	0
Audit cost: External	1 157	1 333	968						
Bursaries: Employees									
Catering: Departmental activities	96	104	48	151	164	94	122	42	30
Communication (G&S)	5				1	1			
Computer services					10				
Consultants and professional services: Business and advisory services					1 000	1 000			
Consultants and professional services: Infrastructure and planning									
Consultants and professional services: Laboratory services									
Consultants and professional services: Scientific and technological services									
Consultants and professional services: Legal costs									
Contractors	29	18	1	2	5	3		16	17
Agency and support / outsourced services	41	12	2				4	2	2
Entertainment	7	10	4	10	9	5	10	9	10
Fleet services (including government motor transport)									
Housing									
Inventory: Clothing material and accessories									
Inventory: Farming supplies									
Inventory: Food and food supplies		23							
Inventory: Fuel, oil and gas									
Inventory: Leamer and teacher support material									
Inventory: Materials and supplies		6							
Inventory: Medical supplies									
Inventory: Medicine									
Meddas inventory interface									
Inventory: Other supplies									
Consumable supplies	18	58	47	50	72	58	60	57	61
Consumable: Stationery, printing and office supplies	971	769	567	962	843	581	862	1 156	1 238
Operating leases									
Property payments									
Transport provided: Departmental activity			19						
Travel and subsistence	1 167	894	505	1 822	1 722	1 299	1 684	1 810	1 915
Training and development	16		3	134	123	175	80	152	161
Operating payments									
Venues and facilities	145	97	247	106	166	81	230	283	299
Rental and hiring									
Interest and rent on land	528				1 000	283			
Interest	528				1 000	283			
Rent on land									
<b>Transfers and subsidies</b>			<b>50</b>		<b>17</b>	<b>17</b>			
Provinces and municipalities									
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities									
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Non-profit institutions									
Households			50		17	17			
Social benefits			9		17	17			
Other transfers to households			41						
<b>Payments for capital assets</b>	<b>151</b>	<b>218</b>	<b>83</b>		<b>206</b>	<b>130</b>			
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	151	218	83		206	130			
Transport equipment									
Other machinery and equipment	151	218	83		206	130			
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>166</b>	<b>4</b>				<b>6</b>			
<b>Total economic classification</b>	<b>31 553</b>	<b>32 764</b>	<b>31 785</b>	<b>37 649</b>	<b>39 412</b>	<b>37 984</b>	<b>38 724</b>	<b>41 336</b>	<b>43 206</b>

Table B.2: Payments and estimates by economic classification: Asset And Liabilities Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>51 721</b>	<b>54 564</b>	<b>70 461</b>	<b>86 642</b>	<b>97 655</b>	<b>101 837</b>	<b>103 985</b>	<b>75 754</b>	<b>78 645</b>
Compensation of employees	26 231	26 158	30 310	33 574	33 362	32 685	33 758	36 758	38 664
Salaries and wages	21 894	22 373	26 156	28 848	28 773	27 902	28 668	31 665	33 184
Social contributions	4 337	3 785	4 154	4 726	4 589	4 783	5 090	5 094	5 480
Goods and services	25 490	28 406	40 151	53 068	64 293	69 152	70 227	38 996	39 981
Administrative fees			4	22	44	45	29	28	29
Advertising	3	121	9 347	43	10 035	9 202	10 086	10 049	9 996
Assets less than the capitalisation threshold	80	168	114	1 124	268	705	553	551	583
Audit cost: External	2 170	1 656							
Bursaries: Employees									
Catering: Departmental activities	88	44	26	124	50	83	104	107	92
Communication (G&S)	7	42	46	68	46	38	68	26	28
Computer services	20 506	19 421	20 402	18 903	20 785	20 672	20 036	18 389	19 456
Consultants and professional services: Business and advisory services	255	375	2 600	30 000	25 313	30 000	30 000	42	48
Consultants and professional services: Infrastructure and planning									
Consultants and professional services: Laboratory services									
Consultants and professional services: Scientific and technological services									
Consultants and professional services: Legal costs									
Contractors	114	46	3	137	85	12	141	148	157
Agency and support / outsourced services	152	257	79	81	81	8	86	134	142
Entertainment	3	5	2	4	6	7	6	6	6
Fleet services (including government motor transport)									
Housing									
Inventory: Clothing material and accessories									
Inventory: Farming supplies									
Inventory: Food and food supplies	66								
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher support material									
Inventory: Materials and supplies	4								
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Other supplies									
Consumable supplies	9	68	89	198	225	161	216	229	244
Consumable: Stationery, printing and office supplies	708	691	356	1 269	6 122	6 961	7 759	7 833	7 750
Operating leases									
Property payments									
Transport provided: Departmental activity									
Travel and subsistence	631	519	747	854	957	937	970	1 107	1 092
Training and development		4 870	6 211	167	176	185	83	251	260
Operating payments	-	17	61	25	64	64	41	40	41
Venues and facilities	98	106	64	50	37	72	49	56	58
Rental and hiring									
Interest and rent on land									
Interest									
Rent on land									
<b>Transfers and subsidies</b>	<b>303</b>	<b>101</b>		<b>131</b>	<b>131</b>				
Provinces and municipalities									
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Non-profit institutions									
Households	303	101		131	131				
Social benefits				33	33				
Other transfers to households	303	101		98	98				
<b>Payments for capital assets</b>	<b>1 213</b>	<b>183</b>	<b>317</b>	<b>121</b>	<b>122</b>		<b>360</b>		
Buildings and other fixed structures	297								
Buildings	297								
Other fixed structures									
Machinery and equipment	916	183	317	121	122		360		
Transport equipment									
Other machinery and equipment	916	183	317	121	122		360		
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
<b>Payments for financial assets</b>	<b>71</b>	<b>14</b>							
<b>Total economic classification</b>	<b>53 308</b>	<b>54 862</b>	<b>70 778</b>	<b>86 642</b>	<b>97 907</b>	<b>102 090</b>	<b>104 345</b>	<b>75 754</b>	<b>78 645</b>

Table B.2: Payments and estimates by economic classification: Financial Governance

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate 20 078	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>16 628</b>	<b>17 208</b>	<b>19 361</b>	<b>20 257</b>	<b>20 952</b>	<b>20 078</b>	<b>24 747</b>	<b>23 255</b>	<b>24 544</b>
Compensation of employees	15 482	16 436	16 866	19 009	18 589	17 794	20 983	21 059	22 280
Salaries and wages	13 481	14 421	14 871	16 079	15 689	15 686	18 454	18 352	19 417
Social contributions	2 001	2 015	1 995	2 931	2 901	2 108	2 529	2 706	2 863
Goods and services	1 146	772	2 495	1 248	2 363	2 284	3 764	2 196	2 264
Administrative fees			9	25	16	17	38	42	44
Advertising									
Assets less than the capitalisation threshold	99	65	36	25	46	39	2 526	1 002	1 000
Audit cost: External			1 618						
Bursaries: Employees									
Catering: Departmental activities	75	61	123	43	152	91	70	72	77
Communication (G&S)				2	3				
Computer services			65						
Consultants and professional services: Business and advisory services						800			
Consultants and professional services: Infrastructure and planning									
Consultants and professional services: Laboratory services									
Consultants and professional services: Scientific and technological services									
Consultants and professional services: Legal costs									
Contractors	30	21	14	16	10	6	13	14	15
Agency and support / outsourced services		5	3	9	6	6	8	14	15
Entertainment	6	7	1	6	6	11	6	5	5
Fleet services (including government motor transport)									
Housing									
Inventory: Clothing material and accessories									
Inventory: Farming supplies									
Inventory: Food and food supplies	18								
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher support material									
Inventory: Materials and supplies	6								
Inventory: Medical supplies									
Inventory: Medicine									
Medgas inventory interface									
Inventory: Other supplies									
Consumable supplies	3	33	37	35	60	51	42	42	44
Consumable: Stationery, printing and office supplies	314	302	260	379	325	306	364	380	402
Operating leases									
Property payments									
Transport provided: Departmental activity									
Travel and subsistence	286	156	192	336	243	202	342	368	389
Training and development	201	37	35	146	1 265	526	154	161	171
Operating payments					40			2	2
Venues and facilities	108	85	102	227	192	229	201	94	100
Rental and hiring									
Interest and rent on land									
Interest									
Rent on land									
<b>Transfers and subsidies</b>				<b>19</b>	<b>19</b>				
Provinces and municipalities									
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities									
Municipal agencies and funds									
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Non-profit institutions									
Households					19	19			
Social benefits					19	19			
Other transfers to households									
<b>Payments for capital assets</b>	<b>135</b>	<b>201</b>	<b>91</b>	<b>47</b>	<b>64</b>	<b>35</b>		<b>19</b>	<b>21</b>
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	135	201	91	47	64	35		19	21
Transport equipment									
Other machinery and equipment	135	201	91	47	64	35		19	21
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>16 763</b>	<b>17 409</b>	<b>19 452</b>	<b>20 304</b>	<b>21 035</b>	<b>20 132</b>	<b>24 747</b>	<b>23 274</b>	<b>24 564</b>

Table B.2: Payments and estimates by economic classification: Municipal Finance Management

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>21 805</b>	<b>20 916</b>	<b>24 198</b>	<b>59 373</b>	<b>39 020</b>	<b>38 090</b>	<b>64 474</b>	<b>60 913</b>	<b>62 415</b>
Compensation of employees	17 912	18 712	21 872	26 384	28 035	27 930	31 103	32 354	35 158
Salaries and wages	15 570	16 508	19 381	23 103	24 605	24 699	27 394	28 423	30 998
Social contributions	2 342	2 204	2 491	3 281	3 430	3 231	3 709	3 932	4 160
Goods and services	3 893	2 204	2 326	32 989	10 985	10 160	20 021	28 558	27 257
Administrative fees			21	38	48	50	52	53	56
Advertising									
Assets less than the capitalisation threshold	220	107	51	52	101	147	205	57	60
Audit cost: External	1 181								
Bursaries: Employees									
Catering: Departmental activities	213	193	231	244	228	207	270	273	289
Communication (G&S)	2	2	7	2	5	8	2	1	1
Computer services	2								
Consultants and professional services: Business and advisory services				30 005	7 405	6 908	16 655	25 132	23 632
Consultants and professional services: Infrastructure and planning									
Consultants and professional services: Laboratory services									
Consultants and professional services: Scientific and technological services									
Consultants and professional services: Legal costs									
Contractors	34	39	13	18	15	8	15	27	29
Agency and support / outsourced services	85	92	168	121	240	193	46	22	23
Entertainment	11	6	7	12	13	11	13	18	19
Fleet services (including government motor transport)									
Housing									
Inventory: Clothing material and accessories									
Inventory: Farming supplies									
Inventory: Food and food supplies	33								
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher support material									
Inventory: Materials and supplies	8								
Inventory: Medical supplies									
Inventory: Medicine									
Medsas inventory interface									
Inventory: Other supplies									
Consumable supplies	5	60	78	81	89	83	92	97	103
Consumable: Stationery, printing and office supplies	347	201	246	462	368	312	420	470	497
Operating leases									
Property payments									
Transport provided: Departmental activity									
Travel and subsistence	972	1 110	1 097	1 269	2 002	1 897	1 606	1 591	1 683
Training and development	652	164	389	592	418	315	565	743	786
Operating payments									
Venues and facilities	128	230	18	93	53	21	80	76	80
Rental and hiring									
Interest and rent on land									
Interest									
Rent on land									
<b>Transfers and subsidies</b>		<b>37</b>	<b>196</b>		<b>18 872</b>	<b>18 872</b>	<b>13 350</b>		
Provinces and municipalities					18 850	18 840	13 350		
Provinces									
Provincial Revenue Funds									
Provincial agencies and funds									
Municipalities					18 850	18 840	13 350		
Municipal agencies and funds					18 850	18 840	13 350		
Departmental agencies and accounts									
Social security funds									
Provide list of entities receiving transfers									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Public corporations									
Subsidies on production									
Other transfers									
Private enterprises									
Subsidies on production									
Other transfers									
Non-profit institutions									
Households		37	196		22	32			
Social benefits			196		22	22			
Other transfers to households		37				10			
<b>Payments for capital assets</b>	<b>545</b>	<b>189</b>	<b>190</b>						
Buildings and other fixed structures									
Buildings									
Other fixed structures									
Machinery and equipment	545	189	190						
Transport equipment									
Other machinery and equipment	545	189	190						
Heritage Assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
<b>Payments for financial assets</b>		<b>5</b>							
<b>Total economic classification</b>	<b>22 350</b>	<b>21 147</b>	<b>24 584</b>	<b>59 373</b>	<b>57 892</b>	<b>56 962</b>	<b>64 474</b>	<b>60 913</b>	<b>62 415</b>

Table B.4: Payments and estimates by economic classification: "Goods and Services level 4 items"

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Current payments</b>	<b>198 867</b>	<b>209 117</b>	<b>235 101</b>	<b>294 373</b>	<b>286 782</b>	<b>284 888</b>	<b>187 040</b>	<b>301 298</b>	<b>314 607</b>
<b>Goods and services</b>	<b>57 826</b>	<b>64 016</b>	<b>79 309</b>	<b>117 059</b>	<b>108 453</b>	<b>109 012</b>	<b>123 633</b>	<b>100 866</b>	<b>102 381</b>
Administrative fees	40	48	235	409	419	288	449	480	507
Advertising	557	2 304	10 645	1 102	10 829	10 036	10 896	11 072	11 078
Minor assets	994	596	369	1 617	774	1 340	4 492	2 957	3 061
Audit cost: External	10 076	14 349	11 183	4 324	6 816	4 816	4 500	4 761	5 037
Bursaries: Employees	346	392	326	707	407	417	740	785	831
Catering: Departmental activities	1 034	900	1 045	1 019	1 033	815	848	936	954
Communication (G&S)	1 080	759	633	1 737	1 170	1 103	1 666	1 589	1 681
Computer services	24 713	22 353	24 939	21 162	24 490	24 312	20 670	19 506	20 637
Consultants and professional services: Business and advisory services	1 401	854	7 639	62 334	35 978	41 149	49 017	25 478	24 001
Infrastructure and planning services									
Laboratory services									
Science and technological services									
Legal costs	35	61	57	182			190	260	275
Contractors	574	2 200	1 816	1 513	884	824	2 269	2 862	3 028
Agency and support / outsourced services	1 692	1 084	1 357	1 178	1 009	811	892	1 236	1 307
Entertainment	48	43	24	65	62	53	55	50	60
Fleet services (including government motor transport)		693	731	851	711	709	716	1 006	1 064
Housing									
Inventory: Clothing material and accessories									
Inventory: Farming supplies									
Inventory: Food and food supplies	212								
Inventory: Fuel, oil and gas									
Inventory: Learner and teacher support material									
Inventory: Materials and supplies	37								
Inventory: Medical supplies	1								
Inventory: Medicine									
Medsas inventory interface									
Inventory: Other supplies									
Consumable supplies	57	309	351	633	694	521	719	735	772
Consumable: Stationery, printing and office supplies	3 557	3 750	2 988	5 560	9 686	10 140	12 055	12 783	13 002
Operating leases	1 180	1 153	1 367	815	1 122	1 206	940	968	1 024
Property payments									
Transport provided as part of departmental activity		119	211	130	300	300	138	146	154
Travel and subsistence	6 008	4 565	4 019	7 498	7 339	6 492	8 071	8 394	8 802
Training and development	3 408	6 777	8 293	2 802	3 616	2 731	2 787	3 341	3 528
Operating payments	161	108	380	830	414	402	856	946	1 000
Venues and facilities	615	595	701	575	702	547	667	575	574
Rental and hiring									
<b>Total economic classification</b>	<b>206 545</b>	<b>216 367</b>	<b>239 063</b>	<b>295 467</b>	<b>309 015</b>	<b>307 105</b>	<b>326 766</b>	<b>303 057</b>	<b>316 468</b>

Table B.8: Transfers to local government by category and municipality: Provincial Treasury

R thousand	Outcome			Main appropriation	Adjusted appropriation 2015/16	Revised estimate	Medium-term estimates		
	2012/13	2013/14	2014/15				2016/17	2017/18	2018/19
<b>Category A</b>									
Mangaung									
<b>Category B</b>					18 350	18 350		12 850	
Letsemeng									
Kopanong									
Mohokare					500	500			
Naledi					500	500			
Masilonyana									
Tokologo									
Tswelopele					500	500			
Majhlabeng									
Setsoto					5 000	5 000			
Dhlabeng									
Nketoana					1 250	1 250		1 250	
Maluti-a-Phofung									
Phumelela					600	600		1 100	
Mantsopa									
Mophaka									
Ngwathe					10 000	10 000		5 000	
Metsimaholo									
Mafube								5 500	
<b>Category C</b>			1		500	490		500	
Xhariep District Municipality					500	490		500	
Lejweleputswa District Municipality									
Thabo Mofutsanyana District Municipality									
Fezile Dabi District Municipality									
<b>Unallocated</b>			1						
<b>Total transfers to municipalities</b>					<b>18 850</b>	<b>18 840</b>		<b>13 350</b>	